1. Ambassador met with Minister of Presidency, Carlos Flores, morning October 16 for extensive review of recent diplomatic developments. Flores was preoccupied by apparent success of Nicaraguans, Mexicans and others in painting Honduras as the bad guy in the current diplomatic situation in Central America. He agreed that October 4 San Jose meeting had been a success but felt that San Jose forum did not completely answer charge of Honduran unwillingness to negotiate with Nicaragua.
3. Flores said that he had just spoken with Foreign Minister who had returned from extensive foreign tour. He and Foreign Minister were thinking in terms of recommending to Doctor Suazo the idea of proposing a regional Foreign Ministers meeting at which differences with Nicaragua would be aired. Such a meeting, according to Flores, would include all Central American states from Guatemala through Panama. Flores felt that proposal of such a meeting would restore initiative to democratic states of region and there would be little danger of democratic countries being out-maneuvered by Nicaragua in such a forum.

4. Ambassador, speaking personally, acknowledged that such an idea appealed interesting. But Ambassador suggested that any such initiative would have to be coordinated carefully with "Peace Forum" which had just been created in San Jose. We certainly wouldn't want to do anything which gave impression that October 4 declaration and mechanisms created thereby were already being abandoned. Flores said that these points were well taken. Nonetheless, he felt there was nothing inconsistent between the continued existence of the San Jose mechanisms and a proposal for a regional Foreign Ministers meeting. Indeed these initiatives could be very well calibrated. Important point, Flores emphasized, is that
Honduras itself is especially under the gun for its alleged unwillingness to negotiate and this initiative could well be the way of getting out from under such an awkward situation.

5. Ambassador agreed to report Flores' idea to Washington for USG response reactions. Flores assured Ambassador that, in the meanwhile, his idea would remain in the tentative stage.

6. **COMMENT**: We can see merit in Flores' suggestion, particularly from Honduras' unique perspective. They are now the entire focus of Communist propaganda effort to portray them as intransigent. They are looking for something to turn the tables on Managua. Not all of Flores' ideas mature to the point of becoming government policy. Nonetheless, we would remind the Department that Honduran peace initiative last March was developed by Flores personally. We suspect that this idea has a similar prospect of becoming an official government initiative, probably sooner than later.

7. Request Department's advice and/or comments for transmittal to GOH soonest.

NEGRO PONTI