

# TELEGRAM

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FROM Amembassy TEGUCIGALPA CLASSIFICATION ~~RESTRICTED OFFICIAL USE~~

E.O. 11652: 12065, N/A CN: 6158 7  
TAGS: BEXP, APER, XX, HO  
SUBJECT: PROPOSED FOREIGN COMMERCIAL SERVICE REDEPLOYMENT OF PERSONNEL  
ACTION: SECSTATE WASHDC IMMEDIATE 9101 RUEHC

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FOR UNDER SECRETARIES KENNEDY AND OLMER FROM THE AMBASSADOR

REF: STATE 204443

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1. Embassy is dismayed that, at a time when we are seeking to maintain business confidence here and USG is on verge of launching CBI, consideration could be given to such a serious retrenchment from local commercial functions in Honduras.

2. We also find such proposed reduction inconsistent with increasing importance Administration attaching to Central America generally. Private sector is a key group in this pluralistic society and commercial officer has been the Embassy's principal link with that group which includes two major multinational food companies and a multinational mining operation. Also, in wake of

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DRAFTING DATE: 7/26/82  
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CONTENTS AND CLASSIFICATION APPROVED BY: DCM: Shepard C. Lowman

CLEARANCES:  
COMM: GEFflowers 6

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CLASSIFICATION

OPTIONAL FORM 152  
(Formerly FS-413)  
January 1975  
Dept. of State

50153-101

Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.  
(V) Release ( ) Excise ( ) Deny ( ) Declassify  
Date 6/2/98 Exemption

Dr. Suazo's successful visit to Washington and strong expressions of interest in Honduras' economic situation from various Cabinet-level officials, including Secretary of Treasury, abolition of SCO position would be difficult to explain. Given current political situation in Central America, we see businessmen hesitating to expand trade and investments in Honduras. We believe a sharp reduction in the commercial function here could be read as a retreat from stated USG policy of seeking peaceful solutions to social/economic problems and the basic thrust of the CBI in encouraging US investment in the area, particularly in Central America. The move seems to us completely ~~at~~ out of sync with the rest of our efforts here and could even be interpreted as support for the argument that USG is favoring military emphasis in Central American policy.

3. Even in economic terms, if looked at in the context of US/Honduran relationships, the move seems to us unjustified. We must point out that 41 percent of Honduran imports, which totaled Dols. 386 million last year, were from the U.S. and that 54 percent of the country's exports, which totaled Dols 416 million, were to the U.S. These figures are, of course, small in global terms but they play a vital part in our overall local relationship.

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4. Finally, Embassy questions allocation of commercial service positions on basis of rigid trade data or mathematical formulas. We believe other factors must be taken into account especially areas of such political sensitivity to USG.

5. If push came to shove, this Embassy would be prepared to sacrifice one local employee position in Commercial Section; but we believe it would be serious error to eliminate the American commercial officer slot. Under unique circumstances ~~based~~ in Honduras at this time Embassy does not rpt not believe volunteer from International Executive Service Corps would be adequate substitute.

JAN  
NEGROPONTE