1. **Confidential**

The entire text is marked as confidential.

2. Refetl reported Honduran sensitivity to characterization of recent military operations on Honduran-Salvadoran border as open collaboration with Salvadoran military.

3. At meeting with Ambassador afternoon July 8, Honduran Foreign Minister volunteered his own deep concern over way in which recent Honduran military operations in defense of sovereignty had been characterized as cooperation with Salvador. He specifically mentioned several recent Voice
of America reports to such effect which, in his view, added credibility to critics' charges that Honduras being used as springboard for operations in support of GOES. Ambassador agreed with Foreign Minister that such characterizations were indeed unfortunate and that obviously what was involved was entirely under rubric of defense of Honduran sovereignty. Ambassador suggested, however, that problem had been exacerbated by background remarks by GOH military officials themselves. Ambassador cited example of July 4 NYT Ray Bonner story in which Honduran military officers are quoted in precisely the way we would all prefer to avoid. Foreign Minister agreed; but returned to question of VOA and expressed hope that we could find more objective way of handling matter in future.

4. On related matter, Ambassador observed that recent operations on border had brought home to him more than ever the importance of resolving disputed territory sooner than the five years envisaged by Salvador-Honduras Peace Treaty. As long as border remains in dispute, Salvador guerrillas will take advantage of disputed areas for safehaven, refuge, etc. Once borders are categorically defined, then critics will not be able to muddy the waters with regard to Honduran or Salvadoran operations into these "no-man's-lands".
5. Paz Barnica agreed and said that Honduran side was interested in resolving border and its demarcation ASAP; but he detected some reticence on Salvadoran part. Ambassador asked if Honduran territorial claims were really negotiable or whether they intended to hold out for maximum position for XXXX entire five-year negotiating period foreseen by Treaty. Paz Barnica replied that he considered the matter negotiable and believed GOH would be prepared to make reasonable concessions in order to settle the matter.

6. **Comment:** While resolution of disputed areas is matter of mutual Salvadoran-Honduran interest, it would appear that at this point Salvador has even greater stake in speeding resolution disputed border. It would appear that the real XXXX tradeoff in this instance would be Salvadoran willingness to bend over backwards to resolve "bolsones" problem in exchange for truly effective Honduran patrolling right up to the mutually agreed border.