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VZCZCTGI #
OC RUEHSD RUEADww RUEHUB
DE RUEHTG #3466 &712358
ZNY SSSSS ZZH
O 1223572 MAR &5 ZDS

O 1223572 MAR 85 ZDS FM AMEMBASSY TEGUCIGALPA

TO RUEHC / SECSTATE WASHDC IMMEDIATE 9729

INFO RUEADWW / WEITERCUSE WASEDO

RUEHUB / USINT HAVANA Ø298

TE 9729

Le Rameres a/t to

CLASS: GEORGE

CERGE: PROG 63/12/85 APPRV: AMB:JDNEGROPO

DRAFT: AME: JDNEGROPO

- CLEAR: NONE

DISTR: AME DCM POL3
MILG DAC ECON

AID SA

CORRECTED COPY (CORRECTS FIRST 3-LINES OF PARA. 7)

DECAPTIONED

WHITE HOUSE PLS PASS AIR FORCE II

E.O. 12356: DECL: CADR

TAGS: PREL, CVIP, MARR, FAID, HO (FUSE, GEORGE)

EURO EUT - A FULS PRESIDON CEUSE SEVISIO - EUPROPE CON-

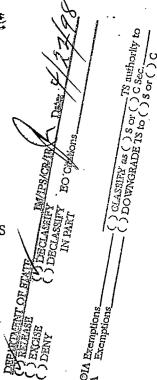
REF: TEGUCIGALPA 2866

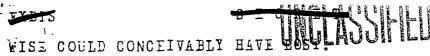
SPORET - ENTIRE TEXT.

2. SUMMARY: US/GOH MARCH 8 AGREEMENT ON AGENDA FOR DISBURSEMENT OF FY-84 ESF FUNDS AND EFFECTIVE GOH MARCH 12 AGREEMENT WITH OUR POL/MIL NEGOTIATORS TO DROP INSISTENCE ON A NEW AND FORMAL SECURITY PACT ARE NOTEWORTEY DEVELOPMENTS SINCE FEBRUARY 28 SUBMISSION OF EMBASSY BACKGROUND PAPERS FOR VP'S VISIT. GOE HAS ALSO TALEN ONE STEP FORWARD IN RAMIREZ CASE. THIS MESSAGE RECOMMENDS THAT VICE PRESIDENT EXPRESS SATISFACTION AT PROGRESS IN OUR BILATERAL ECONOMIC AND SECURITY TALKS AND MALE REFERENCE TO FORTHER SUCE TALAS IN LATE APRIL/EARLY MAY PREPARATORY TO DOCTOR SUAZO'S MAY 21 MEETING WITH PRESIDENT REAGAN. END SUMMARY.

3. SINCE SUBMISSION OF REFTEL AND EARLIER BACKGROUND CABLES SUBMITTED BY EMBASSY TEGUCIGALPA (TEGUCIGALPA 2648, 2649, 2668), SITUATION HAS EVOLVED IN FOLLOWING NOTEWORTHY WAYS.

4. FIRST, CN ECONOMIC QUESTION, ON MARCE & AGREEMENT WAS REACHED WITH GOP ON AN AGENDA FOR DISBURSEMENT OF \$72.5 FY-84 SUPPLEMENTAL FUNDS. INITIAL DISBURSEMENT OF \$35 MILLION WILL TAKE PLACE UPON SIGNING OF DOCUMENTS. DISBURSEMENT OF \$37.5 MILLION WILL BE TIED TO ACTUAL GOE IMPLEMENTATION OF AGREED ECONOMIC MEASURES. AGENDA FOR DISBURSEMENT OF \$75 MILLION IN FY-85 ESF FUNDS REMAINS TO BE NEGOTIATED. EVEN TECUGH GOH STILL HOPES TO ATTAIN NEW AID COMMITMENTS AND THE PROPERTY OF THE THEY OTHER





- 5. ON SECURITY MATTERS, SECURITY SUB-GROUP TALAS TOOM PLACE AGAIN MARCE 12. GOE EFFECTIVELY DROPPED INSISTENCE IN A NEW SECURITY PACT BY TABLING A DRAFT JOINT DECLARATION INSTEAD. THERE ARE STILL DIFFERENCES ON LANGUAGE OF SECURITY ASSURANCES; BUT GOH WILLINGNESS TO ACCEPT LESS FORMAL APPROACH IS IMPORTANT STEP IN RIGET DIRECTION AND THEY HAVE INDICATED FLEXIBILITY IN WORMING OUT LANGUAGE DISCREPANCIES.
- 6. IN BOTH ECON SUB-GROUP LAST WEEL AND SECURITY GROUP TODAY THERE WAS TALK OF FOLLOW UP SESSIONS IN WASHINGTON ON WEEK OF APRIL 29 OR MAY 6 PREPARATORY TO DOCTOR SUAZO'S MAY 21 MEETING WITE PRESIDENT REAGAN AND TO NAIL DOWN ANY LANGUAGE FOR A JOINT COMMUNIQUE. THUS, EVEN THOUGH DOCTOE SUAZO HAS NOT FORMALLY ACCEPTED THE PRESIDENT'S INVITATION, BOTH THE CIVILIAN AND MILITARY SIDES OF THE GOVERNMENT ARE BEGINNING TO ACT AS IF THE VISIT WERE DEFINITELY ON.
- 7. ON THE RMTC, ON MARCH 11, THE GOE FORMALLY INITIATED LEGAL PROCEEDINGS IN THE COURT AT TRUJICLO FOR THE EXPROPRIATION OF RAMIREZ LAND. UNLESS RESISTED BY RAMIREZ, THIS WILL LEAD TO THE APPOINTMENT OF REPRESENTATIVES BY THE TWO PARTIES AND THE INITIATION OF VALUATION PROCEEDINGS TO WHICH THE GOH COMMITTED ITSELF IN ITS LETTER REQUESTING CBI TRADE BENEFITS.
 - 8. IN VIEW OF THE FOREGOING RECENT DEVELOPMENTS, THERF-FORE, THE DEPARTMENT MAY WISE TO INCLUDE TALKING POINT FOR THE VICE PRESIDENT ALONG FOLLOWING LINES:
- -- EXPRESS SATISFACTION AT PROGRESS IN OUT BILATERAL ECONOMIC AND SECURITY TALKS AND LOOK FORWARD TO RENEWED SESSION BETWEEN OUR NEGOTIATORS IN WASEINGTON LATE APRIL/EARLY MAY PREPARATORY TO DOCTOR SUAZO'S MEETING WITH PRESIDENT REAGAN MAY 21.
- 9. LAST BUT NOT LEAST, HONDURAS DEFEATED EL SALVADOR IN WORLD CUP QUALIFYING GAME ON SUNDAY, MARCE 10. RETURN MATCH WILL BE THURSDAY, MARCH 14. RESULT WILL HAVE SOME INPACT ON THE MOOD OF THIS VERY SOCCER-MINDED COUNTRY. NEGROPONTE

CYNTO



TEGUCIGALPA 03466