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Collection Name LATIN AMERICAN AFFAIRS DIRECTORATE, NSC:
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File Folder HONDURAS/RMTC: [1985]

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
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110463	CABLE	STATE 011378 R 4/5/2013 M350/1	1	1/12/1985	B1
110464	CABLE	STATE 018088 R 4/5/2013 M350/1	5	1/19/1985	B1
110465	CABLE	TEGUCIGALPA 1046 PAR 4/5/2013 M350/1	3	1/25/1985	B1
110466	CABLE	TEGUCIGALPA 1110 PAR 4/5/2013 M350/1	2	1/25/1985	B1
110467	CABLE	TEGUCIGALPA 1578 PAR 4/5/2013 M350/1	1	2/5/1985	B1
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RMTC

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EXDIS

MILITARY ADDRESSEES TREAT AS SPECAT EXCLUSIVE

E.O. 12356: DECL: OADR
TAGS: MASS, EINV, CASC, HO
SUBJECT: RMTC - [REDACTED] CASE

REF: (A) 84 TEGUCIGALPA 15798 (DTG 221356Z DEC 84)
- (B) 84 TEGUCIGALPA 15801 (DTG 221413Z DEC 84)
- (C) 84 TEGUCIGALPA 16011 (DTG 312235Z DEC 84)

1. ~~SECRET~~ - ENTIRE TEXT.

2. SUMMARY: AS NEGOTIATIONS PROCEED ON THE RMTC, AGREEMENT ON RMTC GENERAL PRINCIPLES AND ON THE QUESTION OF SALVADORAN TRAINING SEEMS INCREASINGLY CLOSE. THUS, THE [REDACTED] PROBLEM APPEARS TO BE THE MAJOR OUTSTANDING ISSUE. HOWEVER, GROWING POLITICAL AND LEGAL COMPLEXITIES MAKE IT UNLIKELY THAT GOH WILL CARRY THROUGH WITH THE EXPROPRIATION OF AND COMPENSATION FOR [REDACTED] LAND. ADDITIONALLY, THE SOLUTION THROUGH A MOVEMENT OF THE RMTC TO A NEW SITE AND A RETURN TO THE STATUS QUO ANTE FOR [REDACTED] PLUS COMPENSATION FOR HIS BUSINESS LOSSES IS INCREASINGLY PROBLEMATIC. EMBASSY BELIEVES ALTERNATIVE SOLUTIONS INVOLVING THE COMPENSATION OF [REDACTED] WITH USG ASSETS SHOULD BE CONSIDERED. SEVERAL OPTIONS ARE CONSIDERED BELOW. TO ADDRESS THE PROBLEM OF PRECEDENT IN OTHER EXPROPRIATION CASES, WE SUGGEST TYING PAYMENT TO RMTC OPERATIONS. ACTION REQUESTED: FURTHER NEGOTIATING INSTRUCTIONS REQUESTED.

I. INTRODUCTION

3. AGREEMENT ON RMTC GENERAL PRINCIPLES CLOSE

THE NEW GOH DRAFT GENERAL PRINCIPLES FOR THE RMTC PRESENTED TO LTG CHAIN ON DECEMBER 19 ARE PROBABLY ACCEPTABLE WITH CERTAIN MODIFICATIONS AS NOTED REF A. IF THIS IS THE CASE AND ORAL ASSURANCES ON SALVADORAN

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TRAINING AS SUGGESTED REF B ARE ACCEPTABLE, WE BELIEVE AGREEMENT WITH THE GOH ON THE RMTC IS VERY CLOSE, INCLUDING AGREEMENT ON THE ISSUE OF SALVADORAN TRAINING.

--

4. THE REMAINING MAJOR OUTSTANDING ISSUE IS A SOLUTION TO THE [REDACTED] PROBLEM.

AS NOTED REF C, GOH POSITION ON THE [REDACTED] CASE IS HARDENING AS THE CASE BECOMES INCREASINGLY, POLITICALLY SENSITIVE IN HONDURAS. IT SEEMS TO US THAT THE TIME HAS COME TO REVIEW THE ALTERNATIVES FOR SOLVING THIS CASE. THE BASIC ELEMENTS NEEDED ARE:

-- AN EVALUATION PROCEDURE SUFFICIENTLY RIGOROUS TO PREVENT [REDACTED] FROM PROFITING UNDULY FROM THE SITUATION; YET SUFFICIENTLY OBJECTIVE TO BE CONVINCING TO THE U.S. CONGRESS AND OTHER THIRD PARTY OBSERVERS, AND

-- A SOURCE OF FUNDS ACCEPTABLE TO ALL PARTIES, INCLUDING THE USG AND THE GOH.

II. BACKGROUND

5. EXPROPRIATION AND COMPENSATION BY GOH

INITIALLY IT WAS EXPECTED THAT THESE ELEMENTS WOULD BE PRESENT AND THAT THIS CASE WOULD BE RESOLVED BY EXPROPRIATION AND COMPENSATION BY THE GOH. GOH APPEARED TO WANT THE LAND FOR OTHER MILITARY REQUIREMENTS IN ADDITION TO THE RMTC AND PROCEEDED TO ACQUIRE IT, PARTLY ON THE BASIS OF INTERNAL GOH DECISIONS. A DECREE WAS ISSUED EXPROPRIATING THE LAND FOR PUBLIC USE.

SHORTLY THEREAFTER, GOH COMMITTED ITSELF IN THE CBI LETTER TO A PROCESS WHICH WOULD INVOLVE A SIGNIFICANT ELEMENT OF INTERNATIONAL ARBITRATION IF THIS PROCESS WERE CARRIED THROUGH. THE GOH SENT THE CBI LETTER WITH CONSIDERABLE RELUCTANCE UNDER TIME PRESSURE OF THE CBI CERTIFICATION. NEVERTHELESS, THE CBI LETTER FORMULA SHOWED PROMISE OF PROVIDING A SATISFACTORY SOLUTION IN WASHINGTON. IT IS NOT CLEAR WHY [REDACTED] CHOSE NOT TO PURSUE HIS OPTIONS UNDER THAT FORMULA. HE STATES THAT IT IS BECAUSE HE DOES NOT TRUST THE GOH BUT IT IS EQUALLY POSSIBLE THAT HE KNOWS HIS FINANCIAL CLAIMS TO BE OVERSTATED AND BELIEVES HE CAN GET A GREATER COMPENSATION BY PRESSING HIS CASE IN WASHINGTON. IN LIGHT OF THE GOH'S OWN UNEASINESS ABOUT THE PROCEDURE, THE GOVERNMENT REFUSED TO INITIATE THESE PROCEDURES ON ITS OWN AND THE MATTER HAS BEEN AT A STANDSTILL IN BT

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EXDIS

MILITARY ADDRESSEES TREAT AS SPECAT EXCLUSIVE

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HONDURAS SINCE THAT TIME.

6. PROBLEMS WITH [REDACTED] OWNERSHIP CLAIM

SUBSEQUENTLY, IT HAS BECOME INCREASINGLY QUESTIONABLE WHETHER THAT OPTION CAN, IN FACT, BE IMPLEMENTED. FROM THE BEGINNING, HONDURAN OFFICIALS HAVE QUESTIONED WHETHER [REDACTED] WAS THE TRUE OWNER OF THE LAND BECAUSE OF THE CONSTITUTIONAL PROVISION FORBIDDING OWNERSHIP OF LAND WITHIN FORTY KILOMETERS OF THE COAST BY NON-HONDURANS. [REDACTED] AND HIS LAWYERS HAD THOUGHT THAT THEY HAD GOTTEN AROUND THIS PROVISION BY SETTING UP A CORPORATE SCREEN TO THE OWNERSHIP. THIS WAS ACCEPTED FOR MANY YEARS BUT, WHEN THE LEGAL STATUS OF THE LAND BECAME THE SUBJECT OF INTENSE SCRUTINY, SERIOUS DOUBTS WERE ONCE AGAIN RAISED. THESE WERE COMPOUNDED BY THE FACT THAT [REDACTED] HAD ONCE HAD A HONDURAN PARTNER IN WHOSE NAME THE LAND OWNERSHIP HAD BEEN REGISTERED. SOME YEARS AGO [REDACTED] HAD A DISPUTE WITH THIS INDIVIDUAL AND THE LATTER WAS EJECTED FROM THE FIRM. SINCE THEN, THE GOH CLAIMS THE LEGAL STATUS OF THE LAND HAS BEEN EVEN MORE QUESTIONABLE. THE EMBASSY HAS TAKEN THE POSITION THAT WHATEVER THE STATUS OF THE LAND MIGHT BE IN LEGAL-ISTIC TERMS WITHIN HONDURAS, [REDACTED] HAS BEEN ALLOWED TO INVEST IN AND DEVELOP THE LAND FOR MANY YEARS AND IT IS TOO LATE TO RAISE THESE LEGALISMS AS A REASON TO DENY HIM COMPENSATION WHEN HIS LAND IS TAKEN FOR OTHER PURPOSES. THIS ARGUMENT WAS ACCEPTED BY THE GOH POLITICAL LEADERSHIP AT THAT TIME AND WAS THE REASON THAT THEY INCLUDED THE DESIRED LANGUAGE ON THE [REDACTED] CASE IN THE CBI LETTER.

7. PROBLEM INCREASINGLY POLITICIZED

SINCE THAT TIME, HOWEVER, POLITICAL SENSITIVITIES

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ABOUT THE CASE HAVE CONTINUED TO MULTIPLY. IN THE ENSUING MONTHS, THE MATTER CAME TO PUBLIC ATTENTION BY WAY OF A FEBRUARY 15, 1984 OPEN LETTER FROM THE PRESIDENT OF THE NATIONAL UNIVERSITY TO PRESIDENT SUAZO MAKING BOTH THE CONSTITUTIONAL ARGUMENT AND A NUMBER OF OTHER ARGUMENTS AGAINST [REDACTED] POSITION. A DEBATE IN THE HONDURAN CONGRESS FOLLOWED. SUBSEQUENTLY, THE ATTORNEY GENERAL HAS REPORTEDLY THREATENED TO SUBMIT HER RESIGNATION IF INSTRUCTED TO CONTINUE WITH AN EXPROPRIATION PROCEDURE WHICH WOULD RESULT IN A COMPENSATION TO [REDACTED] FOR LAND OF WHICH SHE DID NOT CONSIDER HIM TO BE THE LEGAL OWNER. ALMOST EVERY OPPOSITION PARTY LEADER, INCLUDING A NUMBER OF DISSIDENT MEMBERS OF THE LIBERAL PARTY, HAVE INDICATED A WILLINGNESS TO CRITICIZE THE GOVERNMENT IN HIGHLY NATIONALISTIC TERMS IF [REDACTED] IS COMPENSATED FOR HIS LAND.

8. 1985 WILL BE NO BETTER

AS THE 1985 ELECTION NEARS AND AS OPPOSITION ON THIS SUBJECT GROWS THERE IS ALSO THE POSSIBILITY THAT CONFLICT OVER THE [REDACTED] CASE COULD CREATE TENSIONS IN THE U.S. HONDURAN RELATIONSHIP. INCREASINGLY, RESENTMENT IS EXPRESSED OVER WHAT IS SEEN AS AN INTRUSIVE ROLE OF THE U. S. CONGRESS INTO A DOMESTIC HONDURAN AFFAIR.

9. MOVEMENT OF THE RMTC AND COMPENSATION FOR BUSINESS LOSSES ALSO INCREASINGLY UNSATISFACTORY

-- FOR THESE REASONS WE HAVE JUDGED IT INCREASINGLY UNLIKELY THAT GOH WOULD PROCEED WITH AN EXPROPRIATION OF [REDACTED] LAND AND COMPENSATION TO HIM. UNTIL RECENTLY, HOWEVER, WE HAD THOUGHT IT WOULD PROBABLY BE ACCEPTABLE TO COMPENSATE [REDACTED] FOR BUSINESS LOSSES IF THE RMTC SITE COULD BE MOVED, BUT THE VALUATION PROBLEM CONTINUES TO POSE MAJOR DIFFICULTIES. WHILE WE WILL CONTINUE TO SEEK A FORMULA FOR THIS COURSE OF ACTION, WE NOW SEE IT ALSO AS INCREASINGLY UNLIKELY WITHOUT POLITICAL COSTS BOTH DOMESTICALLY AND IN TERMS OF THE U.S. HONDURAN RELATIONSHIP. FURTHERMORE, IT HAS BEEN ESTIMATED THAT THE MOVE TO A NEW SITE COULD EASILY COST AN ADDITIONAL FOUR TO SIX MILLION DOLLARS AND THE NEW SITE WOULD BE SUBSTANTIALLY LESS DESIRABLE PHYSICALLY THAN THE PRESENT CANTONMENT AREA PLUS THE REMAINDER OF [REDACTED] LAND.

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EXDIS

MILITARY ADDRESSEES TREAT AS SPECAT EXCLUSIVE

E.O. 12356: DECL: OADR
TAGS: MASS, EINV, CASC, HO
SUBJECT: RMTC - [REDACTED] CASE

10. AS NOTED BY ARRIAGA, OUR PROBLEMS WITH [REDACTED] WOULD BE FAR FROM OVER SIMPLY THROUGH THE OPTION OF MOVING THE RMTC SITE. [REDACTED] CLAIMS THAT HE CAN NO LONGER OPERATE IN HONDURAS DUE TO HARASSMENT BY THE GOVERNMENT AND THAT HIS REQUIRED COMPENSATION WOULD BE THE SAME WHETHER AN EXPROPRIATION IS CARRIED THROUGH OR NOT. WHILE WE DO NOT FULLY ACCEPT [REDACTED] ARGUMENTATION, HE CLEARLY HAS SUFFERED SOME HARASSMENT, THROUGH HIGHLY CONFRONTATIONAL TACTICS, [REDACTED] HAS GENERATED SUBSTANTIAL ILL WILL AMONG THE MILITARY AND CIVIL BUREAUCRACIES AND WE BELIEVE IT WOULD BE NECESSARY FOR THE EMBASSY TO MAKE CONSIDERABLE EFFORTS TO ASSIST HIM WHILE HE WAS GETTING HIMSELF RE-ESTABLISHED AND HIS BUSINESS BUILT BACK UP. FURTHER, GIVEN THE ABOVE AND THE CURRENT STATUS OF THE EMBARGO ON HIS ASSETS, AND EVER MORE PUBLIC QUESTIONING OF HIS OWNERSHIP OF THE LAND, IT IS NOT CLEAR TO US THAT THE GOH WOULD IN FACT ALLOW HIM TO RENEW OPERATIONS.

II. ALTERNATIVE SOLUTIONS

11. POSSIBLE USE OF USG ASSETS

EMBASSY BELIEVES, THEREFORE, THAT WE HAVE NOW REACHED THE POINT AT WHICH OTHER OPTIONS FOR THE SOLUTION OF THE [REDACTED] CASE SHOULD BE SOUGHT IN WHICH MORE CLEARLY IDENTIFIABLE U.S. ASSETS ARE UTILIZED FOR HIS COMPENSATION. WE RECOGNIZE THAT THE USG WOULD NORMALLY NOT WISH TO TREAT A FOREIGN EXPROPRIATION CASE IN THIS WAY AND THAT THERE WOULD BE SOME CONCERN ABOUT THE POSSIBLE PRECEDENT THAT WOULD BE ESTABLISHED. HOWEVER, IT SEEMS TO US THAT THIS CASE IS CLEARLY DISTINGUISHABLE FROM OTHER EXPROPRIATIONS. THERE IS SOME REAL SUBSTANCE TO THE GOH'S LEGAL ARGUMENTS AGAINST [REDACTED] CLAIM.

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FURTHER THERE IS ALSO SOME TRUTH TO [REDACTED] CLAIM THAT HIS LAND WAS TAKEN TO SERVE THE PURPOSES OF USG POLICY. THAT POLICY REFLECTED A MUTUAL SECURITY INTEREST OF BOTH THE U. S. AND HONDURAS BUT THERE CAN BE NO QUESTION THAT THE PROGRAM WAS INITIATED AND THE LAND TAKEN AFTER A PROPOSAL BY THE USG OF A PROGRAM FOR THE TRAINING OF SALVADORANS IN HONDURAS. ADDITIONALLY, THERE ARE SUBSTANTIAL CONTINUING POSSIBLE MILITARY USES OF THE LAND IN QUESTION WHICH COULD BE OF JOINT BENEFIT TO BOTH HONDURAS AND THE U. S.

12. DIRECT COMPENSATION BY USG AFTER ARBITRATION

THUS, ONE POSSIBILITY WOULD BE DIRECT PAYMENT TO [REDACTED] BY THE USG. WHILE CONGRESSMAN FASCELL'S CHOICE OF THE FOREIGN CLAIMS COMMISSION AS THE ARBITER OF THE VALUATION QUESTION NEED NOT BE ACCEPTED. PRESUMABLY SOME PROFESSIONAL QUALIFIED ARBITRATION ORGANIZATION OR QUASI-JURIDICAL BODY WOULD NEED TO BE DESIGNATED TO ESTABLISH THE PROPER AMOUNT OF COMPENSATION FOR [REDACTED] IT MIGHT THEN BE POSSIBLE TO INCLUDE THIS AMOUNT IN AN APPROPRIATE DEFENSE DEPARTMENT OR OTHER APPROPRIATION.

13. USE OF RMTC FUNDS FOR COMPENSATION

AN ALTERNATIVE POSSIBILITY IS SUGGESTED BY THE REFERENCE OF THE HONDURANS TO THE POSSIBILITY THAT THE RMTC MIGHT BE GIVEN A JURIDICAL PERSONALITY AND BE ASKED TO PAY THESE CLAIMS (REF C). THE HONDURANS HAD OBVIOUSLY NOT THOUGHT THROUGH THIS PROPOSAL AND CHARGE DID NOT WISH TO CARRY THE QUESTION FURTHER IN REF C DISCUSSION WITHOUT REFERENCE TO WASHINGTON. HOWEVER, THE FOLLOWING

ARRANGEMENT DOES APPEAR TO OFFER A POSSIBLE SOLUTION;

-- A SET OF RMTC GENERAL PRINCIPLES, AGREED UPON BY THE GOH AND USG, WOULD BE SUBMITTED BY THE GOH TO THEIR CONGRESS IN LATE JANUARY 1985.

-- FOLLOWING HONDURAN CONGRESSIONAL APPROVAL, THE RMTC WOULD BE PROVIDED A JURIDICAL PERSONALITY BY THE GOH.

-- THE RMTC WOULD THEN PROVIDE THE USG WITH A LETTER OFFERING TO COMPENSATE [REDACTED] FOR ALL PROVABLE LOSSES RESULTING FROM RMTC OPERATIONS PAST AND FUTURE. AND
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E.O. 12356: DECL: OADR
TAGS: MASS, EINV, CASC, HO
SUBJECT: RMTC - [REDACTED] CASE

SPECIFYING A VALUATION PROCEDURE INVOLVING INTERNATIONAL
ARBITRATION.

-- IT SHOULD BE AGREED THAT THE USG COULD INTERVENE
IN THE ARBITRATION PROCEEDINGS IN ORDER TO ADDUCE ANY
FACTS WHICH MIGHT BE RELATIVE TO THE FINAL AWARD.

-- PAYMENT TO [REDACTED] WOULD BE MADE FROM RMTC FUNDS.

-- PRESUMABLY, AT SOME POINT, SUCH AN ARRANGEMENT
WOULD HAVE TO BE CLEARED BY THE RELEVANT COMMITTEES OF
THE U.S. CONGRESS.

14. SUB-OPTIONS FOR RMTC FUNDING OF CLAIMS

WHILE PAYMENT TO [REDACTED] FROM RMTC FUNDS INEVITABLY
MEANS A PAYMENT TO [REDACTED] FROM USG MILITARY ASSISTANCE
FUNDS, THESE COULD BE IDENTIFIED FROM SEVERAL SOURCES;

-- PAYMENT COULD BE DRAWN DIRECTLY FROM THE RMTC LINE
ITEM. WHILE THIS REDUCES THE AMOUNT OF FUNDING AVAIL-
ABLE FOR THE TRAINING OF HONDURAN PERSONNEL AT THE
RMTC, IT DOES NOT OTHERWISE LINK THE GOH DIRECTLY TO
A PAYMENT TO [REDACTED] THE SAVINGS CREATED BY MAINTAIN-
ING THE RMTC IN ITS PRESENT LOCATION WOULD PROBABLY
COVER A VERY SIGNIFICANT PORTION OF THE AMOUNT EVEN-
TUALLY PAID TO [REDACTED] THIS WOULD NO DOUBT BE THE
MOST DESIRABLE OPTION FROM THE GOH POINT OF VIEW.

-- FUNDS CHARGED TO THE GOH MAP ACCOUNT FOR THE TRAINING
OF HONDURAN PERSONNEL AT THE RMTC COULD BE APPLIED BY
THE RMTC TO THE PAYMENT OF [REDACTED] CLAIM. UNDER THE
TERMS OF THE LATEST WASHINGTON AGENCIES' DRAFT OF THE
RMTC GENERAL PRINCIPLES, THE GOH IS NOT REQUIRED TO PAY
FOR SUCH TRAINING SO LONG AS RMTC LINE ITEM FUNDS ARE
AVAILABLE. THIS PROVISION COULD BE MADE EFFECTIVE AFTER
[REDACTED] CLAIMS HAVE BEEN SATISFIED BY SUCH HONDURAN

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PAYMENTS. UNTIL THAT POINT, HONDURAN TRAINING WOULD BE ON THE SAME COST BASIS AS ANY OTHER PARTICIPANT NATION. ONCE AN RMTC AGREEMENT IS REACHED, THE GOH CURRENTLY HOPES TO RECOVER FROM RMTC LINE ITEM FUNDS THE DOLS FOUR MILLION WHICH IT HAS OBLIGATED FROM HONDURAN MAP TO KEEP THE RMTC OPERATING IN CY 1985. UNDER THIS OPTION, THESE DOLS FOUR MILLION MIGHT ALSO BE APPLIED TO THE [REDACTED] CLAIM. WHILE THIS PROCEDURE WOULD TIE THE SATISFACTION OF [REDACTED] CLAIM DIRECTLY TO HONDURAN FINANCIAL CONTRIBUTIONS, THE GOH CAN ALSO CORRECTLY STATE TO ITS CONGRESS THAT THE HONDURAN GOVERNMENT IS NOT PAYING THIS CLAIM DIRECTLY. EMBASSY WOULD RECOMMEND THAT WE BE AUTHORIZED TO ATTEMPT TO NEGOTIATE THIS OPTION WITH THE OTHER OPTIONS IN THIS PARAGRAPH AS FALL BACK POSITIONS.

-- NO DOUBT PREFERABLE TO THE GOH AND A POSSIBLE FALL BACK WOULD BE A PER CAPITA CHARGE AGAINST THE TRAINEES OF ALL PARTICIPANT NATIONS, INCLUDING HONDURAS UNTIL SUFFICIENT FUNDS HAD BEEN CHARGED TO SATISFY [REDACTED] CLAIM. WHILE THE SALVADORANS MIGHT ARGUE THAT THEY HAVE NO OBLIGATION TO SHARE IN SATISFYING [REDACTED] CLAIM, THE CLAIM IS A LEGITIMATE PART OF RMTC START-UP COSTS AND ACTUAL PER CAPITA COSTS TO SALVADORANS AT THE RMTC, ONCE THIS PROBLEM IS SOLVED, WILL BE MUCH LOWER THAN TRAINING IN THE U.S. OR EVEN THAN PREVIOUS COSTS TO EL SALVADOR AT THE RMTC.

15. ADVANTAGES TO ALTERNATIVE OPTIONS

IF WASHINGTON AGENCIES CHOSE TO PURSUE ONE OF THE ALTERNATIVE OPTIONS LAID OUT ABOVE, WE WOULD SEE THE FOLLOWING ADVANTAGES:

-- [REDACTED] WOULD BE COMPENSATED USING A VALUATION FORMULA WHICH WOULD GIVE HIM LITTLE OR NO GROUNDS TO PROTEST.

-- [REDACTED] LAND WOULD BE AVAILABLE FOR MILITARY USE, INCLUDING A SIGNIFICANTLY BETTER LOCATION FOR THE RMTC THAN THE ALTERNATIVE SITE TO WHICH IT WOULD OTHERWISE HAVE TO MOVE.

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E.O. 12356: DECL: OADR
TAGS: MASS, EINV, CASC, HO
SUBJECT: RMTC - [REDACTED] CASE

-- THE ESTIMATED FOUR TO SIX MILLION DOLLARS INVOLVED
IN THE MOVE TO A NEW TEMPORARY SITE WOULD BE SAVED AND
COULD BE APPLIED TO THE [REDACTED] COMPENSATION.

-- IN ADDITION TO RMTC REQUIREMENTS THIS OPTION WOULD
MAKE AVAILABLE THE FULL 14,000 ACRES OF [REDACTED] LAND
FOR OTHER MILITARY USES INCLUDING POSSIBLE FUTURE HON-
DURAN BASE DEVELOPMENTS OR POSSIBLY USE AS A NAVAL
GUNFIRE RANGE AND AMPHIBIOUS LANDING EXERCISE AREA.

-- THE FORMULA USING RMTC FUNDS AS SUGGESTED WOULD
SIGNIFICANTLY REDUCE THE NEGATIVE PRECEDENT WITH RESPECT
TO OTHER EXPROPRIATIONS.

-- THE PROBLEM WOULD LARGELY BE DEFUSED IN TERMS OF
DOMESTIC HONDURAN POLITICS.

16. ACTION REQUESTED: EMBASSY WOULD WELCOME FURTHER
NEGOTIATION INSTRUCTIONS.
LOWMAN
BT

SECRET

COMMISSION MEMBER DISCUSSES RELOCATION OF CREM

PAL02222 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 10 Jan 85

[Interview with Gustavo Adolfo Alfaro, member of the Honduran commission negotiating relocation of the Regional Military Training Center, by unidentified reporter; date and place not given -- recorded]

[Text] U.S. and Honduran commissions are negotiating the relocation of the Regional Military Training Center, CREM, currently located in Puerto Castilla. However, it will definitely be moved to another area. Voz de Honduras questioned Gustavo Alfaro, member of the Honduran commission:

[Reporter] Have any areas been chosen yet?

[Alfaro] Well, we have analyzed several options; we are considering certain areas. Unfortunately, they are occupied by cooperatives holding land titles granted by the National Agrarian Institute since 1979. This creates other problems.

[Reporter] Is the Honduran Government obligated to compensate Temistocles Ramirez?
[American citizen contesting ownership of the land]

[Alfaro] Well, the Honduran Government is somewhat obligated to pay for the improvements made on the land involved, because there is no doubt that he invested in the property, although it was illegally owned. The government has decided on this because he occupied that land for more than 20 years. Previous governments let him build and make improvements on that land. This implies some shared responsibility.

[Reporter] How much could those improvements amount to?

[Alfaro] There is some difference as to how much. The Honduran Government made an estimate, but Ramirez claims a different value.

[Reporter] Why is the CREM being relocated?

[Alfaro] Well, this involves a strictly political problem: A U.S. citizen presented his problem to the U.S. Congress. This has some implications for the treaties, particularly the 1928 friendship treaty between the Honduran and U.S. Governments. Honduras and the United States signed agreements by which any property owned by American citizens or any business controlled by a majority of American citizens must receive a just compensation should an expropriation take place.

[Reporter] Is it true that Temistocles Ramirez de Arellano is demanding 17 million lempiras?

[Alfaro] I do not know about that.

[Reporter] What is the risk run by Honduras should it not compensate Temistocles Ramirez?

[Alfaro] The United States has its own laws on this. They were issued in response to the installation of Fidel Castro's government in Cuba. The revolutionary government there not only expropriated, but also stripped American citizens of their properties. At the time, the U.S. Government passed a law stating that those governments failing to pay appropriate compensation to American citizens or businesses controlled by American citizens would face various punishments, including the suspension of aid.

This punishment was applied to the Cuban Government, later to the government of Salvador Allende in Chile, and more recently to the government of Velasco Alvarado in Peru. We hope that that does not happen to us.

[Reporter] Will there be another legal framework should the CREM be relocated?

[Alfaro] That will have to be established because it is part of bilateral negotiations between the U.S. and Honduran Governments.

[Reporter] Has the possibility of relocating the School of the Americas, which formerly operated in Panama, to Honduras been ruled out?

[Alfaro] That issue is really in the hands of another commission appointed by the Security Council.

[Reporter] Does that mean that there is a possibility?

[Alfaro] I know nothing about that.

NICARAGUA

DANIEL ORTEGA INAUGURATED AS PRESIDENT

Havana TV Carries Ceremony

FL110220 [Editorial Report] Havana Television Service in Spanish at 2233 GMT on 10 January begins live color coverage from the Carlos Fonseca Revolution Square in Managua of the inauguration of Daniel Ortega as president of Nicaragua.

As coverage begins, the opening shot is of the Commander Carlos Fonseca Plaza of the Revolution. There is a wooden stage on which there is a speakers platform in the center and two sections of seats on either side of the platform. In the section on the right are Sandinist officials dressed in military fatigues and on the left are foreign guests who are being introduced by an unidentified announcer over a public address system. Cuban President Fidel Castro is prominent among the foreign guests and is seated nearest the speakers platform. As other guests' names are called, the camera pans the crowd, the National Palace behind the platform, and a church adjacent to the square.

At 2240 GMT Episcopal Conference President Msgr Pablo Antonio Vega Mantilla delivers an invocation as the camera pans the stage.

At 2258 GMT, Carlos Nunez Tellez, president of the National Assembly, administers the oath of office to Ortega, who is dressed in olive-green military fatigues. Immediately afterward, a 21-gun salute is fired and Nunez drapes the blue and white sash of office over Ortega's right shoulder and across his chest.

Ortega stands with his clenched right fist held over his head and acknowledges the applause and cheers of the crowd. The camera pans the crowd, which is imitating Ortega's gesture.

Flanked by two men in military uniforms, identified by the announcer as Hugo Torres and Omar Cabezas, and following an unidentified soldier bearing a Nicaraguan flag, Ortega walks to a tomb adjacent to the speakers platform. The tomb is identified by the announcer as that of Sandinist revolutionary hero Carlos Fonseca and is topped by a gas flame. Ortega places his hands on the staff of the flag and stands at attention in front of the tomb. He then walks to a monument, identified by the announcer as that of General Santos Lopez, and stands at attention.

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E O 12356: OADR
TAGS MARR, PREL, HO
SUBJECT: RMTG: SALVADOR TRAINING

REF: (A) 84 STATE 357809; (B) STATE 5226; (C) TEGUCIGALPA 430

1. ~~B~~ - ENTIRE TEXT.

2. WASHINGTON AGENCIES UNABLE TO ACCEPT EMBASSY PROPOSAL FOR SEEKING GOH COMMITMENT TO FUTURE SALVADORAN TRAINING AT THE RMTG (REF C).

3. PROPOSAL OUTLINED IN PARA 7 OF REF B REPRESENTS CAREFULLY CONSIDERED WASHINGTON JUDGMENT ABOUT NEEDED ASSURANCES ON THIS SUBJECT. EMBASSY SHOULD THEREFORE AT EARLIEST OPPORTUNITY APPROACH GOH WITH THAT PROPOSAL.

4. AS NEEDED, EMBASSY MAY DRAW UPON TEXT CONTAINED IN PARA 5 OF REF A AS REFLECTIVE OF SPECIFIC LANGUAGE WE HAVE IN MIND FOR OUR LETTER TO GOH. WE ARE, OF COURSE, NOW TALKING ABOUT A UNILATERAL STATEMENT FROM USG TO BE FOLLOWED BY GOH ACKNOWLEDGEMENT RATHER THAN A JOINT STATEMENT.

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NLRR MID-3501 #110463

BY RW NARA DATE 4/5/13

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EXDIS - MILITARY ADDEES HANDLE AS SPECAT EXCLUSIVE

E. O. 12356: DECL: OADR
TAGS: PREL, MARR, HO
SUBJECT: RMTC: GENERAL PRINCIPLES

REF: (A) 84 STATE 357809; (B) 84 TEGUCIGALPA 15723;
(C) 84 TEGUCIGALPA 15798

1. ~~C~~ - ENTIRE TEXT.

2. WE ARE TRANSMITTING IN PARA 3 BELOW A REVISED COMPLETE DRAFT OF RMTC GENERAL PRINCIPLES REPRESENTING OUR RESPONSE TO LATEST GOH VERSION (REFS B AND C). YOU MAY PRESENT DRAFT IMMEDIATELY TO GOH. WE HAVE PRESERVED HONDURAN DRAFT LANGUAGE AS MUCH AS POSSIBLE, BUT IN SOME INSTANCES HAVE REINSERTED TERMS OF MOST RECENT U. S. DRAFT FORWARDED IN REF A. FOLLOWING ARE NOTES REGARDING SUBSTANTIVE DIFFERENCES, AS REFLECTED IN NEW U. S. DRAFT, THAT EMBASSY MAY DRAW UPON IN DISCUSSIONS WITH GOH:

(A) IN ARTICLE 3, WE ARE UNABLE, FOR REASONS FAMILIAR TO GOH, TO ACCEPT REFERENCE TO A SECURITY TREATY;

(B) IN LAST SENTENCE OF ARTICLE 7, INCLUSION OF THE PHRASE "WHENEVER FEASIBLE" IS NECESSARY UNDER APPLICABLE

U. S. REGULATIONS;

(C) ARTICLE 8 IS DESIGNED TO ADDRESS INTERNAL U. S. OBLIGATION PROCESS. FY-84 SUPPLEMENTAL FUNDS MUST BE OBLIGATED BY MARCH 31, 1985, AND RMTC AGREEMENT MAY NOT YET HAVE ENTERED INTO FORCE.

(D) THERE IS NO LEGAL PROVISION THAT ALLOWS US TO PAY SALARIES FOR SECURITY BATTALION REFERRED TO IN ARTICLE 10.

(E) SINCE U. S. TRAINERS WILL BE PRESENT AT RMTC, AN ACCOMPANYING MEDICAL UNIT IS STANDARD PRACTICE. THE REFERENCE TO SUCH A UNIT REQUESTED BY THE GOH IN ARTICLE 11 HAS THEREFORE BEEN DELETED.

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NLRR M10-3501 # 110404

BY RW NARA DATE 4/5/13

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(F) PLEASE CONFIRM THAT EXISTING AGREEMENTS OR UNDERSTANDINGS BETWEEN GOH AND GOES ARE SUFFICIENT TO MEET REQUIREMENTS OF ARTICLE 15, SO THAT NEED TO NEGOTIATE OR TO RENEGOTIATE ANY SUCH AGREEMENT DOES NOT DELAY ESSENTIAL SALVADORAN TRAINING.

(G) IN ARTICLE 17 WE HAVE RESTORED THE WORD "OPPORTUNITY" WHICH, AS EMBASSY POINTED OUT IN 84 TEGUCIGALPA 11721, IS NECESSARY TO INSURE THAT OTHER COUNTRIES' TRAINING QUOTAS ARE NOT RESTRICTED BY GOH DECISION ON TRAINEE NUMBERS.

3. THERE FOLLOWS NEW U. S. DRAFT GENERAL PRINCIPLES: BEGIN TEXT.

GENERAL PRINCIPLES FOR AN AGREEMENT ON THE ESTABLISHMENT OF A REGIONAL MILITARY TRAINING CENTER

THE GOVERNMENTS OF THE REPUBLIC OF HONDURAS AND THE UNITED STATES OF AMERICA, IN THE DESIRE TO STRENGTHEN THEIR RELATIONS OF FRIENDSHIP AND COOPERATION IN THE DEFENSE OF FREEDOM IN THE HEMISPHERE, AGREE TO THE ESTABLISHMENT OF A REGIONAL MILITARY TRAINING CENTER ACCORDING TO THE FOLLOWING PRINCIPLES:

ARTICLE 1. OBJECT OF THE AGREEMENT. THE ESTABLISHMENT OF A REGIONAL MILITARY TRAINING CENTER IN HONDURAS HAS AS ITS OBJECTIVE THE REAFFIRMATION OF THE ONGOING INTEREST OF ALL PARTICIPANTS IN THE ESTABLISHMENT AND MAINTENANCE OF PEACE, DEMOCRACY, SECURITY, AND STABILITY IN THE CENTRAL AMERICAN REGION.

ARTICLE 2. MILITARY OBJECTIVE. THE RMTC WOULD MAKE AVAILABLE TO THE ARMED FORCES OF HONDURAS AND OTHER COUNTRIES OF THE HEMISPHERE INTERESTED IN THE DEFENSE OF FREEDOM SPECIALIZED REGIONAL TRAINING PROGRAMS FOR INDIVIDUALS AND UNITS TO MEET THE NEEDS OF DEFENSE IN THE AREA.

ARTICLE 3. SECURITY RELATIONSHIP. THE RMTC WOULD REPRESENT AN EXPRESSION OF SPECIFIC SECURITY COOPERATION WITHIN THE FRAMEWORK OF THE OVERALL BILATERAL SECURITY RELATIONSHIP BETWEEN HONDURAS AND THE UNITED STATES.

ARTICLE 4. ECONOMIC COOPERATION. IN RECOGNITION THAT A HEALTHY ECONOMIC ENVIRONMENT CAN CONTRIBUTE SUBSTANTIALLY TO THE GOALS ARTICULATED IN ARTICLE 1, CONTINUING CLOSE MILITARY COOPERATION WILL ALSO BE ACCOMPANIED BY A CONTINUATION OF CLOSE ECONOMIC COOPERATION BETWEEN THE TWO GOVERNMENTS.

ARTICLE 5. NATURE, NATIONALITY, AND MANDATE OF THE RMTC. THE RMTC, A HONDURAN MILITARY FACILITY UNDER THE COMMAND OF THE HONDURAN ARMED FORCES, WILL OPERATE AS A REGIONAL CENTER FOR INDIVIDUAL AND UNIT MILITARY TRAINING.

ARTICLE 6. LOCATION OF THE RMTC. THE GOVERNMENT OF HONDURAS WILL PROVIDE SUFFICIENT LAND ON WHICH TO LOCATE THE CENTER. THIS PROPERTY WILL BELONG TO THE GOVERNMENT OF HONDURAS AND WILL BE FREE OF ENCUMBRANCE.

ARTICLE 7. FINANCING OF CENTER FACILITIES. SUBJECT TO US LAW AND THE AVAILABILITY OF APPROPRIATED FUNDS, THE GOVERNMENT OF THE UNITED STATES OF AMERICA AGREES TO FINANCE THROUGH SECURITY ASSISTANCE LEGISLATION THE DESIGN AND CONSTRUCTION OF THE RMTC'S PERMANENT FACILITIES, ACCORDING TO SPECIFICATIONS AND TECHNICAL

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ARRANGEMENTS AGREED UPON IN CONSULTATION WITH THE GOVERNMENT OF HONDURAS. THE IMPORTATION OF MATERIAL, EQUIPMENT, SUPPLIES, PROVISIONS AND OTHER PROPERTY OR SERVICES INTO HONDURAS BY UNITED STATES AUTHORITIES AND CONTRACTORS OF THE UNITED STATES FOR ANY PURPOSE UNDER THIS AGREEMENT SHALL BE EXEMPT FROM ALL DUTIES, TAXES AND OTHER CHARGES BY HONDURAS. THE USG WILL BEAR THE COSTS AND WORK INVOLVED IN THE DESIGN AND CONSTRUCTION OF THE COMPONENTS LISTED BELOW:

-- (I) AIRPORT: ITS EXPANSION AND REEQUIPMENT TO SERVE AS A TERMINAL FOR RMTC SUPPLIES, EQUIPMENT AND PERSONNEL, INCLUDING TRAINEES;

-- (II) HIGHWAY: ACCESS TO THE RMTC;

-- (III) COMMUNICATIONS: COMPREHENSIVE NETWORK OF EQUIPMENT AND SYSTEMS FOR LINKING THE INTERNAL COMMUNICATIONS OF THE RMTC WITH THE OUTSIDE;

-- (IV) SERVICES: DESIGN AND CONSTRUCTION OF THE POTABLE WATER, ELECTRICITY, AND SANITARY FACILITIES FOR THE RMTC;

-- (V) EQUIPMENT: THE MILITARY EQUIPMENT NEEDED TO SUPPORT SCHEDULED TRAINING AND TO COVER SECURITY REQUIREMENTS AT THE RMTC;

-- (VI) TRAINING SUPPORT SERVICE: ACQUISITION OF EQUIPMENT AND MATERIALS ESSENTIAL TO CONDUCT TACTICAL TRAINING OF THE TYPE OFFERED AT RMTC;

WHEN PROCURING GOODS AND SERVICES, THE USG AGREES, IN ACCORDANCE WITH ITS LAWS AND REGULATIONS, TO USE HONDURAN SOURCES WHENEVER FEASIBLE, PROVIDED THOSE GOODS OR SERVICES MEET U. S. STANDARDS OF PRICE, AVAILABILITY, AND QUALITY.

ARTICLE 8. OBLIGATION OF FUNDS. FOR THE PURPOSES OF ARTICLE 7 OF THESE GENERAL PRINCIPLES, THE GOVERNMENT OF THE UNITED STATES WILL OBLIGATE MILITARY ASSISTANCE FUNDS ALREADY APPROPRIATED BY THE U. S. CONGRESS TO CONSTRUCT AND OPERATE THE RMTC THROUGH U. S. FY 1985.

ARTICLE 9. OWNERSHIP OF THE RMTC'S FACILITIES AND INSTALLATIONS. THE REPUBLIC OF HONDURAS WILL OWN THE RMTC'S PERMANENT FACILITIES AND INSTALLATIONS FROM THE TIME OF THEIR CONSTRUCTION. IN ADDITION, THE MATERIAL PROVIDED THROUGH SECURITY ASSISTANCE FUNDING TO SUPPORT THE RMTC'S TRAINING PROGRAMS AND TO EQUIP FORCES ESTABLISHED TO SECURE THE RMTC WILL BECOME PROPERTY OF THE GOH, AS OF THEIR DELIVERY. THIS MATERIAL WILL REMAIN FOR SUPPORT OF THE RMTC FOR THE PERIOD OF THIS AGREEMENT.

ARTICLE 10. SECURITY OF THE RMTC. THE GOVERNMENT OF HONDURAS WILL BE RESPONSIBLE FOR SECURITY OF THE FACILITIES, EQUIPMENT, AND PERSONNEL OF THE RMTC, BY MEANS OF A BATTALION SIZED UNIT.

ARTICLE 11. RMTC OPERATIONS AND MAINTENANCE COSTS. SUBJECT TO U. S. LAW AND AVAILABILITY OF APPROPRIATED FUNDS, THE GOVERNMENT OF THE UNITED STATES OF AMERICA, IN CONJUNCTION WITH THE CONTRIBUTIONS MADE BY OTHER

PARTICIPATING COUNTRIES, WILL CONTRIBUTE TO THE OPERATIONS AND MAINTENANCE COSTS OF THE RMTC, INCLUDING THE AIRSTRIP AND AN ACCESS ROAD. TO THE EXTENT THAT THE

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U. S. CONGRESS APPROVES SEPARATE APPROPRIATIONS FOR THE OPERATION AND MAINTENANCE OF RMTC, NO CHARGE WILL BE MADE TO THE GOVERNMENT OF HONDURAS FOR THE TRAINING OF HONDURAN PERSONNEL AT THE RMTC.

ARTICLE 12. COUNTRIES ELIGIBLE TO ATTEND THE RMTC. COUNTRIES OF THE HEMISPHERE ELIGIBLE TO RECEIVE SECURITY ASSISTANCE FROM THE UNITED STATES MAY ATTEND THE CENTER. THE GOVERNMENT OF HONDURAS WILL BE RESPONSIBLE FOR ISSUING, IN CONSULTATION WITH THE UNITED STATES GOVERNMENT, INVITATIONS FOR SUCH OTHER COUNTRIES TO PARTICIPATE IN THE ACTIVITIES OF THE RMTC.

ARTICLE 13. TEACHING STAFF. THE TEACHING STAFF AT THE RMTC WILL BE COMPOSED OF MEMBERS OF THE HONDURAN ARMED FORCES AND THE UNITED STATES ARMED FORCES, WHO WILL PREPARE AND DIRECT THE MILITARY TRAINING OF THE STUDENTS. INSTRUCTORS FROM OTHER COUNTRIES, BY AGREEMENT OF THE GOVERNMENT OF HONDURAS AND THE UNITED STATES, MAY BE INVITED TO PARTICIPATE IN TRAINING ACTIVITIES.

ARTICLE 14. RELATED TRAINING ACTIVITIES. VARIOUS TRAINING SECTIONS AND GROUPS MAY BE ORGANIZED WITHIN THE RMTC. ONE OF THESE SECTIONS WILL, UNDER THE DIRECTION OF THE ARMED FORCES OF THE UNITED STATES, PROVIDE TRAINING TO INDIVIDUALS AND UNITS. THE ARMED FORCES OF THE UNITED STATES WILL HAVE PRIMARY RESPONSIBILITY FOR DEVELOPING CURRICULUM, DEFINING PERFORMANCE STANDARDS, AND SUPERVISING TRAINING.

THE HONDURAN COMMANDANT OF THE RMTC AND CHIEF OF TRAINING FROM THE UNITED STATES WILL JOINTLY PROVIDE OVERALL TRAINING SUPERVISION.

ARTICLE 15. REGULATIONS GOVERNING FOREIGN PERSONNEL AT THE CENTER. THE LEGAL SITUATION OF ALL PERSONNEL, BOTH INVITED INSTRUCTORS AND STUDENTS, WILL BE GOVERNED ACCORDING TO EXISTING AGREEMENTS BETWEEN THE GOVERNMENT OF HONDURAS AND THE GOVERNMENTS OF THE PARTICIPATING COUNTRIES.

INVITED INSTRUCTORS AND STUDENTS MAY NOT HAVE ON THEIR PERSON ARMS OR AMMUNITION OUTSIDE THE AREAS AND PERIODS OF INSTRUCTION, EXCEPT AS REQUIRED FOR TRAINING OR PERSONAL SECURITY WHEN AUTHORIZED BY THE COMMANDER OF THE CENTER.

INVITED INSTRUCTORS, UPON ENTERING THE TERRITORY, MUST COMPLY WITH THE IMMIGRATION AND CUSTOMS REQUIREMENTS OF

HONDURAN LAWS, WITHOUT PREJUDICE TO THE OBSERVANCE OF THE PERTINENT AGREEMENTS IN FORCE BETWEEN HONDURAS AND OTHER STATES ON BILATERAL MILITARY COOPERATION OR ASSISTANCE.

INVITED STUDENTS MAY ENTER WITH A GROUP PASSPORT, WHICH WILL BE VERIFIED BY THE IMMIGRATION AUTHORITIES AT THE POINT OF ENTRY.

ARTICLE 16. BILATERAL CONSULTATIONS ON THE RMTC. BY MEANS OF THE USG-GOH COMMISSION ON BILATERAL RELATIONS THE GOVERNMENTS OF HONDURAS AND THE UNITED STATES OF AMERICA WILL HOLD CONSULTATIONS ON SPECIFIC TOPICS REGARDING THE TRAINING PROGRAMS OFFERED AT THE RMTC. CONSULTATIONS WILL OCCUR AT LEAST ONCE A YEAR AND MAY BE CONVENED UPON THE REQUEST OF EITHER PARTY AT ANY TIME.

ARTICLE 17. PRIORITY TRAINING OF THE HONDURAN ARMED FORCES. THE RMTC WILL OFFER PRIORITY ATTENTION TO THE

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TRAINING NEEDS OF HONDURAS, AND HONDURAN STUDENTS WILL ENJOY NO LESS THAN THE SAME TRAINING CONDITIONS OF ANY OTHER PARTICIPATING STATE, INCLUDING THE RIGHT AND OPPORTUNITY TO HAVE IN TRAINING, AT ANY TIME, THE SAME NUMBER OF STUDENTS IN THE RMTC AS ANY OTHER COUNTRY.

ARTICLE 18. DURATION OF THE RMTC. THE AGREEMENT FOR THE GOVERNMENTS OF HONDURAS AND THE USG TO OPERATE THE REGIONAL MILITARY TRAINING CENTER WILL BE VALID FOR FIVE YEARS, EXTENDABLE FOR ANOTHER PERIOD OF EQUAL DURATION BY MEANS OF A SIMPLE EXCHANGE OF DIPLOMATIC NOTES.

ARTICLE 19. INTERIM RMTC OPERATIONS. TO THE MAXIMUM EXTENT POSSIBLE, AND SUBJECT TO U.S. LAW AND THE AVAILABILITY OF APPROPRIATED FUNDS, THE OPERATION OF THE RMTC SHOULD CONTINUE WITHIN THE FRAMEWORK OUTLINED IN THESE GENERAL PRINCIPLES WITHOUT INTERRUPTION.

ARTICLE 20. TERMINATION OF "TERMS OF REFERENCE" DOCUMENT ON THE RMTC. THE RMTC'S TERMS OF REFERENCE SIGNED BY THE REPRESENTATIVES OF THE GOVERNMENTS OF HONDURAS AND THE UNITED STATES IN TEGUCIGALPA, CENTRAL DISTRICT, ON JUNE 16, 1983, SHALL CONTINUE IN FORCE UNTIL NEW TERMS OF REFERENCE IMPLEMENTING THIS AGREEMENT ON GENERAL PRINCIPLES ENTER INTO FORCE. IN INSTANCES OF INCONSISTENCY BETWEEN THE JUNE 16, 1983 TERMS OF REFERENCE AND THIS AGREEMENT, THE PROVISIONS OF THIS AGREEMENT SHALL GOVERN.

ARTICLE 21. RATIFICATION AND ENTRY INTO FORCE. THIS AGREEMENT SHALL BE APPROVED BY THE CONTRACTING PARTIES, IN ACCORDANCE WITH THEIR RESPECTIVE LAWS AND REGULATIONS, AND WILL ENTER INTO FORCE AT SUCH TIME AS THE AGREEMENT HAS BEEN SIGNED BY THE GOVERNMENT OF THE UNITED STATES AND SIGNED AND RATIFIED BY THE GOVERNMENT OF HONDURAS.

END TEXT.

4. IN DISCUSSING U. S. DRAFT WITH GOH YOU SHOULD MAKE CLEAR, AS NECESSARY THAT AGREEMENT ON GENERAL PRINCIPLES MUST BE ACCOMPANIED BY AGREEMENT ON HANDLING OF RAMIREZ CASE AND SALVADORAN TRAINING. WE WOULD ANTICIPATE EARLY RESUMPTION OF SALVADORAN TRAINING. IN THE EVENT THAT RATIFICATION PROCESS IN HONDURAN CONGRESS BECOMES PROLONGED, SUCH TRAINING SHOULD GO FORWARD ON EXISTING BASIS, SO THAT RATIFICATION PROCESS DOES NOT DISRUPT OUR ABILITY TO MEET ESSENTIAL REQUIREMENTS IN COMBATING MARXIST INSURGENCY IN EL SALVADOR.

SHULTZ

NOTE: RECATEGORIZED TO EXDIS PER STATE 019066
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HAVANA FOR FERCH

E.O. 12356: DECL: OADR
TAGS: MARR, EAID, EINV, EAGR, HO
SUBJECT: VIEWS FROM TRUJILLO ON THE [REDACTED] CASE

REF: TEGU (84) 12900

1. (U) INTRODUCTION: EMBASSY PERSONNEL TRAVELED TO TRUJILLO, COLON JANUARY 17 FOR THE PURPOSE OF GAINING A MORE COMPLETE IMPRESSION OF LOCAL SITUATION PERTAINING TO [REDACTED] ENTERPRISES. EMBOFFS TOOK THE OPPORTUNITY TO DISCUSS THE SOCIAL AND ECONOMIC IMPLICATIONS OF THE CLOSURE OF [REDACTED] OPERATIONS WITH THE GOVERNOR OF COLON, THE LOCAL JUDGE AND OTHER LOCAL OFFICIALS AS WELL AS THE CHIEF OF OPERATIONS AT THE MEAT PACKING PLANT.

2. (C) ACCORDING TO THE GOVERNOR, LICENCIAO OSCAR CRESPO, PRIOR TO 1980, THE PLANT WAS OPERATING AT OR CLOSE TO FULL CAPACITY; HOWEVER, SINCE THAT TIME, CRESPO WAS CERTAIN PRODUCTION HAD FALLEN, DUE IN LARGE PART TO COMPETITION FROM OTHER MEAT PACKERS IN HONDURAS. THE GOVERNOR FELT THAT RAMIREZ MAY ALREADY HAVE BEEN LOSING INTEREST IN THE CONTINUATION OF OPERATIONS EVEN PRIOR TO THE BEGINNING OF DISCUSSIONS ON THE RMTC. HE QUESTIONED WHY [REDACTED] WOULD WANT TO CLOSE THE MEAT PACKING PLANT IF HE WERE MAKING MONEY. CRESPO ADDED THAT HE DID NOT SEE HOW THE RMTC COULD MORE THAN marginally AFFECT THE CATTLE FATTENING OPERATIONS. THE COMMUNITY, #3135, WAS READY AND VERY MUCH WILLING TO RETURN TO WORK FOR THE PLANT, WHICH HE TERMED THE LARGEST ENTERPRISE IN THE AREA.

HIMSELF HAD ASSIGNED A TRUSTEE (JACINTO SANDOVAL) TO CONTROL THE EMBARGOED ASSETS. WHEN ASKED, HE EMPHASIZED THAT THE TRUSTEE WAS NOT AUTHORIZED TO USE ANY OF THE ASSETS FOR HIS OWN PERSONAL PURPOSES. (NOTE: FRANCISCO ZACAPA, [REDACTED] LAWYER, HAD COMPLAINED THAT [REDACTED] VEHICLES WERE BEING USED BY THE TRUSTEE, COUNTER TO THE LEGAL RESPONSIBILITY OF THAT OFFICE.) UPON REQUEST, JUDGE JULY BROOKS WROTE A LETTER TO THE TRUSTEE EMPHASIZING THAT AS TRUSTEE HE WAS OBLIGED TO CARE FOR THE ASSETS, AND THAT THERE WERE ALLEGATIONS OF HIS IMPROPER USE OF THE VEHICLES. THE VEHICLES THEMSELVES, THE JUDGE POINTED OUT, WERE PARKED IN FRONT OF THE LOCAL FUSEP (POLICE) STATION.

4. (C) WHEN ASKED WHY THESE TAXES HAD NOT BEEN COLLECTED AT AN EARLIER TIME, JUDGE JULY BROOKS ANSWERED THAT THE FAILURE TO COLLECT THEM OCCURRED UNDER PREVIOUS REGIMES, AND ADDED THAT TAXES WERE NOT SUBJECT TO A STATUTE OF LIMITATIONS OR AN EXPIRATION PERIOD. REGARDING WHETHER RAMIREZ WAS THE LEGAL OWNER OF THE LAND, THE JUDGE SAID THAT AS LONG AS THE LAND WAS BOUGHT LEGALLY BY [REDACTED] HE WAS THE OWNER.

5. (C) THE JUDGE ALSO OFFERED HIS VIEWS ON THE [REDACTED] ENTERPRISE ITSELF, NOTING THAT ITS CATTLE OPERATIONS BEGAN WINDING DOWN IN LATE 1983, WITH THE FINAL CLOSURE OF THE EMPACADORA OCCURRING IN JANUARY 1984. THE SEAFOOD PLANT'S CLOSING SOON FOLLOWED. THE RMTC, THE JUDGE BELIEVED, COULD NOT HAVE HAD MUCH OF AN EFFECT ON THE CLOSURE OF EITHER PACKING PLANT.

6. (C) THE CHIEF OF OPERATIONS AT EMPACADORA DE NORTE, PABLO GARCIA, SAID THAT ONLY 5 ADMINISTRATIVE PEOPLE, 16 DAILY WORKERS IN THE PLANT (GUARDS AND MACHINE OPERATORS) AND 12 RANCH HANDS WERE STILL EMPLOYED THERE OUT OF A TOTAL ORIGINAL WORKFORCE OF ALMOST 200. THEY AVE STILL NOT RECEIVED THEIR "SUELDO ALTRASADO" (THEIR 13TH MONTH PAYMENT), AND THOSE WHO WERE LAID OFF HAVE NOT YET RECEIVED THEIR SEVERANCE PAY. SINCE THE MEAT PACKING PLANT AS NOT OPERATED FOR A YEAR, MANY OF THEIR APPROXIMATELY 2,000 HEAD OF CATTLE WERE NOW FATTENED AND READY FOR SLAUGHTER. THE COMPANY WAS PLANNING TO TRANSPORT THESE CATTLE TO OTHER SLAUGHTERHOUSES IN HONDURAS; HOWEVER, THE EMBARGO, WHICH WAS INSTITUTED AT THE END OF NOVEMBER, HAD SO FAR PREVENTED THEM FROM DOING ANYTHING WITH THE CATTLE.

7. (C) GARCIA SAID THAT AN OFFICIAL FROM THE FINANCE MINISTRY IN TEGUCIGALPA HAD VISITED THE PLANT AND HAD THREATENED THE COMPANY WITH SEVERE LEGAL CONSEQUENCES IN CONNECTION WITH THE NON-PAYMENT OF APPROXIMATELY 500,000 LEMPIRAS IN INCOME TAXES (A DIFFERENT FIGURE THAN THAT BT

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NLR MID-3501/110465

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HAVANA FOR FERCH

E.O. 12356: DECL: OADR
TAGS: MARR, EAID, EINV, EAGR, HO
SUBJECT: VIEWS FROM TRUJILLO ON THE [REDACTED] CASE

PROVIDED BY JUDGE JULY BROOKS). THE TRUSTEE, ACCORDING TO GARCIA, HAD AT ONE TIME WORKED FOR [REDACTED] BEFORE HAVING A FALLING OUT WITH HIM, AND HAD ALSO BEEN THE WARDEN FOR TRUJILLO. GARCIA SAID THAT THE COMPANY HAD ASKED IF THE VEHICLES COULD REMAIN AT THE PLANT (WHERE THEY COULD BE GUARDED), PROMISING THEY WOULD NOT BE USED. INSTEAD, THE VEHICLES WERE TAKEN TO FUSEP HEADQUARTERS IN TRUJILLO, WHERE THE PLANT HAD NO CONTROL OVER THEIR USE. (EMBOFFS SHOWED GARCIA THE LETTER WRITTEN BY JUDGE JULY BROOKS; HE SAID HE WAS PLEASED WITH THIS ACTION.)

8. (C) WHEN ASKED ABOUT COMPANY OPERATIONS BEFORE THE CLOSING, GARCIA ADMITTED IT WAS POSSIBLE THE PLANT WAS LOSING MONEY BECAUSE OF POOR MARKET CONDITIONS AND INCREASED COSTS OF PRODUCTION. THE SEAFOOD PICKING PLANT WAS SUFFERING FROM THE DIMINISHED SIZE OF THE LOCAL FISHING FLEET AS WELL AS FROM A SATURATED MARKET. COSTS WERE GOING UP AND THE PLANT HAD BEEN GETTING MUCH OF ITS SEAFOOD FROM THE SOUTH COAST OF HONDURAS.

9. (C) GARCIA ALSO OFFERED HIS VIEWS ON THE CAUSES OF [REDACTED] PROBLEMS WITH THE GOH. HE STATED THAT [REDACTED] HAD ORIGINALLY BEEN WILLING TO GIVE A PIECE OF LAND VOLUNTARILY TO THE HONDURAN ARMED FORCES (HAF) AS A RESULT OF A CONVERSATION WITH GENERAL ALVAREZ FOR THE

CONSTRUCTION OF THE RHTC. HOWEVER, WHEN NATIONAL AGRARIAN INSTITUTE SURVEYORS HAD BEGUN TO SURVEY A MUCH LARGER PLOT, [REDACTED] HAD DECIDED OF AN ALTERNATIVE COURSE OF ACTION. GARCIA'S REASON AS TO WHY THE RHTC IN ITS PRESENT SIZE WOULD AFFECT CATTLE FATTENING OPERATIONS WAS QUITE VAGUE. AS A FINAL NOTE, GARCIA ADDED THAT THE GARIFUNAS (THE LOCAL INHABITANTS) WHO LIVED IN THE AREA HAD NEVER USED [REDACTED] LAND AND THUS DID NOT HAVE A VALID CLAIM TO IT.

10. (LOU) AN OVERFLIGHT OF THE LAND BELONGING TO CANADERA DE TRUJILLO, S.A., AND THE RHTC REVEALED NO UNUSUAL ACTIVITY. THE MEATPACKING PLANT ITSELF WAS NOT IN OPERATION, ALTHOUGH THERE WERE EVIDENTLY A SMALL NUMBER OF EMPLOYEES PRESENT. THE HAF LIEUTENANT-IN-CHARGE OF THE SMALL DETACHMENT AT THE PORT SAID THAT THE EMPACADORA WAS VERY SENSITIVE ABOUT GOH REQUESTS FOR USE OF ITS PIER, ALTHOUGH GARCIA SAID RELATIONS WITH ALL LOCAL GOVERNMENT AUTHORITIES (EXCEPT OBVIOUSLY THE TRUSTEE) WERE EXCELLENT.

17. COMMENT: IT APPEARS LIKELY THAT [REDACTED] WERE ALREADY SUFFERING PRIOR TO THEIR CLOSING FROM FACTORS INDEPENDENT OF THE RHTC AND THAT RHTC OPERATIONS HAD A RELATIVELY SMALL EFFECT ON THE CATTLE FATTENING OPERATION. OTHER MEAT PACKERS IN HONDURAS HAVE BEEN LOSING MONEY AND SOME, IN FACT, HAVE ALSO CLOSED THEIR DOORS (REFTEL). THESE FACTORS PLUS THE FACT THAT [REDACTED] PACKING PLANT WAS LEASED FROM THE GOH PORT AUTHORITY WITH A ONE YEAR CANCELLATION CLAUSE RAISE SUBSTANTIAL QUESTIONS ABOUT THE SIZE OF RAMIREZ' CLAIMS ABOUT THE VALUE OF HIS BUSINESS AS A GOING CONCERN. END COMMENT.

12. ADDITIONALLY, THE COMMON PERCEPTION THAT THE RHTC OCCUPIES THE BULK OF [REDACTED] LAND AND THAT RHTC OPERATIONS HAVE SUBSTANTIALLY DAMAGED HIS CATTLE RAISING OPERATIONS ARE CLEARLY INCORRECT IN THE EMBASSY'S VIEW. THE RHTC, IN FACT, OCCUPIES ONLY FIVE PERCENT OF THE 1,976 ACRES [REDACTED] AGREED TO ALLOW GENERAL ALVAREZ TO USE FOR THE RHTC IN JUNE 1983, AND LESS THAN ONE PERCENT OF THE TOTAL 14,000 ACRE [REDACTED] HOLDING (SEE 84 TEGUCIGALPA 9405). WHILE THE JUNE 1983 AGREEMENT MAY NOW BE OF QUESTIONABLE VALIDITY, STRENUOUS EFFORTS HAVE BEEN EXERCISED TO KEEP RHTC OPERATIONS FROM EXTENDING BEYOND THE CANTONEMENT AREA INTO THE REMAINDER OF [REDACTED] LAND. THIS CANTONEMENT AREA IS LOCATED IN A WESTERN CORNER OF [REDACTED] LAND AND EMBASSY STRONGLY BELIEVES THAT ACTUAL INTERFERENCE WITH [REDACTED] CATTLE FEEDING OPERATION HAS BEEN NEGLIGIBLE. FIELD TRAINING OF THE RHTC IS CONDUCTED ON NATIONAL LAND ENTIRELY OUTSIDE OF [REDACTED] HOLDINGS.
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HAVANA FOR FERCH

E.O. 12356: DECL: OADR
TAGS: MARR, EAID, EINV, EAGR, HO
SUBJECT: VIEWS FROM TRUJILLO ON THE [REDACTED] CASE

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E.O. 12958
As Amended
Sec. 3.3 b(9)~~CONFIDENTIAL~~NATIONAL SECURITY COUNCIL
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TAGS: PREL, MARR, HO
SUBJECT: RMTG-NEED FOR EARLY GOH DECISION

REF: STATE 23338 (DTG 250705Z JAN 85)

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT

2. DCM DELIVERED REVISED TEXT OF RMTG GENERAL PRINCIPLES (STATE 18088) TO COL. GONZALEZ AFTERNOON OF JANUARY 24. GONZALEZ REVIEWED REVISED TEXT WITH LITTLE COMMENT. DCM TOOK OCCASION TO ASK ABOUT GOH LETTER TO [REDACTED] AND SALVADOR SIDE LETTER. GONZALEZ SAID THE LETTER WAS IN THE PROCESS OF BEING DRAFTED, AND THAT THE SIDE LETTER WOULD GO TO THE NSC FOR REVIEW, PROBABLY JANUARY 25. DCM NOTED IT WOULD BE HELPFUL TO HAVE A RESPONSE ON BOTH ITEMS READY BEFORE VISIT OF MCNAMARA DELEGATION.

3. DCM AND POLOFF CALLED ON MINISTER OF PRESIDENCY ARRIAGA JANUARY 25 AND WAS GIVEN TEXT OF DRAFT [REDACTED] LETTER WHICH GOH HAD DEVELOPED. DCM SCANNED DRAFT AND TOLD ARRIAGA IT APPEARED TO BE MORE OR LESS WHAT HAD BEEN DISCUSSED DURING VISIT OF DAS HOLWILL. AS TEXT WAS GIVEN TO US FOR INFO, DCM DID NOT COMMENT ON IT FURTHER. WE ENCOURAGED GOH TO SEND THE LETTER AS SOON AS POSSIBLE, AND ARRIAGA SAID THEY WOULD. HE ALSO SAID THAT THEY WERE CONSIDERING CALLING IN [REDACTED] LOCAL ATTORNEYS TO IMPRESS UPON THEM THE GOH'S INTEREST IN RESOLVING THE AFFAIR IN GOOD FAITH. WE TOLD THEM THAT THIS COULD ONLY HELP, AND REEMPHASIZED THE NEED FOR A SPEEDY SHOW OF PROGRESS, IF NOT RESOLUTION. (REFTEL HAD JUST ARRIVED, AND CONTENTS WERE MENTIONED TO ARRIAGA AND CARLOS LOPEZ CONTRERAS, WHO WAS ALSO PRESENT.)

4. WHILE WAITING FOR THE APPOINTMENT WITH ARRIAGA, WE WERE TOLD BY ECONOMIC ADVISOR MOISES STARKMAN THAT THE COMPENSATION ISSUE WAS ALL ARRANGED, THAT THE ARMED FORCES WOULD PAY THE COMPENSATION. THIS WAS, OF COURSE, WELCOME NEWS, BUT GIVEN STARKMAN'S RECENT INVOLVEMENT WITH THE ISSUE, WE ARE UNABLE TO JUDGE WHETHER HIS STATEMENT REFLECTS FACT, WISHFUL THINKING, OR A SERIOUS POSSIBILITY.

5. INFORMAL TRANSLATION OF DRAFT LETTER FOLLOWS:

DEAR MR. [REDACTED]

AS YOU KNOW, IN ACCORDANCE WITH THE GOVERNMENTAL AGREEMENT WHICH IS CONTAINED IN THE LETTER OF DECEMBER 14, 1983, TO SECRETARY OF STATE GEORGE P. SHULTZ OF THE UNITED STATES OF AMERICA, DIRECT NEGOTIATIONS WERE HELD OVER A PERIOD OF 90 DAYS WITH YOUR REPRESENTATIVES, MESSRS. J. FRANCISCO ZACAPA, MIGUEL A. CAPARROZ, Y HUMBERTO LEON, WITH THE PURPOSE OF DETERMINING THE AMOUNT OF INDEMNIZATION WHICH MIGHT BE DUE TO YOU AS A RESULT OF THE INSTALLATION OF THE MILITARY TRAINING CENTER IN OUR COUNTRY. UNFORTUNATELY, THERE WAS NO AGREEMENT ON THE AMOUNT OF YOUR REQUESTS.

IN THE SAME AGREEMENT IT IS ESTABLISHED THAT "IN THE CASE THAT AN AGREEMENT CANNOT BE REACHED THROUGH DIRECT NEGOTIATIONS", AT THE REQUEST OF AN AFFECTED PARTY, THE CASE WILL THEN BE SUBMITTED TO THE NATIONAL PROCEDURE OF EXPERT ASSESSMENT THAT IS ESTABLISHED IN THE LAWS OF OUR COUNTRY.

NOTWITHSTANDING THE REPEATED REQUESTS TO YOUR REPRESENTATIVES TO MAKE A FORMAL PETITION TO PROCEED WITH THIS NEXT STEP, NONE HAS BEEN PRESENTED. FOR THIS REASON, WITH THE DESIRE TO ARRIVE AT AN AGREEMENT AS SOON AS POSSIBLE, THE GOVERNMENT OF HONDURAS IS INSTRUCTING THE ATTORNEY GENERAL OF THE REPUBLIC TO PROPOSE THE NOMINATION OF AN EXPERT OF OUR CHOICE, AND IS PROPOSING TO YOU BY MEANS OF THIS LETTER THAT YOU NAME YOUR EXPERT, AND THAT BOTH CHOOSE A THIRD, FOR WHOM THE GOVERNMENT OF HONDURAS WOULD ACCEPT THE DESIGNATION OF EITHER OF TWO AUDITING FIRMS, PRICE WATERHOUSE OR PEET MARWICK AND MITCHELL, WHICH ENJOY WIDESPREAD CREDIBILITY AND INTERNATIONAL REPUTATIONS.

--
WE REITERATE TO YOU OUR FIRM DETERMINATION TO EXHAUST ALL THE PROCEDURES ESTABLISHED BY OUR LAWS AND BY AGREEMENTS WITH THE GOVERNMENT OF THE UNITED STATES IN ORDER TO ARRIVE, AS SOON AS POSSIBLE, ON THE BASIS OF THE PRINCIPLES OF GOOD FAITH AND MUTUAL RESPECT, AT A JUST AND HONEST AGREEMENT.END TEXT.
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Sec. 3.36(9)

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E.O. 12356: DECL: 2/5/91
TAGS: MASS, EINV, HO, US, ES
SUBJECT: RMTc: SALVADOR ASSURANCES, [REDACTED] CASE

1. *1* - ENTIRE TEXT
2. AMBASSADOR MET WITH FOREIGN MINISTER PAZ BARNICA AFTERNOON OF FEBRUARY 4 AND WAS BRIEFED BY PAZ ON RESULTS OF NSC MEETING WHICH ADDRESSED RMTc ISSUE. PAZ SAID THAT IF THE GENERAL PRINCIPLES WERE SUCCESSFULLY NEGOTIATED, AND IF THE PRINCIPLES WERE APPROVED BY THE NATIONAL CONGRESS, THEN "TROOPS FROM THE WESTERN HEMISPHERE COULD BE TRAINED IN HONDURAS." PAZ SAID THAT THE GOH UNDERSTOOD THAT THE PHRASE "WESTERN HEMISPHERE" WOULD INCLUDE EL SALVADOR. IN REPLY TO QUESTION, PAZ ADDED THAT, IF ALL OTHER MATTERS WERE AGREED UPON, THE GOH WOULD AGREE IN PRINCIPLE TO RECEIVING A SIDE LETTER DEFINING OUR UNDERSTANDING REGARDING THE TRAINING OF SALVADORAN TROOPS.
3. ON THE [REDACTED] CASE, PAZ SAID HE HAD BEEN INSTRUCTED TO HAVE THE MINISTER OF ECONOMY FORWARD THE PROPOSED LETTER TO [REDACTED] WE WILL BE FOLLOWING UP WITH MINECON AND SEEKING A COPY OF ANY LETTER SENT TO [REDACTED]
4. DCM HAS MEETING FEBRUARY 6 WITH COL. GONZALEZ TO DISCUSS GENERAL PRINCIPLES.
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MILITARY ADDRESSEES TREAT AS SPECAT EXCLUSIVE

E.O. 12356: DECL: OADR
TAGS: MARR, HO
SUBJECT: RMTC NEGOTIATIONS

1. ~~SECRET~~ - ENTIRE TEXT

2. IT IS OUR SENSE THAT THE GOH HAS NOW MADE A DECISION TO TREAT THE RMTC AS A DISCRETE SUBJECT, DE-LINKED FROM THE BROADER BILATERAL NEGOTIATIONS, AND TO PROCEED IF POSSIBLE TO A FINAL AGREEMENT WITH THE USG ON THIS PROJECT. A NUMBER OF CHOKE POINTS REMAIN AND THERE IS ALWAYS THE POSSIBILITY OF A LAST-MINUTE LINKAGE WITH THE ECONOMIC NEGOTIATIONS, BUT THESE MATTERS CAN ALL BE RESOLVED VERY QUICKLY AND THE FINAL PRODUCT OF THESE NEGOTIATIONS SEEN.

3. GENERAL PRINCIPLES: THE HONDURANS STATE AND WE BELIEVE THAT WE ARE VERY CLOSE TO AGREEMENT ON THE GENERAL PRINCIPLES. A MEETING HAD BEEN PLANNED FOR DECEMBER 6. THIS IS NOW POSTPONED UNTIL 1400 ON FEBRUARY 8. WE COULD GET SOME SURPRISES BUT WE DON'T EXPECT THEM.

4. SALVADORAN TRAINING: THE GOH HAS NOW ACCEPTED THE IDEA OF A SIDE LETTER ON SALVADORAN TRAINING AS PROPOSED BY THE USG. WE DOUBT THAT SALVADORAN TRAINING COULD BEGIN BEFORE APPROVAL OF THE GENERAL PRINCIPLES BY THE HONDURAN CONGRESS. TECHNICALLY, THE PREVIOUS TERMS OF REFERENCE ARE STILL IN FORCE AND SALVADORAN TRAINING COULD RESUME TEMPORARILY UNDER THOSE GUIDELINES UNTIL NEW GENERAL PRINCIPLES WERE APPROVED BY THE HONDURAN CONGRESS. IN TERMS OF PRACTICAL POLITICAL CONSIDERATIONS, HOWEVER, THIS WOULD PROBABLY BE UNWISE AND MIGHT WELL PREJUDICE THE CONSIDERATION OF THE NEW

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GENERAL PRINCIPLES BY THE CONGRESS.

5. APPROVAL BY THE HONDURAN CONGRESS: THE SUAZO GOVERNMENT CONTROLS A MAJORITY IN THE HONDURAN CONGRESS AND THEREFORE IS IN A POSITION TO ARRANGE FOR EARLY AND RAPID CONSIDERATION OF THIS ISSUE BY THE CONGRESS. IT WOULD ALSO BE VERY LIKELY THAT THE GOVERNMENT WOULD RECEIVE A MAJORITY APPROVAL OF THE GENERAL PRINCIPLES. IN POLITICAL TERMS, HOWEVER, IT IS IMPORTANT THAT THE GOVERNMENT WIN BROADER SUPPORT FOR THE RESUMPTION OF THE MULTI-NATIONAL OPERATIONS OF THE RMTC. WE THINK THIS IS POSSIBLE BUT IT CLEARLY WILL BE LESS AUTOMATIC THAN IT WAS DURING THE EARLIER CONSIDERATION BY THE CONGRESS OF THE ORIGINAL RMTC AT A TIME WHEN HONDURAN ELECTORAL POLITICS WERE NOT SO IMMEDIATELY INVOLVED. WE HAVE NOT DISCUSSED THIS ASPECT WITH THE GOH BUT WOULD HOPE FOR A POSITIVE RESPONSE FROM THE HONDURAN CONGRESS BY THE END OF FEBRUARY. WE SEE NO OBJECTION TO THE RESUMPTION OF SALVADORAN TRAINING AS SOON AS SUCH APPROVAL IS RECEIVED.

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E.O. 12958
As Amended
Sec. 3.3b(9)

6. [REDACTED] THE GOH IS OBVIOUSLY HAVING A TOUGH TIME WITH THIS ONE. AS NOTED REFTL, THEY HAVE DECIDED THE POLITICALLY LEAST COSTLY WAY TO REACTIVATE THE [REDACTED] CASE IS TO GO BACK TO THE CBI LETTER. THIS IS A STEP THAT THE DEPARTMENT HAS BEEN URGING ON THE GOH FOR THE PAST YEAR AND WE BELIEVE IT IS AN EXTREMELY POSITIVE SIGN THAT THEY HAVE DECIDED TO MOVE FORMALLY TO IMPLEMENT THE PROCEDURES OUTLINED IN THE CBI LETTER. INDEED, IT IS PROBABLY A MUCH MORE DEFINITIVE STEP THAN THE MORE INFORMAL PROPOSAL BY WAY OF A LETTER TO [REDACTED] WHICH WE HAVE BEEN EXPECTING MOST RECENTLY. THE RETURN TO THE CBI LETTER APPROACH IN NO WAY REMOVES THE POSSIBILITY OF USING AN INTERNATIONALLY RESPECTED ACCOUNTING FIRM AS THE THIRD PARTY IN THE EVALUATION PROCEDURE IF [REDACTED] DOES NOT OBJECT. THE PROCESS INCLUDES THE INITIATION OF THE PROCEEDING BY THE ATTORNEY GENERAL IN THE COURT AT TRUJILLO. THE JUDGE THEN INVITES BOTH PARTIES TO NAME A REPRESENTATIVE TO A THREE-PERSON VALUATION COMMISSION. EVEN IF [REDACTED] FAILS TO RESPOND, THE GOH CAN NAME ITS REPRESENTATIVE WHO COULD THEN PROPOSE INDIVIDUALS OR INSTITUTIONS AS THE THIRD MEMBER, INCLUDING SUCH AN ACCOUNTING FIRM. WE HAVE NOTED PREVIOUSLY THAT ATTORNEY GENERAL CHIUZ SIERRA REPORTEDLY HAD THREATENED TO RESIGN IF INSTRUCTED TO IMPLEMENT THE PROCEDURES OUTLINED IN THE CBI LETTER. NEVERTHELESS, THE LETTER FROM MINISTER OF THE PRESIDENCY ARRIAGA INSTRUCTS THE ATTORNEY GENERAL TO PROCEED AND DOES SO IN THE NAME OF THE PRESIDENT. WE ASSUME, IN FACT, THAT
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AMEMBASSY SAN JOSE IMMEDIATE 0000
SECDEF WASHDC IMMEDIATE 0000
JCS WASHDC IMMEDIATE 0000

~~SECRET~~ STATE 044177

EXDIS- MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

E.O. 12356: DECL: OADR
TAGS: MARR, HO, ES
SUBJECT: RMTC NEGOTIATIONS

REF: TEGUCIGALPA 1691 AND PREVIOUS

1. ~~(SECRET)~~ -- ENTIRE TEXT)

2. ALTHOUGH THE CURRENT STATE OF PLAY, AS OUTLINED IN REFTTEL AND PREVIOUS, PERMITS SOME OPTIMISM ON THE PROSPECTS OF MOVING TOWARD SUCCESSFUL CONCLUSION TO THE RMTC NEGOTIATIONS, OUR FEBRUARY 1 DEADLINE FOR ACTION ON FY-84 SUPPLEMENTAL IS NOW PAST AND WE HAVE DECIDED TO REPROGRAM FY-84 RMTC FUNDS ON MARCH 1, 1985 IN SUCH A MANNER THAT THEY WILL NO LONGER BE AVAILABLE FOR RMTC USE, UNLESS THE GOH TAKES THE CONCRETE STEPS OUTLINED BELOW. WHILE WE FULLY RECOGNIZE THE POLITICAL SENSITIVITIES WHICH THE GOH FACES IN THIS MATTER AND WE APPRECIATE THE STEPS IT HAS TAKEN THUS FAR TO ADVANCE THE ISSUE, WE ARE UNABLE TO ALLOW THE NEGOTIATIONS TO DRAG ON INDEFINITELY. IN VIEW OF THE IMPORTANCE OF THE RMTC AND RECENT PROGRESS IN NEGOTIATIONS, WE BELIEVE AN URGENT FINAL EFFORT SHOULD BE MADE TO REACH SUBSTANTIVE AGREEMENT ON THESE ISSUES.

3. TO RECAP RECENT DEVELOPMENTS FROM A WASHINGTON PERSPECTIVE, THE ORAL ASSURANCES REGARDING THE TRAINING OF SALVADORAN TROOPS ARE HELPFUL ALTHOUGH NOT IN THEMSELVES SUFFICIENT. THE APPARENTLY SUCCESSFUL NEGOTIATION OF THE GENERAL PRINCIPLES FOR THE RMTC IS ANOTHER POSITIVE SIGN. WE ALSO AGREE WITH THE EMBASSY THAT THE GOH LETTER OF INSTRUCTION REGARDING THE RAMIREZ CASE IS HELPFUL, ALBEIT WE VIEW IT AS SUBSTANTIALLY LESS SO THAN THE DRAFT LETTER TO RAMIREZ THE GOH HAD EARLIER AGREED TO PROVIDE.

4. IN SPITE OF THIS MOVEMENT, THE BOTTOM LINE IS THAT

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NLRR MID-35011 #110469

BY *RW* NARA DATE 4/5/13

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DTG: 130513Z FEB 85 PSN: 063464

THE GOH ONCE AGAIN HAS NOT FULLY TAKEN THE NECESSARY STEPS EITHER TO RESOLVE THE RAMIREZ CASE OR TO ALLOW SALVADORAN TROOPS TO BEGIN TRAINING AGAIN AT THE RMTC. PROGRESS TO DATE HAS BEEN VERY SLOW AND ARDUOUS. THE LATEST TURN OF EVENTS, VIZ. THE GOH RELUCTANCE TO SEND THE AGREED LETTER TO RAMIREZ, INCREASES OUR CONCERN THAT WE MAY RUN INTO FURTHER DELAYS AND THAT WE COULD FIND OURSELVES UNABLE TO COMPLETE NEGOTIATIONS ON THE RMTC BY A DATE WHEN REPROGRAMMING OF THE FUNDS WOULD STILL BE POSSIBLE.

5. OUR PREFERRED SOLUTION FOR THE TRAINING OF SALVADORAN UNITS CONTINUES TO BE THE CREATION OF A RMTC IN HONDURAS AND FOR THIS REASON WE ARE WILLING TO TRY ONE LAST TIME. HOWEVER, THE GOH SHOULD UNDERSTAND THAT WE DO NOT CONSIDER THE RMTC TO BE LINKED TO OTHER BILATERAL ISSUES. IF IT IS NOT POSSIBLE TO PROCEED ON THE BASIS OUTLINED HEREIN, WE WOULD HOPE THAT BOTH SIDES WOULD CONTINUE TO MOVE AHEAD ON OTHER ASPECTS OF THE BILATERAL RELATIONSHIP. THUS IF THE GOH IS UNABLE TO MAKE THE NECESSARY DECISIONS, WE ARE PREPARED TO ADOPT ALTERNATIVE MEASURES TO MEET REGIONAL TRAINING NEEDS AND WOULD LIKE TO PUT THIS ISSUE BEHIND US WITHOUT DAMAGE TO US-HONDURAN RELATIONS.

6. QUESTION OF SALVADORAN TRAINING IS PARTICULARLY PRESSING. ON ASSUMPTION THAT RMTC AGREEMENT MIGHT BE ACHIEVABLE, EMBASSY SAN SALVADOR REVIEWED BIDDING AGAIN WITH VIDES AND BLANDON ON FEBRUARY 7. WE WERE ASSURED THAT GOES WOULD BE PREPARED TO DISPATCH BATTALION FOR RMTC TRAINING AS EARLY AS MARCH 15 (OUR SUGGESTED TARGET) OR, PREFERABLY, FIRST WEEK IN APRIL. IN ORDER TO ALLOW

RETURN OF SALVADORANS AND TO ALLOW US TO OBLIGATE FUNDS FOR THIS PURPOSE (ASIDE FROM PROGRESS ON THE RAMIREZ ISSUE, DISCUSSED BELOW), WE NEED TO HAVE THE GENERAL PRINCIPLES RATIFIED BY THE HONDURAN CONGRESS AND TO EFFECT THE SALVADORAN SIDE LETTER PROCEDURE BY MARCH 1.

WITHOUT SUCCESSFUL CONCLUSION OF BOTH THESE ACTIONS, WE MIGHT FIND OURSELVES IN A SITUATION OF HAVING COMMITTED TRAINING FUNDS FOR A FACILITY THAT THE SALVADORANS COULD NOT USE PENDING FURTHER CLARIFICATION OF THE ISSUE, AN UNACCEPTABLE PROPOSITION FROM THE STANDPOINT EITHER OF URGENT SALVADORAN MILITARY NEEDS OR PRUDENT MANAGEMENT OF SECURITY ASSISTANCE. IF BOTH ACTIONS ARE NOT COMPLETED BY MARCH 1, WE WILL GO FORWARD WITH REPROGRAMMING.

7. RAMIREZ CASE ALSO SHOWS PROGRESS, BUT AGAIN NOT ENOUGH TO MEET OUR MINIMUM REQUIREMENTS. GIVEN STATUTORY REQUIREMENTS AND CONGRESSIONAL SENSITIVITIES AND ATTENTION TO THIS CASE, AS WELL AS THE POLITICAL RESISTANCE IN HONDURAS TO ACCOMODATING RAMIREZ AND THE INADEQUACY OF HONDURAN COMMITMENTS IN THIS CASE, THERE DOES NOT NOW EXIST AN ADEQUATE BASIS TO OBLIGATE RMTC FUNDS.

8. ACCORDINGLY, YOU SHOULD INFORM THE HIGHEST LEVELS OF THE GOH THAT US APPRECIATES GOH EFFORTS TO BE RESPONSIVE ON ISSUES WHICH WE UNDERSTAND CREATE SERIOUS POLITICAL PROBLEMS IN HONDURAS AND THAT US IS PREPARED TO OBLIGATE FUNDS FOR RMTC PROVIDED THAT THE GOH TAKES THE FOLLOWING STEPS NOT LATER THAN MARCH 1:

A. THE HONDURAN ADMINISTRATION MUST SECURE AGREEMENT OF THE HONDURAN CONGRESS TO THE GENERAL PRINCIPLES. (BY

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PAGE 03 OF 03 SECSTATE WASHDC 4177 DTG: 130513Z FEB 85 PSN: 063464

SEPTEL WE ARE FORWARDING OUR CONCURRENCE IN THE LATEST CHANGES.)

B. THE GOH MUST AGREE TO IMPLEMENTATION OF THE AGREED-ON PROCEDURE ON THE SALVADORAN SIDE LETTER, I.E. THEY MUST ACCEPT THE LETTER TO BE FORWARDED BY THE EMBASSY ON THIS SUBJECT AND ACKNOWLEDGE THEIR UNDERSTANDING OF ITS CONTENTS.

C. THE GOH, BEYOND THE FEBRUARY 6 GOH LETTER OF INSTRUCTION, WILL COMMIT ITSELF IN WRITING (A FORMAL WRITTEN COMMUNICATION TO THE EMBASSY WOULD SUFFICE) TO A BINDING PROCESS FOR ADJUDICATING THE RAMIREZ CASE IN WHICH AN IMPARTIAL 3-MEMBER PANEL (ONE MEMBER TO BE APPOINTED BY EACH SIDE AND ONE BY MUTUAL AGREEMENT) IS EMPOWERED TO MAKE DEFINITELY, ALL NECESSARY LEGAL AND FACTUAL DETERMINATIONS REGARDING THE ENTIRE RAMERIZ MATTER, INCLUDING, INTER ALIA, THE NATURE, EXTENT AND VALUE OF RAMIREZ' INTEREST IN THE LAND, IMPROVEMENTS TO THE LAND, BUSINESS LOSSES, AND BACK TAXES. (IT WOULD BE VERY HELPFUL IF THE GOH WOULD APPOINT THEIR PANEL MEMBER AND MAKE GOOD FAITH EFFORTS TO REACH AGREEMENT WITH

RAMIREZ ON THE THIRD MEMBER - SUCH AS AN INTERNATIONAL ACCOUNTING FIRM - PRIOR TO MARCH 1.)

D. IN THE SAME WRITTEN COMMUNICATION, THE GOH MUST PROVIDE WRITTEN ASSURANCES THAT PROVISIONS OF 1983 CBI LETTER REGARDING THE BINDING NATURE OF PANEL DECISION, METHOD OF PAYMENT, AND DURATION OF PROCEEDINGS WILL BE RESPECTED AND THAT GOH INTENDS TO DISCHARGE ITS OBLIGATIONS, IN ACCORDANCE WITH INTERNATIONAL LAW.

E. IN ORDER TO MEET ANOTHER OF THE CONGRESSIONAL REQUIREMENTS, GOH MUST ALSO PROVIDE (1) A SITE FOR THE RMTC AND (2) WRITTEN ASSURANCES THAT IT HAS "ASSUMED RESPONSIBILITY FOR ANY COMPETING CLAIMS TO RIGHTS OF USE OR OWNERSHIP OF SUCH SITE". (FYI: IT IS TO BE NOTED THAT THESE REQUIREMENTS ARE SEPARATE FROM THE RAMIREZ REQUIREMENTS. THEY RESPOND TO THE LANGUAGE OF HOUSE REPORT NO. 98-1159 AND HAVE NOT BEEN STRESSED HERETOFORE IN EXPECTATION THAT THERE WOULD BE TIME TO IDENTIFY PRECISELY THE SITE FOLLOWING A GO-AHEAD DECISION ON THE RMTC BUT BEFORE THE DATE BY WHICH THE FUNDS HAD TO BE OBLIGATED. THAT CUSHION NO LONGER EXISTS.)

9. THE ABOVE-LISTED ACTIONS AND WRITTEN ASSURANCES ARE OUR MINIMUM REQUIREMENTS WHICH MUST BE MET BY MARCH 1 IF WE ARE TO AVOID REPROGRAMMING. SHULTZ
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AMEMBASSY SAN SALVADOR IMMEDIATE 9953

~~CONFIDENTIAL~~ SAN JOSE 01451

E. O. 12356: DECL: OADR
TAGS: MASS, CS
SUBJECT: SECURITY ASSISTANCE: FORTY-SIX COSTA
- RICAN CIVIL GUARDSMEN OFFICERS TO TRAIN
- AT RMTC

REF: AMEMB TEGUCIGALPA 02181 (DTG 151521Z FEB 85)

1. CONF ENTIRE TEXT.

2. MINISTER OF PUBLIC SECURITY, BENJAMIN PIZA, CONFIRMED TO CHODC FRIDAY NIGHT THAT THE GOCR IS IN RECEIPT OF A TELEGRAM FROM THE HONDURAN ARMED FORCES EXTENDING AN INVITATION TO TRAIN 46 COSTA RICAN OFFICERS OF THE CIVIL GUARD AT THE RMTC. HE ALSO CONFIRMED THAT SUBJECT INDIVIDUALS WILL DEPART SAN JOSE FOR THE RMTC ON TUESDAY 19 FEBRUARY VIA MAC CHANNEL C-130 AIRCRAFT. IT IS THE MINISTER'S (AND OUR) CLEAR UNDERSTANDING THAT THE OFFICERS WILL RECEIVE NINE RPT NINE WEEKS TRAINING AT THE RMTC AND THAT THE COST OF SAME WILL REMAIN AS OUTLINED IN THE RECENTLY AMENDED COSTA RICA FMS-MAP CASE CB-B-OAE. IN OTHER WORDS, THERE WILL BE NO ADDITIONAL COST TO COSTA RICA OR THE COSTA RICAN MAP PROGRAM AS A RESULT OF THEIR ACCEPTANCE OF INVITATION TO TRAIN AT RMTC. WINSOR
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BY RW NARA DATE 4/5/13

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PAGE 01
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~~SECRET~~ TEGUCIGALPA 02238

EXDIS

DEPT. PLEASE PASS TO FOLLOWING MILITARY ADDEES:

USCINCO QUARRY HEIGHTS PN, SECDEF WASHDC, JCS WASHDC,
CDRUSAED MOBILE AL AND CDRUSACE WASHDC

E. O. 12356: DECL: OADR
TAGS: MARR, MASS, HO
SUBJECT: SITE SURVEY FOR RMTC

1. ☒ ENTIRE TEXT.

2. IT MAY BE THAT WE WILL COME DOWN TO OUR DEADLINE FOR THE OBLIGATION OF RMTC LINE ITEM FUNDS WITH ALL CONDITIONS MET BUT STILL NOT KNOWING FOR CERTAIN WHERE THE SITE WILL BE; ON THE CURRENTLY PROJECTED ALTERNATIVE SITE OR ON A SITE LOCATED ON RAMIREZ LAND. IF THE GOH SETTLES WITH RAMIREZ AS REQUIRED BY THE CONDITIONS FOR OBLIGATION, THAT SETTLEMENT COULD INVOLVE A TAKE-OVER OF RAMIREZ' LAND HOLDINGS BY THE GOH. IN THAT EVENT, THE GOH WOULD WISH THE SITE LOCATED ON LAND CURRENTLY OCCUPIED BY RAMIREZ' CATTLE OPERATION. HOWEVER, WE MAY NOT KNOW THIS AT THE TIME OF OBLIGATION OF THE FUNDS. THUS, WE WOULD SUGGEST THAT THE CORPS OF ENGINEERS BE ADVISED TO DEVELOP ALTERNATIVE PLANS BASED ON THE TWO POSSIBLE SITES AND TO CONSIDER WHETHER FUNDS CAN BE OBLIGATED AND A CONTRACT LET WHICH CONTAINS PROVISIONS FOR SUCH ALTERNATE CONTINGENCIES. IF THIS CAN BE DONE, WE WOULD SUGGEST THAT ARRANGEMENTS BE MADE AS SOON AS POSSIBLE FOR A SITE SURVEY FOR THE LOCATION OF A NEW CANTONEMENT AREA ON LAND PRESENTLY OCCUPIED BY RAMIREZ.

3. PLEASE ADVISE. NEGROPONTE
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BY RW NARA DATE 4/5/13

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✓ P/Donovan 32
RMTC

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UNCLAS E F T O

FROM DSAA-OPS-D

SUBJECT: RMTC PLANNING - PHASEOUT

1. THE NEXT HONDURAN TRAINING CLASS WILL END 21 JUNE 1985.
BARRING AGREEMENT WITH THE GOH THAT WOULD RESOLVE THE
ISSUES PREVENTING FURTHER TRAINING AT THE RMTC, WE PLAN TO CLOSE
THE FACILITY BY THE END OF JUNE. TO ASSURE AN ORDERLY PHASEOUT
WE MUST BEGIN PLANNING NOW.

2. THERE IS A RELATED ISSUE THAT MUST BE RESOLVED CONCURRENTLY.
THE \$18.5 MILLION IN FY84 SUPPLEMENTAL MAP FUNDS ORIGINALLY
INTENDED FOR THE RMTC HAS BEEN REPROGRAMMED FOR OTHER TRAINING
PURPOSES (\$10M EL SALVADOR, \$5M HONDURAS, \$2M COSTA RICA, AND
\$1.5M TO HONDURAS FENCED FOR RMTC CLOSING COSTS). CONGRESSIONAL
CONCERN ABOUT THE REPROGRAMMING HAS RESULTED IN AGREEMENT BY THE
ADMINISTRATION TO NOTIFY THE APPROPRIATE COMMITTEE AND PROVIDE
DETAILED BRIEFINGS ON THE PROPOSED USE OF THE FUNDS PRIOR TO
DISBURSEMENT OF ANY FUNDS COVERED BY THE REPROGRAMMING. FOR THIS
PURPOSE, WE MUST HAVE A DETAILED PLAN FOR PHASING OUT THE RMTC
THAT CAN BE USED AS THE BASIS FOR BRIEFING THE CONGRESS ON THE
PROPOSED USE OF THE \$1.5M. IN ADDITION, WE WILL BE WORKING WITH
THE MILGPS TO COMMIT THE FUNDS REPROGRAMMED TO EL SALVADOR,
HONDURAS AND COSTA RICA. OUR INTENT IS TO DEVELOP SPECIFIC PLANS
WITHIN 60 DAYS FROM THE DATE OF THE REPROGRAMMING TO COMMIT THE

ENTIRE \$18.5M, THEN PRESENT A BRIEFING TO THE CONGRESS.

3. THE CONCEPT WE WILL USE AS THE BASIS FOR PHASING OUT THE RMTC
IS TO CONSIDER CONSTRUCTION OF THE RMTC A SUNK COST, FOR WHICH EL

SALVADOR HAS BEEN COMPENSATED (FUNDS REPROGRAMMED FROM THE RMTC),
LEAVING THE BUILDINGS AND OTHER FIXED FACILITIES INTACT FOR
POSSIBLE FUTURE REGIONAL TRAINING (IF THE ISSUES ARE RESOLVED) OR
FOR SOME OTHER PURPOSE MUTUALLY AGREED WITH THE GOH. (E.G., THE
QUESTION OF TITLE TO THE FIXED FACILITIES WILL BE ADDRESSED AT A
LATER DATE). THE DISPOSITION OF THE FURNISHINGS, SUPPORT
EQUIPMENT, VEHICLES, WEAPONS, AMMUNITION AND OTHER REMOVABLE
ITEMS, WILL DEPEND ON TO WHOM EACH ITEM BELONGS AND ANY MUTUAL
AGREEMENT REACHED REGARDING DISPOSITION (E.G., THE TRANSFER OF
AMMUNITION OWNED BY EL SALVADOR TO HONDURAS AS SUGGESTED BY
USASAALA).

4. TO INSURE WE ARE PREPARED TO CLOSE THE RMTC BY THE END OF
JUNE, AND TO PROVIDE THE INFORMATION REQUIRED FOR BRIEFING THE
CONGRESS, REQUEST THE FOLLOWING ACTIONS BE TAKEN BY 30 MAY 1985:

A. FOR USASAALA - DEVELOP A DETAILED PLAN FOR PHASEOUT OF
THE RMTC FOLLOWING COMPLETION OF HONDURAN TRAINING 21 JUNE,
INCLUDING:

- A CHRONOLOGICAL PLAN/SCHEDULE OF PHASEOUT ACTIONS
BEGINNING WITH THE DEPARTURE OF THE HONDURAN TRAINING CLASS AND
THE MTT APPROXIMATELY 21 JUNE.
- A DETAILED LIST OF ITEMS PRESENTLY LOCATED AT THE RMTC
WHICH ARE TO BE REMOVED; PROPOSED DISPOSITION; MODE OF
TRANSPORTATION; AND COST.
- A LIST OF PERSONNEL REQUIRED FOR PACKING, CRATING AND
HANDLING OF ITEMS TO BE REMOVED AND THE ASSOCIATED COST.
- A BREAKOUT OF ALL OTHER RELATED COSTS.
- PREPARATION OF AN LOA FOR HONDURAN SIGNATURE WITH ONE
LINE ITEM, "RMTC CLOSING COSTS"; TOTAL BOTTOM LINE FIGURE, \$1.5
MILLION.

B. FOR USACE - IN COORDINATION WITH USASAALA, DEVELOP A PLAN
FOR TERMINATING RMTC OPERATIONS, INCLUDING:

- A DETAILED ESTIMATE OF O&M CONTRACT TERMINATION COSTS,
ASSUMING THE O&M CONTRACT WILL TERMINATE 21 JUNE 1985.
- IDENTIFICATION OF OTHER ASSOCIATED COSTS, IF ANY, BASED
ON THE ABOVE CONCEPT FOR PHASEOUT OF THE RMTC.

C. FOR USMILGPS EL SALVADOR AND HONDURAS - COORDINATE
CLOSELY WITH USASAALA TO KEEP THE HAF AND ESAF AWARE OF PROPOSED

RMTC PHASEOUT ACTIONS; INSURE THAT THEIR CONCERNS ARE TAKEN INTO
CONSIDERATION IN DEVELOPING THE PHASEOUT PLAN; AND KEEP DSAA
ADVISED OF ANY ISSUES THAT SURFACE.

5. PLEASE FORWARD THE INFORMATION REQUESTED BY MESSAGE, AND THE
LOA THROUGH NORMAL CHANNELS TO DSAA, ATTN: OPS-D, NLT 30 MAY
1985.

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PARTICIPATION IN THE RMTCL AND URGE THAT THE GOVERNMENTS
EXTEND THEIR THANKS TO THE GOH FOR ITS CRITICAL ROLE IN
MAKING THE RMTCL AVAILABLE. SHULTZ
BT

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~~SECRET~~ STATE 163556

E.O. 12356: DECL:OADR
TAGS: MASS, HO, ES, CR
SUBJECT: RMTCL CLOSING

1. SECRET -- ENTIRE TEXT.

2. WE INFORMED CONGRESS FORMALLY ON JUNE 10 OF OUR
INTENTION TO TERMINATE OUR PARTICIPATION IN THE RMTCL.
SUCH NOTIFICATION WAS NECESSARY TO ENABLE USE OF THE
FUNDS WHICH HAD BEEN REPROGRAMMED FOR COSTS OF
TERMINATING OUR PARTICIPATION.

3. FINAL DECISION ON REPROGRAMMING OF FY-85 RMTCL FUNDS
WILL BE MADE SHORTLY. ANTICIPATED DISTRIBUTION OF FUNDS
IS AS FOLLOWS: EL SALVADOR - DOLS 13 MILLION, HONDURAS -
DOLS 5 MILLION, COSTA RICA - DOLS 2 MILLION. THESE
AMOUNTS ARE SUBJECT TO REVISION BASED ON CONGRESSIONAL
REACTION TO THE INFORMATION SUPPLIED IN SUPPORT OF
REPROGRAMMING. ALL FUNDS MUST REPEAT MUST BE USED FOR
TRAINING IN ACCORDANCE WITH THE JUSTIFICATIONS PRESENTED
TO CONGRESS.

4. ACTION REQUESTED - TEGUCIGALPA: PLEASE OFFICIALLY
ADVISE THE GOH THAT WE WILL TERMINATE OUR PARTICIPATION
IN THE RMTCL ON APPROXIMATELY JUNE 30. PLEASE EXPRESS OUR
APPRECIATION FOR THE VALUABLE AND TIMELY ROLE PLAYED BY
THE GOH AND THE RMTCL IN PROVIDING PROFESSIONAL TRAINING
TO MORE THAN 10,000 MILITARY PERSONNEL FROM HONDURAS, EL
SALVADOR, AND COSTA RICA. WE ARE SURE THAT THE OTHER
COUNTRIES WHICH PARTICIPATED IN TRAINING AT THE RMTCL JOIN
US IN EXTENDING OUR THANKS TO THE GOH FOR THE
CONTRIBUTION OF THE RMTCL TO LONG TERM REGIONAL PEACE AND
STABILITY.

5. ACTION REQUESTED - SAN JOSE AND SAN SALVADOR:
EMBASSIES SHOULD INFORM HOST GOVERNMENTS AT THE
APPROPRIATE LEVEL OF OUR FORMAL DECISION TO TERMINATE

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BY RIN NARA DATE 4/5/13

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