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20 PANAMA, VENEZUELA ET. AL. PREFER THIS AS A MECHANISM WE WORE DEEPLY INVOLVING THEMSELVES.

3. CENTRAL AMERICAN CORE NATIONS MAKE CLEAR THE ARE READY AND WILLING TO CAREFULLY COORDINATE WITH AND INFORM THE U.S.

IT IS CLEAR THAT ANY EFFORT BY THE U.S. TO PREVENT SUCH A MEETING WILL BE DEEPLY RESENTED AND MIGHT WELL INHIBIT FURTHER INVOLVEMENT BY VENEZUELA AND PANAMA IN THE PROBLEMS OF THE REGION.

5. ECONOMIC PROBLEMS: ECONOMIC CRISIS IS ACUTE THROUGHOUT THE AREA. LOW PRICES OF MAJOR PRODUCTS, INADEQUATE MARKETS, UNAVAILABILITY OF CREDIT, AND HIGH INTEREST RATES PALGUE ALL GOVERNMENTS IN THE REGION.

A. 8, :95 4ICA AND HONDURAS THERE IS COMPLETE BEWILDERMENT ABOUT WHY THE U.S. SHOULD CONTINUE TO AL GIVE NICARAGUA ITS SUGAR QUOTA WHEN THEY NEED IT SO BADLY. THEY SEE IT AS PROVIDING SUPPORT FOR NICARAGUA'S FALTERING ECONOMY AND DENYING THEM (AND GUATEMALA) BADLY NEEDED HELP.

B. HONDURAS AND EL SALVADOR BOTH BADLY NEED MORE ECONOMIC AID AND COULD USE MANY MORE SURPLUS FOOD-STUFFS ON GRANT OR PL-480 TERMS.

6. EL SALVADOR: THERE IS AN ESPECIALLY ACUTE NEED TO UNIFY SALVADOR'S BADLY DIVIDED SOCIETY AND FRAGILE GOVERNMENT. IT SEEMS CLEAR THAT ALL PAINS SHOULD BE TAKEN TO ENCOURAGE COOPERATION AND MUTUAL TOLERANCE AND ENHANCE CONFIDENCE. ASSURANCE WITH REGARD TO U.S. SUPPORT IS ESPECIALY IMPORTANT AT THIS TIME. LANDAU

END OF MESSAGE

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