. OCI NO. 0676/69

CENTRAL INTELLIGENCE AGENCY '69 JUL 17 PM 1:20 Directorate of Intelligence 17 July 1969

INTELLIGENCE MEMORANDUM

El Salvador-Honduras

(Situation Report Number 5 - As of 12:30 PM EDT)

that a "tenuous" cease fire may be in effect. A cease fire plan, worked out by the OAS Organ of Consultation early this morning, called for a cessation of hostilities at 7:00 AM EDT. In addition, troops were to be withdrawn within twelve hours and both countries were to protect civilian populations within their borders, including foreigners.

- 2. Honduras accepted the formula and the Salvadoran reply is expected when the Organ of Consultation meets again at 2:00 PM EDT today. Reports from the OAS Investigative Committee in San Salvador last night indicated that the Sanchez government was seeking to separate the cease fire and withdrawal issues and had refused to pull troops back to the border as suggested by the OAS team.
- 3. Honduran forces have regained some of the ground lost yesterday on one front and have received fresh troops and supplies on the other. In the south.

nave pushed Salvadoran troops back from the town of Nacaome to the border. The Hondurans did not, however, enter Salvadoran territory.

Several truckloads of supplies have reached embattled Honduran forces near Nueva Ocotepeque. With the arrival of reinforcements, Honduran troops moved on toward Nueva Ocotepeque but met stiff resistence from freshly supplied Salvadoran troops. The town reportedly changed hands several times, and at 6:00 PM EDT on 16 July, house to house fighting was taking place.

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4. The Honduran capital and the important north coast city of San Pedro Sula are quiet but local civil defense squads reportedly are forming resistance groups for guerrilla warfare. Salvadoran residents in Honduras continue to be rounded up but, so far, reportedly have not been molested.