

NBC NIGHTLY NEWS

13 November 1984

HONDURAS/>BROKAW: There was a time, not so long ago, when U.S. <>GENERAL>policy in Honduras relied heavily on Gen. Gustavo Alvarez. Now, the general has been ousted from Honduras and he's just plain Gus. Brian Ross reports in tonight's special segment that the general's loss could be a serious setback to Washington.

ROSS: To his new neighbors in Miami, Gus Alvarez seems like just one of the thousands of recent arrivals from Latin America, a stranger in town. But it wasn't that long ago that Gus Alvarez was one of the most powerful men in Central America. Gus Alvarez was Gen. Gustavo Alvarez, who, as commander in chief of the armed forces in Honduras, became one of this country's most dependable supporters in Central America, a man frequently at the side of top American officials and American generals, ready to provide almost anything the American military or the CIA wanted in Honduras. Then, one day last March, the whole cozy relationship between Gen. Alvarez and the American military and the CIA was over. Alvarez was forced out of power and out of the country at the point of a gun, and behind it all was the story of murder, corruption, strange disappearances and apparent miscalculations by the American military and the CIA. GUSTAVO ALVAREZ (former Honduran general): To the people...

ROSS: Gen. Alvarez, who speaks some English, is now telling his story. ALVAREZ: ...and put me in handcuffs.

ROSS: Put you in handcuffs. ALVAREZ: Yeah.

ROSS: Alvarez says he was kidnapped with the approval of the president of Honduras by a group of colonels who he says he was investigating for drug trafficking and corruption. ALVAREZ: And they took me into the floor, you see. It's incredible.

ROSS: Alvarez says an even bigger surprise was that his friends at the American Embassy did nothing to save him, and that all he got was what he regarded as a warning not to return, delivered by the American ambassador's wife to his wife. ALVAREZ: ...that she think that it would be better for my family and for me to, to stay out of the country a few years.

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ROSS: Why did she say that? ALVAREZ: I don't know.

ROSS: What do you think? ALVAREZ: I prefer to keep silent about that.

ROSS: Shortly after the ambassador's wife came here, to Alvarez' house, Alvarez's wife and their three children fled to Miami, and the Honduran army seized the house. Now, the house, which is lavishly furnished and said to be worth a half million dollars, has become a scandal for Alvarez. There are questions about how he could afford a place like this on a general's salary of about \$36,000 a year. And there are questions about Alvarez's role in the murder and disappearances of political dissidents, including the head of one of the biggest labor unions, who disappeared this year. Alvarez strongly denies any connection to the murders or disappearances. At the American Embassy in Honduras, where officials were once so close to the general, Ambassador John Negroponete now says the United States did not depend on Alvarez as much as some people thought. AMBASSADOR JOHN NEGROPONTE (U.S. Embassy, Honduras): He was definitely the man who was in charge.

ROSS: And Negroponete says Alvarez is wrong if he thinks Mrs. Negroponete ever passed out a warning, or that the Americans ever could have saved Alvarez as commander in chief. NEGROPONTE: This was a surprise to us, and we felt that we had to accept the situation as it developed, and there's simply, simply no involvement in the situation on the part of, of my wife.

ROSS: Whatever is now being said about Alvarez at the American Embassy, the fact is, with Alvarez gone, much has changed in Honduras. NBC News has learned that the CIA station chief close to Alvarez was forced to leave Honduras. American military training here for troops from El Salvador has been stopped by Honduras. The operations of CIA-backed Nicaraguan rebels in Honduras have now been curtailed by Honduras. And just last month at the United Nations, the Honduran foreign minister said Honduras was no longer happy with its close military relationship with the United States, a relationship strongly promoted by Gen. Alvarez. Until eight months ago, the United States depended heavily on Gustavo Alvarez in Honduras. Now, with Alvarez in exile in Miami, abandoned by all but a few friends, the American military and the CIA seem to be in trouble in his country. Brian Ross, NBC News, Miami.