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MEMORANDUM FOR: THE PRESIDENT

FROM:

George P. Shultz 4/5

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S D P SUBJECT:

Your Meeting With Guatemalan President

Rios Montt on December 4

#### I. THE SETTING

E S/S S/S-S ARA PM H HA UNA PA TMA RF(1eb)

You are meeting President Rios Montt at a critical juncture in US-Guatemala relations. The coup which brought Rios Montt to power on March 23 presents us with an opportunity to break the long freeze in our relations with Guatemala and to help prevent an extremist takeover. Guatemala, Central America's most populous and potentially richest country, gacas but a strong and longstanding Cuban-supported insurgency and seraous economic problems. The new government has undertaken & series of political and human rights reforms and aggressively pursued the war in the countryside in an effort to break the back of the insurgency. There has been progress, but credible reports of army responsibility for some massacres of noncombatants have made it difficult for us to obtain Congressional support for a renewed security assistance relationship with Guatemala. Although the government retains the tacit allegia of a diverse group of civilian and military officers, its hol on power is tenuous. Plots have surfaced to overthrow Rios Montt and reverse his moderate policies. Regionally, Guatema remains isolated as a result of its failure to set a precise timetable for the return to constitutional government. Altho a strong nationalist, Rios Montt is an avowed anti-communist. He will use the meeting to demonstrate domestically US suppor for his government and its reforms. He is, however, resentfu that the USG has not more fully come to Guatemala's assistanc and that you will not be stopping in Guatemala. We know that he was personally reluctant to meet with you in Honduras but agreed to do so on the recommendation of a majority in his cabinet.

#### II. ISSUES

### 1. Situation in Guatemala

Since coming to power in March, Rios Montt has actively pursued the war against some 4,000 Cuban-supported insurgents in the country. Militarily, the government has avoided the massive use of repression that characterized its predecessor, and is winning. Politicians, who expected a quick return to democratic processes following the coup, and dissatisfied military officers and cronies of the former regime will continue to plot to overthrow the government. Rios Montt will provide fuel for their fire if he is unable to deal with the severe economic problems confronting the country.



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## 2. US support for Rios Montt's reforms

Rios Montt has taken a series of significant steps since coming to power: he virtually ended the violence in the urban areas, offered an amnesty to the guerrillas, invited religious exiles back into the country, extended invitations to international human rights organizations to visit, recognized the national human rights organizations communities to the developing political process by including them in the Council of state, and announced a timetable of steps preliminary to elections. Initially, we responded to these actions by taking symbolic economic measures to signal US support for the GOS. These measures included a \$10 million ESF package under the CBI and a decision to support international financial institutions projects beyond those limited to basic human needs. We are now considering pending GOG requests for the sale of nelicopter and aircraft spare parts.

## 3. Congressional Opposition

Key Congressmen continue to react negatively to numerous reports, many of them fabricated, others true, of government atrocities against noncombatants. Ignoring the likelihood that Rios Montt will be overthrown and replaced by a repressive government if we fail to provide politically meaningful support to him, they argue that Guatemala's human rights record must be substantially improved beyond the present situation before moving ahead with security and, in some cases, economic assistance. To overcome Congressional and public reaction to our support for Guatemala and to build upon the progress in our bilateral relations it is important that Rios Montt announce shortly a specific timetable for Guatemala's return to constitutional rule within two years. Equally important, the Guatemalan military must impose greater discipline on its units and end the killing of innocents in disputed or guerrilla areas.

## 4. Guatemala, UR, Belize territorial dispute

Guatemala claims sovereignty over Belize, although in preindependence negotiations the Guatemalans were willing to settle
for guaranteed access to the Caribbean and use of several small
cays. This prospect provoked riots in Belize and the negotiations broke down. Rios Montt has not yet seriously addressed
this problem, nor do we expect him to in the near future. We
are urging the Guatemalans to reopen negotiations but there
appears to be no possibility of reaching a settlement in the
appears to be no possibility of reaching a settlement in the
near term. The Guatemalans are insisting on territorial concessions permitting a corridor through Belize to the sea. We
believe territorial concessions are not necessary for Guatemala
to obtain access to the sea.

Attachment: Talking Foints.







#### TALKING POINTS

- -- I deeply appreciate your coming to Honduras for our meeting.
- -- USG understands you are in a difficult guerrilla war and we would like to support and assist you to prevent leftwing victory.
- -- We appreciate your efforts to end violence and corruption. We are pointing out your success to our Congress.
- -- We have been considering how we can sell you military equipment, but Congressional opposition is strong among those who fail to appreciate the effort you are making to improve the human rights situation. We believe continued progress will be helpful in addressing the guerrilla problem and in curning around international opinion on Guatemala.
- -- We understand you are working on an election timetable. That is important to your Central American neighbors and to the US. We all want to see Guatemala fully integrated into the democratic community in Central America. We understand you have to prepare the country for democracy, but the sooner you can have constituent assembly elections, the better.
- -- (If asked) I'm encouraged that your government is discussing the longstanding dispute with Great Britain over Belize.
- -- We think it is important that some politically acceptable solution to this problem be found.

Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir.

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