



Foreign Relations of the United States, 1969–1976

Volume E–11

Part 1

Documents on Mexico; Central America; and the Caribbean 1973–1976

Editor Halbert Jones

General Editor Adam M. Howard

Preface

The *Foreign Relations of the United States* series presents the official documentary historical record of major foreign policy decisions and significant diplomatic activity of the United States Government. The Historian of the Department of State is charged with the responsibility for the preparation of the *Foreign Relations* series. The staff of the Office of the Historian, Bureau of Public Affairs, under the direction of the General Editor of the *Foreign Relations* series, plans, researches, compiles, and edits the volumes in the series. Secretary of State Frank B. Kellogg first promulgated official regulations codifying specific standards for the selection and editing of documents for the series on March 26, 1925. These regulations, with minor modifications, guided the series through 1991.

Public Law 102–138, the *Foreign Relations* Authorization Act, which was signed by President George H.W. Bush on October 28, 1991, established a new statutory charter for the preparation of the series. Section 198 of P.L. 102–138 added a new Title IV to the Department of State's Basic Authorities Act of 1956 (22 U.S.C. 4351, et seq.).

This statute requires that the *Foreign Relations* series be a thorough, accurate, and reliable record of major United States foreign policy decisions and significant United States diplomatic activity. The volumes of the series should include all records needed to provide comprehensive documentation of major foreign policy decisions and actions of the United States Government. The statute also confirms the editing principles established by Secretary Kellogg: the *Foreign Relations* series is guided by the principles of historical objectivity and accuracy; records should not be altered or deletions made without indicating in the published text that a deletion has been made; the published record should omit no facts that were of major importance in reaching a decision; and nothing should be omitted for the purposes of concealing a defect in policy. The statute also requires that the *Foreign Relations* series be published not more than 30 years after the events recorded.

Structure and Scope of the Foreign Relations Series

This volume is part of a subseries of volumes of the *Foreign Relations* series that documents the most important issues in the foreign policy of the administrations of Presidents Richard M. Nixon and Gerald R. Ford.

*Focus of Research and Principles of Selection for Foreign Relations,
1969–1976, Volume E–11, Part 1*

This volume documents U.S. relations with Mexico, Central America, and the Caribbean between 1973 and 1976. U.S. relations with Panama are covered in *Foreign Relations, 1969–1976, volume XXII*, South America is covered in *Foreign Relations, 1969–1976, volume E–11, Part 2*, and Chile through mid-September 1973 is covered in *Foreign Relations, 1969–1976, volume XXI*.

The eleven compilations herein illustrate both the formulation of a new U.S. policy towards the region as a whole and bilateral relations with The Bahamas (independent, 1973), Barbados, Belize (U.K.), Costa Rica, Cuba, the Dominican Republic, El Salvador, Grenada (independent, 1974), Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, and Nicaragua.

In three cases, documents on relations with more than one country have been combined into a single compilation. One compilation covers U.S. relations with El Salvador and Honduras and the border dispute between them; another covers relations with Guatemala and Belize and the claim of the former on the British territory; and a third compilation covers relations with the nations of the Anglophone Caribbean, including Jamaica, The Bahamas, Barbados, and Grenada.

U.S. policy towards Latin America during this period centered on establishing what Henry A. Kissinger called a “New Dialogue” with the region. Launched in October 1973, just days after Kissinger took office as Secretary of State, the “New Dialogue” was envisioned as a constructive way for the United States to meet the challenge posed by the perceived emergence of a Latin American regional bloc. The initiative called for regular meetings of foreign ministers to address issues of mutual concern and aimed to restore a sense that a special relationship existed between the United States and its neighbors to the south. Successful meetings between several Latin American foreign ministers and the U.S. Secretary of State took place in Mexico City and Washington in 1974. But by the time Kissinger made his trips to Latin America as Secretary of State in February and June 1976, however, U.S. officials had largely abandoned the idea of pursuing a unified regional policy, as called for by the “New Dialogue.” Instead, recognizing that Latin America was not a monolithic bloc, the Ford administration focused more on bilateral relations with the nations of the hemisphere.

Readers interested in U.S.-Cuban relations should consult both the chapter on Cuba and the chapter on Regional Affairs, inasmuch as policy towards Havana was influenced as much by broader regional concerns as it was by developments on the island. When the U.S. Congress voted in July 1975 in favor of lifting the 1964 Organization of American States (OAS) diplomatic sanctions on the Castro regime, it

did so in order to avoid conflict with Latin American countries that were then reestablishing ties with Cuba and to preserve the credibility of regional institutions. Meanwhile, behind the scenes, Department officials explored the possibility of rapprochement with Cuba, particularly after the departure from the White House of President Richard M. Nixon, an inveterate opponent of the Castro regime. However, the apparent spread of Cuban influence in the Caribbean and, especially, the deployment of Cuban forces to assist the Popular Movement for the Liberation of Angola (MPLA) undermined any possibility that the United States and Cuba might reestablish diplomatic ties. The acrimony and recriminations that followed the bombing of a Cubana de Aviación airliner off the coast of Barbados in October 1976 placed further strains on U.S.-Cuban relations.

Those readers interested in U.S.-Mexican relations will also find compelling documentation in this compilation. As the closest Latin American neighbor of the United States, Mexico has historically had a particularly deep and multifaceted relationship with Washington. During the Nixon and Ford administrations, bilateral relations were marked by the emergence of immigration and narcotics control as key issues. Efforts by Mexican President Luis Echeverría to assume a role as a leader of the Third World sometimes complicated the relationship, but the United States and Mexico succeeded in resolving a long-running dispute over the salinity of the Colorado River in 1973. Moreover, in 1976, the U.S. and Mexican Governments reached an innovative agreement on the transfer of prisoners between the two countries, and Washington responded quickly to help avert a looming Mexican financial crisis.

Elsewhere in the region during the mid-1970s, investment disputes played a central role in relations with countries such as Jamaica, the Dominican Republic, and Guyana. Meanwhile, military governments dominated much of Central America, but signs of the unrest that would give rise to the civil wars of the 1980s were beginning to become apparent.

Editorial Methodology

The documents are presented chronologically according to Washington time. Memoranda of conversations are placed according to the date and time of the conversation, rather than the date a memorandum was drafted. Documents chosen for printing are authoritative or signed copies, unless otherwise noted.

Editorial treatment of the documents published in the *Foreign Relations* series follows Office style guidelines, supplemented by guidance from the General Editor and the Chief of the Editing and Publishing Division. The documents are reproduced as exactly as possible, including

marginalia or other notations, which are described in the footnotes. Texts are transcribed and printed according to accepted conventions for the publication of historical documents within the limitations of modern typography. A heading has been supplied by the editors for each document included in the volume. Spelling, capitalization, and punctuation are retained as found in the original text, except that obvious typographical errors are silently corrected. Other mistakes and omissions in the documents are corrected by bracketed insertions: a correction is set in italic type; an addition in roman type. Words or phrases underlined in the source text are printed in italics. Abbreviations and contractions are preserved as found in the original text, and a list of abbreviations is included in the front matter of each volume. In telegrams, the telegram number (including special designators such as Secto) is printed at the start of the text of the telegram.

Bracketed insertions are also used to indicate omitted text that deals with an unrelated subject (in roman type) or that remains classified after declassification review (in italic type). The amount and, where possible, the nature of the material not declassified has been noted by indicating the number of lines or pages of text that were omitted. Entire documents withheld for declassification purposes have been accounted for and are listed with headings, source notes, and number of pages not declassified in their chronological place. All brackets that appear in the original text are so identified in footnotes. All ellipses are in the original documents.

The first footnote to each document indicates the document's source, original classification, distribution, and drafting information. This note also provided the background of important documents and policies and indicates whether the President or his major policy advisers read the document.

Editorial notes and additional annotation summarize pertinent material not printed in the volume, indicate the location of additional documentary sources, provide references to important related documents printed in other volumes, describe key events, and provide summaries of and citations to public statements that supplement and elucidate the printed documents. Information derived from memoirs and other first-hand accounts has been used where appropriate to supplement or explicate the official record.

Advisory Committee on Historical Diplomatic Documentation

The Advisory Committee on Historical Diplomatic Documentation, established under the *Foreign Relations* statute, reviews records, advises, and makes recommendations concerning the *Foreign Relations* series. The Advisory Committee monitors the overall compilation and editorial process of the series and advises on all aspects of the prepara-

tion and declassification of the series. The Advisory Committee does not necessarily review the contents of individual volumes in the series, but it makes recommendations on issues that come to its attention and reviews volumes, as it deems necessary to fulfill its advisory and statutory obligations.

Presidential Recordings and Materials Preservation Act Review

Under the terms of the Presidential Recordings and Materials Preservation Act (PRMPA) of 1974 (44 U.S.C. 2111 note), the National Archives and Records Administration (NARA) has custody of the Nixon Presidential historical materials. The requirements of the PRMPA and implementing regulations govern access to the Nixon Presidential historical materials. The PRMPA and implementing public access regulations require NARA to review for additional restrictions in order to ensure the protection of the privacy rights of former Nixon White House officials, since these officials were not given the opportunity to separate their personal materials from public papers. Thus, the PRMPA and implementing public access regulations require NARA formally to notify the Nixon Estate and former Nixon White House staff members that the agency is scheduling for public release Nixon White House historical materials. The Nixon Estate and former White House staff members have 30 days to contest the release of Nixon historical materials in which they were a participant or are mentioned. Further, the PRMPA and implementing regulations require NARA to segregate and return to the creator of files private and personal materials. All *Foreign Relations* volumes that include materials from NARA's Nixon Presidential Materials Staff are processed and released in accordance with the PRMPA.

Declassification Review

The Office of Information Programs and Services, Bureau of Administration, conducted the declassification review for the Department of State of the documents published in this volume. The review was conducted in accordance with the standards set forth in Executive Order 12958, as amended, on Classified National Security Information and other applicable laws.

The principle guiding declassification review is to release all information, subject only to the current requirements of national security, as embodied in law and regulation. Declassification decisions entailed concurrence of the appropriate geographic and functional bureaus in the Department of State, other concerned agencies of the U.S. Government, and the appropriate foreign governments regarding specific documents of those governments. The declassification review of this volume, which began in 2007 and was completed in 2014, resulted in the decision to withhold 0 documents in full, excise a paragraph or more in

9 documents, and make minor excisions of less than a paragraph in 31 documents.

The Office of the Historian is confident, on the basis of the research conducted in preparing this volume and as a result of the declassification review process described above, that the documentation and editorial notes presented here provide a thorough, accurate, and reliable—given the limitations of space—record of the policy of the Nixon and Ford administrations toward the American Republics.

Acknowledgements

The editor wishes to acknowledge the assistance of the staff at the Nixon Presidential Materials Project of the National Archives and Records Administration at College Park, Maryland, and Melissa Heddon at the Nixon Presidential Library and Museum at Yorba Linda, California. The editor also wishes to thank Geir Gunderson, Donna Lehman and Helmi Raaska at the Gerald R. Ford Presidential Library in Ann Arbor, Michigan for their expertise and assistance. The editor would like to acknowledge the Historical Staff of the Central Intelligence Agency, who arranged access to Agency Files, and to John Haynes of the Library of Congress, who was responsible for expediting access to the Kissinger Papers. The editor was able to use the Kissinger Papers with the permission of Henry Kissinger. The editor would like to thank the staff in the Manuscript Reading Room at the Library of Congress for their assistance, and Sandy Meagher for her assistance in expediting the use of files of the Department of Defense.

Halbert Jones and Douglas Kraft collected, selected, and annotated the documentation for this *Foreign Relations* volume. The volume was completed under the supervision of Edward C. Keefer, former General Editor of the *Foreign Relations* series. Alexander Poster assumed responsibility for resolving substantive issues of compilation and review during the final stages of production. Dean Weatherhead coordinated the declassification review under the supervision of Susan C. Weetman, former Chief of the Declassification and Publishing Division, and Carl Ashley, Chief of the Declassification Division. Margaret Ball, Mandy Chalou, Erin Cozens, Stephanie Eckroth, and Thomas Faith performed the copy and technical editing.

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The Historian

Bureau of Public Affairs
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Contents

Preface	III
Sources	XI
Abbreviations and Terms	XXI
Persons	XXIX
Note on U.S. Covert Actions	XLI
Documents on Mexico; Central America; and the Caribbean; 1973–1976	
American Republics Regional	1
Mexico	150
Costa Rica	341
El Salvador and Honduras	438
Guatemala and Belize	472
Nicaragua	649
Cuba	724
Dominican Republic	878
Guyana	931
Haiti	1020
Jamaica, The Bahamas, and the Eastern Caribbean	1099

Sources

Sources for the Foreign Relations Series

The 1991 *Foreign Relations* statute requires that the published record in the *Foreign Relations* series include all records needed to provide comprehensive documentation on major U.S. foreign policy decisions and significant U.S. diplomatic activity. It further requires that government agencies, departments, and other entities of the U.S. Government engaged in foreign policy formulation, execution, or support cooperate with the Department of State Historian by providing full and complete access to records pertinent to foreign policy decisions and actions and by providing copies of selected records. Most of the sources consulted in the preparation of this volume have been declassified and are available for review at the National Archives and Records Administration.

The editors of the *Foreign Relations* series have complete access to all the retired records and papers of the Department of State: the central files of the Department; the special decentralized files ("lot files") of the Department at the bureau, office, and division levels; the files of the Department's Executive Secretariat, which contain the records of international conferences and high-level official visits, correspondence with foreign leaders by the President and Secretary of State, and memoranda of conversations between the President and Secretary of State and foreign officials; and the files of overseas diplomatic posts. All the Department's indexed central files through July 1973 have been permanently transferred to the National Archives and Records Administration at College Park, Maryland (Archives II). Many of the Department's decentralized office files covering the 1969–1976 period, which the National Archives deems worthy of permanent retention, have been transferred or are in the process of being transferred from the Department's custody to Archives II.

The editors of the *Foreign Relations* series also have full access to the papers of Presidents Nixon and Ford as well as other White House foreign policy records. Presidential papers maintained and preserved at the Presidential libraries include some of the most significant foreign affairs-related documentation from the Department of State and other Federal agencies including the National Security Council, the Central Intelligence Agency, the Department of Defense, and the Joint Chiefs of Staff. Dr. Henry Kissinger has approved access to his papers at the Library of Congress. These papers are a key source for the Nixon-Ford subseries of the *Foreign Relations* series.

Research for this volume was completed through special access to restricted documents at the Nixon Presidential Materials Project, the Ford Presidential Library, the Library of Congress, and other agencies. While all the material printed in this volume has been declassified, some of it is extracted from still classified documents. In the time since the research for this volume was completed, the Nixon Presidential Materials have been transferred to the Nixon Presidential Library and Museum in Yorba Linda, California. The Nixon Presidential Library staff and Ford Library staff are processing and declassifying many of the documents used in this volume, but they may not be available in their entirety at the time of publication.

Sources for Foreign Relations, 1969–1976, Volume E–11, Part 1

The presidential papers of the Nixon and Ford administrations are the best source of high-level decision making documentation for U.S. relations with Mexico, Central America, and the Caribbean from 1973 until 1976. At the Nixon Library, several collections from the National Security Council Files are relevant to research. The Country Files for Latin America provide the NSC staff's perspective on relations with these countries. The Institutional Files (H-Files) contain records on high-level meetings, requests for studies, and presidential decisions. High-level correspondence between President Nixon and foreign heads of state are contained in the Presidential Correspondence files. These files contain minutes, memoranda, and related documentation on the deliberations of the National Security Council itself, the Senior Review Group, the Washington Special Actions Group, and other inter-agency committees; also included are records relating to National Security Council Study and Decision Memoranda (NSSMs and NSDMs), as well as similar decision-making documents.

Material at the Ford Library is organized into categories similar to those at the Nixon Library. The National Security Adviser file contains a number of useful collections for understanding U.S.-Latin American relations: Presidential Country Files, Memoranda of Conversation, National Security Council Staff for Latin America, Trip Briefing books, and the Presidential Agency File. The President's Daily Diary is an invaluable resource for following the President's work schedule. The Ford Library has separate NSC Institutional (H-Files), which contain minutes and related documents for NSC and Senior Review Group meetings. Also found in this collection are the Policy Paper files containing National Security Study Memoranda (NSSMS), National Security Decision Memoranda (NSDMs), and related documents.

At the National Archives and Records Administration at College Park, Maryland, the Department of State Central Files, 1970–1973, contains useful material on the countries of Latin America. Focused largely on cable traffic to and from posts, they contain analysis of events in

country that have a bearing on U.S. policy. The Central Foreign Policy Files covering the period from 1973 onwards yield important telegrams and memoranda of conversation.

The Kissinger Papers at the Library of Congress contain a significant amount of duplicate material found in other repositories. However, the Geopolitical File contains documents not found elsewhere, and the Memoranda of Conversations File is remarkably comprehensive in scope. At the Department of Defense, the Official Records of the Secretary of Defense, the Deputy Secretary of Defense, and the Special Assistant to the Secretary and Deputy Secretary of Defense, and the files of the Office of the Assistant Secretary of Defense for International Security Affairs contain useful documents on U.S. relations with Latin America. The records of the Central Intelligence Agency and the Intelligence Files at the National Security Council contain valuable documentation for this volume.

Unpublished Sources

Department of State

Central Files. See Record Group 59 under National Archives and Records Administration below.

Lot Files. For lot files already transferred to the National Archives and Records Administration, see RG 59, National Archives and Records Administration.

INR/IL Historical Files

Historical files of the Office of Intelligence Liaison of the Bureau of Intelligence and Research, in the custody of the Department of State, 1940s–1980s, including: Asunción, 1969–1979; Brasília, 1975; Kingston, 1963–1969; Lima, 1963–1979; Managua, 1969–1977; Montevideo 1962–79; San Salvador, 1963–1979; Santiago, 1963–1979; Uruguay 1973–1980; and ARA-CIA Weekly Meetings, 1976–1977.

FOIA Electronic Reading Room. This resource, located at <http://foia.state.gov>, provides access to various collections of declassified Department of State records, including the following relevant to the subject matter of this volume:

Kissinger Transcripts

National Archives and Records Administration, College Park, Maryland

Nixon Presidential Materials

National Security Council Files, Country Files, Latin America

National Security Council Files, Institutional Files (H-Files)

Senior Review Group Minutes

NSC Meeting Minutes

NSSM

NSDM

NSDM Policy Papers

Nixon Tapes

RG 59, Records of the Department of State

Subject-Numeric Central Files. The subject-numeric system is divided into broad categories: Administration, Consular, Culture and Information, Economic, Political and Defense, Science, and Social. Within each of these divisions are subject subcategories. For example, the Political and Defense category encompasses four subcategories: POL (Politics), DEF (Defense), CSM (Communism), and INT (Intelligence). Numerical subdivisions specified in the Department Record Classification Handbook further define the subject of filed material. This filing system was in use from 1963 through 1973. The following are the principal central files consulted and cited in this volume.

OAS 3: Organization of American States, general

OAS 7: Organization of American States, political

ORG 7 S: visits of the Secretary of State

PER Leonhardy, Terrance: Terrance Leonhardy personnel file

POL 1 BOL-US: general policy and background on Bolivian-U.S. relations

POL 1 BRAZ-US: general policy and background on Brazilian-U.S. relations

POL 1 COL-US: general policy and background on Colombian-U.S. political relations

POL 1 GUYANA-US: general policy and background on Guyanese-U.S. political relations

POL 1 NIC-US: general policy and background on Nicaraguan-U.S. relations

POL 1 VEN-US: general policy and background on Venezuelan-U.S. relations

POL 2 DOM REP: Dominican Republic, general reports and statistics

POL 2 HAI: Haiti, general reports and statistics

POL 2 NIC: Nicaragua, general reports and statistics

POL 7 ARG: Argentina, visits and meetings

POL 7 BOL: Bolivia, visits and meetings

POL 12 NIC: Nicaraguan political parties

POL 14 NIC: Nicaraguan national elections

POL 14 UR

POL 15-1 JAM: Jamaican heads of state, executive branch

POL 15 UR

POL 17 US-BAH: U.S. diplomatic and consular representation in The Bahamas

POL 17 US-JAM: U.S. diplomatic and consular representation in Jamaica

POL 23–8 MEX: demonstrations, riots, and protests in Mexico

POL 23–8 UR

POL 23–9 CHILE: rebellion and coups in Chile

POL 23–9 DOM REP: rebellion and coups in the Dominican Republic

POL 23–9 HAI: rebellion and coups in Haiti

POL 29 BOL: political prisoners in Bolivia

POL 29 CHILE: political prisoners in Chile

POL 33–1 MEX–US: river boundaries between Mexico and the United States

POL ARG–US: Argentine-U.S. political relations

POL BRAZ–US: Brazilian-U.S. political relations

POL CHILE–US: Chilean-U.S. political relations

POL COL–US: Colombian-U.S. political relations

POL CUBA–US: Cuban-U.S. political relations

POL EL SAL–HOND: Salvadoran-Honduran political relations

POL MEX–US: Mexican-U.S. political relations

POL PERU–US: Peruvian-U.S. political relations

POL VEN–US: Venezuelan-U.S. political relations

Central Foreign Policy File. Part of the online Access to Archival Databases (AAD);
Electronic Telegrams; P-Reel Index; P-Reel Microfilm; D-Reel Telegrams

Lot Files. These are the decentralized files maintained within individual offices of the
Department of State.

ARA Files, Lots 73D115, 73D189, 74D467, 75D144, 75D219, 75D251, 75D476, 78D261

Subject and country files of the Assistant Secretary of State for Inter-American
Affairs and U.S. Coordinator, Alliance for Progress, 1964–1975

ARA Files, Lots 73D319, 74D343, 76D86, 76D195

Subject and country files of the Deputy Assistant Secretary for Inter-American
Affairs (Economic Policy), 1968–1975

ARA Files, Lots 73D353, 73D395, 76D110

Subject and country files of the Deputy Assistant Secretary of State for Inter-
American Affairs, 1969–1975

ARA Files, Lot 81D183

Subject files of the Assistant Secretary of State for Inter-American Affairs, 1975–1978

ARA/AND/B Files, Lots 78D46, 78D459, 79D339

Records of the Office of Andean Affairs relating to Bolivia, 1976–1978

ARA/AND/CH Files, Lot 79D43

Records of the Office of Andean Affairs relating to Chile, 1971–1976

ARA/CAR Files, Lot 75D75

Records of the Office of Caribbean Countries relating to regional matters, 1968–1973

ARA/CAR Files, Lots 79D323, 79D341

Country files of the Office of Caribbean Affairs, 1975–1978

ARA/CAR Files, Lots 74D476, 75D463

Records of the Office of Caribbean Countries relating to Jamaica and Guyana, 1972–1973

ARA/CAR/BAH Files, Lots 73D48, 74D79

Records of the Office of Caribbean Countries relating to The Bahamas, 1970–1974

ARA/CAR/BAH Files, Lot 76D 84

Records of the Office of Caribbean Countries relating to The Bahamas base negotiations, 1973

ARA/CAR/G Files, Lots 73D94, 73D102, 76D462

Records of the Office of Caribbean Countries relating to Guyana, 1961–1974

ARA/CAR/H Files, Lots 73D12, 74D60, 74D495

Records of the Office of Caribbean Countries relating to Haiti, 1963–1974

ARA/CAR/J Files, Lots 73D46, 76D482

Records of the Office of Caribbean Countries relating to Jamaica, 1967–1974

ARA/CCA Files, Lots 73D191, 73D245, 74D437, 74D439, 77D344, 78D189, 78D289, 79D206

Records of the Office of the Coordinator of Cuban Affairs relating to Cuban political affairs, 1957–1975

ARA/CCA Files, Lots 74D438, 78D34, 81D19

Records of the Office of the Coordinator of Cuban Affairs relating to Cuban economic affairs, 1967–1975

ARA/CEN Files, Lots 73D439, 74D491, 75D469

Records of the Office of Central American Affairs relating to regional matters, 1963–1973

ARA/CEN/B Files, Lots 76D138, 76D139, 76D140, 78D112

Records of the Office of Central American Affairs relating to Belize, 1972–1975

ARA/CEN/CR Files, Lots 73D60, 74D36, 75D63, 76D290, 78D109

Records of the Office of Central American Affairs relating to Costa Rica, 1967–1975

ARA/CEN/ES Files, Lots 73D29, 74D96, 76D45, 77D56, 78D113

Records of the Office of Central American Affairs relating to El Salvador, 1967–1975

ARA/CEN/G Files, Lots 73D59, 74D26, 76D32, 76D33, 77D59, 78D110

Records of the Office of Central American Affairs relating to Guatemala, 1967–1975

ARA/CEN/G File, Lots 79D128, 81D322

Records of the Office of Central American Affairs relating to Guatemala, 1976–1979

ARA/CEN/H Files, Lots 73D30, 76D46, 77D58

Records of the Office of Central American Affairs relating to Honduras, 1967–1974

ARA/CEN/N Files, Lots 71D513, 73D58, 74D35, 76D179, 76D387, 78D69

Records of the Office of Central American Affairs relating to Nicaragua, 1969–1975

ARA/ECP Files, Lots 73D103, 73D178, 74D107, 74D340, 74D454, 75D130, 76D454, 77D123

Subject and country files of the Office of Regional Economic Policy, 1969–1975

ARA/ECP Files, Lots 78D409, 78D411, 78D412, 78D413, 78D414, 79D218

Subject files of the Office of Regional Economic Policy, 1969–1977

ARA/NSC-IG Files, Lot 75D224

Subject and country files of the Staff Director of the NSC Interdepartmental Group, 1973

ARA/PLC Files, Lots 73D5, 74D267, 76D298

Subject files of the Office of Policy and Coordination, 1971–1973

ARA/PPC Files, Lot 76D325

Subject files of the Office of Policy Planning, Public, and Congressional Affairs, 1970–1975

ARA/RPP Files, Lot 81D372

Subject files of the Office of Regional Political Programs, 1969–1977

ARA/MEX Files, Lots 73D106, 74D118, 74D487, 75D478, 77D264

Records of the Office of Mexican Affairs relating to Mexico, 1962–1975

ARA/MEX Files, Lots 77D57, 78D235, 78D297

Subject files of the Office of Mexican Affairs, 1974–1976

L/ARA Files, Lot 81D324

Subject and country files of the Deputy Legal Adviser for Inter-American Affairs, 1965–1979

Defense Attaché files, 1960–1981, Lot 94D501

HA Files, Lots 77D391, 80D177

Subject and country files of the Bureau of Human Rights and Humanitarian Affairs, 1973–1977

Records of Secretary of State Kissinger, 1973–1977, Entry 5403

Transcripts of Kissinger Staff Meetings, Entry 5177

Minutes of Secretary of State Kissinger's staff meetings, 1973–1977 (formerly Lot 78D443)

USOAS Files, Lot 74D255

Subject files of the Permanent Representative, Permanent Mission of the United States to the Organization of American States, 1965–1973

USOAS Files, Lots 75D304, 75D348

Subject files of the Deputy Permanent Representative, Permanent Mission of the United States to the Organization of American States, 1969–1974

USOAS Files, Lots 73D211, 77D215

Subject files of the Economic Adviser, Permanent Mission of the United States to the Organization of American States, 1966–1975

USOAS Files, Lots 74D360, 75D233, 75D345, 75D349

Subject files of the Political Adviser, Permanent Mission of the United States to the Organization of American States, 1960–1975

Record Group 84, Records of Foreign Service Posts

Georgetown Embassy Files, Political Files, 1973, Lot 76F147

Washington National Records Center, Suitland, Maryland

Record Group 330, Records of the Office of the Secretary of Defense

OSD Files: 330–78–0001, 330–78–058, 330–79–049, 330–85–4, 330–78–0002, 330–79–050, 330–78–0010, 330–78–0059

Decimal subject files of the Office of the Secretary of Defense, 1973–1976

OASD/ISA Files: 330–76–117, 330–76–129, 330–77–003, 330–77–54, 330–78–0038, 330–79–037, 330–80–0024, 330–80–0053, 330–76–187, 330–77–63, 330–78–92

Decimal subject files of the Office of the Assistant Secretary of Defense for International Security Affairs, 1973–1976

Gerald R. Ford Presidential Library, Ann Arbor, Michigan

National Security Adviser Files

HAK-Scowcroft West Wing Office Files

Legislative Interdepartmental Group Files

Memoranda of Conversation

National Security Decision Memorandums and National Security Study Memorandums

National Security Council Meetings Files

NSC Latin American Affairs Staff Files

NSC Staff for Planning and Coordination

NSC Staff, Press & Congressional Liaison

NSC Staff for Information Liaison with Commissions and Committees;

NSC Staff for International Economic Affairs

NSC Staff Secretary, Convenience File

Office to the Assistant to the President for National Security Affairs

Presidential Country Files for Europe and Canada

Presidential Country Files for Latin America

Presidential Subject File

Presidential Transition File (Nixon-Ford, 1974)

Scowcroft Daily Work Files

Staff Assistant Peter Rodman Files

Trip Briefing Books/Cables of HAK

NSC Institutional Files (H-Files)

WSAG

NSC Meeting Minutes

Selected Documents (1973;

NSC "NS" Originals File

Personal Paper Collections

Cheney, Richard B.

Hartmann, Robert T.

Marsh, John O.

Simon, William E.

Wilson, James M.

Ford Pre-Presidential

Gerald Ford, Vice Presidential Files

Gerald Ford, Congressional Papers

White House

Central Files, Subject Files

Staff Secretary Convenience Files

Special Files, Unit Files

Records Office, Legislation,

Other Collections

Backchannel Files

Cabinet Meetings, Memoranda of Conversations

Outside the System Chronological File

President Ford Campaign Committee Records

Presidential Correspondence with Heads of State

Presidential Handwriting

Presidential Subject File

National Security Council

NSC Intelligence Files, New Executive Office Building

303/40 Committee minutes

Subject and Country Files, NSC Intelligence Files

Central Intelligence Agency

Office of Current Intelligence Files

Job 79T00861A

Job 79T00863A

Job 79T00865A

Job 79R01099A

Job 79R01042A

Job 79R01012A

Job 85T00353R

DCI Files

Job 80M01066A

Job 80M01048A

Job 80M01542A

Job 80M00919R

FOIA Electronic Reading Room, <http://foia.cia.gov>

Library of Congress

Henry A. Kissinger Papers

Geopolitical File, 1964–1976

Memoranda of Conversations, 1969–1977

Telephone Records, 1969–1976

Published Sources

Kissinger, Henry A. *Years of Renewal*. New York: Simon and Schuster, 1999.

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Abbreviations and Terms

A/AID, Office of the Administrator, Agency for International Development
ACDA, Arms Control and Disarmament Agency
ADCI, Assistant Director of Central Intelligence
ADCM, Acting Deputy Chief of Mission
ADDO, Assistant Deputy Director of Operations, Central Intelligence Agency
Adm., Admiral
AEC, Atomic Energy Commission
AECA, Arms Export Control Act
AF, Bureau of African Affairs
AI, Amnesty International
AID, Agency for International Development
ALCAN, Aluminum Company of Canada
AMCIT, American Citizen
APC, Armored Personnel Carriers
ARA, Bureau of Inter-American Affairs, Department of State
ARA/CAR, Office of Caribbean Affairs, Bureau of Inter-American Affairs, Department of State
ARA/CAR/DR, Dominican Republic Desk, Office of Caribbean Affairs, Bureau of Inter-American Affairs, Department of State
ARA/CAR/H, Haiti Desk, Office of Caribbean Affairs, Bureau of Inter-American Affairs, Department of State
ARA/CCA, Office of the Coordinator of Cuban Affairs, Bureau of Inter-American Affairs, Department of State
ARA/CEN, Office of Central American Affairs, Bureau of Inter-American Affairs, Department of State
ARA/CEN/CR, Costa Rica Desk, Office of Central American Affairs, Bureau of Inter-American Affairs, Department of State
ARA/ECA, Office of East Coast Affairs, Bureau of Inter-American Affairs, Department of State
ARA/ECP, Office of Regional Economic Policy, Bureau of Inter-American Affairs
ARA-LA, Bureau of Inter-American Affairs, Bureau for Latin America, Department of State, Agency for International Development
ARA-LA/CAR, Office of Caribbean Affairs, Bureau of Inter-American Affairs, Bureau for Latin America, Department of State, Agency for International Development
ARA-LA/PLC, Office of Policy and Coordination, Bureau of Inter-American Affairs, Bureau for Latin America, Department of State, Agency for International Development
ARA/MEX, Office of Mexican Affairs, Bureau of Inter-American Affairs, Department of State
ARA/MGT/FM, Financial Management Division, Office of Management, Bureau of Inter-American Affairs
ARMA, U.S. Army Attaché

backchannel, a method of communication outside a bureaucratic procedure; the White House, for instance, used “backchannel” messages to bypass the Department of State
Brig. Gen., Brigadier General

Carros de asalto, Assault Vehicles

CASP, Country Analysis and Strategy Paper
CCC, Commodity Credit Corporation
CDB, Caribbean Development Bank
CERDS, Charter of Economic Rights and Duties of States
CHIREP, Chinese Representative to the United Nations
CIA, Central Intelligence Agency
CIAP, *Comité Interamericana de Alianza para el Progreso* (Inter-American Committee for the Alliance for Progress)
CIEC, Conference on International Economic Cooperation
CIEPDM, Council on International Economic Policy Decision Memorandum
CIEPSM, Council on International Economic Policy Study Memorandum
CIES, *Consejo Interamericano Económico y Social* (Inter-American Economic and Social Council), Organization of American States
CINC, Commander-in-Chief
CINCLANT, Commander-in-Chief, Atlantic Command
CINCSO, Commander-in-Chief, Southern Command
CMDR US SOUTHCOM/J-5, Commander, Southern Command, J-5 (Directorate of Strategy, Policy, and Plans)
CODEL, Congressional Delegation
COM, Chief of Mission
COMUSCINCSO, Chief of Mission, USCINCSO
CONGEN, Consulate General
COS, Chief of Station
CPD, Congressional Presentation Document
CRA, continuing resolution
CSAF, Chief of Staff, Air Force
CT, Country Team
CY, Calendar Year
CZ, Canal Zone

D, Democrat; Deputy Secretary of State
D/HA, Coordinator for Humanitarian Affairs, Department of State
D/HA/ORM, Office of the Coordinator for Refugee and Migration Affairs, Department of State
D/LOS, Staff Director, NSC Interagency Task Force on Law of the Sea
DA, Department of the Army
DAO, Defense Attaché Office
DATT, Defense Attaché
DC, Developed Country
DCI, Director of Central Intelligence
DDCI, Deputy Director of Central Intelligence, CIA
DDI, Deputy Director of Intelligence, CIA
DDO, Deputy Director of Operations, CIA
DDS&T, Deputy Director, Science and Technology, CIA
DEA, Drug Enforcement Administration
DEFATT, Defense Attaché
DIA, Defense Intelligence Agency
DIRGEN, Director General
Dissem., Dissemination
Div. Gen., General in charge of a division
DOD, Department of Defense
DOD/ISA, Bureau of International Security Affairs, Department of Defense
DOD/OSD, Office of the Secretary of Defense
Dols., Dollars

- E, Bureau of Economic Affairs Department of State
EA, Bureau of East Asian and Pacific Affairs
EB, Bureau of Economic and Business Affairs, Department of State
EB/IFD/ODF, Office of Development Finance, International Finance and Development, Bureau of Economic and Business Affairs, Department of State
EB/IFD/OIA, Office of Investment Affairs, International Finance and Development, Bureau of Economic and Business Affairs, Department of State
EB/ORF/ICD/TRP, Tropical Products Division, Office of International Commodities, International Resources and Food Policy, Bureau of Economic and Business Affairs, Department of State
EC, European Community
ECOSOC, Economic and Social Council
ERDA, Energy Research and Development Administration
EUR, Bureau of European Affairs, Department of State
EUR/NE, Office of Northern European Affairs, Bureau of European Affairs
EUR/WE, Office of Western European Affairs, Bureau of European Affairs
- F-2**, Agency in Colombia's antinarcotics effort
FAA, Foreign Assistance Act
FBI, Federal Bureau of Investigation
FMS, Foreign Military Sales
FMSA, Foreign Military Sales Act
FNU, first name unknown
FONOFF, Foreign Office
FORMIN, Foreign Minister
FRG, Federal Republic of Germany (West Germany)
FSI, Foreign Service Institute, Department of State
FSO, Foreign Service Officer; Fund for Special Operations
FY, Fiscal Year
- G-2**, U.S. military intelligence unit
GA, General Assembly
GCOB, Government of the Commonwealth of The Bahamas
GDF, Guyanese Defense Forces
Gen., General
GNS, Guyana National Service
GOA, Government of Argentina
GOB, Government of Brazil, Government of Bolivia
GOC, Government of Chile
GOCR, Government of Costa Rica
GODR, Government of the Dominican Republic
GOES, Government of El Salvador
GOG, Government of Guatemala
GOH, Government of Haiti; Government of Honduras
GOM, Government of Mexico
GOU, Government of Uruguay
GSA, General Services Administration
GSP, Generalized System of Preferences
Guybau, Guyana Bauxite Company
GWA, Gulf and Western Americas Corporation
- H**, Congressional Relations, Department of State
HAK, Henry A. Kissinger
HAKTO, Telegram from Kissinger

HIRC, House International Relations Committee

HR, Human Rights

HRC, Human Rights Commission

IA, Inter-American Region, International Security Affairs, Department of Defense

IA-5, Fifth Institutional Act, Brazil

IA/DSAA, International Affairs, Defense Security Assistance Agency

IA-ECOSOC, Inter-American Economic and Social Council

IADB, *see* IDB

IAEA, International Atomic Energy Administration

IAHRC, Inter-American Human Rights Commission

IBA, International Bauxite Association

IBD, *see* IDB

IBRD, International Bank for Reconstruction and Development (World Bank)

IBWC, International Boundary and Water Commission

ICA, International Coffee Agreement

ICCS, International Commission of Control and Supervision

ICJ, International Commission of Jurists

ICRC, International Committee of the Red Cross

IDB, Inter-American Development Bank

IDC, Information Dominance Center

IFI, International Financial Institutions

IG, Intergovernmental Group

IM, Intelligence Memorandum

INR, Bureau of Intelligence and Research, Department of State

INR/DDC, Deputy Director for Coordination, Bureau of Intelligence and Research, Department of State

INR/DDC/OP, Office of Operations Policy, Deputy Director for Coordination, Bureau of Intelligence and Research, Department of State

INR/IL, Intelligence Liaison, Bureau of Intelligence and Research, Department of State

INR/OIL, Office of Intelligence Liaison, Bureau of Intelligence and Research, Department of State

INR/RAR, Office of Research and Analysis for American Republics, Bureau of Intelligence and Research, Department of State

INS, Immigration and Naturalization Service, Department of Justice

IO, Bureau of International Organizations Affairs, Department of State

IO/HDC, Agency Director for Health and Drug Control, Bureau of International Organization Affairs, Department of State

IRB, International Resource Bank

ISA, International Security Affairs, Department of Defense

ITA, International Tin Agreement

JBUSDC, Joint Brazilian-U.S. Defense Commission

JBUSMC, Joint Brazilian-U.S. Military Commission

JCS, Joint Chiefs of Staff

JLP, Jamaican Labour Party, Jamaican political party

L, Legal Adviser, Department of State

L/ARA, Assistant Legal Adviser for Inter-American Affairs, Department of State

L/M, Assistant Legal Adviser for Management, Department of State

L/OA, Assistant Legal Adviser for Ocean Affairs

L/PM, Assistant Legal Advisor for Politico-Military Affairs, Department of State

L/T, Assistant Legal Adviser for Treaty Affairs, Department of State

LAFTA, Latin American Free Trade Area

LAS, Latin American States
LDC, Less Developed Country
LIMDIS, Limited Distribution
LNG, Liquified Natural Gas
LOS, Law of the Sea
LS, Language Services Division, Department of State

M, Deputy Under Secretary for Management
MAAG, Military Assistance Advisory Group
Maj., Major
Maj. Gen., Major General
MAP, Military Assistance Program
MAP-T, MAP Training Program
MAS, Military Assistance Sales
MFM, Meeting of Foreign Ministers
MIA, Missing in Action
MIG, Soviet Military Aircraft Design Bureau
MILGROUP or MILGP, Military Group
MNC, Multinational corporation
MOD, Ministry of Defense
MPLA, *Movimento Popular de Libertação de Angola* (Popular Movement for the Liberation of Angola)
MTN, Multilateral Trade Negotiations
MTT, Mobile Training Team

NAM, Non-Aligned Movement
NEA, Bureau of Near Eastern and South Asian Affairs, Department of State
NJM, New Jewel Movement, Grenadian political party
NIACT, Night Action, Needs Immediate Attention
NIC, National Intelligence Council
NIO, National Intelligence Office/Officer
NPT, Nuclear Nonproliferation Treaty
NOCONTRACT, Not releasable to contractors or contractor/consultants
NODIS, No distribution
NOFORN, Not releasable to foreign nationals
NOTAL, Cable not received by all addressees
NSA, National Security Advisor; National Security Agency
NSC, National Security Council
NSC-IG/ARA, National Security Council Interdepartmental Group for Inter-American Affairs
NSDM, National Security Decision Memorandum
NSSM, National Security Study Memorandum

OAS, Organization of American States
OASD, Office of the Assistant Secretary of Defense
OASGA, General Assembly of the OAS
OBE, Overtaken by events
OC/T, Communications Center, Department of State
ODC, Office of Defense Cooperation
OECD, Organization for Economic Cooperation and Development
OES, Bureau of Oceans and International Environmental and Scientific Affairs, Department of State
OIC, Officer in Charge
OMB, Office of Management and Budget

OPEC, Organization of Petroleum Exporting Countries

OPIC, Overseas Private Investment Corporation

OPR/LS, Language Services, Office of Protocol

ORCON, Dissemination and extraction of information controlled by originator

OSD, Office of the Secretary of Defense

P, Under Secretary for Political Affairs, Department of State

P&A, Price and Availability

PJ, Marcos Pérez Jiménez, former head of state of Venezuela (1952– 1958)

P.L., Public Law

PLBRL, Potential Leaders Biographic Reporting List

PLN, *Partido de la Liberación Dominicana* (Dominican Liberation Party), Dominican political party

PM, Bureau of Politico-Military Affairs, Department of State

PM/ISO, Office of International Security Operations, Bureau of Politico-Military Affairs, Department of State

PM/PA, Office of Planning and Analysis for International Security Assistance, Bureau of Politico-Military Affairs, Department of State

PNC, People's National Congress, Guyana

PNP, People's National Party, Jamaican political party

POL, Political Section

POLAD, Political Advisor

POLCOUN, Political Counselor

POM, Program Objectives Memorandum

PPP, People's Progressive Party, Guyana

PRC, People's Republic of China

PRD, *Partido Revolucionario Dominicano* (Dominican Revolutionary Party), Dominican political party

Prepcon, Preparatory Conference

PRG, People's Revolutionary Government (Vietnam)

PRI, *Partido Revolucionario Institucional* (Institutional Revolutionary Party), Mexican political party

PRIMIN, Prime Minister

PROAG, Project Agreement

R, Republican

Reftel, Reference Telegram

Ret., Retired

ROCAP, Regional Office for Central America and Panama, AID

S, Office of the Secretary of State

S/CCT, Special Assistant to the Secretary and Coordinator for Combating Terrorism, Department of State

S/CPR, Chief of Protocol, Office of the Secretary of State, Department of State

S/NM, Special Assistant to the Secretary of State for Narcotics Matters

S/P, Policy Planning Staff

S/PRS, Office of Press Relations, Office of the Secretary of State, Department of State

S/R/ORM, Office of the Coordinator for Refugee and Migration Affairs

S/S, Executive Secretariat, Department of State

S/S–O, Operations Center, Department of State

SC, Superior Council, 31-member ruling collegium of Honduras

SCA, Bureau of Security and Consular Affairs, Department of State

SCA/SCS, Office of Special Consular Services, Bureau of Security and Consular Affairs, Department of State

SEC, Securities and Exchange Commission
SECDEF, Secretary of Defense
SECDEF/OASD/ISA, Bureau of International Security Affairs, Department of Defense
SECGEN, Secretary General
SECTO, Telegram from the Secretary
SELA, *Sistema Económica de Latinoamérica* (Latin American Economic System)
SFRC, Senate Foreign Relations Committee
SOUTHCOM, Southern Command
SRG, Senior Review Group
SSC, Senate Select Committee

TA, Technical Assistance
TELCON, Telephone Conversation
TNE, Transnational Enterprise
TRA, Trade Reform Act
TOHAK, Telegram to Kissinger
TOSEC, Telegram to the Secretary
TOW, Tube-launched, Optically tracked, Wire-guided missile

UN, United Nations
UNAM, *Universidad Nacional Autónoma de México* (National Autonomous University of Mexico)
UNCTAD, United Nations Commission on Trade and Development
UNDP, United Nations Development Program
UNESCO, United Nations Educational and Social Council
UNGA, United Nations General Assembly
UNHCR, United Nations High Commissioner for Refugees
UNHRC, United Nations Human Rights Commission
UNIDO, United Nations Industrial Development Organization
UNITA, *União Nacional para e Independência Total de Angola* (National Union for the Total Independence of Angola)
USAF, United States Air Force
USAID, *see* AID
USARSO, United States Army Forces, Southern Command
USCINCSO, *see* CINCSO
USDAO, *see* DAO
USDEL, United States Delegation
USG, United States Government
USIA, United States Information Agency
USIB, United States Intelligence Board
USN, United States Navy
USPS, United States Postal Service
USSOUTHCOM, *see* Southcom
USUN, United States Permanent Mission to the United Nations

VAdm., Vice Admiral

WH, Western Hemisphere
WHD, Western Hemisphere Division, CIA
WMO, World Meteorological Organization
WOLA, Washington Office on Latin America

Z, Zulu (Greenwich) Mean time

Persons

Adderley, Paul, Minister of Foreign Affairs, The Bahamas, from 1973 until 1984

Aherne, Richard W., Congressional Relations Office, Department of State, until July 1974; Office of Political-Economic Affairs from July 1974; Executive Assistant to the Secretary, from March 1976

Andre, Antonio, Haitian Minister of Commerce as of April 1976

Andrés Pérez, Carlos, President of Venezuela from March 12, 1974

Arenales, Alfonzo, Acting Director of the Bureau of Intelligence and Research, Department of State, 1973; Deputy Director for American Republics from 1973 until July 1974; Deputy Director, Office of South African Affairs, from July 1974

Axelrod, Philip, Deputy Chief of Mission, U.S. Embassy in Santo Domingo, from 1974 until 1976

Balaguer, Joaquín, President of the Dominican Republic, from 1960 until 1962, and again from July 1, 1966

Barbian, Paul E., Bureau of Economic and Business Affairs until March 1974; Operation Staff Office, Executive Secretariat, from March 1974 until March 1975; Special Assistant from March 1975 until June 1976; Bureau of Economic and Business Affairs from June 1976

Barona Lobato, Juan, Legal Advisor, Foreign Secretariat, Mexico, as of 1975

Barrow, Erroll, Prime Minister of Barbados from November 1966 until September 1976

Batres, César A., Foreign Minister of Honduras from 1973 until 1974

Bello Andino, Rafael, private secretary to Dominican President Balaguer as of 1974

Bishop, Maurice, Coordinating Secretary of New Jewel Movement, a Grenadian opposition group, as of 1973

Blacken, John D., Political Officer, Embassy in Panama, from May 1973 until July 1976; DCM-Counselor at the Embassy in Guyana, from July 1976

Blanchet, Paul, Minister of the Interior and Territorial Communities, Haiti, until April 1976

Bloomfield, Richard J., Staff Director, NSC Interdepartmental Group for Inter-American Affairs, from 1973; Director of the Office of Policy Coordination, Bureau of Inter-American Affairs, Department of State, from August 1973; U.S. Ambassador to Ecuador from May 1976

Bluhdorn, Charles, President, Gulf and Western Corporation

Boeker, Paul, Economic-Commercial Officer at the Embassy in Bonn, FRG, from 1973; the Policy Planning Staff from 1974; Office of Investment Affairs, International Finance and Development, Bureau of Economic and Business Affairs, as of 1975; Deputy Assistant Secretary for Economic and Business Affairs, from 1976

Borgonovo Pohl, Mauricio, Foreign Minister of El Salvador from 1972 until 1977

Bowdler, William G., Ambassador to Guatemala from October 19, 1971 until August 26, 1973; Deputy Assistant Secretary of State for Inter-American Affairs from September 1973 until May 1975; Ambassador to South Africa from May 14, 1975

Bray, Charles W., III, Director of the Office of Press Relations, Department of State, from 1971 until 1973; Deputy Assistant Secretary for Inter-American Affairs from 1976

Britton, Theodore R., Jr., Ambassador to Barbados and Grenada from February 1975 until April 1977

Brooke, Edward, Senator (R-Massachusetts)

- Brown, George S.**, General, USAF; Chairman, Joint Chiefs of Staff, from August 1, 1973, until June 20, 1978
- Brownell, Herbert**, President's Special Representative for the Resolution of the Salinity Problem with Mexico from 1972 until 1973
- Brownell, Mary E.**, Research Assistant, National Security Council Staff, from August 1974
- Brutus, Edner**, Foreign Minister of Haiti from 1974 until 1978
- Buffum, William B.**, Ambassador to Lebanon from October 13, 1970 until January 17, 1974; Assistant Secretary of State for International Organization Affairs from February 4, 1974 until December 18, 1975
- Burke, John, Director**, Office of Caribbean Affairs, Bureau of Inter-American Affairs, Department of State, until July 1976; Deputy Chief of Mission at U.S. Embassy in Bangkok from July 1976
- Burnham, Linden Forbes Sampson**, Prime Minister of Guyana from 1973
- Bush, George H.W.**, Head of U.S. Liaison Office in Peking, China, from October 21, 1974 until December 7, 1975; Director of Central Intelligence from January 30, 1976
- Butz, Earl**, Secretary of Agriculture from 1973 until October 4, 1976
- Callaghan, James**, Secretary of State for Foreign and Commonwealth Affairs, United Kingdom, from March 5, 1974, until April 5, 1976; Prime Minister and First Lord of the Treasury of the United Kingdom from 1976
- Cambronne, Luckner**, Haitian Defense and Interior Minister from 1971 until 1972
- Campbell, James F.**, Ambassador to El Salvador from April 5, 1974, until July 23, 1976
- Casey, William J.**, Under Secretary of State for Economic and Agricultural Affairs from February 2, 1973 until March 14, 1974; President and Chairman, EXIM Bank, from 1974
- Castañeda, Jorge**, Mexican Sub-Secretary of Foreign Relations, as of 1976
- Castro, Fidel**, Prime Minister of Cuba from 1959 until 1976; President of Cuba from 1976
- Cheek, James**, Political Section Chief, Embassy in Managua, as of 1973
- Cheney, Richard**, Deputy Assistant to the President from 1974 until 1975: Assistant to the President and White House Chief of Staff from November 1975
- Chou En-lai (Zhou Enlai)**, Premier of the PRC until January 8, 1976; Member of the Standing Committee of the Chinese Communist Party's Political Bureau until 1976
- Christensen, Ward**, Consul, acting Deputy Chief of Mission, U.S. Embassy in Port-au-Prince, as of January 1973
- Chung, Arthur**, President of Guyana from March 17, 1970
- Cisler, Walker**, Chairman, International Executive Council, World Energy Conference
- Clements, William P., Jr.**, Deputy Secretary of Defense from January 30, 1973; Acting Secretary of Defense, as of June 1973
- Colby, William E.**, Deputy Director of Operations, Central Intelligence Agency, until September 1, 1973; Director of Central Intelligence from September 4, 1973 until January 30, 1976
- Collums, Haley D.**, Consular Official, Consulate in Ankara, from July 1973 until July 1975; Operations Official from July 1975 until June 1976; Special Assistant to the Secretary from June 1976
- Corcoran, Thomas J.**, Chargé d'Affaires ad interim, U.S. Embassy in Port-au-Prince, from 1973 until 1974
- Covey, James P.**, Department Duty Officer, Operations Center, Executive Secretariat, Office of the Secretary, from 1974
- Crimmins, John Hugh**, Deputy Assistant Secretary of State for Inter-American Affairs until March 1973; Ambassador to Brazil from August 13, 1973
- Davis, Jeanne W.**, Staff Secretary, National Security Council, from 1973

- Dean, Robert W.**, Deputy Chief of Mission, U.S. Embassy in Mexico City from 1973 until 1974; Chargé d'Affaires, U.S. Embassy in Mexico City, from May 1973; U.S. Ambassador to Peru from May 2, 1974
- Dent, Frederick B.**, Secretary of Commerce from February 2, 1973 until March 26, 1975; Special Representative for Trade Negotiations from March 26, 1975
- De Olloqui, José Juan**, Mexican Ambassador to the United States until 1976
- De Roulet, Vincent**, U.S. Ambassador to Jamaica until 1973
- De Santillana, Gerald**, Political Officer, U.S. Embassy in Port-au-Prince, from 1973 until 1974; Office of Caribbean Affairs, Bureau of Inter-American Affairs, 1976
- Desir, Luc**, secret police commander, National Palace, Haiti
- De Tarr, Francis**, Director, Office of Operations Policy, Deputy Director for Coordination, Bureau of Intelligence and Research, Department of State, from 1975
- Devine, Frank J.**, Deputy Chief of Mission-Minister-Counselor, U.S. Embassy in Caracas, until May 1973; Counselor, U.S. Embassy in Caracas from May 1973 until August 1973; Department of State official from August 1973 until November 1973; Director of North Coast Affairs, Bureau of Inter-American Affairs, from November 1973
- Díaz, Polibio**, Dominican politician, attorney, and confidant of President Balaguer
- Dominique, Marie-Denise**, sister of Haitian President Jean-Claude Duvalier
- Dominique, Max**, brother-in-law of Haitian President Jean-Claude Duvalier
- Donovan, Eileen**, Ambassador to Barbados from September 1969 until August 1974
- Dreyfuss, John T.**, Director, Office of Mexican Affairs, from 1974 until 1976
- Duval, Michael**, *see* Raoul-Duval
- Duvalier, Jean-Claude**, President-for-Life of Haiti from April 21, 1971
- Duvalier, Simone**, Haitian First Lady, mother of President Jean-Claude Duvalier, widow of Francois Duvalier
- Eagleburger, Lawrence S.**, Deputy Assistant Secretary of Defense for International Affairs from January 31, 1973 until May 10, 1973; member of the National Security Council Staff from June 1973; Executive Assistant to the Secretary of State from October 1973; Acting Deputy Under Secretary of State for Management from February 1975 until May 1975; Under Secretary of State for Management from May 1975
- Echeverría Alvarez, Luis**, President of Mexico from December 1, 1970 until November 30, 1976
- Eliot, Theodore L., Jr.**, Executive Secretary of the State Department until September 26, 1973; U.S. Ambassador to Afghanistan from November 21, 1973
- Ellsworth, Robert**, Assistant Secretary of Defense for International Security Affairs from June 5, 1974 until December 22, 1975
- Enders, Thomas O.**, Chargé d'Affaires ad interim, U.S. Embassy in Phnom Penh until 1974; Assistant Secretary of State for Economic and Business Affairs from July 24, 1974, until December 22, 1975; U.S. Ambassador to Canada from February 17, 1976
- Facio Segreda, Gonzalo**, Minister of Foreign Affairs, Costa Rica
- Fascell, Dante B.**, Member, U.S. House of Representatives (D-Florida) from 1973
- Feldman, Mark B.**, Deputy Legal Advisor, Department of State, as of 1973; Acting Legal Advisor as of September 1974
- Fernandez Hurtado, Ernesto**, Director General of the Bank of Mexico until 1976
- Figueres Ferrer, José**, President of Costa Rica until 1974
- Fishlow, Albert**, Deputy Assistant Secretary of State for Inter-American Affairs from 1975 until 1976
- Flanigan, Peter M.**, Assistant to the President for International Economic Affairs and Executive Director, White House Council on International Economic Policy, from April 16, 1973 until 1974
- Fletcher, Douglas**, Jamaican Ambassador to the United States from 1973 until 1974

Font Bernard, Ramón, advisor to Dominican President Balaguer

Ford, Gerald R., Member, House of Representatives (R-Michigan) until 1973; Minority Leader, House of Representatives until 1973; Vice President of the United States from December 6, 1973 until August 9, 1974; President of the United States from August 9, 1974

Fourcand, Serge, Minister of Commerce and Industry, Haiti, as of 1975

Fraser, Donald M., Member, U.S. House of Representatives (D-Minnesota); Chair of the International Organizations Subcommittee of the House Committee on International Relations, 1976

Gairy, Eric, Premier of Grenada through 1974; Prime Minister of Grenada from 1974

Gantz, David, Assistant Legal Advisor for Inter-American Affairs from February 1973; Assistant Legal Advisor for European Affairs from July 1976

García, Nestor, First Secretary, Cuban Mission to the United Nations, as of 1976

García Robles, Alfonso, Mexican Permanent Representative to the United Nations from 1971 until 1975; Mexican Secretary for Foreign Affairs from 1975 until 1976

Gerard, Sumner, U.S. Ambassador to Jamaica from June 4, 1974, until April 15, 1977

Gleysteen, Culver, Office of the Coordinator for Cuban Affairs, Bureau of Inter-American Affairs, Department of State, as of 1975

Goldberg, Arthur J., Former Supreme Court Justice; chair, Truman Center for the Advancement of Peace, from 1973

Gómez Bergés, Víctor, Foreign Minister of the Dominican Republic from 1972 until 1975

Gonzalez Galvez, Sergio, Director, Bureau of International Organizations, Mexico, as of 1974

Gowen, George A., III, member of the staff, Office of Central America, Bureau of Inter-American Affairs, Department of State, from 1975 until 1976

Granger, Clinton E., member, National Security Council Staff from August 1974 until September 1976

Grey, Robert T., Jr., Deputy Director, Office of Security Assistance and Sales, Bureau of Politico-Military Affairs, from August 1973 until August 1974; Consular Officer, U.S. Embassy in Canberra, from August 1974 until November 1974; Political Officer from November 1974

Gutiérrez Barrios, Fernando, Assistant Secretary of the Interior, Mexico, as of 1975

Habib, Philip C., Ambassador to South Korea until August 19, 1974; Assistant Secretary of State for East Asian and Pacific Affairs from September 27, 1974 until June 30, 1976; Under Secretary of State for Political Affairs from July 1, 1976

Haig, Alexander M., Jr., General, USA, Vice Chief of Staff of the United States Army until August 1974; White House Chief of Staff from May 1973 until September 1974; Supreme Allied Commander in Europe and Commander in Chief United States European Command, from June 1974

Hartman, Arthur A., Assistant Secretary of State for European and Eurasian Affairs from January 8, 1974

Heavner, Theodore J.C., Director of Indonesia-Malaysia-Singapore, Bureau of East Asian and Pacific Affairs, Department of State from 1973 until August 1974; detailed to the Foreign Service Institute from August 1974 until July 1975; Director, Office of Caribbean Affairs, Bureau of Inter-American Affairs, from July 1975

Helms, Richard, Director of Central Intelligence, Central Intelligence Agency, from June 1966 until February 2, 1973; Ambassador to Iran from April 5, 1973 until January 1977

Hewitt, Ashley C., Jr., Deputy Chief of Mission-Counselor, U.S. Embassy in Kingston, from July 1973 until August 1975; Chargé d'Affaires ad interim, U.S. Embassy in Kingston, from 1973 until 1974; Chief, Industrial and Strategic Materials Division, Office of International Commodities, Bureau of Economic and Business Affairs, Department of State, from August 1975

- Holladay, Thomas**, Office of the Coordinator for Cuban Affairs, Bureau of Inter-American Affairs, Department of State, as of 1976
- Hormats, Robert**, International Economic Affairs, National Security Council Staff, from 1973; Senior Staff Member, from 1974
- Hoskinson, Samuel M.**, member, National Security Council Staff as of 1976
- Humphrey, Hubert H., Jr.**, Senator (D-Minnesota) from 1949 until 1964, and again from 1971 until 1979; Vice President of the United States, from 1965 until 1969
- Hurtado**, *see de la Madrid Hurtado*
- Hurwitch, Robert**, Deputy Assistant Secretary of State, Bureau of Inter-American Affairs, from 1969 until August 1973; U.S. Ambassador to the Dominican Republic, from September 1973 until April 1978
- Hutchison, Barbara**, Public Affairs Officer, U.S. Embassy in Santo Domingo, from 1974 until 1975
- Hyland, William G.**, member, National Security Council Staff until January 21, 1974; Assistant Secretary of State for Intelligence and Research from January 21, 1974, until November 24, 1975; Deputy Assistant to the President for National Security Affairs from November 24, 1975
- Ingersoll, John J.**, Chief, Tropical Products Division, Office of International Commodities, International Resources and Food Policy, Bureau of Economic and Business Affairs, from 1973
- Ingersoll, Robert Stephen**, U.S. Ambassador to Japan from February 29, 1972, until November 8, 1973; Assistant Secretary of State for East Asian and Pacific Affairs from January 8, 1974, until July 9, 1974; Deputy Secretary of State from July 10, 1974, until March 31, 1976
- Inouye, Daniel**, Senator (D-Hawaii)
- Irwin, John N., II**, Deputy Secretary of State from July 13, 1972 until February 1, 1973; U.S. Ambassador to France from March 23, 1973, until October 20, 1974
- Isham, Heyward**, U.S. Ambassador to Haiti from January 31, 1974, until July 8, 1977
- Isaacs, Allan**, Minister of Mining and Natural Resources, Jamaica, as of 1973
- Jack, Hubert**, Acting Foreign Minister, Guyana, as of December 1975
- Jackson, Henry M. "Scoop"**, Senator (D-Washington)
- Jacques, Gracia C.**, Brigadier General, Haitian Army, Haitian Presidential Guard commander as of 1976
- Jagan, Cheddi**, General Secretary of the People's Progressive Party, Guyana, as of 1974
- Javits, Jacob K.**, Senator (R-New York)
- Jiménez, Ramón Emilio, Jr.**, Rear Admiral, Dominican Navy, Dominican Secretary of State for the Armed Forces from July 1971 until June 1975; Dominican Foreign Secretary, from June 1975
- Johnson, Peter B.**, Political Officer, U.S. Embassy in San José, until August 1975; Officer in Charge, Congressional Relations, Public Affairs, Office of Policy Planning, Public and Congressional Affairs, Bureau of Inter-American Affairs, Department of State, from August 1975
- Jones, Kirby**, Press Secretary, George McGovern Presidential campaign, from 1971 until 1972; Special Correspondent, CBS News, from 1974; joined Frank Mankiewicz in traveling to Cuba and conveying messages between Fidel Castro and United States Government officials
- Jorden, William J.**, member, National Security Council Staff from 1973 until 1974; U.S. Ambassador to Panama from April 17, 1974, until August 25, 1978
- Jova, Joseph J.**, Permanent Representative of the United States to the Organization of American States from July 8, 1969, until January 13, 1974; U.S. Ambassador to Mexico from January 30, 1974, until February 21, 1977

- Kaiser, Mary J.**, Office of the Deputy Director for Coordination, Bureau of Intelligence and Research, Department of State, as of July 1976
- Karamessines, Thomas H.**, Deputy Director for Plans, Central Intelligence Agency, until February 24, 1973
- Katz, Julius**, Deputy Assistant Secretary of State for International Resources and Food Policy, until 1974; Deputy Assistant Secretary of State, Bureau of Economic and Business Affairs, July 1974 until September 1976; Assistant Secretary of State for Economic and Business Affairs, from September 1976
- Kelley, Clarence**, Director, Federal Bureau of Investigation, from July 9, 1973
- Kennard, Gavin R.**, Minister of Agriculture, Guyana, from 1975
- Kennedy, Edward M.**, Senator (D-Massachusetts)
- Key, Spencer A.**, Lieutenant Colonel, USA, Defense Attaché, Embassy in Port-au-Prince, from 1973 until 1975
- King, John F.**, Coordinator of Cuban Affairs, Bureau of Inter-American Affairs, Department of State from August 1973 until November 1973; Director, Office of Press Relations, from November 1973 until February 1975; Director, Office of Ecuadorian and Peruvian Affairs, from February 1975 until July 1976; Director of the Office of Regional Political Programs, from July 1976
- King, Kenneth**, Minister of Economic Development, Guyana, from 1974
- King, Spencer**, U.S. Ambassador to Guyana from 1969 until 1974
- Kissinger, Henry A.**, Assistant to the President for National Security Affairs from January 20, 1969 until November 3, 1975; Secretary of State from September 23, 1973, until January 20, 1977
- Kleine, Herman**, Assistant Administrator, Agency for International Development, and Deputy U.S. Coordinator, Alliance for Progress, Bureau of Inter-American Affairs, from December 1973
- Knoche, E. Henry**, Deputy Director of Central Intelligence, Central Intelligence Agency, from July 7, 1976, until August 1, 1977; Acting Director of Central Intelligence, Central Intelligence Agency, from January 20, 1977, until March 9, 1977
- Knox, Clinton E.**, U.S. Ambassador to Haiti from November 13, 1969, until April 26, 1973
- Koch, Edward**, Member, U.S. House of Representatives (D-New York)
- Krebs, Max V.**, Deputy Chief of Mission, Minister-Counselor, U.S. Embassy in Buenos Aires, until April 4, 1974; U.S. Ambassador to Guyana from April 4, 1974, until June 15, 1976
- Kubisch, Jack B.**, Assistant Secretary of State for Inter-American Affairs and U.S. Coordinator of the Alliance for Progress from May 29, 1973, until September 4, 1974; U.S. Ambassador to Greece from September 26, 1974, until July 19, 1977
- Lahens, Alphonse**, Haitian exile, opposition figure
- Laird, Melvin**, Secretary of Defense from January 21, 1969, until January 29, 1973
- Lane, Lyle**, Deputy Chief of Mission, U.S. Embassy in San José, from 1973 until 1976
- Lauder, George V.**, Acting Chief, Latin America Division, Central Intelligence Agency, 1976
- Lawrence, Loren E.**, Acting Administrator, Bureau of Security and Consular Affairs, as of December 1975
- Lazar, David**, Director, Office of Central American Affairs, Department of State, from 1973 until 1975; Senior Staff Member, Latin America, National Security Council, from August 1976
- Leigh, Monroe**, Legal Advisor of the Department of State from January 21, 1975
- Leonhardy, Terrance**, Consul General in Guadalajara, as of 1973
- Levi, Edward H.**, U.S. Attorney General from February 2, 1975, until January 26, 1977
- Lewis, Samuel W.**, member of Policy Planning Staff, Department of State, as of November 1974

- Lewis, William H.**, Special Assistant to the Under Secretary for Security Assistance, Department of State, until May 1974; Director of the Office of Security Assistance, from May 1974 until February 1976; Director of Inter-African Affairs, and Staff Director, National Security Council Interdepartmental Group for African Affairs, from February 1976
- Lluberes Montas, Salvador**, Brigadier General, Dominican Air Force, Air Force Chief of Staff, Dominican Republic, through May 1975
- Logroño Contín, Manuel**, Captain, Dominican Navy, Navy Chief of Staff, Dominican Republic, through May 1975
- López Arellano, Oswaldo**, President of Honduras from October 3, 1963, until June 7, 1971, and again from December 4, 1972, until April 22, 1975
- López Portillo, José**, Mexican Treasury Secretary from 1973 until 1975; President of Mexico, from December 1, 1976
- Lord, Winston**, member, National Security Council Staff until 1973; Director of the Planning and Coordination Staff, Department of State, October 12, 1973, until February 26, 1974; Director of the Policy Planning Staff, Department of State, from February 27, 1974
- Low, Stephen**, Senior Staff Member, National Security Council, from 1974 until August 31, 1976; U.S. Ambassador to Zambia, from August 31, 1976
- Lozano, Ignacio E., Jr.**, U.S. Ambassador to El Salvador from August 31, 1976, until June 1, 1977
- Luers, William H.**, Political Counselor, U.S. Embassy in Caracas, as of March 1973; Deputy Director, Office of Soviet Union Affairs, Bureau of European Affairs, Department of State, from May 1973 until December 1973; Deputy Executive Secretary, Executive Secretariat, Office of the Secretary of State, from December 1973 until March 1975; Deputy Assistant Secretary of State for Inter-American Affairs, from March 1975 until September 1976; Senior Deputy Assistant Secretary of State for Inter-American Affairs, from September 1976
- Lynn, James T.**, Secretary of Housing and Urban Development, from February 2, 1973, until 1975; Director of Office of Management and Budget from February 1975
- Macomber, William B., Jr.**, Deputy Under Secretary of State for Management from October 3, 1969, until April 4, 1973; U.S. Ambassador to Turkey from May 16, 1973, until June 15, 1977
- Mailliard, William S.**, Member, U.S. House of Representatives (R-California), from January 1953, until March 5, 1974; Permanent Representative of the United States to the Organization of American States from March 7, 1974, until February 1, 1977
- Malmborg, Knute, E.**, Assistant Legal Advisor for Management, Security, and Consular Affairs, Department of State, as of February 1973
- Mankiewicz, Frank**, Journalist; Campaign Director, George McGovern campaign for President, 1972; intermediary between the U.S. Government and Cuban Prime Minister Fidel Castro, from 1974 until 1975
- Manley, Michael**, Prime Minister of Jamaica
- Mansfield, Michael**, Senator (D-Montana); Senate Majority Leader
- Marsh, John O.**, Attorney; Assistant Secretary of Defense for Legislative Affairs from 1972 until 1973; Assistant to the Vice President for Defense and International Affairs from 1973 until 1974; Counsellor to the President on National Security Issues from 1974 until 1977
- Matalon, Eli J.**, Minister of National Security and Justice, Jamaica, from 1975 until 1980
- Matalon, Mayer M.**, Chairman, National Bauxite Commission, Jamaica, as of 1974; brother of Eli
- Maw, Carlyle E.**, Legal Advisor of the Department of State from November 27, 1973, until July 9, 1974; Under Secretary of State for International Security Affairs from July 10, 1974, until September 17, 1976

- McBride, Robert H.**, U.S. Ambassador to Mexico from July 22, 1969, until January 25, 1974
- McCloskey, Robert J.**, Deputy Assistant Secretary of State for Press Relations and Special Assistant to the Secretary of State until May 1973; U.S. Ambassador to Cyprus from June 20, 1973, until January 14, 1974; U.S. Ambassador at Large from February 14, 1974, until February 20, 1975; Assistant Secretary of State for Legislative Affairs from February 21, 1975, until September 10, 1976; U.S. Ambassador to the Netherlands from October 22, 1976, until March 10, 1978
- McNamara, Robert S.**, President of World Bank
- Meany, W. George**, President, American Federation of Labor-Congress of Industrial Organizations (AFL-CIO)
- Meloy, Francis E., Jr.**, U.S. Ambassador to the Dominican Republic from July 16, 1969, until August 6, 1973; U.S. Ambassador to Guatemala from February 7, 1974, until April 19, 1976
- Meyer, Charles A.**, Assistant Secretary of State for Inter-American Affairs from April 2, 1969, until March 2, 1973
- Meyers, Donald F.**, Industrial and Strategic Materials Division, Bureau of Economic and Business Affairs, Department of State, until July 1974
- Miller, Gerald E.**, Vice Admiral, USN, Commander, Sixth Fleet, from October 1971 until June 1973; served informally as advisor to the Dominican Republic in 1975
- Moe, George**, Minister of External Affairs, Barbados, as of November 1975
- Molina, Arturo Armando**, President of El Salvador
- Monge Álvarez, Luis Alberto**, President, Costa Rican Legislative Assembly, from 1973 until 1974; Secretary General, Partido de Liberación Nacional (Party of National Liberation), Costa Rica, from 1967 until 1979
- Montiel, Alejandro**, Minister of Foreign Affairs, Nicaragua, from 1973 until 1976
- Morton, Rogers C. B.**, Secretary of the Interior from January 29, 1971, until April 30, 1975; Secretary of Commerce from May 1, 1975, until February 2, 1976
- Moskowitz, Sam**, Chargé d'Affaires, U.S. Embassy in San Salvador, from 1973 until 1974; Deputy Chief of Mission, U.S. Embassy of San Salvador, as of 1975
- Moynihan, Daniel Patrick**, U.S. Ambassador to the United Nations from June 30, 1975, until February 2, 1976
- Munn, Keble**, Minister of Agriculture, Jamaica, until October 1975; Minister of Security, Jamaica, from October 1975
- Nascimento, Christopher A.**, Minister of State in the Office of Prime Minister, Guyana, as of October 1973
- Nixon, Richard M.**, President of the United States from January 20, 1969, until August 9, 1974
- Norton, D. Clark**, Office of Policy and Coordination, Bureau of Latin American Affairs, Department of State, from July 1973 until June 1974; Country Officer, U.S. Embassy in Kingston, from June 1974 until July 1976; Political Officer, U.S. consulate in Genoa, from July 1976
- Oduber Quirós, Daniel**, President of Costa Rica from May 1974 until May 1978
- Ojeda Paullada, Pedro**, Attorney General of Mexico from 1971 until 1976
- Orfila, Alejandro José Luis**, Argentine Ambassador to the United States, from November 1973 until May 1975; Secretary General, Organization of American States, from May 17, 1975
- Ortiz, Salvador**, Dominican Ambassador to the United States from 1970 until 1974
- Ortíz Mancia, Alfredo**, emissary for Salvadoran President Molina as of October 1973
- Ortíz Mena, Antonio**, President of the Inter-American Development Bank from 1971 until 1988

- Parker, Daniel**, Administrator, Agency for International Development, from 1973 until 1977; President's Special Coordinator for International Disaster Assistance as of 1976
- Pell, Claiborne de Borda**, Senator (D-Rhode Island)
- Peña Gómez, José Francisco**, Secretary General, Dominican Revolutionary Party, Dominican Republic, from 1973
- Percy, Charles H.**, Senator (R-Illinois)
- Pérez y Pérez, Enrique**, Chief of Police, Dominican Republic, from January 1971 until October 1971; Dominican Army Chief of Staff through May 1975; Interior Minister from June 1975
- Petit, Pierre**, Minister of Public Works, Haiti, until 1976
- Pezzullo, Lawrence A.**, Deputy Director, Office of Central American Affairs, Bureau of Inter-American Affairs, Department of State, as of 1973; Special Assistant to Ambassador at Large McCloskey until June 1974; Deputy Assistant Secretary for Congressional Relations, from February 1975
- Phillips, David Atlee**, Chief, Western Hemisphere Division, Central Intelligence Agency, from 1973
- Pindling, Lynden O.**, Prime Minister of the Commonwealth of The Bahamas
- Porter, William J.**, Under Secretary of State for Political Affairs from February 2, 1973, until February 18, 1974
- Rabasa Mishkin, Emilio O.**, Secretary of Foreign Affairs, Mexico, from 1970 until 1975
- Ramphal, Sir Shridath**, Minister of Foreign Affairs, Guyana, until 1975; Secretary General of the Commonwealth of Guyana from June 30, 1975
- Raoul-Duval, Michael**, Staff Assistant, Domestic Council, White House Office of Policy Development, from October 1973 until May 1974; Associate Director for Natural Resources and Associate Director for Energy and Transportation, Domestic Council, from May 1974 until October 1975; Assistant to the Counsellor to the President and Executive Director of the White House Intelligence Coordinating Group from August 1975 until April 1976; Special Counsel to the President from April 1976 until January 1977
- Ratliff, Rob Roy**, Member of the National Security Council Staff and Executive Secretary of the 40 Committee, from 1973
- Raymond, Adrien**, Foreign Minister of Haiti from 1971 until 1974
- Rebozo, Charles "Bebe"**, Florida banker, friend of President Nixon
- Reid, Ptolemy**, Deputy and Acting Prime Minister of Guyana
- Richardson, Egerton**, Jamaican Ambassador to the United States from 1967 until 1972; Prime Minister's Advisor on Foreign Affairs from 1973 until 1974
- Richardson, Elliot R.**, Secretary of Health, Education, and Welfare from 1970 until 1973; Secretary of Defense, from January 30, 1973, until May 24, 1973; Advisor to the President from June, 1973 until February, 1974; Attorney General from May 24, 1973, until October 20, 1973; U.S. Ambassador to the United Kingdom, from March 21, 1975, until January 16, 1976; Secretary of Commerce, from February 1976 until January 1977
- Robinson, Charles W.**, Under Secretary of State for Economic and Agricultural Affairs, from January 3, 1975, until April 9, 1976; Deputy Secretary of State from April 9, 1976
- Rogers, William D.**, Assistant Secretary of State for Inter-American Affairs from October 7, 1974, until June 18, 1976; Under Secretary of State for Economic and Agricultural Affairs, June 18, 1976, until December 31, 1976
- Rogers, William P.**, Secretary of State from January 22, 1969, until September 3, 1973
- Rosson, William B.**, General, USA, Commander in Chief, United States Southern Command, from January 1973 until July 1975
- Rumsfeld, Donald H.**, U.S. Permanent Representative on the Council of North Atlantic Treaty Organization from February 2, 1973, until December 5, 1974; White House Chief of Staff from September 1974 until November 1975; Secretary of Defense from November 20, 1975, until January 20, 1977

- Rush, Kenneth**, Deputy Secretary of State from February 2, 1973, until May 29, 1974; Secretary of State ad interim from September 3, 1973, until September 22, 1973; Chair, White House Council on International Economic Policy, from 1974 until 1975; U.S. Ambassador to France from November 21, 1974
- Ryan, Hewson A.**, U.S. Ambassador to Honduras from November 5, 1969, until May 30, 1973; Information Career Minister, United States Information Agency, detailed to the Fletcher School for Law and Diplomacy, Tufts University, from July 1973 until March 1975; Senior Deputy Assistant Secretary, Bureau of Inter-American Affairs, Department of State, from March 1975
- Sagor, Elliot**, Assistant United States Attorney, U.S. Attorney's Office for the Southern District of New York, from 1970 until 1976
- Salomon, Georges**, Haitian Ambassador to the United States, as of 1976
- Sanchez, Phillip V.**, U.S. Ambassador to Honduras from June 15, 1973, until July 17, 1976; U.S. Ambassador to Colombia from September 2, 1976, until April 5, 1977
- Saunders, Harold H.**, Assistant Secretary of State for Intelligence and Research from December 1, 1975, until April 10, 1978;
- Scali, John**, Special Consultant to the President until 1973; Permanent Representative to the United Nations from 1973 until 1975
- Schlesinger, James R.**, Director of Central Intelligence, Central Intelligence Agency, from February 2, 1973, until July 2, 1973; Secretary of Defense from July 2, 1973, until November 19, 1975
- Schwebel, Stephen**, Deputy Legal Advisor, Department of State, as of 1974
- Scowcroft, Brent**, Lieutenant General, USAF, Deputy Assistant to the President for National Security Affairs, from 1973 until November 3, 1975; Assistant to the President for National Security Affairs from November 3, 1975, until January 20, 1977
- Sevilla Sacasa, Guillermo**, Nicaraguan Ambassador to the United States
- Shelton, Turner B.**, U.S. Ambassador to Nicaragua from November 20, 1970, until August 11, 1975
- Shlaudeman, Harry W.**, Deputy Chief of Mission and Counselor, Embassy in Chile, until 1973; Deputy Assistant Secretary of State for Inter-American Affairs from 1973 until 1975; U.S. Ambassador to Venezuela from May 9, 1975, until May 14, 1976; Assistant Secretary of State for Inter-American Affairs, from May 14, 1976
- Shultz, George P.**, Secretary of the Treasury from June 12, 1972, until May 8, 1974
- Siclait, Henry**, Director, Regie du Tabac (government tobacco monopoly), Haiti, until 1976
- Simms, John**, Country Officer, U.S. Embassy in Port-au-Prince, from September 1973; Chargé d'Affaires ad interim, U.S. Embassy in Bridgetown, as of November 1975
- Simon, William E.**, Deputy Secretary of the Treasury, until May 1974; Secretary of the Treasury, from May 1974; Chairman, White House Council on International Economic Policy, from 1975
- Sisco, Joseph J.**, Assistant Secretary of State for Near Eastern Affairs from February 10, 1969, until February 18, 1974; Under Secretary of State for Political Affairs from February 19, 1974, until June 30, 1976
- Smith, David**, staff member, Bureau of Intelligence and Research, Department of State, as of 1976
- Solórzano González, Gonzalo**, Minister of the Presidency, Costa Rica, through May 1974; Acting Foreign Minister, Costa Rica, as of March 1974
- Sonnenfeldt, Helmut**, Member, National Security Council Staff, until January 1974; Counsel of the Department of State from January 7, 1974, until February 21, 1977
- Spiers, Ronald I**, Assistant Secretary of State for Politico-Military Affairs from September 18, 1969, until August 2, 1973; U.S. Ambassador to The Bahamas from September 7, 1973, until September 2, 1974; Deputy Chief of Mission, U.S. Embassy in London, from 1974

- Springsteen, George S., Jr.**, Acting Assistant Secretary of State until August 1973; Deputy Assistant Secretary of State for European Affairs from August 1973 until January 1974; Special Assistant to the Secretary and Executive Secretary of the Department of State, from January 31, 1974, until July 14, 1976; Director of the Foreign Service Institute, from July 14, 1976
- Strasser, Daniel A.**, Political Officer, U.S. consulate at Rio de Janeiro, until August 1974; Political Officer, U.S. Embassy in Bogotá, from August 1974 until September 1974; Country Officer, U.S. Embassy in Santo Domingo, from 1974; staff member, Office of Caribbean Affairs, Bureau of Inter-American Affairs, as of April 1976
- Sullivan, Joseph G.**, Country Officer for Costa Rica, Office of Central American Affairs, Bureau of Inter-American Affairs, Department of State, from 1973 until 1975
- Sutton, Gerald M.**, Political Section Chief, U.S. Embassy in Managua, as of 1975
- Talbot, Frederick Hilborn**, Guyanese Ambassador to the United States and Permanent Observer to the Organization of American States, from March 1973 until 1975
- Theberge, James D.**, U.S. Ambassador to Nicaragua from August 11, 1975, until June 8, 1977
- Thompson, Dudley**, Jamaican Senator and Minister of State, through 1975; delegate, Mexico City Meeting of Foreign Ministers, 1974; Minister of Foreign Affairs and Foreign Trade, Jamaica, from 1975 until 1977
- Todman, Terence A.**, U.S. Ambassador to Costa Rica from March 17, 1975, until January 24, 1977; Assistant Secretary of State for Inter-American Affairs from April 1, 1977, until June 27, 1978
- Torrey, Charles P.**, Director, Office of Mexican Affairs, Department of State, from 1973 until 1974
- Vaky, Viron P.**, U.S. Ambassador to Costa Rica from October 17, 1972, until February 9, 1974; U.S. Ambassador to Colombia from April 5, 1974, until June 23, 1976; U.S. Ambassador to Venezuela from July 26, 1976
- Vallimarescu, Serban**, member, National Security Council Staff, as of 1973
- Vance, Sheldon B.**, U.S. Ambassador to Zaire (Democratic Republic of the Congo) from June 28, 1969, until March 26, 1974; Special Assistant to the Secretary of State for Narcotics Matters, from 1974
- Vesco, Robert**, fugitive financier, subject of long-running extradition case
- Vest, George S.**, Special Assistant to the Secretary of State for Press Relations, until December 1973; Director, Bureau of Politico-Military Affairs, from December 1973; Assistant Secretary of State for Politico-Military Affairs from April 29, 1974, until March 27, 1977
- Villa, José**, Captain of the vessel *Johnny Express*; detained in Cuba from December 1971 until February 1973
- Vincent, John W.**, Political Officer, U.S. Embassy in Port-au-Prince, from 1974 until 1975
- Waldheim, Kurt**, Secretary General of the United Nations from January 1, 1972, until December 31, 1981
- Walters, Vernon A.**, Lieutenant General, USA, Acting Director of Central Intelligence from July 2, 1973, until September 4, 1973; Deputy Director of Central Intelligence from September 4, 1973, until July 31, 1976
- Wampler, Mary E.**, Special Assistant to the Deputy Administrator, Office of the Administrator, Agency for International Development, until April 1975; Director of the Office of International Narcotics Control, Bureau of Program and Management Services, from April 1975
- Warner, Leland W., Jr.**, Deputy Chief of Mission, U.S. Embassy in Managua, from 1973 until 1974

- Warren, Raymond A.**, Acting Chief of the Latin America Division, Central Intelligence Agency, from February 1975
- Wauchope, Keith**, Staff, Office of Caribbean Affairs, Bureau of Inter-American Affairs, Department of State, as of June 1973; Country Officer for Haiti, Office of Caribbean Affairs, Department of State, through August 1973
- Weintraub, Sidney**, Assistant Secretary of State for International Finance and Development, until 1974; Assistant Administrator, Agency for International Development, from 1975
- Weiss, Seymour**, Assistant Secretary of State for Politico-Military Affairs from August 6, 1973, until January 17, 1974; U.S. Ambassador to The Bahamas from September 11, 1974 until December 15, 1976
- Weissman, Marvin**, Director, Office of Central American Affairs, Bureau of Inter-American Affairs, Department of State as of 1976; U.S. Ambassador to Costa Rica from June 28, 1977, until March 22, 1980
- Wilkins, James**, United States citizen arrested in Costa Rica, 1976; alleged to be acting on behalf of U.S. Attorney to gather information on Vesco, 1976
- Williams, Albert Norman**, Counselor, Political Affairs, U.S. Embassy in the Dominican Republic, until July 1974; Assistant Director, Political Military Affairs, Office of Planning and Coordination, Bureau of Inter-American Affairs, Department of State, from July 1974 until August 1976; Detailed, National War College, from August 1976
- Willis, Franklin K.**, Economic and Business Affairs, Office of the Assistant Legal Advisor, Department of State, until May 1975; Assistant Legal Advisor for African Affairs, Office of the Legal Advisor, from May 1975; Legal Advisor, Bureau of Inter-American Affairs, from October 1976
- Wills, Frederick R.**, Minister of Foreign Affairs, Guyana, from March 15, 1975
- Wilson, Thomas F.**, Consular Officer, U.S. Embassy in Port-au-Prince, from April 1973
- Wilson, Simon N.**, Inter-American Organizations Advisor, Alternate U.S. Representative to the Organization of American States, Deputy U.S. Permanent Representative, Permanent Mission of the United States of America to the Organization of American States, from 1973
- Yeo, Edwin H., III**, Under Secretary of the Treasury for Monetary Affairs, from 1975
- Zapata Loredo, Fausto**, Subsecretary of the Presidency, Mexico, until 1976

Note on U.S. Covert Actions

In compliance with the *Foreign Relations of the United States* statute that requires inclusion in the *Foreign Relations* series of comprehensive documentation on major foreign policy decisions and actions, the editors have identified key documents regarding major covert actions and intelligence activities. The following note will provide readers with some organizational context on how covert actions and special intelligence operations in support of U.S. foreign policy were planned and approved within the U.S. Government. It describes, on the basis of declassified documents, the changing and developing procedures during the Truman, Eisenhower, Kennedy, Johnson, Nixon, and Ford Presidencies.

Management of Covert Actions in the Truman Presidency

The Truman administration's concern over Soviet "psychological warfare" prompted the new National Security Council to authorize, in NSC 4-A of December 1947, the launching of peacetime covert action operations. NSC 4-A made the Director of Central Intelligence responsible for psychological warfare, establishing at the same time the principle that covert action was an exclusively Executive Branch function. The Central Intelligence Agency (CIA) certainly was a natural choice but it was assigned this function at least in part because the Agency controlled unvouchered funds, by which operations could be funded with minimal risk of exposure in Washington.¹

The CIA's early use of its new covert action mandate dissatisfied officials at the Departments of State and Defense. The Department of State, believing this role too important to be left to the CIA alone and concerned that the military might create a new rival covert action office in the Pentagon, pressed to reopen the issue of where responsibility for covert action activities should reside. Consequently, on June 18, 1948, a new NSC directive, NSC 10/2, superseded NSC 4-A.

NSC 10/2 directed the CIA to conduct "covert" rather than merely "psychological" operations, defining them as all activities "which are conducted or sponsored by this Government against hostile foreign states or groups or in support of friendly foreign states or groups but which are so planned and executed that any US Government responsibility for them is not evident to unauthorized persons and that if un-

¹ NSC 4-A, December 17, 1947, is printed in *Foreign Relations, 1945-1950, Emergence of the Intelligence Establishment*, Document 257.

covered the US Government can plausibly disclaim any responsibility for them.”

The type of clandestine activities enumerated under the new directive included: “propaganda; economic warfare; preventive direct action, including sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberations [*sic*] groups, and support of indigenous anti-Communist elements in threatened countries of the free world. Such operations should not include armed conflict by recognized military forces, espionage, counter-espionage, and cover and deception for military operations.”²

The Office of Policy Coordination (OPC), newly established in the CIA on September 1, 1948, in accordance with NSC 10/2, assumed responsibility for organizing and managing covert actions. The OPC, which was to take its guidance from the Department of State in peacetime and from the military in wartime, initially had direct access to the State Department and to the military without having to proceed through the CIA’s administrative hierarchy, provided the Director of Central Intelligence (DCI) was informed of all important projects and decisions.³ In 1950 this arrangement was modified to ensure that policy guidance came to the OPC through the DCI.

During the Korean conflict the OPC grew quickly. Wartime commitments and other missions soon made covert action the most expensive and bureaucratically prominent of the CIA’s activities. Concerned about this situation, DCI Walter Bedell Smith in early 1951 asked the NSC for enhanced policy guidance and a ruling on the proper “scope and magnitude” of CIA operations. The White House responded with two initiatives. In April 1951 President Truman created the Psychological Strategy Board (PSB) under the NSC to coordinate government-wide psychological warfare strategy. NSC 10/5, issued in October 1951, reaffirmed the covert action mandate given in NSC 10/2 and expanded the CIA’s authority over guerrilla warfare.⁴ The PSB was soon abolished by the incoming Eisenhower administration, but the expansion of the CIA’s covert action writ in NSC 10/5 helped ensure that covert action would remain a major function of the Agency.

As the Truman administration ended, the CIA was near the peak of its independence and authority in the field of covert action. Although the CIA continued to seek and receive advice on specific projects from the NSC, the PSB, and the departmental representatives origi-

² NSC 10/2, June 18, 1948, is printed *ibid.*, Document 292.

³ Memorandum of conversation by Frank G. Wisner, “Implementation of NSC-10/2,” August 12, 1948, is printed *ibid.*, Document 298.

⁴ NSC 10/5, “Scope and Pace of Covert Operations,” October 23, 1951, is printed in *Foreign Relations, 1950–1955, The Intelligence Community*, Document 90.

nally delegated to advise the OPC, no group or officer outside of the DCI and the President himself had authority to order, approve, manage, or curtail operations.

NSC 5412 Special Group; 5412/2 Special Group; 303 Committee

The Eisenhower administration began narrowing the CIA's latitude in 1954. In accordance with a series of National Security Council directives, the responsibility of the Director of Central Intelligence for the conduct of covert operations was further clarified. President Eisenhower approved NSC 5412 on March 15, 1954, reaffirming the Central Intelligence Agency's responsibility for conducting covert actions abroad. A definition of covert actions was set forth; the DCI was made responsible for coordinating with designated representatives of the Secretary of State and the Secretary of Defense to ensure that covert operations were planned and conducted in a manner consistent with U.S. foreign and military policies; and the Operations Coordinating Board was designated the normal channel for coordinating support for covert operations among State, Defense, and the CIA. Representatives of the Secretary of State, the Secretary of Defense, and the President were to be advised in advance of major covert action programs initiated by the CIA under this policy and were to give policy approval for such programs and secure coordination of support among the Departments of State and Defense and the CIA.⁵

A year later, on March 12, 1955, NSC 5412/1 was issued, identical to NSC 5412 except for designating the Planning Coordination Group as the body responsible for coordinating covert operations. NSC 5412/2 of December 28, 1955, assigned to representatives (of the rank of assistant secretary) of the Secretary of State, the Secretary of Defense, and the President responsibility for coordinating covert actions. By the end of the Eisenhower administration, this group, which became known as the "NSC 5412/2 Special Group" or simply "Special Group," emerged as the executive body to review and approve covert action programs initiated by the CIA.⁶ The membership of the Special Group varied depending upon the situation faced. Meetings were infrequent until 1959 when weekly meetings began to be held. Neither the CIA nor the Special Group adopted fixed criteria for bringing projects before the group; initiative remained with the CIA, as members representing

⁵ William M. Leary, editor, *The Central Intelligence Agency: History and Documents* (The University of Alabama Press, 1984), p. 63; for text of NSC 5412, see *Foreign Relations, 1950–1955, The Intelligence Community*, Document 171.

⁶ Leary, *The Central Intelligence Agency: History and Documents*, pp. 63, 147–148; *Final Report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, United States Senate*, Book I, *Foreign and Military Intelligence* (1976), pp. 50–51. For texts of NSC 5412/1 and NSC 5412/2, see *Foreign Relations, 1950–1955, The Intelligence Community*, Documents 212 and 250.

other agencies frequently were unable to judge the feasibility of particular projects.⁷

After the Bay of Pigs failure in April 1961, General Maxwell Taylor reviewed U.S. paramilitary capabilities at President Kennedy's request and submitted a report in June that recommended strengthening high-level direction of covert operations. As a result of the Taylor Report, the Special Group, chaired by the President's Special Assistant for National Security Affairs McGeorge Bundy, and including Deputy Under Secretary of State U. Alexis Johnson, Deputy Secretary of Defense Roswell Gilpatric, Director of Central Intelligence Allen Dulles, and Chairman of the Joint Chiefs of Staff General Lyman Lemnitzer, assumed greater responsibility for planning and reviewing covert operations. Until 1963 the DCI determined whether a CIA-originated project was submitted to the Special Group. In 1963 the Special Group developed general but informal criteria, including risk, possibility of success, potential for exposure, political sensitivity, and cost (a threshold of \$25,000 was adopted by the CIA), for determining whether covert action projects were submitted to the Special Group.⁸

From November 1961 to October 1962 a Special Group (Augmented), whose membership was the same as the Special Group plus Attorney General Robert Kennedy and General Taylor (as Chairman), exercised responsibility for Operation Mongoose, a major covert action program aimed at overthrowing the Castro regime in Cuba. When President Kennedy authorized the program in November, he designated Brigadier General Edward G. Lansdale, Assistant for Special Operations to the Secretary of Defense, to act as chief of operations, and Lansdale coordinated the Mongoose activities among the CIA and the Departments of State and Defense. The CIA units in Washington and Miami had primary responsibility for implementing Mongoose operations, which included military, sabotage, and political propaganda programs.⁹

President Kennedy also established a Special Group (Counter-Insurgency) on January 18, 1962, when he signed NSAM No. 124. The Special Group (CI), set up to coordinate counter-insurgency activities separate from the mechanism for implementing NSC 5412/2, was to confine itself to establishing broad policies aimed at preventing and resisting subversive insurgency and other forms of indirect aggression in friendly countries. In early 1966, in NSAM No. 341, President Johnson assigned responsibility for the direction and coordination of counter-insurgency activities overseas to

⁷ Leary, *The Central Intelligence Agency: History and Documents*, p. 63.

⁸ *Ibid.*, p. 82.

⁹ See *Foreign Relations, 1961–1963*, volume X, Cuba, 1961–1962, Documents 270 and 278.

the Secretary of State, who established a Senior Interdepartmental Group to assist in discharging these responsibilities.¹⁰

NSAM No. 303, June 2, 1964, from Bundy to the Secretaries of State and Defense and the DCI, changed the name of "Special Group 5412" to "303 Committee" but did not alter its composition, functions, or responsibility. Bundy was the chairman of the 303 Committee.¹¹

The Special Group and the 303 Committee approved 163 covert actions during the Kennedy administration and 142 during the Johnson administration through February 1967. The 1976 Final Report of the Church Committee, however, estimated that of the several thousand projects undertaken by the CIA since 1961, only 14 percent were considered on a case-by-case basis by the 303 Committee and its predecessors (and successors). Those not reviewed by the 303 Committee were low-risk and low-cost operations. The Final Report also cited a February 1967 CIA memorandum that included a description of the mode of policy arbitration of decisions on covert actions within the 303 Committee system. The CIA presentations were questioned, amended, and even on occasion denied, despite protests from the DCI. Department of State objections modified or nullified proposed operations, and the 303 Committee sometimes decided that some agency other than the CIA should undertake an operation or that CIA actions requested by Ambassadors on the scene should be rejected.¹²

The effectiveness of covert action has always been difficult for any administration to gauge, given concerns about security and the difficulty of judging the impact of U.S. initiatives on events. In October 1969 the new Nixon administration required annual 303 Committee reviews for all covert actions that the Committee had approved and automatic termination of any operation not reviewed after 12 months. On February 17, 1970, President Nixon signed National Security Decision Memorandum 40,¹³ which superseded NSC 5412/2 and changed the name of the covert action approval group to the 40 Committee, in part because the 303 Committee had been named in the media. The Attorney General was also added to the membership of the Committee. NSDM 40 reaffirmed the DCI's responsibility for the coordination, control, and conduct of covert operations and directed him to obtain policy approval from the 40 Committee for all major and "politically sensitive"

¹⁰ For text of NSAM No. 124, see *ibid.*, volume VIII, National Security Policy, Document 68. NSAM No. 341, March 2, 1966, is printed *ibid.*, 1964–1968, volume XXXIII, Organization and Management of U.S. Foreign Policy; United Nations, Document 56.

¹¹ For text of NSAM No. 303, see *ibid.*, Document 204.

¹² *Final Report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities, United States Senate, Book I, Foreign and Military Intelligence*, pp. 56–57.

¹³ For text of NSDM 40, see *Foreign Relations, 1969–1976*, volume II, Organization and Management of U.S. Foreign Policy, 1969–1972, Document 203.

covert operations. He was also made responsible for ensuring an annual review by the 40 Committee of all approved covert operations.

The 40 Committee met regularly early in the Nixon administration, but over time the number of formal meetings declined and business came to be conducted via couriers and telephone votes. The Committee actually met only for major new proposals. As required, the DCI submitted annual status reports to the 40 Committee for each approved operation. According to the 1976 Church Committee Final Report, the 40 Committee considered only about 25 percent of the CIA's individual covert action projects, concentrating on major projects that provided broad policy guidelines for all covert actions. Congress received briefings on only a few proposed projects. Not all major operations, moreover, were brought before the 40 Committee: President Nixon in 1970 instructed the DCI to promote a coup d'etat against Chilean President Salvador Allende without Committee coordination or approval.¹⁴

Presidential Findings Since 1974 and the Operations Advisory Group

The Hughes-Ryan amendment to the Foreign Assistance Act of 1974 brought about a major change in the way the U.S. Government approved covert actions, requiring explicit approval by the President for each action and expanding Congressional oversight and control of the CIA. The CIA was authorized to spend appropriated funds on covert actions only after the President had signed a "finding" and informed Congress that the proposed operation was important to national security.¹⁵

Executive Order 11905, issued by President Ford on February 18, 1976, in the wake of major Congressional investigations of CIA activities by the Church and Pike Committees, replaced the 40 Committee with the Operations Advisory Group, composed of the President's Assistant for National Security Affairs, the Secretaries of State and Defense, the Chairman of the Joint Chiefs of Staff, and the DCI, who retained responsibility for the planning and implementation of covert operations. The OAG was required to hold formal meetings to develop recommendations for the President regarding a covert action and to conduct periodic reviews of previously-approved operations. EO 11905 also banned all U.S. Government employees from involvement in political assassinations, a prohibition that was retained in succeeding executive orders, and prohibited involvement in domestic intelligence activities.¹⁶

¹⁴ *Final Report of the Select Committee To Study Governmental Operations With Respect to Intelligence Activities*, United States Senate, Book I, Foreign and Military Intelligence, pp. 54-55, 57.

¹⁵ Public Law 93-559.

¹⁶ Executive Order 11905, "United States Foreign Intelligence Activities," *Weekly Compilation of Presidential Documents*, Vol. 12, No. 8, February 23, 1976.

Documents on Mexico; Central America; and the Caribbean, 1973–1976

American Republics Regional

1. National Security Study Memorandum 173¹

Washington, March 7, 1973.

TO

The Secretary of State
The Secretary of Defense
The Secretary of the Treasury
The Director of Central Intelligence

SUBJECT

U.S. Policy Toward Latin America

The President has directed a review of United States policies and programs in Latin America. This review should take into account the studies prepared in response to NSSM 15 and NSSM 108 as well as the Rockefeller Report of 1969.

The study should:

¹ Summary: Kissinger instructed the CIA, the Treasury, and the Departments of State and Defense to carry out a review of U.S. policies and programs in Latin America.

Source: National Archives, Nixon Presidential Materials, NSC Institutional Files, Box H-197, Study Memorandums, NSSM 173. Secret; Limdis. Copies were also sent to the Chairman of the JCS, and the Assistant to the President for International Economic Affairs. The study prepared in response to this memorandum is published as Document 5. The August 30, 1969, Rockefeller Report on Quality of Life in the Americas is printed in the Department of State *Bulletin*, December 8, 1969, pp. 495–540. Nixon's October 31, 1969, address outlining a policy of "mature partnership" with Latin America, is *ibid.*, November 17, 1969, pp. 409–414. NSSM 15, February 3, 1969, is published in *Foreign Relations*, 1969–1976, vol. E-10, Documents on American Republics, 1969–1972, Document 1. NSSM 108, December 10, 1970, is in the National Archives, Nixon Presidential Materials, NSC Institutional Files, Box H-178, Study Memorandums, NSSM 108.

- set forth a statement of basic U.S. interests and objectives in Latin America, indicating their general order of priority (differing views as to basic interests and objectives and the order of priority should be clearly stated and discussed);

- analyze situations wherein the pursuit of multiple U.S. interests and objectives is prejudiced by conflicts among them, thus necessitating choices or trade-offs;

- describe the fundamental issues in U.S. relations with the countries of Latin America as they relate to these interests and objectives and the priorities and conflicts among them; and

- assess the effectiveness and shortcomings of current policies and programs in supporting U.S. interests and objectives.

Based upon this review and assessment, the study should consider the policy options open to the United States which will advance the basic U.S. interests and objectives in Latin America, minimize the conflicts among them, and result in U.S. programs that faithfully reflect U.S. priorities. The discussion of the options should be guided by the general objective of enhancing the U.S.-Latin American relationship within the concept of mature partnership as enunciated by the President on October 31, 1969. The advantages and disadvantages, and costs and consequences of each policy option should be analyzed.

The assessment of issues and current policies and programs should include, but not necessarily be limited to, consideration of the following operational problems affecting U.S.-Latin American relations:

- the future of the inter-American system and the U.S. role (OAS, CIAP, CIES, etc.);

- law-of-the-sea problems (e.g., territorial seas, resources control, boat seizures, etc.);

- U.S. policies on the supplying of military equipment, sales, and training and ways in which these may be broadened and made more effective;

- unfulfilled U.S. commitments (especially trade preference);

- congressional restrictions on U.S. actions (Gonzalez, Hickenlooper, etc.);

- rising nationalism in Latin America and its effect on U.S. policies and programs.

In the case of each operational problem there should be a succinct statement of the issues and their effects on U.S. interests and objectives. Alternative approaches to the resolution of the issues should be analyzed and related to the basic policy options set forth in the study.

The NSC Interdepartmental Group for Inter-American Affairs should conduct this study. The study should be submitted to the NSC Senior Review Group by April 15, 1973.

Henry A. Kissinger

2. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, March 27, 1973.

SUBJECT

The OAS General Assembly Meeting

The OAS General Assembly meets in Washington April 4–14 at an important juncture in our relations with Latin America. I will head the U.S. delegation, address this Foreign Ministers' meeting on the morning of April 6, and take part as much as possible in the deliberations.

In the light of peace in Vietnam, East-West détente and the increasing acceptance of ideological pluralism by many nations in the hemisphere, the Latin Americans are pressing us, often in nationalist terms, to redefine our policies on points of divergence (Panama, fisheries, expropriations, international lending institutions and, to a growing degree, Cuba). We have been prevented from being fully responsive by the need to protect our own legitimate national interests.

Similarly, the Latin Americans' growing external resource requirements prompt them to press us for increasing trade and aid concessions. The advent of your second term has increased their expectations. Our persistent balance of payments problem and the need to deal with many economic problems in a worldwide rather than a hemispheric context, impede our response.

Confrontation in the inter-American economic forums, such as at the recent Bogota meeting, has been frustrating to all concerned, although it is not of the proportions of the UN Security Council meeting in Panama. Our mutual uncertainty and dissatisfaction with the current state of hemispheric relations has moved Galo Plaza, CIAP Chairman Sanz de Santamaria and Venezuelan Foreign Minister Calvani to propose efforts to make the inter-American system more responsive to changing world and hemispheric conditions. This, in essence, should be interpreted as a positive effort to rearrange the North-South relationship.

¹ Summary: In anticipation of the annual meeting of the General Assembly of the Organization of American States, Rogers reported on the state of U.S. relations with Latin America.

Source: National Archives, RG 59, Central Files 1970–1973, OAS 3. Limited Official Use. Documents on the special meeting of the UN Security Council held in Panama City from March 15 to 21 are in *Foreign Relations*, 1969–1976, vol. E–14. Documents on the annual meeting of the Inter-American Economic and Social Council that took place in Bogotá from January 30 to February 8 are in the National Archives, RG 59, ARA Files: Lot 72D23, 1/30–2/9/73 IA—ECOSOC Meeting—Bogotá.

Strong criticism of U.S. policies will continue at the Assembly. At the same time there is some realization that global problems cannot be resolved in a regional context and that the inter-American system should be utilized for cooperation and accommodation. We will seek to strengthen this tendency and I am hopeful of promoting a more informal and honest dialogue among the Foreign Ministers outside of the public speech-making forums.

We doubt that this Assembly will make final decisions on changes in the OAS, but expect rather an agreement to initiate a high-level inter-American study, the results of which would be considered at a subsequent meeting. Our participation in this process will benefit from our own concurrent study under NSSM 173 which will analyze “situations wherein the pursuit of multiple U.S. interests and objectives is prejudiced by conflicts among them” as well as evaluate the U.S. role in the inter-American system.

Cuba is a special problem, and is almost certain to come up at the Assembly in some form. We can now probably count firmly upon only nine or ten (including the U.S.) votes in favor of the sanctions. This is short of the twelve votes required for a majority, but would be sufficient for the blocking third necessary to prevent formal lifting of the sanctions under the Rio Treaty. Failure to achieve majority support, however, would seriously erode the moral force of the sanctions. We continue to work, though with uncertain prospects, with those who share our position towards achieving majority backing in this fluid situation.

William P. Rogers

3. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, April 26, 1973.

SUBJECT

OAS General Assembly

We faced several major challenges at the just concluded OAS General Assembly, and came out much better than expected. This Assembly was more realistic and productive than other recent OAS meetings and opens the possibility of a more constructive relationship. I hope to build on the Assembly's results during my forthcoming trip to Latin America.

The Special Study Commission

The first challenge was to reduce the element of confrontation, which marked the recent meeting of IA-ECOSOC in Bogota and the UN Security Council in Panama. Certainly your message to the Assembly and your remarks at the White House reception helped a great deal. I also sought in my speech to convey our willingness to cooperate wholeheartedly in moving from confrontation to convergence, on global as well as hemispheric concerns.

Divisive issues and frustrations were never very far below the surface, but were kept manageable. Our delegation played a low key but active role. The Latins hoped that your second administration would give priority attention to hemispheric affairs and they took a responsible, practical approach to the issues. Peru, Ecuador, and even Chile and Panama rather downplayed bilateral disputes with us, particularly after the initial speech-making.

This generally constructive attitude helped shape the resolution to form the Special Commission to Study the Inter-American System. This Commission, to be composed of representatives of each member state, is to make recommendations to the governments by November 30. Its broad mandate covers the entire inter-American relationship in an effort to make it relevant to changing conditions. We considered the study, while perhaps overly ambitious, a realistic step and are prepared to participate actively.

¹ Summary: Rogers reported the outcome of the April 4-14 OAS General Assembly and noted that the meeting opened the door for more constructive relationships in Latin America.

Source: National Archives, RG 59, Central Files 1970-1973, OAS 3. Limited Official Use. Drafted by McNeil.

“Plurality of Ideologies”, the Rio Treaty and Cuba

The “Declaration of Principles Governing Relations Among the American States” almost derailed the conference. The original Colombian draft recognized “ideological pluralism” but balanced it with a strong re-affirmation of non-intervention. Chile linked this resolution overtly to the Cuba situation. As amended by Chile, the resolution was unpalatable to the U.S. and unacceptable to Brazil and others. It had majority support, and we risked a losing vote on a matter directly linked to Cuba.

Despite strong opposition by Chile and others, we succeeded in referring the matter to a working group where we brought about changes which made the resolution acceptable. These included substituting for “ideological pluralism” the phrase “plurality of ideologies” and specifying that the resolution was “subject to the norms and obligations of the Charter, and the Special Treaties mentioned in it” (meaning the Rio Treaty under which the sanctions against Cuba were taken). This was passed by consensus. The press in Latin America has viewed it as a success for Brazil and the U.S.

Other Significant Developments

The productive atmosphere of the conference kept bilateral disputes (a major component of confrontation) in the background. Two resolutions, aimed at the U.S. (on stock pile disposals and multinational corporations) were in final form relatively mild. We abstained on them.

The large Latin countries, particularly Mexico, Brazil and Argentina, were often as much targets as was the U.S. in the proceedings of the conference—a new experience for these Latin countries.

The Latins showed that, while they welcome an end to paternalism, they also want active U.S. address to their concerns. Certain indications that we might even consider pulling out of the OAS had a sobering effect, and there was recognition of the advantages for both sides in a hemispheric, rather than purely Latin, organization.

The smaller nations (who command many votes) made clear the OAS is a forum of considerable importance to their interests, giving them power vis-à-vis the larger Latin nations (as well as us).

Assembly President Calvani deserves great credit. He set a tone of thoughtful realism and his personality and parliamentary skill kept the conference from falling apart. He expressed considerable gratitude to us for our constructive but discreet role.

The Future

This new, more realistic spirit is quite fragile as the basic North-South, rich-poor split, with all its problems, still exists. Decisions were

set aside pending the work of the Special Commission, which will not have an easy task. A flareup of any of our bilateral disputes could trigger renewed confrontation. The Cuba issue is only postponed. The conference did reaffirm the treaties in force and opposition to intervention, but also recognized the reality of diverse political, economic and social systems in the hemisphere.

My Trip to Latin America

The results of the Assembly afford us an opportunity to enhance our interests in the hemisphere. I plan to explore on my trip to Latin America how we can contribute to preserving and strengthening the more realistic and constructive spirit shown at the Assembly. I also expect the trip will provide an opportunity for a frank exchange of views with senior Latin American statesmen regarding the future of the inter-American system.

William P. Rogers

4. Conversation Among President Nixon, the United States Representative at the United Nations (Scali), and the Deputy Secretary of State (Rush)¹

Washington, May 25, 1973.

[Omitted here is discussion unrelated to Rogers's trip.]

Nixon: I just think you should know I've—I took a look at the reports on the [Rogers's] Latin America [trip]. I remember, it brought back recollections of my own visit there in 1958, which was rather stormy. And you would think that the only faces you see on such a visit are, you know, the people throwing rocks and stones, and so forth, and

¹ Summary: Commenting on Rogers's visit to Latin America, Nixon noted the importance of demonstrating U.S. interest in the region. Rogers visited Mexico, Nicaragua, Venezuela, Peru, Colombia, Brazil, Argentina, the Netherlands Antilles, and Jamaica from May 12 to May 28.

Source: National Archives, Nixon Presidential Materials, White House Tapes, Conversation 124–2. Secret. The editors transcribed the portion of the tape recording published here specifically for this volume, brackets indicate discussion omitted from the transcription or text added for clarity. The transcript is part of a Cabinet meeting that took place in the Cabinet Room of the White House from 11:06 to 11:59 a.m. In telegram 1729 from Rio de Janeiro, May 19, Rogers transmitted his impressions to Nixon at the halfway point of his Latin American trip. (Ibid., NSC Files, Country Files, Box 772, Latin America, Brazil, Vol. IV, 1973–74) Rogers's May 29 briefing of the Cabinet on his travels is ibid., Nixon Presidential Materials, White House Tapes, Conversation 124–3.

so on. And believe me, that's about all I saw in the last couple days of it in Caracas when we went. But, as far as this trip was concerned, it was important. I'll let Bill report when he comes back, but, you know, we're—at least from the halfway point it was important, and the talks have been constructive. The other thing I could say is this to all of you: there is a tendency right now for our friends in Latin America, and other parts of the world, other than what, I mean, are basically the major power centers, to think that our primary obsession is with the Russians and the Chinese; the Europeans at another level; the Japanese; that they're [Latin Americans] way down at the bottom and we don't care about them. What is the most important thing with regard to Latin America? There isn't a hell of a lot we can do for them at the moment—they have to do it for themselves—is to let them know that we consider them our closest friends and our closest neighbors. They've just got to be told we love them. And we do, and that's why in your conversations—when many of you are at Embassies and the rest—be sure to get across. Wouldn't you agree, John? Do you want to talk about that at the UN?

Scali: Yes, sir.

Nixon: And it is actually true. We are not overlooking Latin America at this time. With this talk of the "Year of Europe," the "Year of Europe"—we're working on some new Latin American initiatives as well, and they are very important.

Rush: Mr. President, I might add that the *Time* magazine article was made out of old cloth. For example—

Nixon: Tell us about it then.

Rush: Well, the—

Nixon: It's a kind of old cloth, I got it.

Rush: [Laughs] Well, this is very old cloth.

Nixon: I see. What are they throwing at us?

Rush: For example, in Rio, Bill had planned to hold a talk and have two days of rest. *Time* magazine said that he was being held up by the President, that he was being ignored, and snubbed in essence. In Argentina and Buenos Aires they said that also—

Nixon: They said that?

Rush: Yes. Yes. And they also were citing demonstrations. And the actual fact is he had very few demonstrations. He's seen almost none himself. And in contrast—by way of contrast to your experience in 1958—he didn't see a demonstrator in Caracas. There were some, but they were kept way away, and it was just a few students. And he actually has had a very friendly reception. For example, in Peru, which is highly nationalistic, the President, we thought would not see him at all, because the President has been very seriously ill and is recuperating, and Bill thought he would make a courtesy call. Instead he stayed there

for two hours and had a very constructive talk. And oddly the press here has almost ignored his visit. It's had very fine coverage throughout Latin America. The theme that we're going to treat the Latin American countries as equal partners and fully recognize their sovereignty is going over very favorably, and I would call the trip an outstanding success in Latin America, and in our press they refuse to recognize it.

Nixon: Well, don't be too concerned about that because, in the end, it will be quite balanced, but I think members of the Cabinet, when you think of your own trips and so forth, remember we have—everybody comes in, and I know so many of you do, saying, "Gee, I'd like to go to Russia, or the middle of Europe—how about Hungary or Romania, and so forth?" Don't overlook Latin America, I mean, and don't be concerned about the fact that you're going to have a demonstration and so forth. That's a way of life down there. My God, I went down there as a private citizen in 1967 and they demonstrated against me, and some guy—they don't [unclear]. Some guy threw a rock and says, "Who's that?" He says, "I don't know." [Laughter] They finally decided they better start running. [Laughter]

[Omitted here is discussion unrelated to Rogers's trip.]

5. Study Prepared in Response to NSSM 173 by the NSC Interdepartmental Group for Inter-American Affairs¹

Washington, undated.

U.S. POLICY TOWARD LATIN AMERICA

RESPONSE TO NSSM 173

ABSTRACT

A. An Assessment of the Past Four Years

It had been foreseen in 1969 that the forces of nationalism and ferment at work in Latin America would in the coming years jeopardize

¹ Summary: This study reviewed U.S. policy toward Latin America since 1969 and recommended a new strategy for relations with the region.

Source: National Archives, RG 59, ARA Files, Lot 75D476, JBK Chron—August 1974. Secret. NSSM 173, March 7, is published as Document 1. The study was transmitted to Kissinger under a May 29 covering memorandum from Crimmins with a copy of NSSM 173. All brackets appear in original except those indicating text omitted by the editors or identifying original footnotes.

our interests as well as diminish our influence there. We believed that we could best limit any damage by shifting from a paternalistic relationship to one in which the U.S. would be less directive. While maintaining commitments that we had assumed as the most advantaged member of the inter-American community, we wished to have the Latin American states take initiatives, based on their own priorities, which we might then support. Our goal was a relationship of shared responsibilities and mutual respect, "a more mature partnership."

This transition to a new equilibrium in our relations with Latin America would necessarily have been difficult under the best of circumstances. The strain in our relations that inevitably accompanied such a shift could only have been assuaged by policies and programs designed to reassure the Latin American nations that a "special relationship" continued to exist.

Because of a variety of constraints largely unforeseen in 1969, virtually the contrary was the case. Latin America was not singled out for special attention. It was not consulted about or given advance notice of important U.S. decisions. Generalized trade preferences were not introduced until more than three years after the commitment was made. Latin America was not exempted from the ten percent surcharge. The replenishment of the IDB was allowed to fall two years behind schedule.

Much of our focus on Latin America was negative in effect. Sanctions on U.S. economic assistance were broadened as a reaction to the threat of uncompensated expropriation of American investment. Military relations continued to be weakened by the restrictions on our military sales efforts, Congressional sanctions, and the erratic general course of security assistance policy toward Latin America. Congressional actions served to reinforce the impression of indifference, if not antagonism.

At the same time, the Latin American response to our policy shift was not as full or as positive as we might have expected. Latin leaders did not adopt the forthcoming and cooperative posture vis-à-vis the United States that would have been their contribution to a successful mature partnership. Many Latin Americans have been ambivalent about ending U.S. paternalism, wishing to continue to reap benefits from a special relationship but being wary of domination by the United States. The Latins did not appear to appreciate sufficiently the magnitude of the problems which were besetting the United States and which prevented us from fully carrying out our intended policies in Latin America. Moreover, a certain amount of Latin dissatisfaction and even hostility would have prevailed even if the U.S. had made good on all its commitments, given that Latin aspirations were so high and the U.S. presence so predominant.

Under these circumstances, and with little in the way of positive new U.S. programs to reinforce it, the less intrusive style and posture adopted in 1969 could not be and was not as effective as we had expected. Indeed, fisheries disputes, uncompensated expropriations and the sanctions that followed prevented us from remaining as unobtrusive as we had desired. Consequently, the degree of political disaffection from us among some of the Latin American countries has been greater than would otherwise have been the case; the level of polemics and confrontation has similarly risen. We have not been as successful in limiting the damage to our interests as we had anticipated or in preserving as large a measure of our influence in the hemisphere as we had hoped. While the damage to our interests and influence in Latin America has not been irreparable, failure to arrest if not reverse the trend toward political alienation could seriously risk our position in the hemisphere.

B. The Projected Environment and Its Impact on U.S. Interests in Latin America

U.S. interests are heavily engaged in Latin America. They may be grouped under three broad categories (for a more complete list, see the main text.)

U.S. National Defense:

A Latin America with a military posture that is predominantly in favor of the United States.

U.S. Economic Prosperity:

A Latin America with which the United States can enjoy a mutually beneficial economic interchange.

World Order:

A Latin America that is a positive force for the kind of world order we seek.

Latin America constitutes a significant defense asset as long as it remains predominantly in our military sphere of influence. Because most of Latin America continues to be aligned with us on security matters and extra-hemispheric powers have not penetrated the region with the exception of Cuba, we are enabled to economize the use of U.S. forces and employ them elsewhere, even though geography gives us a special security interest in the area. U.S. economic interests in the region are significant: Latin America is the most important region for us in economic terms outside the developed world. U.S. investments in Latin America and the Caribbean totaled \$16 billion in 1971 and returned \$1.2 billion to the United States in earnings in that year. The area took almost \$7 billion in U.S. exports in 1971, 15 percent of the total. We traditionally have had a surplus in our trade with the region, and three of the countries are in the top twelve markets for U.S. goods in the

world. By the end of this century, the population and per capita income in Latin America should double and the larger countries of the region will be developed economies, as defined today.

Even more significantly, the countries of the region will be an important and inescapable part of the new world order which we are trying to help shape. Latin America is the touchstone of our relations with the developing world. It is the region of the developing areas in which our influence is most pervasive. Moreover, the breadth and complexity of U.S.-Latin American relations, while advancing U.S. interests, also provide ample occasion for conflicts between us and Latin American states. This web of interdependence constitutes both an opportunity and a challenge to our desire to help create a new international order, based on the peaceful adjustment of differences and cooperative efforts to solve common problems.

The environment for U.S.-Latin American relations in the next few years will be a difficult one. Strong forces in the region are pulling the U.S. and Latin America apart. Domestic and international constraints will limit our ability to carry out a Latin American policy that is fully responsive to our interests in the area. The changing U.S. and Latin American relationships with the rest of the world will encourage a further loosening of our previously close ties. The fact that other world powers now offer greater alternatives for Latin American foreign relations gives these countries a greater feeling of freedom to express their concern over our role. Although we will remain by far the most important foreign influence in Latin America, our ability to affect Latin American policies and decisions will continue to diminish.

On the whole, the transition to a more equal, more mature relationship will inescapably have costs for U.S. interests in the form of political differences on specific issues, some damage in individual cases to U.S. economic interests, and possibly some further weakening of our military position in the hemisphere. The question is to what extent we can minimize that damage and, at the same time, lay the groundwork for a long-term relationship in which our basic interests will prosper.

For these reasons, the most significant threat to all our interests in the area is the potential political alienation from the United States of a significant number of Latin American states. Increasing political alienation, which at present is incipient, could do our interests serious harm. It could be accompanied by a spread of Soviet military activities and a further growth of third country military sales which, in turn, would erode our security position and lessen our overall influence. It could result in expropriations of important U.S. investments and some loss of trade to our competitors. Most important of all, it could make Latin America an obstacle rather than a partner in our efforts to promote a better world order in such diverse and important fields as a worldwide

law of the sea, international action to eliminate narcotics traffic and terrorism, and new international monetary and trade systems. There is also an intangible, but nevertheless real, cost in terms of the loss of worldwide confidence in U.S. influence and power if the U.S. is unable successfully to manage the transition in its relations with Latin America.

The degree to which Latin America is a help or a hindrance, an opportunity or a threat to U.S. interests, is obviously not under our control. But we can significantly influence the outcome by the policies which we follow.

If we confine ourselves to reacting when a U.S. interest is in jeopardy, if we respond to each challenge to our interests with sharpness and force, political alienation will grow and conflicts and disputes will spread. A decade from now we will indeed have a new relationship, but it will be a generally hostile one.

If we temper our reactions to nationalism with a broad view as to all the U.S. interests at play in each situation, we will have a better chance of preserving an environment favorable to all our interests. This may mean at times acting with greater tolerance and forbearance than the Latins are likely to display towards us. A willingness to accommodate can successfully cope with nationalism in Latin America, just as it has paid off in approaches to our adversaries on the world scene.

We should also remind ourselves that, in spite of periodic Latin American nationalistic excesses or occasional casualties to an American economic or political position, the underlying environment in Latin America can continue to be favorable to U.S. interests. Latin American societies and institutions have a remarkable resiliency in the face of enormous internal strains as well as externally-supported efforts to subvert them. Marxism has not swept the continent and the results from the present Marxist experiment in Chile are likely to make that solution less attractive. Future political regimes in the area are likely to be pragmatic and eclectic, albeit highly nationalistic. There is no inherent reason why the United States cannot have satisfactory and fruitful relationships with them. There also exists a considerable, if diminishing, reservoir of goodwill toward the United States, particularly among the politically powerful Latin American military, but also among intellectuals, politicians, and other opinion-makers.

Our task in the year ahead is to build on these positive elements in our relationship and to blunt the effects of potentially adverse trends.

C. U.S. Goals and Objectives

1. Goals for U.S. Policy

In the light of the foregoing, the IG/ARA recommends the adoption of five major goals toward which U.S. policy should be directed:

Goal A:

Reversal of the trend toward political alienation of the area from the U.S. and the avoidance of a coalition of Latin American nations hostile to the U.S.

Goal B:

Cooperation of Latin America with the United States in seeking to work out solutions to the major global problems of the next four years.

Goal C:

A high rate of economic development and social progress in Latin American countries as an important means of furthering our political and economic interests.

Goal D:

The maintenance and improvement of our economic position in the region, including access for U.S. exports, access to sources of essential imports, and reasonable treatment for U.S. private investment.

Goal E:

The maintenance and improvement of our security position in the region, keeping the Latin American military aligned with us on security issues and avoiding their political alienation.

2. Optional Strategies

We see three broad strategies which the U.S. might adopt in order to achieve its goals in Latin America.

Strategy A

This strategy would be heavily oriented toward the constraints, domestic and global, which will weigh upon the U.S. in pursuing its goals and objectives in Latin America. The proponents of this strategy would emphasize the point that we cannot have a policy toward Latin America which is not of a piece with our global objectives and our domestic situation and that the problems which we have encountered in implementing the policy decisions taken with regard to Latin America in 1969 derive from the constraints upon our own power, as much as from differences between us and the Latins. During the next several years, our energies and attention will be heavily engaged in working out new international economic relationships, and a new basis for the NATO alliance as well. U.S. opinion will continue to be cool toward foreign assistance and there will be strong domestic pressures to protect certain American industries from foreign competition.

This strategy views these restraints on pursuing an active Latin American policy as likely to be overwhelming. Strategy A, therefore, would attempt to minimize the degree of our engagement with Latin America, ward off commitments, and meet specific challenges to U.S.

interests in the region by the judicious use of economic and political leverage. It would stress bilateralism and deemphasize the OAS. It would try to hasten the end of a "special relationship." It would concentrate on maintaining friendly relations with a few large countries, such as Brazil and Mexico, and be reconciled to less satisfactory relations with many other Latin American states. This strategy assumes that, while there would be further damage to U.S. interests in the area, the costs would not be unacceptably high and that our position in the area would eventually improve. This strategy implies a decision to conduct a kind of holding operation in Latin America.

Strategy B

This strategy regards the probable damage to U.S. interests in Latin America as unacceptably high without more positive action on our part than envisaged under Strategy A. It accepts the need for a conscious effort to reverse present trends and assumes that some adaptation of our instruments is feasible. It is premised on the belief that there will be political alienation from the U.S. in other Latin American countries if present trends continue. It assumes that the domestic and global constraints that have hampered the U.S. in pursuing its goals in Latin America for the past few years will not be as severe in the next four years. It anticipates an improvement in our balance of payments situation, more maneuverability on trade and investments policy, a subsiding of the tide of neo-isolationism that has rolled over the country as a reaction to the Vietnam war.

This strategy would require more attention to our relations with Latin America than in the recent past, a continuance of cooperative development efforts with Latin America and a more active and innovative search for accommodation with Latin American countries on specific issues between us. It would involve placing greater emphasis on the positive in our relations with Latin America. It would continue a degree of the "special relationship," consistent with the ties of history, geography, existing institutions, and mutual interests. It would imply the allocation of somewhat more resources to Latin America. It would bridge the existing gaps between military policy objectives, directives, and implementation.

It would require some change in present policies and more personal involvement at high levels of the U.S. Government to convince the Latins of our desire to build on convergent interests and to give Latin America a higher priority within the U.S. Government.

Strategy C

This strategy takes a more pessimistic view of the threats to our interests in Latin America than either Strategies A or B. It would mean a

much more active policy than we have attempted to pursue since 1969. It would take the form of a major new emphasis to the region, similar to that which characterized the early years of the Alliance for Progress and it would assume the Latin Americans would welcome this approach. It would probably have the effect of tying the region to us more closely and reversing the trend in Latin America toward more diverse world relations. The strategy would require a major effort to design trade and assistance policies and programs that would give Latin America maximum attention. It might include, for example, the creation of a regional trading bloc, active U.S. support for an SDR-link, or a special foreign aid program for Latin America.

This strategy would require the mobilization of broad political support in the United States in order to overcome the psychological and resource constraints which have been operative for the past several years.

D. The Choice of a Strategy and Objectives

1. A Strategy

The mature partnership concept remains the best guide to U.S. policy in dealing with the challenge posed by the transition in U.S.-Latin American relations. What is needed at this juncture in our relations with Latin America is a greater effort on the part of the United States to implement the mature partnership policy with concrete actions.

While Strategy A does not preclude taking some positive steps toward Latin America, in the opinion of the IG/ARA it would fall far short of giving the mature partnership real meaning. Although this strategy might appear to be more consistent with the projected constraints on the U.S.—and that is the chief argument in its favor—it would not, in our opinion, be sufficiently responsive to the threats—and opportunities—present for U.S. interests in Latin America as now foreseen.

As for Strategy C, the IG/ARA believes that it would require such a reordering of national priorities as to be unrealistic.

The IG/ARA recommends that the second strategy be the one to guide U.S. policy for the coming four years. This strategy is a middle course between a disengagement which would risk greater alienation and an attempt at an embrace which would be rejected. It is the only strategy which would serve all of our goals. The strategy recognizes the serious constraints on our ability to influence events in Latin America and on our resources. But it is responsive to Latin America's felt needs for a greater sense of status and a greater share in the benefits of the world economy. It is more confident than is Strategy A that the judicious application of American power can make an important difference

as to the outcome of the current precarious transition to a more mature partnership.²

2. Objectives

The selection of a broad strategy to achieve U.S. goals in Latin America permits us to move to the question of objectives (summarized below), which give the strategy chosen operational significance. (For a statement of specific objectives in detail, see the main text.)

Goal A. *Reversal of Trend Toward Political Alienation*

—Prevent current and future bilateral disputes with individual Latin American countries from escalating in such a manner as to prejudice other U.S. interests in the countries concerned and in the region as a whole.

—Overcome present widely-held view in Latin America that U.S. leadership is indifferent to the area's problems and considers Latin American countries unimportant.

—Continue to accept a "plurality of ideologies" as compatible with U.S. interests but make clear our belief in our own principles, including those concerned with civil liberties.

Goal B. *Latin American Cooperation on Global Issues*

—Change the focus of the inter-American system from its current exclusively north-south orientation to one which reflects more clearly the global nature of the economic and political problems being dealt with.

—Build on convergent interests between the U.S. and Latin American countries vis-à-vis the rest of the world.

Goal C. *Economic Development and Social Progress in Latin America*

—A flow of U.S. and other foreign capital, public and private, into the area at a level which will permit the countries of the region to obtain the additional resources in foreign goods and services necessary to sustain a high level of economic growth.

—A rapid expansion and diversification of the region's exports, to supplement capital flows as a source of foreign exchange and to permit orderly service of debt and investment remittances.

² The Treasury agrees with the need for more attention and a more positive style, and with a more active and innovative search for accommodations with regard to specific issues. On the other hand, the Treasury disagrees with Strategy B to the extent it "implies the allocation of somewhat more resources to Latin American programs." Treasury believes that the basic problem in Latin America is essentially political, and not likely to be solved by any amount of additional resources we can realistically expect over the next couple of years, given the mood of the Congress, our inflationary pressures at home, and our balance of payments constraints. [Footnote is in the original.]

—Development of the countries' economies along generally open market-economy lines.

—A continuation of an emphasis on self-help, reform, and a concern for the human side of development, including more equitable income distribution.

—A reduction in the rate of population growth.

Goal D. *Maintenance and Improvement of Our Economic Position*

—Encourage policies and practices that provide reasonable and non-discriminatory access for U.S. goods and services to Latin American markets, bearing in mind the close relationship between exports and imports.

—Promote a climate conducive to maintaining and increasing foreign private investment where this is wanted by the Latin American countries.

Goal E. *Maintenance and Improvement of Our Security Position*

—Strengthen effective influence with the Latin American military through broadened professional contacts.

—Reestablish the U.S. as a primary source of Latin American arms supply.

—Limit Latin American military capabilities for intra-regional conflict through increasing their dependence on U.S. arms supply.

—Preempt other foreign military influence, especially that of the Soviets.

[Omitted here is the remainder of the study, including sections entitled, "A Choice of Strategies and a Statement of Objectives," and "Operational Problems: Issues and Options."]

6. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, June 19, 1973.

SUBJECT

U.S. Posture, Objectives and Strategy for OAS Special Committee Review of the Inter-American System

I have designated Assistant Secretary of State Jack B. Kubisch and United States Permanent Representative to the OAS Joseph John Jova to head the U.S. Delegation to the inauguration of the OAS Special Committee which is to study the restructuring of the Inter-American System beginning June 20 in Lima, Peru.

As I reported to you upon my return from Latin America, I believe that the benefits to our national interests in a useful, positive inter-American system are sufficiently high as to warrant a concerted effort to redirect some forums of the system away from the largely sterile confrontations of the last several years and toward greater cooperation on common interests. The OAS Special Committee review of the purposes and institutions of the system will provide the organizational framework for that effort.

Like our relationships with the Latin American countries as a whole, the inter-American system is showing signs of strain under the pressure of a rapidly changing world. Nevertheless, we believe that even the most realistic appraisal of the limitations on what each side can do does not jeopardize the potential validity of the system as an instrument that adds an extra and useful dimension to our political, security, and economic relations with Latin America. The question is whether the nations of Latin America have reached this same conclusion and are prepared to reconsider the confrontation posture they have assumed in some areas of the system over recent years.

Cuba

Cuba will remain a divisive factor at Lima. Our diplomatic representations last week helped stave off majority support for a Venezuelan

¹ Summary: Rogers informed Nixon of a forthcoming OAS Special Committee meeting to discuss restructuring the inter-American system.

Source: National Archives, RG 59, Central Files 1970-1973, OAS 3. Confidential. Drafted by Rozanne Ridgway in ARA-LA/PLC, and cleared by Jova. A draft of the memorandum was sent to Rogers for his signature under a June 15 covering memorandum from Kubisch. (Ibid.) Telegram 4977 from Lima, July 15, transmitted the final report of the OAS Special Committee meeting, which accepted the "notion that times call for profound changes in system" while avoiding "specific conclusions on what form those changes should take." (Ibid., Central Foreign Policy File, [no film number])

effort to remove sanctions against Cuba. Their efforts continue. With the recent defection of Argentina, only one or two votes separate the proponents of change from the majority they seek. We will continue to work with like-minded allies, such as Brazil, to oppose any present change, recognizing that despite our best efforts, our opponents may gain at least majority support, particularly in the psychological atmosphere of Lima. We shall also continue to oppose attempts by Chile and possibly others to bring Cuba into the meeting, utilizing “back door” procedures.

U.S. Posture for the Forthcoming Meeting

The response to NSSM 173, “A Review of U.S. Policy Toward Latin America,” presents for your consideration three alternative postures with respect to a reformed inter-American system. Pending your decision on which is appropriate for the long run, I have directed Assistant Secretary Kubisch and Ambassador Jova to pursue that option which assumes little can be done overnight to alter the divergent trends in the respective interests of the U.S. and Latin America but that by dint of hard work we and the Latin Americans may be able to achieve a workable and realistic new relationship. I am instructing the U.S. delegation to try to find the common denominator of shared interests and trade-offs justifying some form of continued formal association which I believe, both as a result of my own review of the system and my conversations with Latin leaders, is potentially quite useful.

Thus our delegation will probe to what extent the Latins wish to use the inter-American system for cooperative efforts within the constraints imposed on the U.S. and to what extent they are going to attempt to increase their use of the system to elicit further U.S. commitments or inhibit our defense of legitimate national interests. It will, however, recognize that the Latins cannot realistically be expected entirely to foreswear using the system in their own interests to influence U.S. actions.

U.S. Objectives

1. To preserve the system’s basic framework, particularly the mutual defense mechanism of the Rio Treaty;
2. To broaden development arrangements in order to shift more of the burden to other developed countries; and
3. To downgrade those aspects of the system which most lend themselves to confrontation politics or extremist demands.

Strategy

In my public comments at the end of my trip, I made clear that I am inclined to think that the structure of the OAS is all right. We intend to offer with the necessary cautions, specific proposals to achieve our ob-

jectives. A strategy problem is to demonstrate the leadership which Latins expect of us and yet not create expectations that the U.S. is going to save the Latins from making the hard choice—constructive long-term use of the institutions or their short-term employment for confrontation.

I have instructed Assistant Secretary Kubisch and Ambassador Jova to proceed, as appropriate, to offer those proposals which relate to the option we are pursuing. Among these are:

- Modifications of OAS economic forums which now run counter to our purposes or are out of tune with present realities;

- Willingness to discuss new mechanisms or procedures for settling bilateral disputes involving the U.S.;

- Expanded membership in the Inter-American Development Bank to permit full participation by other developed countries.

In response to anticipated Latin proposals, I would expect the delegation to take the following positions:

- Express a willingness to see the seat of the Organization removed from Washington, if the Latins so desire;

- Defend those elements of the system—particularly peace-keeping, hemispheric defense multilateral lending—which conform to our interests and enjoy our support; and

- Resist proposals which attempt to bind the U.S. to unrealistic new commitments or unduly restrict our ability to defend our legitimate national interests.

I believe this approach underlines our intention to do what *we* can to strengthen the OAS, within the limitations imposed by present circumstances.

At the same time, the approach saves essential options with respect to the nature of our future participation in the system that emerges from this review.

William P. Rogers

7. **Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Kubisch) to Secretary of State Kissinger¹**

Washington, October 6, 1973.

Summary Paper on Major Problems in Latin America

Attached is the paper on Latin America which you asked for in the September 27th Staff Meeting.

Since by far the most pressing problem we have is the reformulation and improved execution of our overall policy towards Latin America, I have made a summary treatment of that subject the major part of the paper. I have also covered the other major problems and will be sending you separately—where I have not already done so—further proposals to deal with them.

Your initiative with the Latin American Foreign Ministers in New York yesterday should provide just the right vehicle for the turnaround we so badly need in Latin America.

Attachment

undated.

Table of Contents

*LATIN AMERICA: U.S. POLICY AND MAJOR
OPERATIONAL PROBLEMS*

I. *U.S.-Latin American Relations: The Need For A New
Conceptual Framework*

A. The Historical and Present Concept: Pan
Americanism

Page 1

¹ Summary: Kubisch provided a study reviewing the state of U.S.–Latin American relations and highlighting the need for a new conceptual framework for policy towards the region.

Source: National Archives, RG 59, Records of Henry Kissinger, Entry 5403, Lot 78D217, Box 3, Nodis Letters HAK, 1973–1977, Folder 3. Secret; Nodis. Page numbers reflect original pagination. All brackets are in the original except those indicating missing text or text omitted by the editors. No record of the September 27 staff meeting at which Kissinger requested this paper has been found. At an October 5 luncheon in New York honoring Latin American delegations to the UN General Assembly, Kissinger offered a toast inviting the region's Foreign Ministers to take part in a "new dialogue" with the United States. (Department of State *Bulletin*, October 29, 1973, pp. 542–543)

B. The Main Outlines of a New Conceptual Approach	Page 2
II. <i>A New Set of Relationships</i>	
A. A New Regional Relationship	Page 5
B. Sub-Regional Relationships	Page 6
C. Bilateral Relations	Page 7
III. <i>New Policy Initiatives</i>	
A. A New Approach to Sanctions	Page 8
B. A Policy on Private Investment	Page 9
C. A Development Policy	Page 10
D. A New Policy for Military Relations	Page 10
E. The Conduct of Our Policy	Page 11
IV. <i>Major Operational Problems: The Next Six Months</i>	
A. The OAS Reforms	Page 12
B. Cuba	Page 13
C. Panama	Page 13
D. Chile	Page 13
E. Peru	Page 14
F. Argentina	Page 15
G. The Fisheries Disputes	Page 16

LATIN AMERICA: U.S. POLICY AND MAJOR OPERATIONAL PROBLEMS

I. *U.S.-Latin American Relations: The Need For A New Conceptual Framework*

A. The Historical and Present Concept: *Pan Americanism*

The concept of Pan Americanism has guided U.S. policy towards the countries of Latin America for over a century. The notion has been of a community of republics, with a common history—a struggle to be independent of Europe—and a common ideal—representative democracy—which would cooperate to build a new order in the Western Hemisphere. Until recently this conceptual framework served us and the Latin Americans well. It provided a philosophical rationale as well as a juridical basis for what was in fact a hegemonic power system with the U.S. at its head.

By and large the Latin Americans acquiesced in having the United States shape the inter-American system. This attitude reflected their own weakness, but also their perception that it was in their interests to have the United States bound to them in a formal system in which they could attempt to inhibit the unilateral use of U.S. power or turn it to their own advantage.

Today we are in a very different world, and the changes have combined to render an inter-American system led by and dependent upon

the United States unacceptable to Latin America and, indeed, to us as well.

While this situation was recognized as early as 1969, we have thus far been unable to establish a satisfactory new kind of relationship to replace the old one. The result in the multilateral framework has been to create a vacuum which some Latin American regimes highly critical of U.S. policy have exploited.

The sharp deterioration in multilateral relations has not been paralleled in the bilateral area, our bilateral relations with the majority of Latin American countries being quite satisfactory. Nevertheless, the two kinds of relationship—multilateral and bilateral—obviously interact. The inter-American system provides individual Latin American states with a sounding board for their attacks on us in the case of bilateral conflict. Otherwise friendly states are forced to take sides. The present multilateral relationship also is a vehicle for all the states in the region to press for non-reciprocal U.S. concessions which they could not expect to obtain in a bilateral context.

If we continue to operate with the old multilateral relationship, however, our bilateral relations will suffer. We will be increasingly subjected to a multilateralization of bilateral grievances. We will be increasingly embarrassed because our rhetoric about Pan Americanism will be belied by reality. Failing to see any response to their demands for unilateral U.S. concessions, the Latin Americans will be encouraged to unite around extreme Third World positions in global forums and to participate in economic arrangements inimical to our interests. We will be unable to manage our bilateral relations in isolation from these multilateral developments, and the result will be a spreading political alienation of the countries of the hemisphere.

B. The Main Outlines of a New Conceptual Approach

Latin America and the United States must draw back from their outmoded relationship in order to lay the basis for a more realistic interlocking once the region is stronger and more highly developed.

The shift from a bipolar to a multipolar world can only be transitional as political structures must eventually be adapted to the growing interdependence of nations. In the meantime, states which by themselves are unable to compete with the great powers—the two-military superpowers plus China and Japan—must seek to form blocs with other states in a similar position and with whom they have ties of culture, history, or geography.

Farthest along in Europe, the regional bloc concept is taking hold in Latin America as well. The Latins' attempt in the 1960s to slavishly imitate Europe and form a common market failed to fulfill the high

hopes held out for it because the economies of the area were too fragile and were competitive rather than complementary.

More modest attempts at regional collaboration have been more successful. Subregional efforts at economic union, such as the Andean Pact, the Central American Common Market, and the Caribbean Free Trade Area, have been able to make progress. Perhaps as significant in the long run, the Latins have shown themselves increasingly capable of acting in unison in international politics. The Latin American bloc in international forums is now a regular fixture. The Latins' custom of caucusing to form a common front vis-à-vis the United States has been institutionalized in CECLA.

The United States attitude toward Latin American regionalism has been ambivalent. We have given economic assistance to the subregional economic groupings. On the other hand, we have expressed misgivings about Latin American political collaboration—e.g., CECLA—because it has been so obviously designed to strengthen the Latins' hands in dealing with us. We have opposed proposals that a Latin American bloc be institutionalized in the inter-American system.

If we accept the proposition, however, that some such "dumb-bell"—always latent in the U.S.-Latin American relationship—is inevitable and, indeed, responds to the deep psychological need of the Latin nations to assert their independence of the U.S., we might wish to make a virtue of necessity. Regionalism of Latin America, and subregionalism within Latin America, could serve as the new conceptual basis for relations in the Western Hemisphere.

This "new regionalism" would differ from the old regionalism—Pan Americanism—in that the United States would stand somewhat apart from it—supporting it when possible, dealing with it in a new juridical framework, differing with it on specific issues—but not as a participant on an equal footing with all of the other countries. There would be "linkage" but not 100% membership. The new relationship would not be unlike the one we are seeking to establish with Western Europe.

Such a conceptual framework should afford the United States a number of advantages:

1. The present *de facto* situation in which confrontations between the United States and the Latin American nations stem from a different perception of interests would be rationalized—would become in a sense *de jure*. While we would be confronted, as we now are, with a regional, Latin American position on a number of issues, it would be understood that neither we nor the Latin Americans had the obligation to conform our policies. There would be less grounds for recrimination that we were not living up to our obligations under Pan Americanism.

2. We would gain greater flexibility in the conduct of our relations with the rest of the hemisphere. We would have less inhibitions about

discriminating among the nations of the hemisphere on the basis of their relative size, development, proximity, and interests. Instead of striving to achieve one lowest-common-denominator type policy for “Latin America,” we would have a more realistic web of policies—bilateral, sub-regional, and regional.

3. We would have a firmer basis for demanding greater reciprocity in our relationships with the other nations of the hemisphere. It should be clearer that an end to the hegemony and paternalism that was associated with Pan Americanism also means the end to a system in which only the United States had “obligations” and “commitments” and all the others had “rights.”

In the long run, such a system should strengthen the nations of Latin America and the Caribbean by fostering self-reliance and a sense of a destiny. Before the end of this century we should see another regional center of political and economic strength in the world, one with which, like Europe, we would deal as equals and have close political and economic ties, and which would be a constructive force for world order.

II. *A New Set of Relationships*

A. *A New Regional Relationship*

While much of the confrontation and recrimination which has characterized the inter-American system in recent years revolves around economic issues, at the heart of the problem is a deterioration in our relationships which is political.

There is a growing misunderstanding among the Latin Americans of our motives and our purposes. They continue to expect that we will behave in accordance with the old hegemonic relationship—in its benevolent aspects as well as its—from their point of view—diabolical ones. When we fail to respond to their demands for economic assistance, they see our behavior as denoting a lack of will, a desire to shun them, and perhaps to keep them in a position of economic inferiority and dependence. When we employ sanctions in reaction to bilateral disputes, they see it as a new, more sophisticated form of interventionism.

On our side, we have become increasingly exasperated with the Latins’ seeming failure to appreciate the constraints that are operating on us. We regard their refusal to admit our right to protect our nationals and our interests as unreasonable and immature. In short, we are fed up with the double standard implicit in the old relationship.

We must make an intense effort to bridge this gap. To a significant extent, we cannot expect to remedy the situation in the multilateral framework. Our policies, global and bilateral, must bear much of the burden. There is a need, however, to reform the regional system. We

are badly in need of new principles and modalities of *cooperation*. Such principles would eliminate the worst features of the double standard and place our relations on a more reciprocal basis.

The new "regional" relationship should reflect the conceptual approach indicated in Part I. B above, and we would have to work out the kind of juridical and institutional arrangements which would link Latin America to the U.S.

B. Sub-Regional Relationships

To the extent that there is a growing unity among the other nations of the hemisphere in regard to their interaction with one another—as distinct from a common front vis-à-vis the U.S.—it is taking place at the subregional level.

These attempts at cooperation and integration—the Andean Pact, the Central American Common Market, the Caribbean Common Market—are taking place among countries with similar backgrounds, at similar stages of development, and with a common need for larger specific gravity in the world. These groupings are natural, healthy phenomena. They offer particularly promising opportunities for the United States.

Unlike "Latin America," these subregional groupings have much more in common than their fear of, or dependence upon, an external big power. The common characteristics of each grouping, and what distinguishes them from one another, should permit the United States to tailor its policies to fit the peculiarities and needs of each group. Thus, instead of trying to shape one foreign policy for the Western Hemisphere—an effort to satisfy the requirements of twenty-five highly diverse nations—we can attempt to have a number of policies which are suited to these emerging subregional coalitions.

We might, for example, decide to try to work out the problems faced by U.S. investors with the Andean Pact—which has developed a troublesome Investment Code—in a quite different way than with a Brazil or a Mexico in which our investments are not giving rise to political problems. In the Caribbean and Central America, our posture is bound to remain somewhat more paternalistic than it should be with the larger South American countries. These smaller nations want it that way and it is in our security interests to preserve a discreet leadership role there. It would be consistent with this posture for our bilateral aid program to concentrate heavily on the Caribbean and Central America, as it has begun to do in recent years.

C. Bilateral Relations

One problem which our preoccupation with a Latin American policy has caused us is that we have tended to think that we have to

have *one* policy that will be suitable for both Barbados and Brazil. One of the virtues of the regionalism approach that I have outlined above is that it would help us keep our bilateral interests in better perspective.

I feel strongly that we must exercise far greater sophistication and discrimination in bilateral relations in the Western Hemisphere than we have in the past. We do this in Europe, giving more emphasis to London, Bonn, and Paris than to other capitals. We should do the same with Brasilia, Buenos Aires, and Mexico City.

[Page 8 of this document is missing.]

[. . .] economic and foreign policy relations. This deterioration will eventually force us to rescind our sanctions policy, as it exists in the legislation, if we do not wish to gravely damage our broader national interest. To move in this direction sooner will both reduce the foreign policy costs and perhaps give the U.S. some positive bargaining influence.

B. A Policy on Private Investment

Private investment disputes are at the heart of many of our foreign policy problems with Latin America. While unsettled expropriation cases exist in only four Latin American countries, i.e., Chile, Peru, Ecuador, and Cuba, they significantly color the image of the U.S. throughout Latin America. The Latin Americans as a whole view the issue of compensation for long-held properties of natural assets within a very different set of ethical considerations than does the United States and reject recourse to other than national tribunals. In addition, the increasing internationalization of the multinational corporations will make it increasingly difficult in the decades ahead to definitely ascribe specific country nationality to entities with operations in many countries drawing financing, personnel, and expertise from throughout the world.

In the light of the above, the U.S. Government needs to rethink its policies with regard to U.S. private investment in the LDCs and in Latin America in particular. We are currently in a halfway house in which we “encourage” and “protect” U.S. private investment with very little control over the behavior of the investor. This approach gets us the worst of both worlds. We need a new set of rules for U.S. Government-U.S. private investor relations which will give the U.S. Government more flexibility and leverage in dealing with this problem.

Similarly, we need to reach some *modus vivendi* with the Latins on our mutual rights and obligations vis-à-vis American private investment. In the present situation, in which the Latin approach is based on the Calvo Doctrine, we have almost no recourse to protect our investors save unilateral measures like withholding aid. Both sides need to sur-

render some part of their sovereignty and find a mechanism for settling investment disputes.

C. A Development Policy

Our trade and aid policies toward Latin America should no longer be based on the "special relationship," which implies that the United States has some moral obligation, compounded of guilt and fear, to provide hand-outs to Latin America. We should tell the American people and the Congress that the economic development of the Western Hemisphere is in our own self-interest. We should articulate the benefits for us in moving that region of the less-developed world that is farthest along towards achieving modern societies toward that goal.

Our case rests fundamentally on the search for a new world order characterized by peace, interdependence, and prosperity. On a less visionary plane, outside of the developed countries, Latin America is our most important trading partner and the site of the greatest part of our foreign investment. In twenty-five years Latin America may have a population of 600 million. Per capita income will double. The larger nations should have moved into the ranks of the developed countries as defined today and Brazil will enter the club of major powers.

We can and should undertake an action program designed to demonstrate to the Latins that, while we cannot accept some of their more extreme proposals to bind the U.S. into new economic commitments, we do intend to revive our flagging support for their development.

D. A New Policy for Military Relations

Our military approach to the Hemisphere is anachronistic. It is a vestige of cold-war hegemony.

We have a unified theatre command in the Canal Zone whose major purpose appears to be to provide billets for a dozen flag-rank officers. It is completely unnecessary for the defense of the Canal (its alleged primary mission) and its very presence is of questionable legality. It is also a major irritant in our bilateral relations with Panama. SOUTHCOM administers a miniscule military assistance program to Latin America for which the major decisions are made in Washington. The elimination of SOUTHCOM would be a tangible sign to Latin Americans that the U.S. means what it says about non-intervention and an end to hegemony. At present, its removal to the United States is under consideration by the Under Secretaries Committee. This is a less satisfactory solution than disestablishment, and even removal is being fought tooth and nail by the Pentagon.

As part of the unified command approach we have maintained since the early sixties MILGPs in most Latin American countries, even

though many of the host nations refuse to recognize them and prefer to deal with service-to-service missions. We should eliminate the MILGPs and move back to the service mission relationship.

Existing congressional ceilings on military grants and sales to Latin America and congressional restrictions on the sale of sophisticated weapons are paternalism at its worst. The Administration should continue to press hard for their elimination from the legislation.

E. The Conduct of Our Policy

U.S. foreign policy has been conducted in recent years with the appearance of a low level of concern for Latin America. This was perhaps inevitable given the imperative of dealing with problems like Vietnam, détente, and the balance of payments crisis.

The term “low profile,” rather than connoting to the Latins a more modest U.S. presence, has come to mean neglect, if not disdain. This has contributed to the spread among Latin Americans of political alienation from the United States. Examples of our believed indifference range from stockpile disposals announced unexpectedly and implemented with minimum consultation to cutbacks in P.L.-480 programs adversely affecting both developmental and humanitarian objectives.

I am convinced that our inability to meet all or even many of the Latins aspirations would be accepted or at least understood if high U.S. officials took the time and effort to consult and dialogue regularly with Latin American leaders on our problems and our actions which affect them. Moreover, I feel that in a number of cases the U.S. can improve the substance of its policy if, instead of being stymied by middle-level officials in the U.S. Government whose natural inclination is to say no to LDC problems, we could have our proposals considered at a high level and with a predisposition to taking some positive steps in Latin America even if it requires some straining to do so.

Finally, perhaps nothing we might do in the next year can have such a positive effect on our relations with the region as your already commenced personal attention to, and public involvement with, Latin American relations.

[Omitted here is discussion of specific operational problems.]

8. Telegram 9439 From the Embassy in Colombia to the Department of State¹

Bogotá, November 19, 1973, 0112Z.

9439. Subj: Bogota Mtg of LA FornMins: Summary of Events and Critique.

Dept Pass All ARA Diplomatic Posts.

Begin summary: OCIS tel presents a chronology and interpretation of developments surrounding the conference of LA FornMins held at Bogota from Nov 14 to 16 73. The conference stemmed from an offer by the Secy in Oct to enter into dialogue with the Latin Americans and was given shape and substance by the tenacious efforts of the Colombian FornMin. Despite a shaky start and lack of time to prepare, both the preparatory mtg of experts and the conference itself came off well and the twenty three participants came away generally satisfied with the results. They exercised restraint in their discussions and, with but few exceptions, eschewed confrontation in favor of a consensus on priority grievances and problem areas. They also recognized that the primary responsibility for development and integration lies with the Latin Americans themselves. Secy Kissinger's timely message to the conference on the last day of the mtg, in which he reiterated his desire to meet with them, overcame lingering doubts of his interest in LA and the conference closed on an optimistic note. The dels approved three documents: a "Document of Bogota" setting forth LA aspirations and responsibilities, their determination to help bring about a just international economic order, and an exhortation to speed up LA integration; an eight point agenda for the expected mtg in Mexico next year with the Secy; and a memo dealing with the preparation and organization of the Mexico mtg. The Latins want not just one mtg with the Secy, but a continuing dialogue. *End summary.*

Background:

1. The Bogota mtg of LA FornMins came into being as a result of Colombian FornMin Vazquez's initiative following the Secy's Oct 5 remarks in New York calling for a new dialogue in the hemisphere.

¹ Summary: This telegram reported on the November 14–16 Bogotá meeting of Latin American Foreign Ministers, noting that many participants saw the conference as a "turning point in hemispheric relations." The meeting was held in response to Kissinger's invitation to enter into a "new dialogue."

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Immediate. Repeated to USUN and CINCSO. The reference to telegram 9439 in paragraph number 11 constitutes an apparent typo in the original text. Telegrams 9235 and 9437 from Bogotá are both dated November 17. (Ibid.)

Vazquez, moving with exceptional speed, sent a circular tel on Oct 10 to sound out other LA Mins on the idea of a Bogota conference to prepare for a mtg with the Secy. His idea was to obtain a LA consensus on key issues to be discussed with the Secy. He received so many objections and requests for clarification that he subsequently sent an Oct 22 note to all LA diplomatic missions in Bogota in which he clarified and amplified the concepts outlined in his Oct 10 cable. He suggested in the note that the theme of the Bogota mtg be, "Latin American cooperation in its political and economic aspects." The principal aim of the mtg, the note said, would be to "adopt criteria and objectives of LA multilateral action."

2. During the early stages of his initiative, Vazquez made special efforts to keep the USG informed of the status of the proposal and of his concept of the nature and scope of the mtg. On Oct 16, he explained to the Chargé d'Affaires that with the change of govt in Chile the GOC felt the time was propitious to begin a constructive dialogue with a view to harmonizing the relationships between the U.S. and LA. He described the Bogota mtg as preparatory to a subsequent mtg with the Secy and said that he believed his initiative could result in the establishment of an organ of consultation, outside of the OAS framework. Vazquez indicated that he believed the Bogota mtg could avoid a confrontation with us. It was not his intention, he said, to put the U.S. on the spot.

3. The mtg became a certainty toward the end of Oct, by which time a majority of the LA Mins had accepted the Colombian invitation, although two major Latin countries, Argentina and Brazil, declined to send their FornMins. They did agree, however, to participate at the sub ministerial level.

Preparatory Mtg:

4. The preparatory phase of the Bogota mtg opened on Nov 8. Mexican Amb to the OAS Rafael de la Colina was elected chairman of the group. Vazquez had prepared all papers himself and by the time the meeting opened he had ready a draft "Declaration of Bogota," consisting of three major headings: 1) International Position of LA, 2) the Conditions of Hemispheric Cooperation and 3) Cooperation Among the Countries of LA. Under part 3, the draft stated that the nations of LA were ready to "initiate a frank and friendly dialogue with the U.S." The Mexicans moved immediately to jettison the draft and submitted in its place a skeleton outline that focused on LA problems for discussion with the Secy. The Peruvians also tabled their own document, which placed heavy emphasis on economic aggression and means to prevent it.

5. After four days of deliberation, the preparatory mtg produced an eight point document for consideration by the Mins. The eighth point contained sixteen items pertaining to LA–U.S. relations. During

the preparatory mtg the moderates prevailed and the dels skirted issues that could have lent themselves to a Latin-U.S. confrontation. At the same time, many dels expressed concern over the level of U.S. interest in LA, pointing out that U.S. responsibilities and involvement in other parts of the globe, as well as domestic problems, made it unlikely that the U.S. could or would devote priority attention to LA. During this phase of the mtg, the Brazilian delegation emerged as an important voice for moderation. During both the preparatory phase and the subsequent ministerial mtg, the Brazilians acted as conciliators and appeared to be motivated by a belief that bilateral relations with the U.S. were of greater importance than any multilateral declaration. The Brazilians consistently worked to tone down language that could have led to confrontation between the Latins and the U.S.

Mtg of the FornMins:

6. The ministerial phase of the conference opened on Nov 14 with sixteen FornMins in attendance (Argentina Bolivia Brazil Haiti Jamaica Paraguay and Uruguay were represented below the ministerial level). Occasional proposals of a radical nature were advanced, mostly by the Peruvian, Mexican and Venezuelan dels, but these were subsequently turned back or moderated by the Uruguayans, Chileans, Brazilians and Central Americans. Even the radical delegations, however, appeared to be restrained by the prospect of a new dialogue with the U.S. Accordingly, the Cuban question was shunted aside and the requisite Latin American support for Panama in regard to its negotiations with the U.S. was expressed in non-accusatory terms. The Brazilian del, in addition to its efforts at conciliation, earned respect for its skill and diligence. The skepticism which had marked the start of the mtg dissipated to a considerable degree as the shape of the final documents began to emerge. The compromises involving the Panama question (phrases such as "occupying army" and "violation of sovereignty" were dropped in favor of a firm but not shrill declaration of support for Panama) provided demonstrable proof that the mtg could produce a genuine Latin consensus that was something more than a condemnation of the U.S. and its LA policies.

7. The Secy's message, on the final day of the conference, was extremely well received and served to dissipate any lingering suspicion among the dels that the Secy was not interested in the conference or in meeting with his Latin American colleagues. The impact of the message was instantaneous and uniformly positive. Vazquez stated to the Chargé d'Affaires, who had delivered it, that it allowed a most successful conference "to end on a note of perfection."

8. The mtg concluded on Nov 16 when the Mins approved three documents. The first was the "Document of Bogota," a fourteen point statement reflecting the preparatory mtg's proposal for heightened

intra-LA cooperation as well as the “general panorama of relations between LA and the U.S.” (Bogota 9331 and 9335). The “Bases for a New Dialogue Between LA and the U.S.” comprised the second document. It consists essentially of the proposed agenda for a later mtg between the Latins and the U.S. In order to avoid confusion on the part of end users of the documents we should point out that the preparatory meeting presented one document to the Mins that contained eight items for discussion with the U.S.; the eighth item contained sixteen points. The Mins separated this document into the eight point agenda for use with the Secy and the fourteen point “Document of Bogota.” In short, the document produced by the preparatory meeting contains the material included in the eight point agenda (bases for a new dialogue) and the “Document of Bogota.”

9. The third document approved by the Mins was a memo outlining the procedures for a future mtg in Mexico with the Secy.

10. The “Document of Bogota” (Bogota 9437) points out the readiness of the Latins to engage in a new dialogue with the U.S. The document notes the new position of LA and its ability to accelerate development through regional cooperation. It takes into account the Latins own historical, cultural and social evolution as they contribute to a nationalism and common will and underscores the fact that economic and social development, as the primary responsibility of each Latin nation, carries with it the obligation for regional cooperation. The document urges CECLA to continue its tasks of coordination, both within LA and with other developing countries. The LA Energy Organization is cited as a cause for satisfaction in this regard. The document also notes the need for restructuring of the inter-American system and expresses confidence in the success of the current efforts of the OAS special committee created by Resolution 127 of the OAS Gen Assembly. The Mins urged completion of the draft of the UN Charter of Economic Rights and Obligations of States. They expressed pleasure at the achievements of LA Reps in sub-regional, regional and international orgs. The Mins also urged increased LA participation in world trade, advocated a number of measures designed to improve the Latin American’s trading position as well as measures to gain greater access to technology. They called for greater cooperation among the sub-regional economic organizations of Latin America. They also called for accelerated studies of land, sea and air transport and urged the developing nations to intensify their efforts to eliminate dependency.

11. The “Bases for a New Dialogue Between LA and the U.S.” (Bogota 9439) is essentially an agenda for the proposed 1974 mtg with the Secy in Mexico. The agenda points are: a) cooperation for development; b) coercive measures of an economic nature; c) restructuring inter-American System; d) solution of the Panama Canal question; e) the

structure of international commerce and the monetary system; f) multinational enterprises; g) transfer of technology; and h) general panorama of relations between LA and the U.S.

12. The memo on a future mtg with the Secy (Bogota 9433) calls for a mtg at the Ministerial level to be held in Mexico early in 74 at a date to be agreed upon by the Mexican ForMin and the Secy. The agenda for the mtg will be delivered to the Secy by the President of the Bogota Conference (ForMin Vazquez) and will remain confidential until delivery. The Mins remain ready to discuss any additional topics that the Secy may wish to raise. The LA Mins will, under terms of the memo, meet in Mexico to examine the agenda points prior to meeting with the Secy. At that time the Latin Mins will decide on the advisability of designating spokesmen to treat specific subjects in the meeting with the Secy.

Critique:

13. The alacrity with which Vazquez moved to designate Bogota as the venue of a LA Conference stemmed from complex motives which can be reduced to one or two key considerations. He has striven for some time to become a leader in the field of intra-Latin American cooperation and seeks especially to wring from his colleagues a consensus on law of the sea matters to take to the 74 Conference in Santiago, Chile. He has pushed for a patrimonial sea concept which he hopes will satisfy the aspirations of the 200 milers and will, at the same time, be acceptable to the U.S. A conservative, he has nevertheless ingratiated himself with the Peruvians and others by mouthing anti-imperialist phrases from time to time to gain his objectives. Vazquez recognized immediately that he could turn the Secy's initiative to his ends if he could bring off a successful mtg in Bogota which, while it would have no direct bearing on the LOS issue, would show him in a good light and cement his claim to be a principal LA spokesman.

14. In relative terms, we consider the mtg to have been a success on several grounds. The Secy's call for dialogue combined with the absence of the U.S. were perhaps the key factors. The Latin Americans found themselves closeted with the express purpose of coming up with a consensus they would present to Secy Kissinger. When they examined this aspect they soon realized it would be futile to adopt an adversary stance and so set about devising a realistic set of grievances. The Panama Canal Treaty caused more controversy than any other item but it represents for the Latin Americans one of the last Leonine agreements standing in the way of a mature relationship. Multinational enterprises also emerged as an important and sensitive issue. Just before the conference opened former President of Colombia Alberto Lleras Camargo wrote a long editorial in which he said that the real problem

between North and South is that the U.S. Govt always comes to the defense of its businessmen (Bogota 9235).

15. From the Latin American perspective these matters stand in the way of truly good relations and they want a resolution favorable to them. Secondly, the fact that sixteen FornMins showed up on such short notice and reached a consensus largely devoid of anti American cant is in itself indicative of a new mood. Many who criticize the conference tend to cite Costa Rica's or Mexico's advocacy of positions on which there could be not consensus—Cuba and democratic institutions—and forget that these nations did not pursue their aims, but dropped them in favor of a unified position.

16. The Mexican FornMin is convinced that the U.S. Govt is ready to deal with the Cuban question and for that reason he tried to win his colleagues over to the inclusion of the Cuban question in the final document. Rabasa said on several occasions that the Secy likes tough problems and that if the Latin Americans present a united front on the question the Secy will grapple with it and resolve it once and for all. He was astute enough to wait for a later chance, although he egged on the Jamaicans in the hope of working his will on the convention.

17. Many of the dels came to Bogota convinced they were wasting their time. As the conference wore on they began to recognize they could agree on priorities in their relations with the U.S. The Secy's message on the last day of the conference, coming as it did from Tokyo in the midst of important negotiations, overcame lingering suspicion there would be no meeting with him and induced the dels to stop tinkering with their bill of complaints to concentrate on the organization of the future conference in Mexico.

18. In their closing speeches at the conference the FornMins of Colombia and Mexico made it plain they and their colleagues are not interested in one mtg with the Secy; they want to establish permanent communications and consultation directly with him. From our conversations here with the dels it is apparent that just as important to them as their material problems is their felt need for attention from the highest levels of our govt. Even though the grievances and problems they raise are difficult or impossible to resolve in their favor, U.S. interests in the area can be helped by just the type of dialogue they propose. If they believe their views are receiving sympathetic consideration this belief will attenuate a good deal of the criticism and philippics we now hear and that in itself will serve our ends in the short run.

19. The Bogota mtg, in common with numerous earlier Latin conferences, has been hailed by many of its participants as a turning point in hemispheric relations. The distinguishing characteristics of this conference, however, responsibility and moderation on the part of the participants, count heavily in its favor and give some little substance to

those who hope this may prove to be a watershed in LA–U.S. relations. The Latin Americans operating without U.S. tutelage produced a responsible starting point for the new dialogue that they genuinely want. From this vantage point the conference emerges as a reasonable manifestation of a group of nations moving toward greater maturity and self-respect.

White

9. Memorandum From William Jorden of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, January 28, 1974.

SUBJECT

Foreign Ministers' Meeting in Mexico

I have given the coming meeting considerable thought, read most of the papers, tried to relate the Mexico City sessions to the larger reality of a world moving toward economic chaos, and come to certain conclusions. Your presence in Mexico—and more important what you say in public and private there—can do several highly constructive things:

(1) demonstrate conclusively that the President's call for a "new look" and your call for a "new dialogue" were not rhetoric but serious appeals for a new relationship;

(2) move away from the tired old agenda of U.S. "sins" and Latin "demands" to a new approach involving shared problems and ways of approaching them;

¹Summary: Jorden suggested Kissinger use an upcoming meeting with Latin American Foreign Ministers in Mexico City to develop a consensus on new international economic rules.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Secret. Sent for action. Published from a copy unsigned by Rostow. Kissinger initialed his approval of the memorandum's recommendation and next to it, "Urgently." At the top of the memorandum Kissinger wrote, "See note," referring to that comment. In a January 21 letter to Kissinger, Walt Rostow referenced indirectly this memorandum, suggesting the Mexico City meeting be used to develop international rules of the game and launch certain new initiatives. (Ibid., RG 59, Central Foreign Policy File, P740047–0005)

(3) finesse the argument about “restructuring the inter-American system” by assigning to institutions we have new tasks relevant to the real world and dominant concerns; and

(4) put the discussion of a Charter of Rights and Duties of States (which Echeverria will certainly be pushing) on a more realistic and practical plane, while not depriving him of the pride of authorship.

What are the real problems? The Arab oil embargo has exposed one. That is, the use of resources for political blackmail on a world scale. But this, in turn, has exposed other weaknesses and vulnerabilities. Who has been hurt most? Watching the cable traffic and the news in the Western Hemisphere, several things become clear: (1) the only beneficiaries were the oil producers—and even there, the long-run benefits remain questionable; (2) the U.S. has suffered little real damage; (3) the main losers were the weak, developing countries. Near panic has set in in some countries, and fundamental problems have been created for all of them. The loss of foreign exchange reserves, curtailment of production, increased unemployment, loss of income (because of the cutback in tourist traffic, for example)—all these and more have hit Central America, the Caribbean and most of South America very hard, indeed.

The reaction in many places has been worrisome. The tendency to say “what can *we* do with what *we* have to meet rising energy costs?” predominates. It has affected the reasonably prosperous (Argentina, for example, is entering a barter arrangement with Libya) as well as the poor (Jamaica and Guyana are about to move in hard on the aluminum companies). This “bigger thy neighbor” attitude is ominously reminiscent of 1929.

But energy is not the only problem. Food is becoming an increasing nightmare for many countries. There is a flour shortage in Bolivia today. Chile is frantically working to increase its supply of food. One country after another is begging us to help with P.L.-480 stocks—which are dwindling, as you know.

Closely related to the food problem—and exacerbating it vastly—is the matter of rising population. This especially acute in Latin America. Increasingly, the requirement to feed ever more hungry mouths is reducing and even erasing economic growth in other sectors.

There are many other problems, of course, as the proposed agenda for Mexico City makes crystal clear. High in priority for Latin America is the matter of the availability of modern technology for rapidly industrializing states. High in importance to us is some widely accepted set of rules governing foreign investment and dealing with nationalization.

In brief, what I am suggesting is that you use the Mexico City sessions to begin a serious effort within the family of American states to develop a consensus on new rules of international economic life. Obvi-

ously, many of these matters are of deep concern throughout the world. Equally obvious is the fact that we and the Latins cannot go our merry way in isolation from the rest of the world community on some of these matters—especially in international monetary reform and rules of international trade.

But it does strike me that here in the hemisphere we have something of a cross-section of world concerns, assets and problems. We have rich and poor, producers and consumers, weak and strong. It is just possible that by working together and facing these problems squarely together we can come up with constructive steps and viable ideas which, if they work for us, can work for others.

I would propose that we assign to existing institutions (such as the Economic and Social Council of the OAS, the Inter-American Bank, and CIAP—which all have considerable experience and expertise) the task of developing new initiatives and making new proposals to member governments on ways of meeting better our urgent requirements for energy, technology, raw materials and food and for coping with the nightmare of sharply rising populations. At the heart of the problem is finding new rules of the game to govern the behavior of all in these fields.

While my mind has been running along these lines, I recently learned that our old friend Walt Rostow has been thinking in the same vein. Indeed, as an historian and profound student of development economics, he has certainly moved farther ahead on these things than I could. As I believe he has reported to you, he recently attended a seminar of economists in Mexico in which he raised some of these matters. I understand he received a warm reception from his specialist colleagues.

If you approve, I would like to take a shot at developing some language for your possible use—in public and private statements in Mexico—that would put some of these matters into an operational framework. I understand that Walt will be in town weekend after next on other business. Since he is a consultant in good standing, I would like to get him to spend an afternoon with me developing these ideas in a form that would prove useful and constructive for you. This can be done quietly and with no publicity, of course.

Recommendation:

That you approve the course of action proposed in the previous paragraph.

10. Transcript of Secretary of State Kissinger's Staff Meeting¹

Washington, February 14, 1974, 3:15 p.m.

SUMMARY OF DECISIONS

[Omitted here are decisions 1–3 unrelated to Latin America.]

p. 13–15 4. That our basic objective at the Mexico Foreign Ministers' meeting is to prevent Latin America from sliding into the non-aligned bloc or forming a bloc that defines itself in terms of its opposition to us à la Gaullisme, by elaborating some form of special relationship between the US and Latin America.

[Omitted here are decisions and discussion unrelated to Latin America.]

Secretary Kissinger: Jack, do you want to—

Mr. Kubisch: Talk about the Mexico conference—the prospects?

Secretary Kissinger: It's one of the ways I might have of finding out what you expect of me.

Mr. Kubisch: Mr. Secretary, you know more about it than I do.

Secretary Kissinger: No. But I will by the time we get there.

(Laughter.)

Mr. Kubisch: Well, you're overtaking me fast—let me put it that way.

(Laughter.)

Secretary Kissinger: Bill, do you want to do something—have INR do something on the trends in the Philippines?

Mr. Hyland: Yes, sir.

Secretary Kissinger: Excuse me. Why don't you sum up for the rest of the group?

Mr. Kubisch: Well, we've just completed a round of consultations in the Caribbean about the conference, and I think the whole thing has a much clearer sense of direction now. Coming into the home stretch, I

¹ Summary: Kissinger and Department of State officials discussed prospects for the upcoming Mexico City meeting with Latin American Foreign Ministers.

Source: National Archives, RG 59, Transcripts of Kissinger Staff Meetings, 1973–1977, Entry 5177, Lot 78D443, Box 2. Secret; Nodis. Drafted on February 15 by Springsteen. All brackets are in the original except those indicating text omitted by the editors. Kissinger chaired the meeting, which began at 3:15 p.m. and was attended by all principal officers of the Department or their designated alternates. Kissinger was in Panama City on February 7 to sign a statement of principles for negotiation of a new Panama Canal Treaty.

would say there's a mood which is just about right for going into the conference—optimistic in that most of those who would be disruptive of the conference—like Panama, for example—with the Secretary's visit there last Thursday deciding the principles, it has finessed that issue, to a large extent.

We have a very fine prospect of finessing a major issue with Peru—there's a set of about a dozen investment disputes—before we go there next Thursday before the conference opens. But even if we don't reach agreement with them, we're so close to it that it's conceivable that they will not be a problem with us on that.

Argentina, which only last June was calling for our expulsion from the OAS, was saying at least that they are going to be supportive of the Secretary's initiatives and activities there.

Brazil is an old friend, and their designs coincide pretty closely with ours.

And Chile has turned over last September. And in terms of a long dry spell with Latin America, there's a great desire on their part to take advantage of the Secretary's interest in these new initiatives and new spirit of cooperation with us to make the most of that conference and make it a success. The only—

Secretary Kissinger: But if I can convince ARA of the same, we'll have a chance.

(Laughter.)

Mr. Kubisch: We feel we have a responsibility, Mr. Secretary—

(Laughter.)

—always to point out the pitfalls to you so that we don't want to get overconfident. That's the point.

Secretary Kissinger: We're in no danger of that here!

(Laughter.)

Mr. Kubisch: I know that we have our overconfidence under firm control, as you might say, but we don't want any unexpected slip or pitfall to trip you up or us up there. And so we're trying to point these out to you as we go along. I know it's a long and painful experience at times, but I think in the end the results will prove it has been worth it.

Secretary Kissinger: Well, basically, what we're trying to do is to prevent Latin America from sliding into the non-aligned bloc and compounding our problems all over the world. This is on the negative side, since many of them have already high incentives to move in this direction or for some of the larger ones to play a French type of politics—and, finally, to prevent the same thing arising in the U.S.-Latin American relationships as has happened in our relationships with Europe: that they form a bloc, defined by its opposition to the United States.

On the positive side, we have the asset that the Latin Americans still are flattered to cooperate with us—or, at least, flatter us when we show an interest in working with them. In terms of attitude, it's greater receptivity on their part than on the European part. There's a technical competence.

And, finally, if it is true that relations between us and developing nations are a key issue—if we can't handle it with countries with which we have an elaborate tradition of relationships—it's hard to see how we can do it elsewhere.

Now, all of our technicians are explaining to us that we cannot give a special status to Latin America. If we cannot give a special status to Latin America, Latin America won't give a special status to us—and, in the long political term, we're going to lose more that way because we can find ourselves in a very uncomfortable position in international forums, if you look ahead to what games the Europeans are playing and where our support could come from.

The second argument that is made is that if we agree, for example, to prior consultation before international meetings, our hands are tied—that's right. So are their hands going to be tied. Moreover, we are not going to be able to obscure the differences that are going to come up in their bilateral consultations or that are going to come up in their international forum. There's no way of avoiding the problem unless, I know, the basic belief that it's best to have negotiators as flexible as possible without a clear idea of where they're going until they get into the forum.

So my predilection—assuming I can get the various Bureaus signed on—will be to seek to elaborate some sort of special relationship with the Latin Americans.

I must say if I can't get the Bureaus signed on, I will do it my way. But it would be easier and it might be more competent—

(Laughter.)

—because I would then know more precisely what I'm talking about.

(Laughter.)

But this is the direction we want to take in the conference. And, joking aside, I think very good preparatory work has been done. And, basically, so there's no misunderstanding, ARA is on my side of the argument. It's the technical Bureaus and the Treasury that are opposing it. But I think we have good conditions for a very successful meeting if we can put more precision into our efforts and more heart and can give them more conviction that we are moving, rather than giving them school-masterly lectures.

But, on the substance, we have made major progress. Is that a fair statement?

Mr. Kubisch: I think so. You've been very helpful on that, Mr. Secretary.

Secretary Kissinger: As Sonnenfeldt said after the Summit Meeting in Moscow in '72, I got good work out of them.

(Laughter.)

Mr. Sisco: But I think your training in the Middle East, in terms of hand-holding and everything else, will go very well in your meeting in Latin America.

(Laughter.)

Mr. Kubisch: If I may add just a footnote, Mr. Secretary, there has been, for several years, a real alienation of the Latin Americans; and we have squandered some assets with some very important countries, in the last several years. But we have already, in recent months, as a result of your initiative in New York in October; your letters, contacts and meetings with them; the Panama thing, and moving toward this conference, not only arrested but reversed this. And this is a new opportunity to give it a major impulse.

Secretary Kissinger: Well, we had some assets going for us in Mexico City. One is, over a period of three years, the Mexican Foreign Minister knows who helped him settle the salinity problem. And he, up to now, has shown an extremely cooperative attitude. And, as chairman of the meeting, he will try to keep things, insofar as he can, within reasonable bounds.

We have defused the Panama issue, which was one of the agenda items, and which can now not be raised in any meaningful way.

Mr. McCloskey: How much Cuba do you expect will come up in the Mexico meetings?

Secretary Kissinger: I don't suspect it will come up at all.

Mr. McCloskey: Is that controllable?

Secretary Kissinger: Yes. I have told them all—well, first of all, we have an understanding with Rabasa about the agenda, the procedures and the outcome; and he's going to be chairman of the meeting.

Jack has been going around talking to the key countries; and I think that we have agreement with all of them, except Peru, as to the agenda procedures and the outcome of the meeting. We have others going around to the less key countries. I've told them all that I'm bringing a six-man congressional delegation. And I've said it again today at the lunch which I attended with all the Latin American Ambassadors in town. I said I am bringing a six-man congressional delegation. If they don't want just abstract declarations, if they want a harmonious meeting, but these Congressmen get the idea that we're up

against a group of countries that are out to get us, then they can forget about what I said. And Jack has made this point in somewhat more diplomatic language. And I've told them all that until we get our relationships straightened out, we can't talk about Cuba—move to Cuba. Of course, several of them don't want to move to Cuba.

Mr. Sonnenfeldt: There's a practical problem about getting squeezed by—

Secretary Kissinger: We'll talk about that separately. Canada.

Mr. Rush: Yes.

Secretary Kissinger: I think Cuba doesn't worry me. See, we have—with the presence of a really senior congressional delegation, these fellows have to be very careful about taking this on publicly.

Mr. Kubisch: I think it's very—well, first, Cuba never got on the agenda. There are seven countries in the region that have relations with Cuba—about another seven that are just hard-line opposition to Cuba. And the rest are just prepared to do what we want to do. But they couldn't get it on the agenda in Bogota because it was too divisive—not because of us but because the Chileans and the Bolivians and the others didn't want it.

Secretary Kissinger: See, the result of this was—you were there at the Council of the Americas (to Mr. McCloskey)—

Mr. McCloskey: Yes.

Secretary Kissinger: —which caused them to call a meeting of the Foreign Ministers in Bogota, to which they called an eight-point agenda and to which we added two points so we can follow their agenda—which doesn't cover Cuba.

Mr. Kubisch: If it comes up, it will be in the corridors and in bilaterals, I believe. Someone may mention it in passing.

Secretary Kissinger: I don't think it will come up in the conference. I think that's out.

What we can't control is some Foreign Minister taking us on, like Jobert, for domestic politics and just listing all the things of “multinational corporations” and “imperialism” and so forth. And the only way we can control that is by the others sitting on them—by his not getting enough support from his colleagues.

We have not identified a single person who's likely to do that, except perhaps the Peruvian—or have we?

Mr. Kubisch: No.

Secretary Kissinger: And we have identified a lot of them who are eager to have this success. See, they know that if they turn this into a show like Jobert did at the Energy Conference, they'll never see me again and, therefore, their dialogue with us—this is not something that has to be.

Mr. McCloskey: If you want it to really succeed, you should take me and then do the opposite of what I suggest to you; and then it will come out all right.

Secretary Kissinger: I did that all the time.

Mr. McCloskey: You did it yesterday.

(Laughter.)

Secretary Kissinger: No—I thought I did the opposite of what I said I was going to do!

(Laughter.)

Mr. McCloskey: Either way you want!

Mr. Hartman: You had your earphone on.

Mr. Vest: But, sir, you did the opposite of what you thought they were going to do in the beginning.

Mr. McCloskey: The press coverage—by the way, have you seen it?

Secretary Kissinger: I was not prepared for their collapse. See, I couldn't follow the strategy I had outlined at the meeting, since they yielded.

(Laughter.)

Mr. Kubisch: I don't know whether you caught up with it or not yet, but in my meeting with the Brazilian Minister he suggested that this problem of the territorial reach and the sanctions is something that perhaps there should be some discussion on, and maybe consideration to putting that on the agenda for the April OAS meeting in Atlanta, so that the U.S., if it decided to grant a waiver for more than one, would not be doing it as a unilateral decision but as a result of consultation in some group or assembly in consideration of the problem.

Secretary Kissinger: I've got to get a unilateral decision first before I can put it on anybody's agenda.

[Omitted here is discussion unrelated to Latin America.]

11. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, February 20, 1974.

SUBJECT

Foreign Ministers Meeting in Mexico City—February 21–23, 1974

As you know, I am going to Mexico City on February 20 to meet with the Foreign Ministers from the hemisphere. The conference is being held in response to our suggestion last October that we engage in a new dialogue with the other nations of the Americas. It follows a meeting of the Latin American and Caribbean Foreign Ministers at Bogota last November, where an eight-point agenda was drawn up containing matters which they wish to discuss with us.

While our bilateral relations with the nations of the Hemisphere have improved markedly and are now quite good, our contacts with them in the hemisphere's multilateral forums have generally been characterized by confrontation. The present atmosphere is perhaps more positive than at any time in the recent past and there seems to be a good chance that at this meeting we can have a serious discussion of our multilateral relationships and restore the sense of shared purpose that existed in the past.

There will only be three or perhaps four formal speeches: the opening address by President Echeverria, responses by the U.S. and a Latin American Foreign Minister, and a closing speech currently scheduled to be delivered by Brazilian Foreign Minister Gibson Barboza. The rest of the two and one-half day conference will be held in executive session and will center around the eight points the Latins want to discuss (Tab A) and the two we have added (energy and the world situation).

We plan to approach the conference in terms of an "Agenda for the Americas," (Tab B) which would provide a vehicle for us to face current

¹Summary: Kissinger briefed Nixon on proposals he planned to present at a meeting of Latin American Foreign Ministers in Mexico City.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Confidential. Sent for information. Marked: "The President has seen." Tab A (the Latin American Foreign Ministers' proposed agenda for the Mexico City meeting), Tab B (the agenda proposed by the United States), Tab C (a February 15 memorandum from the President's Assistant for International Economic Affairs, Peter Flanigan, to Nixon regarding U.S. strategy for the Mexico City meeting), and Tab D (a February 12 memorandum from Rush to Nixon providing background information on the meeting and an outline of the proposed U.S. strategy for the event) are attached, but not published.

global challenges together. We would respond to their requests in this fashion and try to meet their concerns when we can. We would also try to seek greater reciprocity and more support from them in matters on which our interests coincide. We would announce our willingness to participate in developing a statement of principles governing inter-American relations which the Mexicans and others have been pressing for. This would give new meaning to our "special relationship" with nations of the hemisphere and at the same time present an opportunity to gain acceptance of principles of interest to us, such as access to scarce commodities and fair treatment for foreign investment. Finally, we would propose the establishment of a mechanism to assist in settling investment disputes. Our specific proposals, in brief, are as follows:

1. *A U.S. trade policy for Latin America.* We would propose to increase significantly our consultation and coordination of trade policies with the Latin American countries. We would attempt to adjust U.S. trade positions to accommodate Latin American interests in the context of the multinational trade negotiations, seeking also to gain support for U.S. positions and obtain trade concessions of commercial interest to us. We would agree to review our generalized trade preference product list with them. We would propose consultations with the Latin Americans on access to scarce supplies prior to proceeding to international forums for discussions of this issue. Finally, we would seek a more constructive role for the Special Committee on Consultation and Negotiation of the OAS, which we originally proposed and the Latins are now anxious to give more authority.

2. *A program in the Americas to meet the energy crisis.* We would review the results of the Washington Energy Conference with the Foreign Ministers, discuss how they can participate in ongoing consultation, express our readiness to discuss the energy issue in regional forums, and announce our willingness to participate in the regional effort to speed development of new energy resources and cooperate in technical collaboration. Lastly, we would suggest examining the possibility of expanding the role of the Inter-American Development Bank to help meet problems arising out of higher oil prices in an effort to draw into the Bank's system surplus Venezuelan oil revenues and those from other wealthier Latin states.

3. *A new inter-American effort to define principles of international interdependence.* We would commit ourselves to work out a statement of principles governing inter-American relations in the context of the newly emerging international environment. These would include a reasonable level and use of supporting assistance, support for private investment flows, access to markets and raw materials.

4. *Investment dispute settlement procedure.* We would propose establishment of a conciliation commission to find out facts, interpret international law, and make recommendations for settlement.

The detailed proposed courses of action are enclosed at Tab B. They meet the concerns which Peter Flanigan raised (Tab C) about State's original draft proposals (Tab D) and in general incorporate the views of STR, Treasury, and Commerce.

12. Minutes of a Cabinet Meeting¹

Washington, February 21, 1974.

President:

[Omitted here is discussion unrelated to Latin America.]

The talking papers for Latin America read like the same papers we have gotten for years. The gap in the papers was they didn't deal with expropriation. All these other things will take 25 years to work out. State people don't realize this. The wooly heads think if only the government would put more into Latin America, everything would be okay. We could put ten times in and it wouldn't do it. The future of Latin America will be determined to an extent, not by the tip of the iceberg—the governments—but by what private enterprise does. And the investment climate—because of expropriation, government policies, etc.—is bad. We will go through the motions in Latin America and offer them trade preferences. But what good are they if they can't produce competitively?

Look at Argentina. It is where we were in the 30s. Back when they had a responsible government they had a higher standard of living, but now they are in bad shape. Until they get stability—Brazil has had it, even though we don't like it—the investment capital is not going to go in.

[Omitted here is discussion unrelated to Latin America.]

¹ Summary: Nixon commented on the situation in Latin America, expressing the view that the region's future depended on private investment.

Source: National Archives, Nixon Presidential Materials, NSC Files, Presidential/HAK Memcons, Box 1028, Memcons, 1 Jan 1974–28 Feb 1974, HAK and Presidential, 1 of 3. Confidential.

13. Telegram Tohak 9 From the President's Deputy Assistant for National Security Affairs (Scowcroft) to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, February 21, 1974.

The President has returned the package on the Mexico City Conference with the following note: "It would be *very* obvious that we were not tackling the tough questions if the subject of expropriation were not discussed frankly and fully—pointing out how irresponsible actions by them dry up the major source of potential investment—private enterprise." At the conclusion of your memorandum to him he added another note: "This is good—but pretty flimsy stuff *unless* means are discussed for new incentives for a massive infusion of private capital from the U.S."

As you can see, this is pretty much the line he had earlier expressed in the Cabinet meeting.

Warm regards.

¹Summary: Scowcroft transmitted Nixon's comments on Kissinger's memorandum regarding the Mexico City meeting with Latin American Foreign Ministers, highlighting the President's concern regarding investment climate in the region.

Source: Ford Library, National Security Adviser, Scowcroft Daily Work Files, Box 6, 2/19–28/74. Secret; Sensitive; Eyes Only. Printed from the draft copy initialed by Scowcroft.

14. Telegram 47899 From the Department of State to All American Republic Diplomatic Posts¹

Washington, March 9, 1974, 0041Z.

47899. Subject: The Conference of Tlatelolco—An Appraisal.

1. This message is an appraisal of the Conference of Foreign Ministers held at Tlatelolco in Mexico City from February 20–23. It is pro-

¹Summary: The Department transmitted its appraisal of the Tlatelolco Conference of Foreign Ministers held in Mexico City in February, concluding that the meeting marked a significant shift in U.S.-Latin American relations.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to USCINCSO for POLAD. Drafted by Bloomfield; cleared in draft by Bowdler, Szabo, and Einaudi, and approved by Kubisch.

vided for your background and guidance in discussing the meeting with host country leaders; it also requests reporting and recommendations to assist the USG to follow-through on the meeting.

2. Summary

The Tlatelolco Conference marked a significant shift in U.S. policy toward Latin America. The U.S. used the meeting to invite the other nations of the Americas to join in an effort to revive the special relationship between the U.S. and Latin America and to reshape that special relationship to make it a larger force in world affairs. The reaction of the Latin Americans was also significant. Latin American regionalism, as exemplified by the Latins' bloc approach during the preparations for the meeting, was reaffirmed at the conference. Latin regionalism appears to be here to stay, although that need not necessarily confound the special relationship the U.S. seeks. Perhaps the most significant outcome of the meeting was the beginning of a new mood of confidence among the Latins in the sincerity of U.S. intentions and a sense of excitement regarding the future of U.S.-Latin American relations. This new atmosphere was engendered by the Secretary's frankness and directness, as well as his personal engagement in addressing underlying Latin concerns. The process begun at Tlatelolco may thus ultimately produce the new relationship which the Secretary envisaged in his speech. Much will depend on how the U.S. follows through, although obviously the inner dynamics of political forces in each country will also shape the outcome. Posts are requested to report on reactions to the conference among host country leaders and public and to make recommendations regarding U.S. strategy and tactics in upcoming inter-American meetings (IDB, the Atlanta MFM, the OASGA).

3. U.S. Objectives

The Policy Context of the U.S. Approach to the Meeting—

In preparing for the conference, the U.S. was faced with a fundamental question: should the trend away from a special relationship with Latin America which inadvertently or not had characterized the previous four years be continued, or should the United States attempt to revive the special relationship? The decision, which evolved from numerous policy discussions conducted by the Secretary, was that the U.S. should attempt to restore a special relationship with Latin America and the Caribbean, although on a new footing. This decision was dictated by the choice of several closely related policy objectives: (1) to avoid having a large number of the other nations of the hemisphere identify their interests strongly with those of the Third World, as some had already begun to do, (2) conversely to gain allies on global issues, especially those involving multilateral diplomacy, and (3) to improve the global chances for cooperative solutions to the problems posed by economic interdependence by making progress in this hemisphere.

4. The Character of the New Special Relationship

The special relationship between the U.S. and Latin America which is envisaged would be new in several respects: (A) Latin America and the Caribbean inevitably will continue to interact more intensely with other regions than in the past; therefore, if the U.S. and Latin America are to combine forces on certain global issues, there will have to be much greater consultation and coordination between the U.S. and the other countries of the region than formerly; (B) although the U.S. by virtue of its greater wealth and power would continue to have a special obligation to aid in Latin American development, a wholly nonreciprocal relationship is no longer sustainable given domestic U.S. political realities; therefore there will have to be some political commitment on the Latin side to make an effort to sustain the relationship's special character; (C) a major implication of increased global interdependence, particularly in economic relations, is that the U.S. cannot isolate its policies in the region from the policies it must, as a global power, conduct on the world scene; therefore its special relationship with Latin America must on a number of issues be integrated with its global policies. This cuts both ways: for example, our efforts to help the Latin Americans increase their access to developed country markets must largely be realized in the MTN context. At the same time, we will attempt to shape our negotiating positions for the MTN after close consultation with the Latin Americans and with their interests, as well as ours, in mind.

5. U.S. Strategy Going Into the Conference

Our strategy for articulating the new special relationship was outlined by the Secretary in his opening speech at Tlatelolco. It consists of four parts:

(A) A vigorous attempt to settle outstanding disputes (the Panama principles; the Peru investment settlement; for the future, an interim fisheries agreement with Peru and Ecuador);

(B) Efforts to avoid or mitigate future disputes: the major U.S. initiative in this regard was to propose the creation of a fact-finding body to be used in the case of future investment disputes. If a mutually satisfactory mechanism were established, the Secretary promised to consult with Congress regarding the need for the Gonzales-Hickenlooper amendments. The Secretary also proposed that the question of investor-host country behavior be discussed in an inter-American forum;

(C) Coordination on global issues: as a means of increasing the participation and weight of Latin America and the Caribbean in world affairs and because many of the regions' development aspirations can only be realized in a global context (MTN, monetary reform), the United States proposed close consultation and, if possible, coordination

on many levels—ministerial, policy planning, technical, bilateral, regional, and multilateral;

(D) Regional development: U.S. proposals for a new approach to the technology question, our commitment to give favorable consideration to Latin American requests under prospective U.S. generalized tariff preference legislation, our offer to share research and know-how to meet the energy crisis, U.S. proposals for a number of studies relating to resource transfer, all were designed to address Latin American concerns regarding their development needs. In addition, the United States committed itself to an earnest effort to reach agreement regarding new principles for inter-American cooperation, such as integral development and collective economic security.

6. U.S. Tactics at the Meeting

Our approach prior to and at Tlatelolco was to attempt to engender some new excitement regarding the future of U.S.-Latin American relations, a sense of newness and a perception of U.S. commitment that would not only revive flagging Latin American interest in cooperation with the United States, but would also begin to overcome the inertia and indifference among the American public and parts of the Congress regarding Latin America. This was why the Secretary's speech contained both a conceptual framework for hemispheric relations, embodied in the word "community," and specific proposals for cooperative action. It also explains why the United States attempted to get a final communiqué that would reflect a sense of commitment to a new relationship and would contain an action program. Beyond this, the Secretary's statements at the meeting were frank, direct, and sympathetic, itself an earnest of our intention to take the Latins seriously.

7. The Latin American Response

Latin American regionalism—

On one level the Latin American response to U.S. overtures was disappointing; on another level, however, the response was enthusiastic.

On the formal level, the Latins seemed to reject the U.S. proposal for a new Western Hemisphere "community." This was reflected in the statements of the Guyanese, Venezuelan and other Foreign Ministers which have been reported separately. This reaction to the United States's use of the word "community" stemmed from suspicion that the United States was proposing that the incipient Latin American regional bloc which has taken shape since 1970 be disbanded in favor of a U.S.-led Western Hemisphere bloc. In addition, many of the Latins were worried about our references to "reciprocity" in the new relationship, fearing that reciprocity would give undue advantage to the United States in view of its greater bargaining power.

The Latins reaffirmed their intention to deal with us on many issues as a bloc and this was the theme of Calvani's closing address to the conference.

Our preliminary view is that the Latins' flare-up over the concept of "community" was largely because they were taken somewhat by surprise by the about-face in the U.S. attitude from one of seeming "neglect" to an apparent embrace. We do not, therefore, regard that reaction, or the Latins' insistence on Latin unity, as constituting a rejection of U.S. proposals for greater consultation, coordination or even reciprocity.

The role of individual countries—

As usual at such multilateral meetings, those whose positions were most differentiated from that of the United States tended to dominate the debates, regardless of their size or power. At Tlatelolco, those nations most identified with the third world concept—Mexico, Guyana, Panama, and Peru—were the chief protagonists for the United States. As it happened, these four countries were placed on the seven-member committee to draft the final communiqué. Of these four, interestingly, Peru seemed the most willing to reach a true meeting of the minds with the United States.

The lack of weight and influence of some of the larger countries was notable. In this respect, Argentina and Colombia stand out. In the case of Argentina, this may have been to domestic political difficulties and uncertainties; for Colombia, comment may reflect the impending Presidential election.

Brazil's actions at the conference were mostly unhelpful to the United States. Brazil appears to be playing a double game in which it wishes to have a strong positive bilateral relationship with the United States, while at the same time eschewing excessive inter-American multilateral cooperation. Its motives for the latter are probably that it sees its special relationship with the United States being swallowed up by inter-Americanism and also that, to the extent it can weaken the inter-American system and promote Latin American regionalism, it can hope to become more predominate in the area.

The Brazilian chairman of the drafting committee used his powers to abet the introduction of the more extreme Latin American demands, apparently in the hope that we would give up the fight and fall back to the short, noncommittal type of communiqué the Brazilians had been advocating all along. His efforts failed in the end.

8. Net Results

Our view is that the net result of the meeting was positive for the United States. The Secretary, by talking directly to Latin concerns, by showing a sincere desire for a new U.S. commitment and above all, by

convincing them that they were now being taken seriously by the USG, evoked a new mood of optimism among all the participants. We have begun to break through the crust of suspicion, and in some cases, antagonism that has characterized our relations as they have played out in the inter-American system over the past several years. While the “we-they” aspect of our relationship is strong and likely to remain so, that need not be a bar to a more constructive hemispheric community—provided that there be some concrete results from the new U.S. commitment.

9. Follow-up Requested

(A) You should draw on the foregoing, as well as on the Secretary’s statements at the conference, which have been reported to you separately, in your discussions with host country leaders regarding U.S. intentions. It is particularly important that we allay fears that “community” is a code word for U.S. hegemony; in fact, we intend to play down the word “community” in accordance with the Secretary’s formal withdrawal of the word during the debates. We also need to explain that reciprocity does not mean an equivalent quid pro quo, but rather a willingness to take U.S. interests into account in general. We need to make it clearer to the Latins that our proposal for consultation and coordination on global issues holds out the best hope for realizing Latin American ambitions for more rapid development.

(B) You are requested to report all significant reactions to the meeting among government leaders, as well as opinion-makers and the public.

(C) We are particularly interested in host government plans for the April MFM. We would also welcome your views as to how we can give greater substance to the general thrust of the new U.S. commitment to Latin America. You should call to our attention opportunities for collaboration with your country or groups of countries which may not be apparent to us in Washington.

Kissinger

15. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, April 19, 1974.

SUBJECT

The Latin American Foreign Ministers Conference in Washington, and the OAS General Assembly in Atlanta

The Latin American *Foreign Ministers Conference* in Washington ended Thursday afternoon on a highly positive note. Our objectives of maintaining and furthering the cooperative spirit developed at the Mexico City meeting and of beginning the process of giving some practical content to this spirit and the principles of inter-American solidarity affirmed at Mexico City have been advanced.

The *Communiqué* (Tab A) issued after the Conference highlights the positive tone of the Conference. It:

- reaffirms our joint satisfaction over continuation of the cooperative spirit begun in Mexico City at Tlatelolco;

- describes the subjects discussed and general views expressed, largely on matters of trade and development; specifically, it notes the U.S. reaffirmation of its intention to refrain to the extent possible from establishing new trade restrictions on access to the U.S. market and to promote enactment of the proposed Trade Reform Act which would authorize generalized preferences, including in them products of particular interest to Latin America. It also notes the agreement to engage in consultations on subjects related to the Multilateral Trade Negotiations and other subjects to be discussed in world conferences;

- describes the working groups which were set up to translate this spirit into action in the fields of science and technology, and multinational corporations; and

¹ Summary: Kissinger reported on a meeting with Latin American Foreign Ministers held in Washington to continue the dialogue established in Mexico City in February.

Source: Ford Library, National Security Adviser, Scowcroft Daily Work Files, Box 6, 4/19–30/74. Confidential. Sent for information. Scowcroft initialed the memorandum for Kissinger. Tab A is the April 18 communiqué issued at the conclusion of the Washington meeting of Foreign Ministers, published in the Department of State *Bulletin*, May 13, 1974, pp. 517–519. The decision to hold the Washington meeting was reached at the Tlatelolco Conference in February. (Ibid., p. 516) In telegram 85239 to all American Republic diplomatic posts, April 26, the Department reported that the Washington meeting had been a success. (National Archives, RG 59, Central Foreign Policy File, D740117–0803, D740109–0672, D740098–0734) In telegram 51 from Atlanta, May 2, the Delegation to the OAS General Assembly informed the Department that the meeting there had been “marked by a pronounced optimism on the future of U.S.-Latin relations,” although little progress was made in defining the role of the OAS in the inter-American system. (Ibid., D740105–0151, D740104–1073)

—states that the Foreign Ministers will meet again in Buenos Aires in March of 1975 to continue the dialogue.

The *Cuban* question, which the Foreign Ministers of Argentina and Mexico had publicly committed themselves to raising at the Conference, was handled in a manner that minimized confrontation. In private meetings here with Argentine Foreign Minister Vignes and Mexican Foreign Minister Rabasa, I stressed the importance of having a positive Conference which avoided a confrontation or domination of the deliberations by the Cuba question at the expense of other more important matters. I explained the importance of holding this subject until after other business had been completed and of avoiding any kind of vote or decision. We were successful in getting their agreement on this.

Accordingly, at the Conference Vignes raised the subject in terms of the need to seek a solution but without making any specific proposals. Secretary Rabasa then suggested that Cuba be invited to the next meeting of Foreign Ministers. He was supported by the Foreign Ministers of Peru and Venezuela. I then proposed that before the next Conference Vignes, as Foreign Minister of the host government, consult with all the governments represented to get their views on the subject. The consultation would also include Colombia's suggestion that Canada be represented at the next meeting. This compromise formula enabled us to defuse the Cuba question, maintain the constructive direction of the Conference and avoid its deteriorating into a confrontation which we could not have won in the press. The Conference closed without any decision, formal or informal, relating to Cuban participation beyond the general understanding that the Government of Argentina will consult. Your decision enabling our agreement to issue the licenses to subsidiaries of American companies in Argentina for trade with Cuba was instrumental in obtaining Argentina's cooperative attitude in achieving this compromise.

The constructive spirit maintained at the Washington Conference is particularly important because of the carry-over effect to the *General Assembly of the Organization of American States* (OAS) which opens this Friday in Atlanta. We expect the positive and cooperative attitude maintained in Washington to characterize also the Atlanta meeting. The formal agenda of the General Assembly contains no major issues, concentrating on organizational business matters such as approval of the budget. It will, however, hear a report from the special committee which has been set up to make recommendations on the restructuring of the inter-American system. The Cuban subject will no doubt be raised in speeches in Atlanta in the form of objections to the maintenance of OAS sanctions against Cuba. As in the past, statements will be made on both sides. We believe, however, that the combination of the announcement to license subsidiaries and the brief airing of the issue

here in Washington will satisfy those Latins pressing for change in OAS policy toward Cuba—at least enough to avoid a showdown vote on the matter. Formally, a two-thirds vote would be required to terminate sanctions. However, a majority expression of such a view would be psychologically damaging to us. The number of countries which would support termination if a vote were taken is not entirely clear, but it is uncomfortably close to a majority.

Thus, I believe both in Washington and at Atlanta we will have avoided a breakdown in the momentum of a positive dialogue with the Latins and bought ourselves time on the Cuba issue. In press briefings we are stressing the positive nature of the Conference and the unaltered position of our Cuba policy.

16. National Security Decision Memorandum 257¹

Washington, June 10, 1974.

TO

The Secretary of the Treasury
The Secretary of Defense
The Secretary of Agriculture
The Secretary of Commerce
The Under Secretary of State for Political Affairs
The Assistant to the President for International Economic Policy
The Special Representative for Trade Negotiations

SUBJECT

Latin American Initiatives

¹ Summary: This directive implemented policies toward Latin America announced at the Mexico City and Washington conferences.

Source: National Archives, Nixon Presidential Materials, NSC Files, Subject Files, Box 364, National Security Decision Memoranda. Confidential. Also sent to the Director, OMB and Counsellor to the President for Economic Policy. In a May 21 memorandum to Scowcroft, Low outlined minor revisions made to an earlier draft of the NSDM. (Ibid., NSC Miscellaneous Files, Institutional Materials, Box 1068, NSC Institutional Papers—June 1974, 6 of 10) In a June 6 memorandum, Low asked Scowcroft to sign off on the NSDM, noting Kissinger had twice approved the substance of the document and Nixon had reviewed it. (Ibid.) In a report transmitted under a November 21 memorandum from Ingersoll to Ford, the NSC Under Secretaries Committee assessed implementation of the policies outlined in this NSDM. (Ford Library, National Security Adviser, NSC Institutional Files, Box H-74, Institutional Files—Under Secretaries Committee, NSC-U/DM-129)

The President wishes to give full and prompt effect to the initiatives introduced by the United States at the Foreign Ministers Conferences earlier this year in Mexico City and Washington. To this end, he has directed that the following policies guide the actions of United States Government agencies in our relations with Latin America and the Caribbean countries.

The President has directed that the U.S. will:

I. Attempt to resolve outstanding differences in the hemisphere by:

—engaging promptly in discussions with Ecuador and Peru aimed at resolving our fisheries disputes with these countries;

—giving close attention to negotiations with Panama, continuing them in the spirit characterized by the negotiation of the Statement of Principles signed on February 7.

II. Attempt to avoid new disputes by:

—continuing to explore the possibility of creating a mechanism for assisting in settlement of investment disputes through the Meeting of the Foreign Ministers Working Group on Principles Applicable to Transnational Enterprises and elsewhere, as appropriate;

—pursuing agreement in the UN on an acceptable Charter of Economic Rights and Duties of States;

—pursuing discussion with the Latin Americans relating to the concepts of “collective economic security” and “integral development;”

—participating in the Meeting of Foreign Ministers Working Group on Principles Applicable to Transnational Enterprises to develop principles relating to the behavior of corporations and governments which are responsive to Latin American political needs and U.S. concerns for legal protection;

—engaging in discussion with the Latin Americans directed towards identification of common fiscal and tax problems with a view towards conclusion of bilateral or multilateral income and estate tax treaties.

III. Increase its consultation with nations of the hemisphere by:

—undertaking discussions at a high level in order to adjust and coordinate U.S. positions with those of Latin America in the multilateral trade negotiations to the greatest extent feasible;

—establishing mechanisms for regular meetings of equivalent U.S. and Latin American policy bodies;

—engaging in broader consultations with Latin American countries on global problems in general and particularly before major international conferences on such subjects as Law-of-the-Sea, World Food, and World Population, including the exchange of viewpoints, the es-

establishment of coordinated positions and, where appropriate, the creation of consultative machinery;

- discussing with the Latin Americans coordinated approaches to the worldwide problems of access to markets and supply of raw materials;

- cooperating closely with the Latin Americans in discussion of monetary reform in the Committee of 20 and on other appropriate occasions.

IV. *Cooperate in the development of the nations of the hemisphere by:*

- supporting as a minimum the current level of bilateral and multilateral assistance to Latin America, at least through FY 1975; and promptly addressing the FY 1976 program in the context of these policy guidelines;

- encouraging the Meeting of Foreign Ministers Working Group on Science and the Transfer of Technology to stimulate useful transfers of technology drawing on the private as well as the government sector;

- consulting before any action is taken by the U.S. Government which would substantially affect in a direct and specific way the economies of the nations of Latin America, except when prevented by overriding considerations;

- making every effort within statutory limitations to avoid imposition of new restrictions on access to the U.S. market by Latin American nations;

- continuing efforts for rapid passage of the Trade Bill, including provision for generalized preferences and supporting items the Latin Americans request for inclusion in the U.S. product list wherever possible;

- preparing concrete proposals for sharing research for development of energy resources with Latin American nations;

- supporting arrangements in the IDB and other international financial institutions for recycling oil producers' surplus funds and providing development assistance to cushion the impact of the energy crisis on the developing nations of the hemisphere;

- pursuing within appropriate inter-American and other bodies proposals for study of the needs, priorities and modalities of resource transfers;

- working with the Latin Americans in the Committee of 20 and the IDB to resolve problems and impediments connected with access to capital markets of industrialized countries.

V. *Encourage reshaping of the inter-American system by:*

- taking a positive posture in meetings of the Special Committee to Restructure the OAS with regard to Latin American proposals for new principles;

—seeking simplification, modernization, and a more even balance of responsibilities in OAS institutions, including the Special Committee for Consultation and Negotiations.

The President has directed that the appropriate agencies prepare implementing steps to give effect to the foregoing decisions. The President also directs that the NSC Under Secretaries Committee establish a watching brief to assist in the coordination of these steps where necessary and that it report its progress to the President not later than September 30, 1974. In carrying out these functions, the NSC Under Secretaries Committee should coordinate closely with the CIEP Operations Group.

Henry A. Kissinger

17. Transcript of a Staff Meeting of the Under Secretary of State for Political Affairs (Sisco)¹

Washington, June 21, 1974, 3 p.m.

Under Secretary Sisco's Principals' and Regionals Staff Meeting,
Friday, June 21, 1974, 3 p.m.

[Omitted here is material unrelated to Latin America.]

pp 18–22 *Countervailty Duties against Argentina and other countries.* The threat of Treasury actions without prior consultation.

¹ Summary: Department officials discussed the potentially negative impact countervailing duties on Brazilian, Argentine, and Colombian products would have on Secretary Kissinger's Latin American initiatives.

Source: National Archives, RG 59, Transcripts of Kissinger Staff Meetings, 1973–1977, Entry 5177, Lot 78D443, Box 4. Secret. Drafted on June 24. Sisco chaired the meeting in place of Kissinger, who at the time was briefly in the United States between foreign trips; Sisco was Acting Secretary from June 10 to 19 and from June 25 to July 9. The meeting began at 3 p.m. and was attended by all of the principal officers of the Department or their designated alternates. All brackets are in the original except those indicating text omitted by the editors and “[Mr. Sisco]”, added for clarity. In a June 25 staff meeting, Department officials noted the Treasury had initiated countervailing duty proceedings against Colombia and Brazil. At Kissinger's request, Treasury officials delayed announcing similar actions against Argentina for seven days. Kubisch observed the announcement “couldn't be more untimely,” coming as it did in “the immediate aftermath of Secretary Kissinger's initiatives in Latin America.” (Ibid.)

[Omitted here is material unrelated to Latin America.]

George S. Springsteen
Executive Secretary

[Omitted here are discussions unrelated to Latin America.]

[Mr. Sisco:] Jack—countervailing duties. You keep talking about this same problem. Why don't you solve it?

Mr. Kubisch: We are really in a bind on this. It is really a very painful and difficult problem for us. And if it hadn't been for the Secretary's personal intervention this morning, there would have been an announcement of a countervailing duty action against Argentina today.

Mr. Sisco: What was it—shoes?

Mr. Kubisch: Shoes. In a word, Argentina ships non-rubber footwear to the United States, and according to evidence that has come to our attention, there are certain subsidies in connection with those exports. The same with Brazil, non-rubber footwear to the United States. The same with Colombia on fresh-cut flowers to the United States. Against all three of those countries the Treasury Department is preparing to take countervailing duty action on a law that is very old on the books—it has been on the books I think since the 1890s.

Mr. Ingersoll: I don't think you are the only one that has been hit by that.

Mr. Sisco: They are being pressed by the shoe industry, aren't they?

Mr. Kubisch: Yes.

Mr. Sisco: But the retail field doesn't want them to do that, because they feel it is bad for the retailers.

Mr. Kubisch: Precisely. But the shoe industry has brought a lawsuit apparently in a couple of cases against the Secretary of the Treasury for failure to act vigilantly in enforcing this law. The Secretary of the Treasury also wants the Trade Reform Act going through the Congress to have in it more flexible provisions, to have more discretion in the future. In order to get that flexibility, he has to show he is hard-nosed and tough in enforcing the law as it exists.

From our point of view, the Latin American countries are saying, "Look, Secretary Kissinger is talking about a new relationship, broader, wider interests of the United States, the hemisphere as a group working together; and the first thing you do is inject this real sour note, right after the meetings of the Foreign Ministers in Mexico, Washington and Atlanta." They have been writing to him, cabling, they have been calling him, and they have been after all of us—"Can't you get the Secretary of the Treasury and the Treasury Department not to do this."

And the role we have been trying to play, in a very narrow maneuvering space we have, is to have exhaustive consultations between the governments so that if in the end the duty is finally levied, it can be based purely and simply on a carrying out of the law.

The Secretary of the Treasury has no option. We have done everything we could to try to find some way out of it. We are unable to. The problem is Treasury has been only partially cooperative on this, because they don't want to be seduced by the State Department on the diplomatic and foreign considerations. They want to be tough—

Mr. Sisco: Try to use a little different word than “seduced,” will you please.

Mr. Kubisch: All right. Overly influenced by us—because they are afraid that we may introduce important overall considerations for the U.S. Government that will influence their activities. And so they have been proceeding at times without consulting us. All of a sudden, they are on the verge of announcing something, and we hear about it, and we say “Stop.” And we really made the strongest possible representations to them to stop. We have just been barely successful in warding off real problems.

Mr. Sisco: Did the Secretary talk to Simon?

Mr. Kubisch: He talked to him this morning. But I'm afraid the problem will not go away. Sooner or later it is going to introduce more poison into our regional relationships.

Mr. Ingersoll: How long have these been pending?

Mr. Kubisch: Well, the Brazilian and Colombian one were announced—the investigations were announced about sixty days ago. The Argentinian one came up just a couple of weeks ago, after months of stalling—Treasury was hoping it would go away, and it didn't. And it just came up all of a sudden. And we were trying to get Treasury, and they agreed, not to announce it until there was an opportunity to exchange views with the Argentinians this coming week.

But I think that probably in the course of the coming weeks there will be some action taken. And there is going to be some real flack out of the hemisphere. And it is going to be presented in a way that it undermines the Secretary's credibility—because he said that we would undertake no new actions to affect their access to our markets that were possibly avoidable without the fullest possible prior consultations.

Mr. Sisco: You will have domestic support on this withholding of the application of these countervailing duties, because while the shoe industry will be unhappy, there will be other people that are happy.

Mr. Kubisch: Tom Enders and I are going over to Treasury on Monday afternoon with a big contingent of State Department people to

apprise the Treasury of all the considerations involved in this, because we have dealt with them only on bits and pieces of problems.

Mr. Sisco: That's good.

[Omitted here are discussions unrelated to Latin America.]

18. Action Memorandum From the Permanent Representative to the Organization of American States (Mailliard) to Secretary of State Kissinger¹

Washington, July 16, 1974.

CUBA

The Problem

Venezuela and Colombia are reportedly planning to resume relations with Cuba, perhaps even as early as August. Costa Rica's Facio, believing this will effectively destroy the Rio Treaty, is trying to forestall unilateral actions by obtaining agreement to convoke a Rio Treaty Meeting of Foreign Ministers in early fall to deal with the Cuban issue. We have very little time to respond to these developments.

Analysis/Background

The useful respite gained at the Washington MFM seems to be coming to an end. In essence, we are faced with the choice of trying to head off an OAS meeting on Cuba and thereby tacitly accepting highly visible defections from the sanctions, or of agreeing to (or acquiescing in) some form of OAS action.

Facio confirms reports from Mexico and Caracas that Venezuela and Colombia are prepared to move soon and, perhaps, even unilaterally to renew relations with Cuba. Several others, reportedly including Ecuador and Honduras, could follow now or later. But those on the fence generally want the OAS sanctions off the books rather than resumption of relations.

¹ Summary: Mailliard outlined possible U.S. responses to growing Latin American interest lifting regional sanctions against Cuba.

Source: National Archives, RG 59, Central Foreign Policy File, P850149-0967. Confidential; Exdis. Sent through Kubisch. Drafted by Mailliard and McNeil. Copies sent to Feldman and Lord. Tabs not attached and not found. Kissinger did not initial any of the memorandum's recommendations, and he wrote, "See me—This is very complicated as the President has strong views on it."

In order to preserve the Rio Treaty, Facio seeks an MFM to dispose of the sanctions and believes Venezuela and Colombia have agreed to delay unilateral action at least until early August while he tries to round up support. He also believes he now has Rabasa's tacit support for a Rio Treaty MFM. In a message probably intended for you, he pleads for U.S. agreement to an OAS meeting (Tab A). Venezuela's President Perez has now indicated his preference for an OAS solution no later than September (Tab B).

In my judgment, there is not much prospect of preventing an OAS meeting, much less a majority against us when it comes to a vote. At Atlanta, the Latins held off in deference to you but at least a majority of 12 OAS nations still favor relaxing or lifting sanctions. The Argentine licensing decision—sensible and necessary as it was—in Latin eyes also knocked a prop from under mandatory sanctions. The Pat Holt visit has added fuel to the fire, particularly since the Latins are unschooled in the niceties of executive-legislative relationships. Castro has stated publicly that Cuba will attend the Buenos Aires MFM in March if invited, making their attendance more difficult to forestall (Tab C).

If Facio succeeds in convoking an MFM, the sanctions will likely be repealed through a procedural maneuver designed to produce a vote for or against sanctions, postulating that because the situation obtaining in 1964 no longer exists a new vote in their favor is required to maintain them. This would effectively nullify the two-thirds requirement for lifting them, even though we would argue against this interpretation of the Treaty.

We probably could prevent this by negotiating an agreement to bring the issue into the Permanent Council of the OAS (acting as Organ of Consultation under the Rio Treaty) for a vote on making sanctions, in effect, optional. This would follow the recommendations of the S/P study on this issue (Tab D).

A shift in our position would probably result in a two-thirds majority for optional sanctions, making this course the only one open to us that offers the prospect of maintaining both the integrity of the Rio Treaty and the international legal basis for our Cuba policy. It also renders moot the issue of your attendance or non-attendance at an MFM.

Alternatively, we could mount an all out effort, with considerable emphasis on procedural arguments, to prevent *any* OAS or MFM consideration of the issue. If this is to have any prospect of success, it would have to include your personal intervention. This might preserve the policy for a time but would probably lead at an early date to highly publicized unilateral defections of Colombia and Venezuela, with others almost certain to follow. But Latin concern—particularly by the

small nations—for the Rio Treaty could lead to an MFM regardless of our views.

Whatever the decision, we are committed to consult with Brazil. Any substantive reply to Facio should await these consultations.

The Options

1. Agree to a meeting, as late in the year as possible, of the Permanent Council acting provisionally as the Rio Treaty's Organ of Consultation, and there vote for a satisfactory formula that makes sanctions optional.

Pro:

—Maintains clear OAS authorization for our trade and asset controls against Cuba.

—Rids us of a major stumbling block in our relations with the rest of Latin America.

—Deprives Castro of a major propaganda victory and makes Cuban behavior, rather than "imperialist" pressures from the U.S., the determinant of whether countries wish to renew relations with Cuba.

—The Rio Treaty is intact for future contingencies.

Con:

—Significantly weakens our ability to defend continuation of U.S. Cuba policy, both domestically and with respect to third countries.

—Encourages fence-straddlers to renew relations with Castro.

2. Maintain our opposition to any kind of change, but support holding a Permanent Council meeting to deal with the issue. Work discreetly to have the resolution take the middle-road of an optional formula rather than lifting sanctions outright, perhaps in trade off for our abstention.

Pro:

—Our opposition makes a two-thirds vote very unlikely, permitting us to claim mandatory sanctions are still legally in effect.

—If an optional formula is adopted, we can point to it as political justification for our own economic denial program.

Con:

—Some Latins will renew relations with Cuba, and cite whatever resolution emerges as justification.

—We suffer a propaganda buffeting over "losing" to Cuba, although we get credit for agreeing to a meeting.

—Promotes contradictory and damaging interpretations of the Rio Treaty.

3. Strongly oppose any kind of OAS meeting.

Pro:

—If successful, prevents OAS action on the sanctions.

—Permits us to assert the continuing validity of sanctions and, consequently, the international basis for our economic denial program.

Con:

—Major unilateral defections will damage, perhaps irreparably, the Rio Treaty. Will be seen as a cynical act on our part.

—Assists Castro's maximum political objective, isolation of the U.S., as more major Latin countries simply ignore inter-American obligations, which he wishes replaced by an exclusively Latin grouping.

—Even with the expenditure of political capital gained through our recent initiatives, we may fail to prevent an OAS meeting.

Recommendation:

That you approve an effort to work out and support a satisfactory formula for making sanctions optional in the context of an OAS Permanent Council meeting late this year under the Rio Treaty. (Option 1) L gives this option qualified support. (See Tab E)

Alternatively, that you approve acquiescence in a Council meeting, but hold fast to support of mandatory sanctions. (Option 2)

Alternatively, that you approve opposing the convocation of any kind of OAS meeting, even though the effort may be unsuccessful and will lead to major unilateral defections from the sanctions. (Option 3)

19. Transcript of Secretary of State Kissinger's Staff Meeting¹

Washington, July 16, 1974, 3 p.m.

The Secretary's Principals' and Regionals' Staff Meeting,
Tuesday, July 16, 1974, 3:00 p.m.

[Omitted here is material unrelated to Cuba and the OAS.]

Cuba and the OAS. Conciliatory noises from Cuba; Brazil's capacity to delay admission of Cuba to various bodies. The OAS majority voting issue and the risk of a deliberate lifting of sanctions by structuring a

¹ Summary: In a discussion with Department officials regarding Latin American interest in lifting sanctions against Cuba, and the possibility of Cuban attendance at a meeting of Foreign Ministers planned for March 1975 in Buenos Aires, Kissinger stated he was willing to consider changes in U.S. policy toward Cuba but would not be pushed into an opening with Havana.

Source: National Archives, RG 59, Transcripts of Kissinger Staff Meetings, 1973–1977, Entry 5177, Lot 78D443, Box 2. Secret. Kissinger chaired the meeting, which began at 3 p.m. and was attended by all principal officers of the Department or their designated alternates. All brackets appear in original except those indicating text omitted by the editors and "[Mr. Kubisch]", added for clarity.

failure of a two-thirds vote to maintain them. The Secretary stated that we would not be pushed into having Castro at the March MFM and if necessary would take credit for his being there ourselves. He agreed to have the matter considered at a year-end meeting and to use that plan meanwhile as a negotiating tool. The Secretary agreed to lunch with the Brazilian Foreign Minister about October 5 on this strategy.

[Omitted here is material unrelated to Cuba and the OAS.]

[Mr. Kubisch:] The whole Cuba thing is beginning to boil up again, and Ambassador Mailliard, having gone into this very carefully in the OAS context, has prepared a memo, which I have just forwarded to you.

Secretary Kissinger: I understand the Cubans have said they are prepared to go to the conference.

Mr. Kubisch: On Saturday, Fidel was asked, "Will you come if invited?" And he said, "Yes, we will definitely come." The Argentines told me in Buenos Aires about 10 days ago, when I was there—

Secretary Kissinger: Excuse me.

(Secretary Kissinger called out of room. Five-minute recess.)

Secretary Kissinger: O.K.

Mr. Kubisch: Just to finish one item?

Secretary Kissinger: Is it cleared at all the appropriate levels?

Mr. Kubisch: It will be, after I mention it. (Laughter.)

I just wanted you to know what when I was in Buenos Aires at President Perón's funeral, the Argentines told me privately that they were not going to try to consult about whether or not Cuba should be invited to the March MFM until December at the earliest. And I said that made sense to me.

Secretary Kissinger: Well, I'm presuming the Brazilians will block it.

Mr. Kubisch: I don't know if that's a safe assumption. Their position is evolving.

Secretary Kissinger: Well, if they don't block it, we may not have any choice. One way or the other it's O.K. to us.

Mr. Kubisch: Cuba has been admitted, for instance, to the Latin America bloc at the Law of the Sea Conference in Caracas, and Fidel is making all kinds of conciliatory noises.

President Perez said Thursday maybe we can get Fidel to make some kind of a statement that would make it easier for us to invite him to that meeting a year from now. In the meantime, there are some other governments—Facio in Costa Rica and others—that are trying to promote a meeting of Foreign Ministers—or, at least, in the Permanent

Council of the OAS—to lift the mandatory sanctions. That is the subject of the memo.

Secretary Kissinger: Have we changed the rules so that they can be lifted by majority vote?

Mr. Kubisch: Not yet.

Secretary Kissinger: Have we proposed it?

Mr. Kubisch: It hasn't been necessary yet. They adjourned on July 3 for a couple of months and just didn't get to it.

Mr. Feldman: This is giving us a lot of concern, because one of the outcomes—if they do something to call some kind of a meeting for consultation or of the Permanent Council, in order to hold off a unilateral vote by Venezuela or Colombia, they cannot get a two-thirds vote for changing these sanctions. So they may try to rig up some procedural gimmick where they say they're accomplishing this by majority vote, which would make the thing look ridiculous.

Secretary Kissinger: Can't we block a meeting?

Mr. Kubisch: We possibly can block it. It will take your own heavy involvement. But I think also, and I would recommend—

Secretary Kissinger: I don't mind changing our policy, but I do mind being pushed. But if they're trying to push us, they better understand it—we're not going to be forced to having Castro in Buenos Aires. We might have to go to it but not under pressure. So nobody is going to play any points and be the hero that brought Castro to Argentina. And if they're trying that, we're not going to be there. I would just tell that to them.

Mr. Kubisch: I said it precisely to him.

Secretary Kissinger: If anybody gets credit for getting him there, it's going to be us. (Laughter.) I'm serious.

Mr. Kubisch: No—I agree. And they are really sending you some signals, as you'll see from this memo, to see whether or not you'll approve a certain approach for the United States and all of us jointly to consider this problem.

Secretary Kissinger: Only the majority vote can end the sanctions. And then we can go along with the majority vote. But with any gimmick we'll oppose. There's no sense playing games with our policies; we'll become a laughing stock.

Mr. Kubisch: I agree. When would you want to have that matter considered? Some think a month or two. I think what would be better would be at the end of the year, for many reasons.

Secretary Kissinger: For many reasons.

Mr. Feldman: On the Rio Treaty.

Secretary Kissinger: We should just block any special meetings.

Mr. Kubisch: And we can do it if we get your authorization to negotiate with them about a possible meeting in December.

Secretary Kissinger: That's fine.

Mr. Kubisch: We need that to head one off now.

Secretary Kissinger: That's fine. Nobody is going to make points at home by kicking the United States.

Mr. Kubisch: I'm glad to hear you say that because I felt I exceeded my own authority at one point in Buenos Aires when I was meeting with the Ambassador in the Foreign Ministry, the man in charge of the MFM. And he said at one point, "Well, we may not have to have a consensus to do that. You know, our Foreign Minister Vignes has the authority to consult. And he may send a message around saying 'I've invited Cuba.'" I said, "If you send that to the Secretary of State, you may find that Secretary Kissinger will not come to the meeting."

Secretary Kissinger: You tell him I am not coming to the meeting.

Mr. Kubisch: Later, after lunch, he said, "You know, you said something jokingly before lunch and I said something jokingly to you." I let him know I wasn't joking, and he said Vignes would never do that (invite Cuba without advance agreement).

Secretary Kissinger: We cannot in Latin America, or anywhere else, let the United States become the focal point for building yourself up domestically. If we want to have an opening to Cuba, let's do it as our own policy and not let the Argentines deal with their Peronists by cheap shots at us. I'm open-minded on Cuba, but we'll do it at our own speed.

O.K. Well, just as long as the Latins understand it. You better have a talk with the Brazilians so that they—

Mr. Kubisch: You may not have to read the memo now?—because one of the proposals was that we go to the Brazilians on this.

Secretary Kissinger: Is their Foreign Minister coming to the UNGA?

Mr. Kubisch: Yes.

Secretary Kissinger: I should have a meeting with him—perhaps lunch.

Mr. Kubisch: I should think that on October 5th you might want to have a meeting with all the Latin American Foreign Ministers there—the anniversary of your remarks. A luncheon or dinner, and also some private conversations.

Secretary Kissinger: Yes. O.K., good.

[Omitted here is material unrelated to Cuba and the OAS.]

20. Telegram 169437 From the Department of State to All American Republic Diplomatic Posts¹

Washington, August 2, 1974, 2323Z.

169437. Inform Consuls. Subject: IA–ECOSOC and Alliance for Progress. Ref: Quito 1670.

1. Fourth OASGA in Atlanta, April 19 to May 1, adopted AG/Res 170 which revised system of representation on permanent executive committees of IA–ECOSOC, and CIECC. An immediate effect of the resolution, arising from an operative clause concerning certain transitory provisions of IA–ECOSOC statutes and OAS Charter, is to eliminate CIAP. Some have argued that elimination of CIAP implies elimination of Alliance for Progress as well.

2. U.S. position is that since neither Punta del Este Declaration nor Alliance Charter were discussed by General Assembly, GA Resolution cannot be taken as implying a decision on Alliance, but only on the narrow question of CIAP as the permanent executive committee of IA–ECOSOC. We continue to cooperate with the Latins to promote the general objectives and principles of cooperation for development which inspired the Alliance. Ref A, para. 3 reports Asst. Sec. Kubisch's formulation of this position at March IA–ECOSOC meeting in Quito.

3. Fuller background and exposition of U.S. position follows by airgram. Posts may draw upon both cable and airgram, on if-asked basis, in responding to inquiries.

Kissinger

¹Summary: The Department informed posts of its view that an OAS resolution eliminating CIAP did not necessarily imply that the Alliance for Progress had been terminated, adding that the United States continued "to cooperate with the Latins to promote the general objectives and principles of the Alliance."

Source: National Archives, RG 59, Central Foreign Policy File, D740212–0166. Limited Official Use. Drafted by Noonan; cleared by Schlaudeman, Donor Lion in ARA–LA, and in draft by Paul Montavon in ARA/USOAS; and approved by John Ford. Repeated to USCINCSO. In airgram A–6287 to all American Republic posts, August 8, the Department further explained the U.S. position regarding the OAS vote on the Alliance for Progress. (Ibid., P740084–1381) Telegram 1670 from Quito is dated March 14. (Ibid., [no film number])

21. Memorandum for the President's File¹

Washington, August 9, 1974, 5:30 p.m.

SUBJECT

Meeting with Latin American Ambassadors on Friday, August 9, 1974, at 5:30 p.m., in the Roosevelt Room, The White House

PARTICIPANTS

President Ford
Secretary Kissinger
Assistant Secretary Kubisch
Ambassador Bowdler
Stephen Low
Western Hemisphere Ambassadors (see attached list)

Secretary Kissinger: Ladies and Gentlemen: I asked you to come to the White House this afternoon because the President wanted an opportunity to meet with you briefly on the occasion of his assumption of office. He asked me to tell you first that the basic lines of our foreign policy will be continued. The lines followed by President Nixon's Administration will be carried out under President Ford.

During the last year we gave particular attention to our relations in the hemisphere. This found expression in the Foreign Ministers' conferences and in greater concern with hemispheric relations across the board. We increased our consultations but we still have a long way to go. There are major problems needing to be settled. This increased concern will be continued and may even be intensified. The general approach will continue. We hope to work together in the same spirit towards the realization of the objectives we sought and the implementation of the plans we initiated. We expect to have strong congressional support. We are in a much better position now than has been the case in the recent past. Our policy will continue to be a bipartisan one and we expect wide public support. We wanted to tell you this personally, although letters have been written to all of your governments. We want to continue to cooperate closely with you.

¹ Summary: In a meeting with Latin American Ambassadors on the day he took office, President Ford assured representatives of the region that his administration would continue an expanded dialogue with the countries in the Western Hemisphere.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, Box 12, President Ford—Memcon, August 12, 1974—Latin American Ambassadors. Confidential. Transmitted to Kissinger under an August 10 memorandum from Low. Kissinger did not sign the memorandum. All brackets are in the original except those indicating text omitted by the editors. President Nixon resigned on August 8.

Your governments should know that business continues as usual here. Our foreign policy is being conducted in a firm manner. We look forward to the Foreign Ministers' meeting in Argentina next March. I myself still hope to take a trip to Latin America before then but I am not sure when. Then we will have a lunch or dinner with the Foreign Ministers at the UN. Do you have any questions?

Ambassador Luisi: On behalf of my colleagues I want to extend to you, Mr. Secretary, our very sincere, good wishes for future success. We are very pleased at your reappointment and congratulate you.

Secretary Kissinger: There have been an extraordinary number of governmental changes in the last year. In the Western World practically every major Western European country has changed its government. In Latin America, Argentina, Brazil, Colombia, Venezuela . . .

[To Assistant Secretary Kubisch] Jack, if you can arrange a date so that all the foreign ministers could be in New York at the same time, it would be a good idea.

Assistant Secretary Kubisch: That's a good idea. I will see what I can do. Brazil makes the first speech.

Secretary Kissinger: Perhaps the following week. Find out when the foreign ministers will be there.

Ambassador Araujo Castro: The last week in September and the beginning of October is probably the best time.

Ambassador Orfila: Ours is September 24.

Secretary Kissinger: Last year it was the day before the Middle East war broke out.

I would like to visit Latin America before the foreign ministers' meeting.

Ambassador Orfila: Are you going ahead with your plans?

Secretary Kissinger: I hope so but now my schedule is more uncertain. I will have to spend more time here.

[The Secretary then discussed briefly the provisions of the 25th Amendment.]

[President Ford entered and pictures were taken.]

Secretary Kissinger: Mr. President, I told our Western Hemisphere friends that at your instruction, they had been invited here so that you could meet with them briefly. I said that our foreign policy continues along the lines with which they are familiar. Particularly I reaffirmed the initiative begun last year to reinvigorate our relations in this hemisphere in the form of the dialogue which we started in Mexico and carried on in Washington. In the meantime two subgroups are meeting on the problems which we identified. We have started a new spirit of dialogue in the Western Hemisphere.

President Ford: Thank you very much, Henry. I would like to reiterate what the Secretary has said. I want to reassure you that in this Administration we will not be so preoccupied with other matters that we cannot take time for an expanded dialogue with our friends in the Western Hemisphere. We can all cooperate; all work together; all be beneficiaries. The initiatives we took in Mexico City in February have been extremely successful. They were very well received in the United States. The second meeting in Washington was highly beneficial in broadening, deepening and expanding our relations with one another. I am sure that the meeting in Argentina will be another long step of mutual benefit to all of us in the Western Hemisphere. I will work closely with the Secretary in this sense. The Secretary's relationship with me is of the closest kind. I have the highest respect and regard for him. Our relationship has extended over fifteen years. I am looking forward to working with him, and through him, with you.

I have visited a number of your countries and hope to visit more. But how my plans will work out is difficult to forecast. Wherever I have gone I have enjoyed warm hospitality. I have met with your people and with some of your governments. I hope there will be opportunities which can be made available in the future for travel.

Ambassador Luisi: On behalf of my colleagues I can say that we are fully aware of your distinguished career. We would like to take the occasion to extend our very best wishes to you so that your great nation will continue in its role of leadership in the search for peace.

President Ford: We are going to work hard for peace. I thank you.
[President left.]

Secretary Kissinger: We will be meeting together on various matters. I want to say again that our objective of strengthening relations is not an idle effort. We will do whatever is possible. We would appreciate your suggestions and your ideas however they may come, whether individually or collectively. Thank you for coming.

[Omitted here is a list of the 23 Latin American Ambassadors in attendance at the August 9 meeting.]

22. Memorandum From Stephen Low of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Scowcroft)¹

Washington, September 14, 1974.

SUBJECT

The Cuba Problem

I. The following *assumptions* can be made about the Cuban problem as it stands at this stage.

1. We have a commitment to the Tripartite group (Costa Rica, Venezuela and Colombia) which has kept its side of the bargain to postpone consideration of the matter in the OAS until later in the year and to delay unilateral resumptions of relations until OAS action has been taken. The three governments are publicly committed to a scenario that includes an OAS meeting later this year. Other Latin American nations have also publicly staked out their position in the matter.

2. Castro has mixed feelings about any OAS action. On the one hand, a resolution lifting sanctions which does not point to changes in Cuban actions can be read to vindicate him. On the other hand, resumption of relations by most of the Latins which would occur in the absence of OAS action to lift the sanctions might be preferable to him as vindication at the expense of the OAS, which would be seriously damaged.

3. Any leverage which we might get from lifting OAS sanctions would be with the other Latin nations. It comes in part from support from the group opposing lifting of sanctions—Brazil, Chile, Uruguay, etc.—and in part from the group which does not wish to see the OAS weakened or seriously divided by the issue. Together this is a substantial number of the members of the OAS which might be put together to support a resolution in that body satisfactory to us.

4. An MFM in Buenos Aires next March is less certain than it had been. If there is an OAS meeting at the Foreign Ministers' level this fall and an OAS Foreign Ministers' meeting next spring in April, and if the

¹ Summary: Low analyzed the prospects for OAS action to lift diplomatic sanctions against Cuba and proposed a U.S. strategy for handling the issue.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, Box 3, Cuba 1. Secret; Completely Out of the System. Kissinger wrote, "Good job," on the memorandum. On an August 23 memorandum from Kubisch to Kissinger recommending U.S. acquiescence on Cuba as long as no substantive action occurred before November, Kissinger wrote, "We would like to delay through election." (National Archives, RG 59, Central Foreign Policy File, P850149-0196)

augmented Andes group of chiefs-of-state meet in Peru in December, there will be a number inclined to question the utility of a Buenos Aires meeting. Its main purpose to Argentina will be the re-integration of Cuba. The continued deterioration of the internal domestic situation in Argentina adds to the uncertainty.

5. Establishing bilateral contacts with Cuba before OAS action would be difficult to do without telling the Brazilians and perhaps some others. It would be extremely difficult to keep secret.

II. These facts lead to four *conclusions*.

1. We appear to be too far down this road to back out of an OAS meeting on Cuba sanctions this year without real damage to the OAS and our leverage with the tripartite group and their supporters. They would be hard put to agree to postponement, but if they did, it seems likely that they would proceed with unilateral resumption before the end of the year.

2. It will be difficult to use the Buenos Aires MFM for our purposes and particularly for an OAS session. Vignes is most interested in Cuban presence in Buenos Aires. He would recognize the near impossibility of Cuban participation at a meeting which is in any way identified with the OAS.

3. Our leverage with Castro from lifting the OAS sanctions is not great compared to that we might get from lifting bilateral sanctions, which are very much more important to him.

4. Any publicity given to bilateral contacts with Castro before an OAS meeting on sanctions would further reduce our bargaining leverage with other nations of the hemisphere.

III. I therefore *suggest* that we:

1. Make clear to the tripartite group that our cooperation in working out an orderly OAS meeting on the resolution is dependent on a satisfactory resolution; work with them together with our supporters among the conservatives (Brazil, Chile, Uruguay, etc.) to produce a resolution that places responsibility on Cuba for the imposition and removal of sanctions in return for our cooperation in passage of the resolution by a two-thirds majority and without any specific provision for "optional" sanctions.

2. After the OAS action

—maintain our bilateral sanctions, restricting trade and travel with Cuba, and

—indicate to the Latin nations and particularly Mexico, Argentina, Colombia, Venezuela, Costa Rica, etc., that in recognition of their point of view towards the OAS and Cuba, we made a significant modification of our position. In return for this, we would expect that they would

press Castro as they had earlier pressed us, to make concessions in terms of his relations with us.

3. After a while, make bilateral contact with the Castro government to negotiate these issues in return for relaxation of our bilateral sanctions.

This would seem to me to be the best way to apply the leverage we have with the other Latins and with the Cubans to getting something in return for lifting of the OAS sanctions, while at the same time strengthening the OAS mechanism and maintaining our good-faith relationship with the other nations of the hemisphere.

23. Memorandum of Conversation¹

Washington, September 21, 1974, 10 a.m.

PARTICIPANTS

President Ford

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for National Security Affairs

Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

Kissinger: Vignes is related to Cuba. We must not be driven by events and be beaten to death by the OAS. In November, I recommend we abstain and everyone else will vote yes. We ought to get something for any change. We ought to establish some contacts with the Cubans. Frank Mankiewicz has offered, but we ought to deal directly. Maybe someone in their UN mission—he should have a reentry visa and not be restricted to a 25-mile radius.

¹ Summary: Kissinger briefed Ford in advance of meeting with Argentine Foreign Minister Alberto Vignes on OAS initiatives related to Cuba.

Source: Ford Library, National Security Adviser, Memoranda of Conversations, Box 6, 9/21/74. Secret; Nodis. The meeting was held in the Oval Office. All brackets are in the original except those indicating text omitted by the editors. In a September 21 conversation, Kissinger, Ford, and Vignes agreed the United States and Argentina would work to postpone OAS action on Cuba until after U.S. elections in November. The memorandum summarizing that discussion is published in *Foreign Relations, 1969–1976*, vol. E–11, Part 2, Documents on South America, 1973–1976, Document 22. In a September 21 memorandum to Kissinger, Bowlder reported that the OAS Permanent Council voted on September 20 to convoke a meeting of Foreign Ministers in Quito on November 8 to consider the Cuba sanctions. (National Archives, RG 59, Central Foreign Policy File, P850148–2126)

President: Can we wait until November?

Kissinger: Sure.

On Vignes. They are very proud and can be obnoxious and somewhat racist. The Latins and Arabs are two places where with flattery you can get more than you anticipated. Vignes is old but looks young.

President: Is he a Peronist?

Kissinger: He is very close to Peron. Argentina reestablished relations with Cuba in defiance of everyone—but they have been very helpful in defusing Cuba from the meetings last spring. This week there was a meeting on Cuba. The original draft was a disaster, but I worked with Vignes and it isn't bad now. It will be passed in November in Quito.

You could thank him for his leadership. We look at Argentina as an Latin American leader. We will try to make a success of the Buenos Aires if he helps.

President: Is that an OAS or Foreign Ministers meeting?

Kissinger: Foreign Ministers. Most of them think the OAS is moribund. You could say you are sending me down—it has been promised for a long time. They forced us to let them sell trucks to Cuba—but since then they have been cooperative.

Say you are open-minded about Cuba but we will not be pressured—we have our pride.

With Argentina and Brazil on our side, we can manage the OAS.

[Omitted here is material not related to Cuban affairs.]

24. Telegram 240009/Tosec 444 From the Department of State to the Embassies in Pakistan and Afghanistan¹

Washington, November 1, 1974, 0008Z.

240009/Tosec 444. Subject: Cuba Sanctions—Troubled Outlook for Quito. Ref: (A) State 236997 (B) New Delhi 14456. From Acting Secretary and Assistant Secretary Rogers.

1. A probable reversal of the Guatemalan commitment has now apparently deprived co-sponsors of the 14th vote necessary to achieve the two-thirds majority required per the letter of the Rio Treaty.

2. The voting lineup, barring domestic upheaval somewhere or provocative act by Castro, now appears to be as follows:

A. Committed to lifting sanctions: eleven countries: Argentina, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Mexico, Panama, Peru, Trinidad and Tobago, and Venezuela.

B. Very probable (committed but with a tinge of uncertainty): two countries: Dominican Republic and Haiti, making likely total of 13 votes for resolution.

C. Swing votes, now in the abstain column: Bolivia, Guatemala, and Nicaragua. Bolivia and Nicaragua clearly look to the U.S. for a lead. Guatemala is more independent minded but wants our views. Guatemalan Foreign Minister Molina wants to lift sanctions, in interests of Rio Treaty and inter-American system, but his President, because of right wing political criticism, has reversed that commitment, at least tentatively.

3. In these circumstances, it has become rather more likely that Quito will result in a legally inconclusive outcome, with the co-sponsors keeping their absolute majority but falling slightly short of the required 14 votes. If the majority will is thus blocked, the long-term

¹ Summary: Ingersoll and Rogers noted that failure of the resolution to lift OAS sanctions against Cuba threatened regional relations. They recommended discreet efforts to ensure its passage at the upcoming meeting of Foreign Ministers at Quito.

Source: National Archives, RG 59, Central Foreign Policy File, D740312–0179. Confidential; Immediate; Exdis. Drafted by McNeil; cleared by Mailliard, Feldman, Einaudi, Shlaudeman, Rogers, and Luers; and approved by Ingersoll. In an October 17 memorandum to Ingersoll, Rogers stated that discord at Quito would “harm the ‘new dialogue’ itself,” and he envisioned a scenario in which a vote to lift sanctions would be in the U.S. national interest. (Ibid., P850150–0066) In telegram 241946/Tosec 614 to Tehran, November 3, Lewis and Einaudi noted the broader implications of the Quito Conference, concluding that “we cannot afford to see a stalemated outcome.” (Ibid., D740314–0912) In telegram 5097/Secto 427 from Bucharest, November 4, Kissinger replied that “we will not organize votes for a resolution which we basically do not favor,” reiterating his instructions to abstain. (Ibid., P850027–1638) Telegram 236997 to New Delhi, October 27, is ibid., D740307–0305. Telegram 14456 from New Delhi, October 28, is ibid., D740307–0367.

consequences could be very serious, particularly as there will be a tendency to blame the U.S. for this outcome. (See report of Argentine Foreign Minister Vignes' conversation with Bowdler sent Tosec 391.) Venezuela and Colombia will likely move to restore relations with Cuba anyway, but they will also resent our having persuaded them to delay and to go the OAS road in vain. Discrediting of Rio Treaty may loosen restraints against adventurism along disputed borders (e.g. Chile/Peru, Salvador/Honduras). Most importantly, the damage to institutional frameworks will have spill-over effects on the new dialogue and stimulate tendencies to replace inter-American linkages with wholly Latin groupings, from which the U.S. would be excluded.

4. We have set this forth without trying to estimate degrees of damage. But the nature of this qte we-they unqte relationship puts us in the position where qte they unqte are going to think that qte we unqte don't care about the inter-American relationship.

5. In view of the consequences if Quito becomes a failure and an embarrassment, we put forth some alternatives, which do not repeat not include a favorable U.S. vote:

A. Try discreetly to assure enough votes for a two-thirds majority, even though we cannot vote for the resolution, through selected approaches to certain countries, principally the swing votes. (This could fail, since countries may be unwilling to do as we say and not as we do, and leaks could be damaging, although defensible on grounds that we are trying to make clear that we are responsive to majority will.)

B. Consider the possibility of postponing, at Quito, a decision on the issue. (Postponement of the meeting itself seems next to impossible; Ecuador is all geared up and ridicule would attend postponement.) But if it became apparent Quito would be a debacle, it is remotely possible the Latins might wish, after debate, to postpone the decision. However, some Latins will almost certainly insist on a vote.

C. When we get to Quito, and if the outcome still looks inconclusive, explore the possibilities for juridical legerdemain, perhaps using our authority to agree to changes in the Rio Treaty voting procedures to spark a preliminary vote, by two-thirds majority, that the lifting of sanctions in this instance should be by majority vote. We would vote in favor on the first vote, abstain on the second vote. This procedure would be tricky and might face competition from an unwelcome resurrection of Facio's qte reverse two-thirds unqte formula of last year. (A procedural maneuver setting up a situation where the vote is on the issue of retaining—rather than lifting—sanctions and where two-thirds would then, by this interpretation, be required to keep them on.)

6. If you agree, we would propose following alternative A, trying to assure a two-thirds majority. Even if we fail, this effort may deflect some of the rancor directed at us and thereby lessen somewhat the ad-

verse effect of an inconclusive outcome. We would propose discreet approaches, tailored to individual countries and personalities, as follows:

A. Cable our Ambassadors in the Dominican Republic and Haiti, asking them to approach the Presidents (who make all the decisions there) to confirm they are still committed to voting for lifting sanctions, and saying that we understand their reasons for doing so.

B. A personal approach to Nicaraguan Ambassador Sevilla-Sacasa, as the best route to President Somoza, saying that while we will likely abstain, because of the special symbolism that attaches to the U.S. vote, nonetheless we see considerable advantage to having the sanctions lifted before this divisive issue permanently damages the fabric of the inter-American system. Sevilla has hinted to us that Nicaragua might vote for, although the context clearly was that of following the U.S. Nonetheless, it wouldn't hurt Nicaragua's image to be on the opposite side of a vote from the U.S.

C. An approach to Bolivia, via cable, and to Guatemala, either by cable or through personal contacts, saying that we will likely abstain, but are concerned about the damage to the inter-American system if results are inconclusive. We know they share our concerns, and hope they will weigh their interests carefully in deciding how to vote. We would stress Bolivia's particular interest in the Rio Treaty as an element of security with her neighbors, from whom she feels far from secure.

7. This would scrap the approach suggested in ref A. We would of course tell the Brazilians exactly what we are up to before embarking on this course. Request your guidance.

Ingersoll

25. Memorandum From the President's Deputy Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, November 5, 1974.

SUBJECT

Cuba Policy: The U.S. Vote At The Quito Conference

BACKGROUND

United States policy toward Cuba has an importance that goes beyond purely bilateral issues and has broad implications for our relations throughout Latin America and the Caribbean.

The essence of that policy, the diplomatic and economic isolation of Cuba, is written into the sanctions adopted ten years ago by the Organization of American States (OAS). The policy is also codified in a complex and thorough body of U.S. executive and legislative prohibitions.

OAS sanctions are binding treaty obligations for its member states and have constituted the foundation of our policy over the years. The reasons for their imposition were Cuba's sponsorship of insurgencies in Latin America and their identification as a Soviet sponsored government with all that portended for Western Hemisphere security interests. These sanctions are now under heavy assault.

A majority of Latin countries has now concluded that the cost of maintaining sanctions outweighs their benefits. The range of reasons indicates that the dimensions of the "Cuba problem" are far wider than Cuba's limited influence in the hemisphere:

—For those countries where left-wing nationalism or Third World identification is dominant (Argentina, Mexico and Peru among others) the sanctions symbolize U.S. hegemony in the hemisphere. They are pressing to dismantle the policy in order to signal a new era of more equal relations between the U.S. and Latin America.

¹ Summary: Scowcroft reviewed options available to the United States regarding the vote on OAS sanctions against Cuba at the upcoming meeting of Foreign Ministers in Quito, Ecuador.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, Country Files, Box 2, Cuba—Political, Military 1. Confidential. A note on the memorandum reads: "Pres has seen." In telegram 7696/Depto 42 from the Embassy in Ecuador, November 12, the Embassy reported twelve countries had voted for the resolution to discontinue diplomatic sanctions, three had voted against it, and six countries, including the United States, had abstained. Because it did not pass by a two-thirds vote, the resolution failed. (Ibid.) Ingersoll's explanation of the abstention is published in the Department of State *Bulletin*, January 6, 1975, pp. 8–9.

—Several former strong supporters of sanctions (including notably Colombia and Venezuela) now see the policy as overtaken by détente and the fading of the Cuban threat, as well as a bar to greater Latin American unity.

—Some of the smaller nations (such as Costa Rica and Ecuador) fear that the erosion of the policy is undermining their own security which they see as linked to the integrity of the Rio Treaty. They want Cuba's situation in the hemisphere "regularized" to preserve the treaty as a viable instrument for collective action.

—Only Uruguay, Paraguay and Chile continue to resist any change in the status quo without pressure from the United States.

Fidel Castro still perceives Latin American rejection of United States leadership as the ultimate guarantee of his revolution. Since 1968 he has pursued that objective primarily through selective diplomacy directed at establishing state-to-state relations rather than by the promotion of continental revolution. His strategy is to establish relations and trade with "independent" governments as a means of legitimizing his revolution, while diminishing U.S. influence and weakening the OAS.

The Soviet Union has brought Castro along during these last six years to an acceptance of the necessity to institutionalize the Cuban revolution, to integrate it further into the Soviet system and to follow the Soviet lead in discarding revolutionary adventurism as a policy for Latin America. The USSR evidently hopes Cuba's growing acceptance by other Latin American countries will help legitimize the Soviet role in Cuba and through expanded trade (particularly in Venezuelan petroleum) might relieve some of the economic burden it now carries.

From our own standpoint maintenance of the sanctions has been increasingly complicated by their effect on the third-country operations of American corporations. Our controls on trade with Cuba involving U.S. subsidiaries is regarded in a number of Latin American countries as a direct challenge to national sovereignty. Opposition to the policy has also been growing in the Congress and among opinion makers in this country.

U.S. STRATEGY

The U.S. has two basic interests: to limit Castro's influence in the hemisphere and to prevent the Cuban issue from disrupting our effort to build a new and more cooperative relationship with Latin America. The policy of isolation has served the first of these well but now poses a threat in terms of the second. We have followed a dual track of protecting the policy within the OAS while seeking to separate the issue from the new dialogue. We have succeeded so far in postponing the issue and by a few careful concessions (notably licenses for automobile exports from Argentina) keeping it within the multilateral framework. Our strategy has been to control the timing of OAS consideration of the

Cuban problem so as to be able finally to shape the process by which it is resolved.

THE SITUATION NOW

Cuba's isolation in the hemisphere is rapidly coming to an end. Eight countries now have full ties with Cuba (Mexico, Argentina, Peru, Panama and the English-speaking states of the Caribbean).

We can no longer prevent some kind of OAS action to modify or lift the sanctions. At Quito we will be faced with a majority against continuance of the sanctions. However, it may be possible to keep together a blocking third to prevent formal lifting of the sanctions under the treaty.

THE SITUATION AT QUITO

In view of the U.S. position against lifting the sanctions until there is a change in Cuban policy, there are two options to choose between at Quito—to vote against lifting the sanctions or to abstain. The pros and cons of each of these positions are outlined below:

Vote Against

Pro

- Would probably result in sanctions being formally maintained, although vitiated by several governments individually.
- Would be supported by conservative members of Congress.
- Would please the Cuban-American community.

Con

- Would probably not prevent a majority from voting to lift sanctions and going ahead to do so unilaterally. In this context, it would be extremely divisive and would set us in a clear opposition to the majority of the members of the OAS at a time when we are attempting to structure a harmonious new relationship.
- Would be inconsistent with our pledge of flexibility in dealing with Latin issues.
- Would call into question the credibility of our pledge to respect the opinions of the leading Latin American countries (Argentina, Mexico, Venezuela and Colombia).
- Would carry on an inconsistency in our policy on détente by maintaining confrontation where negotiation seems possible.

Abstain

Pro

- Would indicate some flexibility in the U.S. bilateral approach to Cuba and in our dealings with Latin America generally.
- Would indicate respect for the viewpoint of important Latin American countries.

—Would enhance the credibility of our call for a new dialogue with Latin America.

—Would be consistent with our overall policy of détente.

—Would probably result in sanctions still being formally maintained.

—Would make it easier to carry on a productive relationship with the OAS community generally and would preserve the institutional credibility of the OAS.

—Would be supported by liberal members of Congress.

Con

—Would represent a subtle departure from past policy.

—Would be opposed by some conservative members of Congress.

26. Briefing Memorandum From the Deputy Secretary of State (Ingersoll) and the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, November 14, 1974.

The Quito MFM in Perspective

The aftermath of Quito looks to us like this:

1. *U.S. Restrictions:* With the 1964 OAS Resolution still in effect, the U.S. will begin to face some dilemmas arising out of our third country sanctions, especially those affecting trade with Cuba on foreign flag vessels, and trade by U.S. subsidiaries abroad. There will be increasing pressure on foreign subsidiaries of U.S. firms in Venezuela and Colombia to sell to Cuba—perhaps pressure on the oil companies themselves. Panamanian flag vessels may move into the Cuban trade, mandating a cut-off of the largest per capita aid program in Latin America. Military assistance would also be suspended. These actions could conceivably impact adversely on the climate for the Canal Treaty negotia-

¹ Summary: Ingersoll and Rogers reviewed the state of U.S. relations with Latin America in the wake of the inconclusive Quito meeting of Foreign Ministers.

Source: National Archives, RG 59, Central Foreign Policy File, P850146–0796. Confidential; Exdis. Drafted by Rogers on November 14. In telegram 252031 to all American Republic diplomatic posts, November 15, the Department transmitted this analysis to the field and instructed posts to express the U.S. view on the Quito meeting in conversations with host government officials and local media representatives. (Ibid., D740334–0985, D740329–0675)

tions. The fact that a majority of the OAS member states have voted in favor of lifting sanctions will make it increasingly difficult to maintain our own third-country legislative and administrative provisions precisely in their present form. We are examining some limited adjustments in those provisions which may help us avoid confrontation with the countries which will soon have normal relations with Cuba, and at the same time keep us in full compliance with the 1964 Rio Treaty measures.

There may well also be increased interest in visits by non-political Cuban intellectuals and artists to the U.S., and for expanded U.S. visaed travel to Cuba.

2. *Future of the OAS Sanctions:* It is difficult to say where the twelve proponents go from here with respect to the 1964 measures—perhaps nowhere. The sanctions could be quickly lifted of course without the theatrics of a Foreign Ministers' meeting by the Council here in Washington if the necessary two-thirds vote were available for a finding that Cuba no longer constituted a threat to the peace and security of the hemisphere. If a two-thirds majority does not develop, then the longer-range solution is to amend the Rio Treaty to permit a majority vote. There was some talk in Quito that the question might be raised again in a few months, perhaps in conjunction with the OAS General Assembly now tentatively scheduled for mid-April here. It could also be before us for the Buenos Aires meeting in March. But for the moment there is nothing firm to suggest anything other than continued stalemate on the legal question for the next several months, with additional countries ignoring the sanctions by establishing relations with Cuba.

3. *Effect on New Dialogue:* The sense of frustration which the sponsors took home from Quito will have an effect on the general mood in the hemisphere. The proponents did their best to drum up sympathy in Latin America for their efforts. The countries lined up in what looked like blocs. National positions polarized and hardened. And commentators are already remarking that the Latin American democracies were all on one side.

But insofar as the Ministers themselves are concerned—perhaps Schacht to one side—it is hard to measure any immediate effect on the New Dialogue. We met in the closing hours of the meeting with Brazil, Mexico, Panama, Colombia, Costa Rica and Venezuela and a number of others. All were personally friendly; all looked forward to the MFM in Buenos Aires; all were ready to pursue their own bilateral interests with us. We would hope that the interim New Dialogue Working Group Meetings (on Science and Technology and on Transnational Enterprises) as well as the planning meetings, will move forward as anticipated, without additional difficulties.

The problem of Cuba's presence at the New Dialogue, and particularly in Buenos Aires, is more acute now than ever. Positions on Cuba hardened at Quito. It is overwhelmingly likely, according to Silveira, that Chile, Paraguay and Uruguay, and perhaps some of the abstainers as well, would now have to oppose a Cuban presence at Buenos Aires, while those that have recognized Cuba, a group that will shortly include Venezuela and Colombia, may favor the Cuban presence.

Finally, our own neutral posture at Quito may raise similar expectations *vis-à-vis* our tactics at other inter-American meetings.

4. *The Future of the Rio Treaty and of the OAS*: The effect of Quito on the OAS itself will be lasting. The Rio Treaty as presently constituted is virtually dead insofar as application of sanctions is concerned. Pressure will be heavy to revive it in a more radical form than has thus far been negotiated in the OAS Special Committee. Pressure will also grow for some change of the OAS itself.

Panama and Peru were particularly emphatic about the need for change, and can be expected to come down hard on issues such as collective economic security in the Special Committee for restructuring the inter-American system which will resume its work later this month.

We will dispatch a cable to the field, along these lines.

27. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) and the Director of the Policy Planning Staff (Lord) to Secretary of State Kissinger¹

Washington, January 14, 1975.

Why Has The New Dialogue Soured?

This memorandum addresses several questions you posed at last Thursday's staff meeting. It reflects views aired at last week's Latin American Mission Chiefs Conference.

¹ Summary: This memorandum analyzed Latin American frustration with the New Dialogue.

Source: National Archives, RG 59, Records of Henry Kissinger, Entry 5403, Lot 78D217, Box 14, Briefing Memoranda, 1975, Folder 6. Confidential. Drafted by Bloomfield, Lewis, and Einaudi on January 14. The January 2 memorandum from Rogers to Kissinger and its tabs are not attached and not found. At the January 10 staff meeting, Kissinger asked "how in a period of six months what was considered a promising new approach [the New Dialogue] is turning into a bone of contention." (Ibid., Transcripts of Kissinger Staff Meetings, 1973–1977, Entry 5177, Lot 78D443, Box 2) The Kissinger trip to

Has the New Dialogue Soured?

Not yet, but it is beginning to “turn.” Whether it will go sour depends on the outcome of the BA meeting.

What Is Wrong?

To take the analogy further, the problem is old wine in new bottles. The New Dialogue was new largely because it involved Henry Kissinger. But many of the issues were old.

The significance of this is that—

(1) The New Dialogue was a risky venture from the outset.

—Like all the earlier U.S. initiatives, it aroused some expectations which could not be met, at least in the short term. The New Dialogue was launched by a unique Secretary of State, one who had just assumed office fresh from enormous foreign policy triumphs. You asked the Latin Americans to tell you what was wrong with U.S. policy. They had fantasies that you would work some special magic to set wrongs aright. Culturally predisposed to believe in heroic leaders, the Latin Americans did not understand that in our political system foreign policy issues increasingly involve a process—usually lengthy—of negotiation and compromise between two branches and two parties. Because their expectations had been aroused and deflated several times in the past two decades, the current crisis of confidence may have come somewhat more quickly than we might have expected. The cycle, in other words, may be getting shorter.

—The operational format of the New Dialogue actually invites confrontation in some ways. It calls on the Latin Americans to formulate general, lowest-common-denominator group positions to present with one voice to us; it does not lend itself to the give-and-take of practical discussions, or the development of implementing steps, or the manipulation of conflicting Latin interests.

—We and the Latin Americans approached the New Dialogue with different premises. We sought new common enterprises, building on our past associations; the Latin Americans have numerous preconditions which must be met before they can be expected to respond—if then.

—Finally, the political support for a renewed U.S.–Latin American “special relationship” was limited. For the Latin Americans, their identity crisis (are they “allies,” a special “bloc” or part of the “Third World?”) led them to reject “community” with the United States—even though they would like to see the United States act as if one existed. And in the United States, concern with domestic problems and other international priorities has made it difficult to develop a convincing rationale for a genuinely “special effort” to strengthen relations with Latin America.

Latin America mentioned in the closing lines of this memorandum was scheduled for mid-February but was postponed due to developments in the Middle East. (Telegram 23922 from the Department to Buenos Aires; *Ibid.*, Central Foreign Policy File, P830106–2733)

(2) These initial handicaps were obscured and muted by the excitement of Henry Kissinger's involvement in the dialogue. The euphoria has begun to wear off, *pari passu* with the Latin Americans' growing belief that we are not being responsive to their demands:

—The U.S. attempts to work out what we see as balanced compromises in the Working Groups (on Science and Technology and on Multinational Corporations) is seen by the Latins as foot-dragging: if we really want to be responsive, they reason, we would simply do what they have asked us to do—for example, commit U.S. industry to a massive, free transfer of technological secrets.

—Quite apart from its failure to resolve the OAS-Cuba issue, the losing majority feels that Quito demonstrated continuing U.S. indifference and lack of responsiveness.

—We seem to them to be going backward on the single, most important economic issue for the Latin Americans—trade. The countervailing duty actions of last summer against Argentina, Brazil and Colombia called into question our commitment to reduce, rather than raise, trade barriers. This skepticism has blossomed into outrage with the passage of the Trade Act. The TRA, ballyhooed since 1969 as a major step forward in U.S. willingness to deal with Latin American economic needs, turns out to have retaliatory proscriptions that reawaken the frustration created by the restrictive legislation of the past decade. Specifically, Latin Americans ask of what possible use the New Dialogue or the “special relationship” can be if they continue supplying us with petroleum during the Arab embargo, only to have Congress treat them as if they were Arabs, while the Executive shows them even less attention.

—And in the midst of these disappointments, the CIA revelations have called into question the sincerity of your commitment to non-intervention in the internal politics of Latin America.

What Should We Do?

The situation is not irretrievable. Responsiveness to even a few of the more important Latin American concerns can offset much of the current malaise. The Buenos Aires meeting can be made a success.

Analysis and recommendations on these matters are contained in Rogers' memorandum to you of January 2 (copy attached). Tab B of that memorandum presents a concrete action program for the Buenos Aires meeting itself.

Between now and your Latin American trip, several preparatory actions are essential:

—a well-publicized effort to obtain more flexibility in the Trade Bill;

—a decision on some of the other items in the January 2 package.

And your trip will help achieve a better, more balanced understanding with key actors about realistic goals for the Buenos Aires meeting.

28. Telegram 22865 From the Department of State to All American Republic Diplomatic Posts¹

Washington, January 31, 1975, 1834Z.

22865. Subject: Postponement of Buenos Aires MFM. From Acting Assistant Secretary Bowdler.

The following may be useful background for you in light of the postponement of the Buenos Aires MFM:

1) We are, of course, disappointed at this latest turn of events. As we said in our public statement, we fail to understand why the MFM dialogue with the Secretary, one of the purposes of which was to examine areas of conflict, should have been interrupted by the few undesirable provisions of the Trade Act—provisions which the President and the Secretary had already indicated needed to be reconsidered.

2) Nevertheless, we do not intend to let the postponement of the Buenos Aires meeting deter us from taking those actions with regard to our policies and programs in Latin America that need to be taken. We have been working on a number of initiatives in the expectation that they would coalesce in time for the BA meeting. These presumably were worth doing on their merits and we will continue to pursue them on that basis, although we may have to revise the timing and form of presentation.

3) The Argentine announcement on postponement of the BA MFM leaves future of the dialogue in some doubt. The initiative for resuming it is clearly in the Latin America's court. The Latin Americans may prefer to fold the informal MFM format into the OAS through appro-

¹ Summary: Latin American objections to the U.S. Trade Act of 1974 prompted postponement of the March Foreign Ministers' meeting in Buenos Aires. While the Department acknowledged the action raised doubts about the new regional dialogue, it stated that strengthened relations with Latin America remained a key element of U.S. foreign policy.

Source: National Archives, RG 59, Central Foreign Policy File, D750036–1053. Confidential; Priority; Stadis. Drafted by Bloomfield, cleared by Shlaudeman and Einaudi, and approved by Bowdler. In telegram 637 from Buenos Aires on January 28, the Embassy transmitted an Argentine Government statement announcing that Latin American objections to discriminatory provisions of the U.S. Trade Act of 1974 had prompted it to propose postponing the Buenos Aires meeting of Foreign Ministers. (Ibid., D750031–1016) According to a January 23 memorandum of conversation, Kissinger and Argentine Ambassador Orfila discussed the possible postponement of the Buenos Aires meeting. Kissinger told Orfila that Latin Americans "can't have it both ways. They can't complain of the lack of priority [in U.S. policy] and behave as they are behaving now. Why should the United States put itself in this position? What do we get from the new dialogue? It seems to me that the new dialogue consists of a list of things for us to do and there is not much interest in what the Latin Americans can do for us." The memorandum is published in *Foreign Relations*, 1969–1976, vol. E–11, Part 2, Documents on South America, 1973–1976, Document 25.

priate restructuring. The April meeting of the OASGA offers the opportunity to explore this possibility. In the meantime we will concentrate on bilateral and sub-regional opportunities for building the new relationship we seek. In the end this relationship may be easier to achieve via this route than through the collective approach where “Latin American solidarity” places a premium on following the lowest-common-denominator position taken by any one of the twenty-four other participants.

4) For our part, as the Secretary made clear in his January 28 news conference, strengthened hemisphere relations is one of the cardinal aspects of our foreign policy. The Secretary plans to travel to South America this spring. We want to take advantage of every opportunity for a generally beneficial two-way exchange on a continuing basis.

Kissinger

29. Telegram 30391/Tosec 39 From the Department of State to the Consulate General in Jerusalem¹

Washington, February 11, 1975, 0023Z.

30391/Tosec 39. Subject: Briefing Memorandum: Latin American Regional Issues/Bilateral Relations. For the Secretary from Rogers.

On February 9, you asked for an outline of our Latin American policy in the coming months. I have tried to take into account the domestic political equation.

I. Regional Issues. There are five.

1. Cuba: Resolve the OAS sanctions issue. Remove the third country constraints as they apply to U.S. subsidiaries. Continue quid pro quo bilateral moves. The Executive should stay out in front. If

¹Summary: Rogers briefed Kissinger on key issues in U.S. relations with Latin America and summarized U.S. policy goals in the region, which included resolving problems involving Cuba and Panama, modernizing the OAS, and concentrating on the maintenance of strong bilateral relationships.

Source: National Archives, RG 59, Central Foreign Policy File, D750048–0675. Confidential. Drafted and approved by Rogers. On March 1, Kissinger delivered a speech in Houston on U.S.-Latin American relations in which he highlighted U.S. interest in negotiating a Panama Canal treaty, defining the place of Cuba in the hemisphere, and expanding trade and economic ties. (Department of State *Bulletin*, March 24, 1975, pp. 361–369)

Congress continues to indulge its temptation to meddle (Kennedy is planning a trip to Havana, for example) the U.S. will pay a price.

2. Panama: Get a treaty this spring, and stick it to the liberals on the hill that if they really want to be helpful in fashioning a new posture for the U.S. in Latin America the Panama Treaty is the acid test.

3. The Inter-American System; it is in crisis. We can paper over the crisis by going back to Buenos Aires, and allowing the OAS to stumble along with a new Secretary General and some more U.S. money. Or we can give a real push toward restructuring of the OAS, and in the process reduce the opportunities and temptations to bloc confrontation which vex the hemisphere now. To this end, for the first time we should take the lead in the reorganization of the inter-American system.

4. Trade and Finance: Proceed in a business-like way to see if we can adjust the Trade Reform Act to take care of the Latin complaints. Reflect Latin interests in our negotiating posture in Geneva. Try hard to defuse the countervailing duties issues. Support the Inter-American Bank—sell the veto and get the replenishment. Keep our bilateral aid at present levels.

5. Law of the Sea: Press hard at Geneva next month for agreement on the acceptable economic zone (patrimonial sea) concept which should help us avoid the type of confrontation we are now having with Ecuador.

And, in the real realm of style ... be conciliatory ... and avoid slogans and promises, particularly in multilateral fora.

II. Bilateral Relations

1. It is the big regional debates that get the public attention. But the real grist of our relations are bilateral. This will be more and more true, as Latin America is increasingly differentiated by the process of economic and political change. Overall, our bilateral relations are now quite good. They can be steadily improved over the next twelve months.

2. There are some nattering problems—the tuna controversy with Ecuador, countervailing duties with Brazil and the general sense of tension and misunderstanding in Caracas. But I reckon these to be at least manageable.

3. Your trip will help significantly with key South American countries. If we get a Panama Treaty, we will honestly be able to say a year hence, I believe, that our general bilateral relationships have rarely been better with Latin America.

4. This, after all, is what foreign affairs is all about. I would be inclined to say as much to the American people—that we have a well-designed policy of clearing up old irritants (Cuba, Panama), modernizing the OAS ... and then concentrating, not so much, on regional

rhetoric and general protestations of undifferentiated good will, but on the realities of our important and discrete bilateral relationships.

Ingersoll

30. **Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹**

Washington, March 4, 1975.

Some Reflections on Latin America

I promised you an analytical piece on Latin America before my trip—and one after. And here are some pre-trip reflections.

I. The Postponement of the Buenos Aires MFM.

We had given you an earlier memorandum on the reasons which led Latin America to the postponement of the Buenos Aires meeting. They are essentially that the Venezuelan drive for leadership in Latin America coincided with Latin American disillusionment with the New Dialogue, and increasing apprehension over the possibility of U.S. retaliation against efforts to defend raw material prices. There are some ironies in this:

(A) *Venezuela's Denunciation of the U.S. Trade Bill.* There is, first, a heavy irony in the fact that Venezuela led the charge of economic coercion against the United States on account of the Trade Bill. For it is hard to imagine anything which has had such disastrous effect on the development aspirations of the non-oil producers in Latin America as the recent oil price increase. The oil price increase affected the balance of pay-

¹ Summary: Analyzing the state of U.S.-Latin American relations and assessed U.S. interests in the region, Rogers suggested the United States rely less on multilateral forums and more on bilateral relationships in its dealings with Latin America.

Source: National Archives, RG 59, Central Foreign Policy File, P830035–1100. Confidential. Drafted by Rogers on March 4. According to telegram 52560/Tosec 155 to Kissinger in Aswan, March 8, Rogers was to travel to Argentina, Uruguay, Chile, Peru, Brazil, Venezuela, and Colombia between March 10 and March 17. (Ibid., D750081–0245) No post-trip briefing memorandum from Rogers to Kissinger on Latin America has been found. The memorandum from Rogers to Kissinger on the postponement of the Buenos Aires meeting has not been found. The cable from Crimmins referred to in the final paragraph of this memorandum is telegram 1508 from Brasilia, February 27. (Ibid., D750070–0373.)

ments of these countries directly; no country can develop without energy, and a reduction in the capacity to import energy has a direct effect on development programs. In addition, the non-oil producers are by and large producers and sellers of other basic commodities—copper and other metals, bananas, coffee, etc. The prices of these have softened considerably in recent months. This happened because of the recession in the industrialized countries. There is a direct correlation between the prices of raw materials and industrial activity in Europe, Japan and the United States. The oil price increase was a major cause of the industrial slowdown, and have in the decline in commodity prices. It thus has had a double-whammy effect on the economic outlook of the poor countries.

There is no public indication that Venezuela is prepared to face up to this fact, nor that any of the other countries in Latin America will tackle Venezuela on the oil price increase. (Blanco has inscribed the oil price increase on the agenda of the OAS General Assembly as an item for discussion. We shall see whether he and other countries follow through, and if Venezuela begins to make noises about a price concession on oil to Uruguay.)

(B) *The Importance of the Trade Bill Overall.* The second irony is that the Trade Act, which is now thought in Latin America to have contributed about as much to world order as Genghis Khan, is a major step forward. This is most particularly so because it authorized the U.S. to begin the Geneva negotiations. And the Act looks even better if one compares it to the condition the world would have been in now without it—rife with moves toward protectionism, and the United States market increasingly closed to Latin American exports. There is little appreciation of this in Latin America. The Venezuelans have made no effort to make the point. And when we do so, it is met with surprise.

(C) *Preferences as "Economic Aggression."* There is a third irony: that the issue arose at all with respect to the granting or withholding or preferences. Preferences are, by definition, preferences. Someone must be excluded. They are the grant of an advantage.

And the irony is particularly heavy in this respect because it was Venezuela and Ecuador who are complaining. Venezuela's total tariffed commodities are about \$15 million. Had it been eligible only a very small fraction of its industrial output would have been advantaged. Beyond that, there is every indication that Venezuela, in any event, should be excluded from anyone's preference system. For it is hard to imagine any country—the Arab states to one side—less entitled to preferences. Or to state it another way, more appropriate for exclusion from a preference system. Certainly, Venezuela, in terms of its present balance of payments, has much less claim on GSP than Italy. So

for Latin America to complain about the exclusion of Venezuela from the preference system is truly ironic.

(D) *A Real Example of Economic Coercion*. There is a fourth irony. The United States has been guilty of “economic coercion.” The ban on arms aid to Chile is a perfect example. The Congress insisted that we not trade in arms with the Chilean junta until and unless that government changed its internal policy. This was a clear case. But no Latin has raised it.

II. *Some Generalizations about Latin America.*

In addition to the irony which is always a consolation to the civilized man, there are, I think, several principles which may be extracted from these recent events.

(A) *The Leaders and the Followers*. One would have to conclude at the moment that Venezuela is a new Latin leader. If it can do as well as it did with Schacht as Foreign Minister, we are bound to expect some considerable initiatives under Escovar. Carlos Andres Perez, the President, is ambitious to make his name in Latin America. He may come a cropper, in his attempts. As Bolivar said, he who attempts to make unity in Latin America plows the sea. But Carlos Andres Perez is going to try. The acid test will be for him the forthcoming Caracas meeting of Latin American heads of state.

It would be idle to deny that he has a rather clear field. Mexican foreign relations are a shambles. Rabasa, in the period prior to the final cancellation of Buenos Aires, took three different and utterly inconsistent policy positions—first, in favor of non-cancellation; then in favor of your conciliation of Venezuela and Ecuador in order to allow B.A. to go forward; and, finally, a last desperate effort to seem of consequence by a statement endorsing a position already taken in Cuba by Echeverria’s Resource Minister that Mexico would not attend Buenos Aires if Cuba did not go. It will be interesting on my trip to see if I can find out anyone who is now prepared to take Mexico seriously in the foreign relations field.

As to Brazil, one can only conclude that President Geisel is not interested in foreign relations at the moment (with a possible exception of maintaining and cultivating Brazil’s ties with the neighboring small countries of Bolivia, Paraguay and to an extent Uruguay—in part in competition in the traditional way with Argentina.) From all appearances, Silveira has played, or been forced to play by internal constraints, a follow-the-leader role on the Trade Bill/Buenos Aires debate. And there evidently are no new initiatives to be expected from Brasilia in the near future on any of the major vexing issues.

(B) *Multilateral Disputes and Bilateral Relations*. We have in ARA attempted to do an estimate of the extent to which the debate over the

Trade Bill and Buenos Aires MFM have had fallout in terms of bilateral relations. We have found, in fact, very little. There is a precious little linkage between the rhetoric of the multilateral issues—which as a matter of institutional practice are largely monopolized by foreign ministries—and the day-to-day grist of relations in the bilateral area. I would hazard a general principle. We can continue to have warm and productive bilateral relationships even when Latin America, with its flags of solidarity unfurled, is knocking us around in the OAS. By the same token, the most cordial atmosphere in multilateral fora will have little fallout effect if some nattering concrete issue arises to plague our bilateral relationships.

(C) *Bearbaiting*. One should quickly add another principle of inter-American relationships, however. That is that in certain countries and at certain times there will be a positive domestic political advantage to baiting the United States. This is not universal. And it is not true at all moments in history, even in any single country. The curve, for example, goes up and down in Mexico. Argentina is another example of the variation in this incentive. It was profitable for Peron in his earlier tenure to be profoundly anti-United States. Not so today.

III. *Our Policy*

What in the circumstances should be our policy? It seems to me that the answer to that question must depend on what our interests are. And in order to define what our interests are, it is best to start with a clear definition of what they are not.

Our interest is not to be loved. Too often in the past American policymakers have taken love and admiration as a test of policy. They have looked back with not entirely justified nostalgia to the earlier Roosevelt era of the Good Neighbor Policy, and to President Kennedy's personal cachet in the hemisphere. But I think we ought to be quite clear that U.S. policy in Latin America is no longer a popularity contest. Not that the United States cannot be regarded with respect and warmth. Rather, that we should not assume that the index of verbal friendliness is a measure of the success of our policy, or that on the other hand, a diplomatic discourse marked by tough language is necessarily evidence of failure.

U.S. popularity in Latin America, if the past is any guide, is a cycle. There is kind of boom and bust phenomenon, periods and spurts of euphoria, in which Latin America responds to a U.S. initiative with a show of enthusiastic interest. But these booms, like all booms, contain the seeds of their own decay. For over and over again these periods of upswing have been followed by a turn of the cycle downwards. What were interpreted as promises and assurances of U.S. help and sympathetic understanding give way to a realization that the United States cannot and will not cave in to the totality of Latin verbal demands.

In short, Latin America today is no place for Valentine's Day diplomacy.

By the same token, it is not in the United States's interest to see the frustration and disappointment of Latin American aspirations. In the past, when the Alliance for Progress euphoria wears off, Latin America convinces itself that the U.S. is just a big economic bully. That is the kind of period we are in today.

Latin Americans must understand that we understand that we are not advantaged by their poverty. Our economic fortunes and future wealth do not depend on continuing Latin America as the haulers of wood and drawers of water—doomed to be raw material exporters for the rest of time. Begger-thy-neighbor is not in our best interest. Therefore, it is not U.S. policy.

Nor is U.S. policy related to any very significant strategic interests in the area. Sub-Sahara Africa aside, Latin America is probably of less strategic significance to the United States than any other region in the world. It is the source of a substantial proportion of our foreign oil requirements, as well as other minerals. But in large part—Cuba and the Missile Crisis aside—it was not the cockpit of any serious Cold War issue. Nor does it seem likely to be. Nor is Latin America a linch pin in the world economic and financial system, like Japan or Europe. The hyperbole President Kennedy always liked—that Latin America is the most important area of the world—is a bad overstatement.

What then are our interests, if they are not popularity, or the maintenance of a tributary relationship, or security?

The best way to work out a definition of this interest, it seems to me, is in terms of a vision of what kind of Latin America we would like to see five, ten or twenty years from now. My view of the Latin America most compatible with long-term United States interest is a region of two dozen disparate states, moving ahead effectively and with confidence toward their development goals—that is to say, increasingly in command of their own destinies, increasingly able to ensure that their citizens enjoy the decencies of life, increasingly self-confident and comfortable in the world environment.

That state of affairs is years away (but closer than it was fourteen years ago when the Alliance began). Until we get closer to it, I see a period of challenge. That challenge will come from the deep Latin American concern with the economic power of the United States, and Latin America's fear that we are prepared to use that power to force the other states of this hemisphere to policies they sense are not in their national interest.

From this have come the suggestions (touched on in other papers, and which Ambassador Crimmins has put so forcefully in his recent cable to you) that during this transition period we reduce the multilat-

eral fora which provide rich opportunities for bloc confrontation, and strengthen our bilateral understandings around the hemisphere.

31. Briefing Memorandum From the Permanent Representative to the Organization of American States (Mailliard) to Secretary of State Kissinger¹

Washington, April 29, 1975.

Scope Paper—OAS General Assembly

May 8–19, 1975

The Setting

The OAS General Assembly, by a process of elimination, has become the first opportunity in 13 months for substantive interaction with your Latin colleagues. And it becomes a good opportunity to renew the Spirit of Tlatelolco without waiting upon the uncertainties of rescheduling the BA MFM.

A Different—Hopefully Better—OASGA

This will not be the same OASGA through which you suffered at Atlanta. The frankness and informality of the “new dialogue” MFMs have commended themselves to most. We have tentative agreement to adapt some of the procedures of the new dialogue to the OASGA, making it a potentially useful device for a constructive address by the Ministers to hemispheric problems.

—Elimination of the “General Debate,” where Foreign Ministers listened to each other posture for home consumption in lengthy public speeches. (At all events, we shall hear some rhetoric; it would take the optimism of King Canute to think we could end it entirely.)

—Two days of private “conversations”—perhaps more if you and your colleagues deem it necessary—somewhat in the style of Tlatelolco behind closed doors and with no verbatim record.

¹ Summary: Mailliard briefed Kissinger on the issues likely to arise at the May 8–19 OAS General Assembly session in Washington and proposed a U.S. strategy for the meeting.

Source: National Archives, RG 59, Records of Henry Kissinger, 1973–1977, Entry 5403, Lot 78D217, Briefing Memoranda, 1975. Confidential. Drafted by McNeil on April 28. Sent through Rogers.

—A public formalization of any agreements reached in private.

—Shortening of the Assembly's period by four days to end on May 19, barring complications.

If this experiment prospers, we expect agreement to institutionalize the private sessions at future OASGAs, thereby folding the most useful aspects of the "new dialogue" into the OAS.

The Issues

The General Assembly faces the usual lengthy agenda. There are 37 items. Most do not require Ministerial attention. We have initiated consultations looking toward a measure of advance agreement on structuring the informal agenda for the private "conversations."

Cuba and Panama, not on the formal agenda, will almost certainly be discussed.

—*Of the agenda items*, five probably command Ministerial attention, the most important being the broad-gauge item on Reform of the Inter-American System. The Trade Act, the Uruguayan item on Commodity Prices (including oil), Chilean Human Rights and the Election of the OAS Secretary General comprise the other major items.

The Historical Moment

Probably the Latins have been the least shaken by Vietnam. In the first place, they never understood why we paid so much attention to Southeast Asia and so little to our neighbors. And the Latins, part of the West as well as the Third World, aim largely at redistributive politics rather than the destruction of our world position. Aside from Cuba ("ideological pluralism" writ small) the main Latin concerns are economic. The OASGA provides a hemispheric prism on global issues subsumed under the catch phrase, "the New International Economic Order."

Ambivalence probably marks Latin reaction to Vietnam. They hope we will now pay decent attention to them. They fear that our attentions will repeat historical interventionist patterns. At the same time, some will fear that the Soviets may perceive weakness in the U.S., prompting Soviet efforts to expand their influence.

For the U.S., the Assembly poses risk and opportunity. A successful General Assembly, beyond its effects on the Latin relationship, will provide a tangible demonstration that the U.S. is alive and well on the international scene. A failure may be perceived as evidence we have been shaken by events in Vietnam to the point where our general policy has lost coherence.

The Gap Between Rhetoric and Performance

From Tlatelolco onward U.S. rhetoric has outpaced U.S. performance. Many of the issues that give us the most trouble with the Latins

are "North/South" issues, such as expropriations questions, LOS related matters, "collective economic security" and "cooperation for development." U.S. rhetoric has articulated a special importance for Latin America. Yet the new dialogue has not moved the USG to change on major issues of Latin concern (e.g. the IDB veto). Largely this is because we have found it necessary to deal with these rather intractable North/South issues in the global framework.

A Strategy for the OASGA

Nonetheless, within current policy restraints on Third World issues, we think it possible to devise a strategy that could renew some of the Spirit of Tlatelolco and make progress in certain specific areas.

The strategy is to narrow the gap between performance and rhetoric by improving performance on matters of concern to the Latins while cooling the rhetoric. (Your Houston speech set a better tone in this respect)

—Thus, *no new initiatives* on issues unrelated to the central concerns of the OASGA.

—Instead, *progress on non-Third World issues now.*

A. *Cuba*—An accommodation, along generally acceptable lines, that will end the divisive issue of OAS sanctions and remove it from the Inter-American agenda, while leaving us free to handle bilateral questions with Cuba as we choose.

B. *Panama*—We expect a spokesman from those nations at the Presidential meeting in Panama—Colombia, Costa Rica and Venezuela—will raise the issue in the style of Tlatelolco and Washington. We propose you reaffirm our intention to conclude a Canal Treaty as soon as possible and indicate we are serious about making a determined effort with Congress and the American people.

On certain other hemispheric issues we propose a discreet but constructive approach.

A. *Chile and Human Rights*—Uphold the autonomy and role of the Inter-American Human Rights Commission while couching our remarks in a way that encourages Chile toward better performance in this area rather than creating further paranoia.

B. *OAS Secretary General*—Maintain a constructive neutrality looking toward a measure of consensus on a candidate who will be generally acceptable in the hemisphere.

On Third World related issues:

A. *The Trade Act*—Demonstration of continued progress toward the goal of congressional amendment of the OPEC restriction.

B. *The Effect of Commodity Pricing on Development*—Steer a middle course between the extremes of offending Venezuela or ignoring the real effect of petroleum prices on development.

On Reform of the Inter-American System. This is the principal item on the OASGA agenda and the code phrase for the over-arching question of how to structure the Inter-American relationship. It encompasses both traditional political issues and Third World issues.

Structural and procedural aspects, though important, are secondary. The report of the OAS Special Committee provides the vehicle for discussion. The principal issues are:

- Rio Treaty Reform*
- OAS Charter Reform*, particularly the “Principles,” including such sticky ones as “sovereignty over natural resources.”
- Collective Economic Security*, where we are in a lonely, but eminently correct, position.
- The Development Council* and related institutional reforms.
- The Site of the OAS*

The Structure of Your Participation

We have keyed our recommendations for your participation to the private “dialogue/conversations” sessions. We hope you and your colleagues can reach agreement behind the scenes on how to handle the major issues, leaving the details and the remainder of the agenda for the deputies.

We envisage in the style of Tlatelolco, that your initial remarks on the broad gauge issue of the Inter-American relationship would take about 10 minutes. These talking points would encompass general views plus specific suggestions on wrapping up the Rio Treaty, the proposal for a single Development Council, and our willingness—if others wish—to see the OAS move to LA. They would also contain a demurral on the draft convention on collective economic security.

Talking points for other principal issues, such as Cuba and the Trade Act, would be brief. Brief contingency talking points on such matters as the Houston Agricultural Initiative, the IDB veto, and the Charter of Economic Rights and Duties are also in preparation.

32. Telegram 120106 From the Department of State to All American Republic Diplomatic Posts¹

Washington, May 28, 1975, 0052Z.

120106. For Ambassador or Chargé only. Following repeat State 120106 action Secretary 22 May. *Quote.* State 120106/Tosec 010230. Subject: Briefing Memorandum—OAS General Assembly Wrapup—Dialogue Restored. For the Secretary from Rogers and Mailliard

1. We had a remarkably successful OASGA. Why was it so innovative and constructive, what opportunities does it give us, and what are the restraints and debits?

2. In sum, procedural innovations, the evident willingness of the U.S. and you personally to devote attention to the Latins, a consensual approach among the Ministers, and a marked attenuation of the qte we-they unqte syndrome combined to bring about a restored dialogue and a constructive address to the issues. To this we add Lievano's competence and helpfulness and a smidgen of luck.

3. The procedural innovations of the closed door conversations, the elimination of the windy rhetoric and its consequent political and monetary cost, the stimulus to efficiency of a shortened General Assembly, and the presence of a number of Foreign Ministers throughout provided an atmosphere for the other factors to operate relatively unhampered.

—The OAS qte private conversations unqte offer two advantages over the qte New Dialogue unqte format. The constitutional requirement for annual assemblies cannot be blocked at the whim of one or two of the member states (as was the case of the BA MFM). There is no automatic qte we-they unqte syndrome (and no Latin qte spokesman unqte), except where the nature of the issue itself (e.g. Panama and the Trade Act) produces something approaching a common position among the Latins.

—Among the Latins, the impression is that this Assembly folded the dialogue into the OAS on a de facto basis. Only an unwillingness to offend the Argentines prevented other Latins from saying so in public. We should do nothing either to encourage or discourage rescheduling a BA MFM just now, but let nature take its course.

¹ Summary: The Department assessed the OAS General Assembly session in Washington, concluding that the meeting had been "remarkably successful" in reestablishing a productive dialogue between the United States and Latin America.

Source: National Archives, RG 59, Central Foreign Policy File, D750185-0917. Confidential; Exdis; Ambassador or Chargé only. Repeated to USCINCSO. Drafted by Noonan, cleared by Ford, and approved by Ryan. Sent to Kissinger in Ankara as telegram 120106/Tosec 10230 on May 22.

—Even though the conversations dragged on a bit too long, we should move heaven and earth to retain this format.

—Whether OAS procedural innovations are transferable to world bodies is questionable, as a dialogue among 120-odd participants is inherently less feasible than among 24. But it might be worthwhile examining even this question.

4. A decent amount of attention at the highest levels by the U.S. to the Latins and to the claims of Latin policy will not by itself resolve the issues but it helps. The President's reception, your active participation in the conversations and accessibility for bilaterals, the luncheon and the Sequoia restored the atmosphere of Tlatelolco which had slipped away from us as a result of the Trade Act fracas, the Quito MFM and the several postponements of your trip. This is no mean accomplishment, but it will require nurturing in the months ahead.

5. Only the Canal and the Trade Act were truly *qte we-they unqte* issues; the others produced complex positions and shifting coalitions. A resumé on several major issues follows:

—Panama Canal—The Latins, and the Panamanians in particular, were very satisfied with the evident will of the administration, as exemplified in your statement, the joint declaration and our approval of the resolution, to bring a Canal Treaty to a successful conclusion. But failure later, as you know, would severely damage our relations with the hemisphere.

—The Trade Act—Again, the clear demonstration by the President and you of the administration's backing for removal of the OPEC restrictions against Venezuela and Ecuador led to passage of two resolutions which we could vote for. The process of catharsis in the Permanent Council and technical analysis in the Inter-American Economic and Social Council had cleared the way for a dispassionate address to the issue in the Assembly, suggesting that a staged approach to sticky issues may prove useful in defusing them. But even so, were it not for the private conversations and the critical intervention of Lievano to form a working group to hammer out something, as the Salvadoran Foreign Minister said openly, that the U.S. could support, we might have faced at least one resolution we could not accept. Again, we need a major effort from the administration to get the Green amendment through Congress, given the rough committee hearing on the amendment, or the Trade Act will return to haunt us.

—Chilean Human Rights—As reported earlier, this was a most important accomplishment. The outcome encouraged Chile to better performance, while reaffirming the role of the Inter-American Human Rights Commission and decreasing Chile's sense of isolation and paranoia. Mexico tacitly acquiesced without making a major fuss, in part be-

cause they knew Chile would respond in kind with accusations against the Mexican leadership.

—Cuba—We went up and down the hill several times with Rabasa on his Cuba resolution, even producing a joint Mexico/Brazil/U.S. draft of a statement for possible use by the Chairman in lieu of a resolution stating that qte a significant majority unqte favored, once a protocol of amendment was approved at San Jose, freeing nations to renew relations. But Rabasa, probably after conversations with Mexico City, in the end pushed his resolution to a vote for domestic political purposes. Our abstention, explained in terms of the legal absurdity of the resolution, produced no criticism, largely because key countries expect us to cooperate in removing the sanctions at San Jose and because of the public impression that we will do so.

—OAS Reform—In working group Uruguay, Mexico, Costa Rica and the U.S. devised a sensible calendar for dealing with the major OAS reform issues, beginning with a late July Rio Treaty Conference in San Jose.

—In late summer or early fall, the Permanent Council will begin preparing final recommendations for OAS Charter and structural reform and then move to the tougher North/South issues of cooperation for development and collective economic security. The crunch on these third world issues will probably come toward the end of the year, Peru having quickly ceded on any aspirations to do something now about collective economic security. By then, as I have said, we will have floated some significant U.S. proposals.

—The end is to be a special General Assembly early in 1976 or perhaps concurrently with the annual General Assembly later in the spring to act on the Council's recommendations. We prefer and rather expect the reform assembly to take place in Latin America.

—OAS Secretary General—By far the better man won and our vote was important. There are costs—not so much in the Dominican Foreign Minister's unhappiness—but in Brazil's pique. At the same time, Brazil pushed a candidate whom most, including the GOB, realized was unqualified. Its adamant opposition to Argentina has gained for Brazil criticism of the sort which is often our lot. We see no indication it will affect our bilateral relations and Silveira has as yet sent no personal signal to you or to me. Brazil is telling everyone it will take an extremely low profile in the OAS from now on, although it is hard to see how it could get much lower.

6. Venezuela took a constructive attitude throughout; only Ecuador pushed hard for a stronger Trade Act resolution. Uruguay's Blanco displayed his usual common sense. We and the Panamanians cooperated on a number of non-Canal matters, and the U.S. received kudos for pitching in to help make this Assembly a success. Peru, after

its signal failure to impose a quite we-they unquite format for the conversations, behaved in a cooperative fashion and we had useful exploratory talks on collective economic security with them.

7. In sum, this meeting did narrow the gap, however temporarily, between rhetoric and performance on both sides. For the U.S., opportunities flow from restored dialogue and the spirit of consensus which imbued this meeting, a spirit that can be used in the months ahead on the more intractable Third World issues which were deferred rather than resolved. The Latins, from their several perspectives, will also be assessing this meeting and their reaction will be helpful in judging how deeply the realism displayed here has taken root. At the same time, if we cannot follow through on Panama, the Trade Act and Cuba, we could be back where we were before, and even much worse. Ingersoll.

Unquote.

33. Telegram 3187/USDel 50 From the Embassy in Costa Rica to the Department of State¹

San José, July 30, 1975, 0640Z.

3187. Subject: 16th MFM.

1. The eleven country "Freedom of Action" resolution passed with 16 votes (Guatemala being last minute addition to the supporters). There were three no votes, Uruguay, Chile and Paraguay. Nicaragua and Brazil abstained.

¹ Summary: The Embassy reported that OAS Foreign Ministers meeting in San José had resolved the Cuba sanctions issue by approving a resolution allowing OAS members to decide for themselves whether or not to maintain relations with Havana. The Embassy transmitted Mailliard's explanation for the favorable U.S. vote.

Source: National Archives, RG 59, Central Foreign Policy File, D750262–0426. Unclassified; Immediate. Repeated to all OAS capitals. In telegram 151803 to all American Republic diplomatic posts, June 26, the Department described its position on OAS Cuba policy in advance of the San José meeting, noting that, "as the Secretary stated at Houston, the U.S. stands ready to cooperate in reaching a generally acceptable solution" and that "although we would not take the lead, we would be willing to support a freedom of action formula which was buttressed by a strong reference to nonintervention." (Ibid., D750222–0672) The Secretary's March 1 speech in Houston is published in the Department of State *Bulletin*, March 24, 1975, pp. 361–369. In an August 21 statement, the Department announced modifications to its Cuba policy in response to the OAS decision, noting that in the future licenses would be granted for "transactions between U.S. subsidiaries and Cuba for trade in foreign-made goods when those subsidiaries are operating in countries where local law or policy favors trade with Cuba." (Department of State *Bulletin*, September 15, 1975, p. 404)

2. The following is text of Ambassador Mailliard's statement and U.S. vote:

Quote. Secretary of State Kissinger, in his Houston speech dealing with relations with Latin America, made clear the willingness of the U.S. to support a generally acceptable solution to the issue of Cuba sanctions. This resolution, which we have voted on this evening, in the opinion of my delegation, gives us this general acceptable solution, one that commands the support of the necessary majority. Accordingly, we have voted in favor of it.

At Quito the U.S. took a position of strict neutrality abstaining on the resolution to leave without effect the 1964 sanctions. That resolution received a majority but fell short of the necessary two-thirds support required by the Rio Treaty. In the circumstances, we considered ourselves bound by our international obligations to continue to observe the sanctions.

We have now reached almost unanimous agreement here at San Jose on a protocol to the Rio Treaty that incorporates the principle of majority rule in respect of lifting sanctions. The resolution just adopted properly honors the majority sentiment in the hemisphere. But it also respects the legal reality of the treaty's current provisions and the political reality of divergent opinions in this hemisphere about Cuban behavior. As Deputy Secretary Ingersoll said at Quito "it is not easy to resolve the problem of a country that deals with some on the basis of hostility and with others on the basis of a more normal relationship." This resolution establishes, in accordance with the two-thirds voting procedures of the Rio Treaty in force today, the freedom of action of each country in the hemisphere to renew or not to renew diplomatic and trade relations with Cuba in accordance with each country's national interests and each country's own perception of Cuban behavior toward it. In so doing it places the issue in perspective and permits us to concentrate our multilateral energies on the more fundamental problems of the hemisphere.

I suppose the press rightly will pay considerable attention to what we have done here this evening. In years ahead, however, historians may well judge that the more significant of our two meetings held in San Jose was the special conference that modernized the Rio Treaty, completing the first step in our continuing effort to reform the inter-American relationship. *End quote.*

Todman

34. **Briefing Memorandum From the Director of the Policy Planning Staff (Lord) and the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹**

Washington, September 19, 1975.

The Lesson of the New Dialogue

We face a curious paradox: our relations with Latin America have improved significantly in the past 18 months—yet the renewed “inter-American solidarity” promised at Tlatelolco in February 1974 remains as elusive as ever. In fact, the New Dialogue meetings themselves have been dropped, the MFM Working Groups disbanded.

Underlying this paradox, we believe, is the fact that *regionalism can no longer serve as the primary focus of U.S.-Latin American relations*. Our inability to translate generally positive bilateral relationships into a similarly positive regional environment stems from the ambiguity of the “special relationship” between Latin America and the United States, and the hemisphere’s growing diversity. So long as we approach Latin America primarily as a unit, we will engender a suspicious common front against us—and diversity will paralyze action.

This is not an insoluble dilemma. Regionalism does provide a convenient mode of interaction with the smaller countries and is an unavoidable and convenient rationale for specific initiatives. As a practical matter, however, the increasingly varied interests of the hemisphere’s more powerful countries—including our own—requires a mix of relationships tailored to specific needs and situations, most of which are not susceptible to “regional” solutions. Two of the most striking de-

¹ Summary: Noting that the ideal of inter-American solidarity remained elusive while relations with individual Latin American countries had generally improved since the launch of the New Dialogue, Lord recommended a U.S. policy that would focus more on bilateral ties, eschewing the regionalist approach that posited a “special relationship” between the United States and Latin America.

Source: National Archives, RG 59, Records of Henry Kissinger, Entry 5403, Lot 78D217, Box 14, Briefing Memoranda, 1975, Folder 4. Confidential. Drafted by Einaudi and Bloomfield on September 17 with contributions from Lewis, Luers, and Fishlow. Kissinger’s remarks at a September 30 luncheon in New York in honor of Latin American Foreign Ministers and Permanent Representatives to the United Nations are published in the Department of State *Bulletin*, October 20, 1975, pp. 584–587. According to a memorandum of conversation Kissinger told Argentine Foreign Minister Robledo on September 28, 1975, that he did not “think it is possible to find one policy that applies to all of Latin America and one label for that policy.” Instead, Kissinger said, the United States would “concentrate on a few key countries, and not have any label, such as the ‘New Dialogue,’ and say that takes care of everybody.” The text of this memorandum is published in *Foreign Relations*, 1973–1976, vol. E–11, Part 2, Documents on South America, 1973–1976, Document 29.

velopments of the past decade—the rise of sub-regional politics and the proliferation of extra-hemispheric linkages—are a direct reflection of the growing industrial power and diversification of key countries, particularly Brazil and Mexico, which is driving them to seek capital, technology and markets in a manner reminiscent of 19th century European competitions.

The implication is clear: *we should approach individual countries and groups of countries in Latin America in a differentiated fashion, placing greater emphasis on bilateral and sub-regional relationships, and attempting whenever possible to implement our global economic policies in a way that will engage Latin America's new middle powers in productive commercial relationships and contain the inevitable conflicts their global emergence will entail.*

This conclusion is more easily stated than implemented. The classic instrumentalities of bilateralism in the hemisphere—U.S. military and economic assistance programs—are not only declining and hedged with restrictions, but are either inappropriate or simply unavailable. The three countries where our interests are greatest: Brazil, Mexico and Venezuela, are rightly no longer eligible for concessional AID programs, just as they have received no grant military equipment since 1968. U.S. responsiveness to their clamor for “trade, not aid” has been limited by competing domestic and international pressures. But we have also limited ourselves conceptually by searching for nonexistent “regional” solutions.

We thus face in Latin America a situation similar to the one you described in your September 1 Special Session speech: “no panaceas, only challenges.” But if we deemphasize regional multilateralism, we will limit the occasions for generalized confrontations. And if we focus instead on two or three pressing specific issues in addition to Panama and Cuba, such as resolving trade conflicts with Brazil, or developing positive interactions with the Andean Pact, we have a solid chance of consolidating the more favorable climate generated by your UN Special Session initiatives, which have great potential significance for many Latin American countries—whose growth, though substantial, remains fragile, and thus both vulnerable to uncontrolled fluctuations and susceptible to positive influence.

Your September 30 luncheon with Latin American Foreign Ministers in New York is a classic exercise in “regionalism.” But it, and your separate bilaterals, will move us in the right directions should you:

—specify our openness to implementing the Special Session approach in a manner beneficial to the concerns of particular Latin American countries and groups of countries;

—stress our interest in Latin America in contemporary rather than traditional terms (e.g., interdependence and trade rather than special relationship and aid); and

—ascribe to the New Dialogue experience a major role in the development of the United States proposals at the UN Special Session, reemphasizing the need to work out hemispheric problems in global as well as regional fora.

Some details of such an approach are set forth at the conclusion of this memorandum following a review of some of the reasons that lead us to recommend it.

I. The Absence of Regional Unity

Our continuing efforts to stimulate our missions in the field recently led an American official in Guatemala to respond that:

“Our problem, our struggle, our mental anguish in dealing with Latin Americans derives from the fact that, as has been often stated but not recognized in the highest levels of our government or in its organizational structure, Latin America is really extremely diverse and getting more so. Now, with the inclusion of the West Indies, it is more diverse than ever. Add the emergence of Brazil and Mexico, and to some extent Venezuela, as first-rate powers approaching equal importance to Italy or even France or the UK: Brazil because of its economic explosion and nascent military power; Mexico because of its rapid growth, intellectual leadership, and contiguity to the United States; and Venezuela because of its petro-power; and the answer is that we should stop trying to deal with Latin America as a region.”

The prescription is so stark as to provoke incredulity. Yet you will remember that our planning talks team returned from South America ten months ago emphasizing the differences among the countries visited. And a recent S/P traveler to Central America was struck by the individuality of each of the five lovely countries normally lumped together under the “banana republic” label. Have we been pursuing a will-o’-the-wisp in seeking to find a common denominator?

Abstracting somewhat, daily events in the hemisphere reveal numerous signs of fragmentation both internally and internationally:

—*Latin America’s capacity to mobilize for positive international purposes is sharply limited by pervasive internal preoccupations and local rivalries.* Despite visible industrial and institutional progress, the generalized commitment to “national development” has not led to a generalizable developmental pattern. Economic growth remains uneven and vulnerable to international fluctuations. Politically, lack of confidence compounds authoritarian tendencies and feeds foreign scapegoatism. Though competition for “regional leadership” is rampant, no one country is dominant.

—*The “hemispheric security” rationale that inspired U.S.-Latin American cooperation during World War II and to some extent the Cold War, has become increasingly marginal.* Bilateral assistance programs, which during the 1960s frequently involved the U.S. Government deeply in

Latin American life, have largely evaporated. They leave a residue of mutual disillusionment—just when internal scandals and self-doubt have tarnished the power of example of U.S. society. Meanwhile, détente, renewed interactions with Europe and Japan, and the emergence of “Third World” attitudes have broken down Latin America’s global isolation and heightened its diversity.

Venezuela’s President may ultimately be right in arguing that “Latin America is a nation in formation.” But the indisputable fact is that, in the wake of local growth and the relative decline of U.S. hegemony, the hemisphere’s daily life is increasingly marked by the discord of virulent provincialisms.

Not all of this discord is due to internal factors. Unprecedented economic growth—an average of more than seven percent for all countries each of the past three years—has been fed by growing dependence on external markets and capital now threatened by international inflation and economic controversy. Even progress has thus come to appear suspect. In theory growing interdependence could lead to a greater willingness to cooperate internationally. In practice, the addition of economic uncertainties to the domestic social and political pressures that have already tended to undermine democratic regimes in most countries appears to be fueling pessimism and inability to cooperate.

II. *Consequences of Disunity*

The extent of regional disunity and differentiation has tended to be disguised by the existence of the inter-American system, and by the fact that our regional overtures now typically encounter the Latin American states aligned in a common bloc to which the United States is expected to respond, but from which it is excluded. Disunity, however, affects relations among Latin American states almost as much as their relations with the United States. The parallel fates of the informal New Dialogue MFMs and of the Mexican-Venezuelan initiative to establish SELA, a purely Latin American economic organization, are instructive.

A. *The New Dialogue MFMs*

In taking up your offer of a New Dialogue, the Latin Americans established a confrontational agenda, rejected your call for “community,” and insisted on a format that essentially called for U.S. concessions.

Despite our best efforts to establish a framework of mutuality in the two MFM Working Groups, the Latin Americans remained committed to their strategy of seeking to force concessions by an adamantly unified approach. We, in turn, made clear that we were prepared neither to legislate unbalanced restrictions on multinational corporations, nor to engage in a massive new assistance program for the transfer of technology.

Then, in sharp contrast to the EEC’s forthcoming Lome posture, the 1974 Trade Act conditioned GSP with the restrictive provisions—anti-OPEC, Gonzalez, Hickenlooper, and so forth—that the Latins had

been pleading with us to end, and which to them foreshadowed U.S. opposition to their commercial expansion. The Trade Act fiasco sealed the conclusion already beginning to be shared by most governments, including ours: although a catalog of problems had indeed been identified, the New Dialogue offered few immediate prospects for concrete action as it was then evolving.

B. SELA

The Mexican-Venezuelan initiative to establish SELA as a vehicle for coordinating regional economic relationships without the United States is now running into difficulties strongly reminiscent of the original New Dialogue meetings, but on a Latin American scale. The smaller countries are invoking “regional solidarity” in an effort to extract concessions for the “relatively less developed.” Brazil, meanwhile, is quietly repeating its New Dialogue performance: accepting participation in principle, so as not to be isolated, but deferring practical commitment so as not to lose global flexibility.

The unenthusiastic reception accorded SELA has already forced its sponsors to argue that they do not seek “universality” and are willing to proceed without the participation of all governments. Even in this reduced format, it is unlikely that SELA will prosper—except at a largely rhetorical level in non-regional fora—without resource commitments its sponsors are unlikely to make.

The primary lessons are identical in both cases: for all its rhetorical uses, *regionalism is politically more effective as a negative than as a constructive force*; furthermore, leaving politics aside, *regional economic problems are not susceptible to exclusively regional solutions*. In the absence of massive infusions of resources that enable choices to be postponed and differences set aside, most of the practical issues affecting the countries of the hemisphere are not subject to resolution in regional terms.

III. *The Special Problem of the United States*

Though it is comforting to realize that disunity hinders the regional efforts of others as well, there is no question that *regionalism now tends to work to the particular disadvantage of the United States*.

The reason is that regionalism has historically been shaped by the United States through its domination of the inter-American system. As the Latin American countries have increasingly abandoned their earlier policies of automatic alignment with the United States, they have also increasingly come to question the structure and functioning of the OAS, the principal inter-American institution, and to use it as a forum for pressuring the United States.

Underlying these tendencies is the fact that influential sectors of Latin American opinion—including for the first time members of the ubiquitously powerful military elites—now believe (or fear) that there are now fewer fundamental interests in common between Latin America and the United States than between the United States and

other industrial powers (including the Soviet Union), or than between Latin America and other developing countries in Africa and Asia. These beliefs—which are scarcely incentives to active cooperation with us—are not infrequently supplemented by the conviction that Latin America is engaged in a struggle for independence from the United States.

This concern with conflicts of interest has brought back an earlier focus of inter-American relations: the attempt to use regionalism to limit the exercise of power by the United States. This happened in the 1930's. Now, as then, the inter-American system has become a forum for the reaffirmation of the principle of non-intervention. The non-intervention issue was revived at the height of the cold war by American military intervention, indirect and direct, in Guatemala (1954), Cuba (1961), and the Dominican Republic (1965), and by clandestine operations in a number of Latin American countries, highlighted by U.S. interference in Chilean politics from 1963 to 1973. In addition, these political-military manifestations of interventionism are now frequently perceived as having been supplemented by economic ones, such as assistance cut-offs and corporate bribery. Hence, attempts to codify regional relations have come to include proposals for sanctions against "economic coercion" and rules of conduct for transnational enterprises—measures aimed essentially at creating a juridical structure curbing the uses of U.S. power without reciprocal concessions in return.

It is not surprising, therefore, that the only notable change wrought thus far by two years of work on reforming the inter-American system has been the change in the voting requirement for lifting Rio Treaty sanctions. The requirement for a two-thirds vote, written in the heyday of U.S. regional influence (1948), was designed to prevent the U.S. from wielding a tyranny of the majority. Today, with U.S. domination much attenuated, the two-thirds rule is seen as a way for the U.S. to mobilize the tyranny of the minority. But the essential point is that this reform is aimed at inhibiting the U.S. power to interfere with the freedom of action of the other members of the OAS.

In the long run, now that the present "imperial" encumbrances like the OAS sanctions against Cuba have been modified, and assuming that the OAS does not again serve as a fig leaf for U.S. intervention as happened in 1965 in the Dominican Republic, it may be possible gradually to restore confidence in a regional system responsive to all of its members. The latest OASGA and the special conference on the Rio Treaty in San Jose are optimistic signs. In the short run, however, the hemispheric institutions to which we belong do not stir the imagination. Even the smaller countries for whom the OAS technical assistance programs are still a significant resource, and who look upon the Rio

Treaty as their first line of mutual defense, do so without enthusiasm, *faute de mieux*.

Moreover, *the dominant political fact is that the United States remains the one country in the hemisphere able to evoke regional unity—against itself.*

IV. Resolving the Paradox

It is rather common to see these centrifugal tendencies as too strong to overcome and to prescribe disengagement as a damage-limiting device. Your former Harvard colleague, Albert Hirschman, for example, argues that traditional inter-American relationships have neo-colonial connotations and carry such a weight of emotional distance that voluntary association can come only after both sides have “lived apart.” He advocates U.S. private *disinvestment* from Latin America and an “arms length” political relationship as prerequisites for constructive intercourse in the future. Hirschman’s views express the instincts of many veterans of the diplomatic wars of the Alliance for Progress who feel that U.S. engagement with Latin America is either futile or counterproductive.

These are powerful, but incomplete insights. They overlook the fact that disengagement and “non-intervention”—no matter how apparently positive in comparison to certain patterns of political and economic interventionism—are as futile and counterproductive as the attitudes and conventions they are intended to replace. Political passivity and bureaucratic inertia cannot lay the basis for adjusting the many conflicts that will continue to arise. As Chile under Allende demonstrated, events in Latin America sometimes force a U.S. response. Similarly, as the Trade Act demonstrated, events in the United States sometimes force a Latin American response.

This dilemma can be resolved, not by disengagement, but through a new form of engagement that combines a low-key regional approach with more active bilateral and subregional relationships tuned to specific issues and particularly to our global efforts to deal with trade and development problems.

Our recent experiences, in fact, suggest that our relations with Latin America are already improving significantly, if sometimes imperceptibly, along these lines. The evidence of recent months even suggests that the tide of regional confrontation is receding; the San Jose meeting reaffirmed the principle of collective security between Latin America and the United States. Potentially disruptive trade and investment conflicts with Brazil, Peru, and Venezuela are being contained—at least for now.

One reason is progress on important symbolic issues. The Cuban issue has been removed as a source of generalized controversy. A new Panama Canal Treaty seems conceivable. Another reason is that Latin American leaders have realized that constructive relations with the

United States will not be facilitated by replacing inter-American organizations with purely Latin American organizations. They are also increasingly aware of your efforts to revitalize U.S. policy and leadership are bearing fruit, both in ARA and globally. There is even some sensitivity among Latin Americans that they have not contributed more themselves.

This changed atmosphere has critical policy implications. Lacking confidence in their individual countries' capacity and bargaining power when facing a presumably hostile United States, Latin Americans sought refuge in numbers and attempted to use the New Dialogue to force a general change in the structure of international relationships without making "bilateral deals" with the United States. This approach also underlies proposals such as CERDS, the various codes of conduct for multinational enterprises and transfer of technology, and the search for a system of "collective economic security."

Though we still cannot disregard this defensive multilateralism, the cumulative impact of recent events and particularly the new global approach symbolized by your UN Special Session speech may now enable us to free ourselves from the straightjacket of regionalism. And *by abandoning regionalism as our primary focus, we will add a paradox of our own to the hemispheric scene: a greater ability, where circumstances warrant, to develop regional approaches including most, if not all, of the hemisphere's countries.*

V. Some Specific Challenges

A more differentiated approach to Latin American policy will require a sharper definition of our interests as well as greater flexibility in our choice of fora and policy instruments. A reorientation of this magnitude cannot—and need not—be accomplished overnight. But the fact is that we have already begun. Implementation of GSP is being structured through bilateral talks rather than through the OAS. We have recently instituted processes of consultation with Brazil and Venezuela on global economic issues, and are considering internally the options for strengthening interaction with these and other key global "middle powers."

In the months ahead we will generalize these incipient efforts. As noted earlier, for example, our bilateral concessional AID programs have already been phased out in the major countries. We now need to reassess AID priorities to give particular attention to the "post-AID linkage" problem: how to continue to infuse technical cooperation, training and services into the great majority of Latin American countries which are now no longer receiving concessional assistance. To take another example, we will be working to direct the OAS toward those activities least amenable to unilateral or bilateral approaches

such as human rights and regional peacekeeping. With regard to inherently multilateral issues like codes of conduct, the role of the OAS as opposed to the UN or other fora remains unclear. One possibility would be to attempt to work on the *political* aspects of corporate activities in the OAS, and on *economic* aspects in the UN. But there is no reason to follow a single track. Greater interaction with the Andean Group, which has now resolved its automotive policy, could set useful precedents for increased private investment and technology transfer.

You will be hearing more from us on these and other issues: the impact of détente, trends in the Caribbean, and the evolution of Mexican policy. But we would like to draw your attention now to your September 30 luncheon toast and to three specific problems areas:

- trade with Brazil;
- subregional integration; and
- the regional safety net proposal,

that exemplify the real tests to our policy in the period ahead.

First, your *New York luncheon toast*. You are receiving a draft separately. Your basic approach should be to develop the implications for Latin America of your September 1 UN Special Session speech, stressing that the New Dialogue contributed importantly to our appreciation of developing country issues, that our resulting global approach has been shaped with Latin American interests in mind, and that unlike the proposals of the past two years, which have mostly concentrated on the most severely affected and least developed countries, this approach also holds particular benefits for the global middle powers clustered in Latin America.

We are suggesting one *change from the themes of your previous Latin American speeches*: that you *keep* the new focus on industrial-developing country relations, but *drop* the “special relationship.” When the United States can arrange assistance of \$2 billion or more for Israel—but cannot provide an emergency loan of \$150 million to Argentina; when grain deals are possible with the Soviet Union—but countervailing duties are levied against imports from Brazil, talk of a “special relationship” implying that the United States has a special interest and responsiveness to Latin America sounds hollow. And it is unnecessary. The reason cooperation is profitable among our countries is not that we have historic relationships—for the reference introduces memories of past conflicts and patronizing attitudes—but simply that we are relatively developed and accustomed, if not always comfortable, in dealing with each other.

The tests. Your toast will demonstrate progress in identifying the shape of the problem and the direction of future efforts. But sustained momentum will depend on our ability to move on specifics like the following:

(1) *Trade with Brazil*: The consolidation of our relationship with this most important Latin American country requires a special effort to resolve growing trade conflicts. Similar issues are already foreshadowed with Mexico, and will arise increasingly elsewhere in the years ahead. In particular, we should use the recently established U.S.–Brazil Consultative Group on Trade to make a serious effort to resolve the export subsidy-countervailing duty problem that threatens an increasing range of Brazilian exports to the U.S. If necessary, we should consider explicitly shaping our approach to these questions in the Geneva MTN so as to reach an accommodation with Brazil. Evidence that the U.S. was making a real effort in this regard would confirm Brazil's general moderation and offset other conflicts inherent in Brazil's emergence on the world scene.

(2) *Sub-regional Integration*: Together with the Central American Common Market and Caribbean integration efforts, the Andean Group provides a potential framework for sub-regional relationships and a practical opportunity to increase cooperation in science and technology in a way that could ultimately pay significant dividends. In addition, the Andean Pact provides a political offset to Spanish-American suspicions that we are too close to Brazil, and a counter to fears—fanned by our recent strictures against bloc politics—that we oppose integration efforts generally.

(3) *A Regional Safety Net*: Adverse political dynamics and impending economic disaster face several countries of the southern cone (Argentina, Chile, Uruguay and to some extent Brazil and Peru). Though most of these problems are fundamentally internal, there are also severe short-term balance of payments problems that can be alleviated through international cooperation. The financial safety net proposal—which you endorsed in your UN speech—could be critical here (regionalized implementation would also bring many “Third Worlders” up short). It would respond to a Latin American initiative and utilize the technocratic economic skills that are far more prevalent in Latin America than in other developing areas, while strengthening countries whose development, though still fragile, is currently along mixed economy lines congenial to us.

Each of these three cases highlights limits on our current negotiating authority or organizational structure. Each will require sustained attention and political will at the highest levels of our government. But the shape of the future is clear: either we engage in an interdepartmental and even congressional war of attrition with those who refuse to see the future, or we will face a similar war of attrition in our own hemisphere.

There are palliatives: greater use of professional and technical exchanges, more emphasis on cultural programs and delaying actions on traditional relationships. But unless we begin to move now on the specifics of trade and investment, and thereby facilitate Latin America's global emergence, we will soon have little to talk about, and will almost inevitably face what we now only fear: isolation in the very region with which we have had the most intimate historical ties.

35. Memorandum of Conversation¹

Washington, October 9, 1975, 4 p.m.

PARTICIPANTS

President Ford

Alejandro Jose Luis Orfila, Secretary General of OAS

Amb. William Mailliard, U.S. Representative to the OAS

Lt. General Brent Scowcroft, Deputy Assistant to the President for National Security Affairs

[The press was admitted for photos. There was small talk about Orfila's trips, and his transfer from Ambassador to Secretary General. The press was ushered out.]

Orfila: You are a very busy person. I thank you very much for taking the time to see me and for the letter you wrote me.

We are faced with a great opportunity or a great fiasco. The Organization is one that could be a big help to your foreign policy and Latin America, but which isn't used. It is very bureaucratized. What do you want to do with the Organization? It is really up to you. You are not only the number one contributor, but also the driving force behind it. You have to show it is an important organization for you. That is, use it for initiatives, rather than going outside it.

If you could drop by the Pan American Union, it would show your interest.

I don't mean to replace bilateralism, but to complement it. If we don't give a sense of importance to the Organization, we have no hope. The optical aspects are important. Just 30 minutes of your time for a visit to the building would be great.

President: I will give it the most careful consideration.

Orfila: I think the restructuring is not worthwhile. It is mostly cosmetics and not very useful.

Mailliard: They have directed the organization to reform itself and obviously nothing is going to happen. There are 2,000 people in the Secretariat. And for what?

¹ Summary: Ford and Orfila discussed U.S.-Latin American relations and the role of the Organization of American States.

Source: Ford Library, National Security Adviser, Memoranda of Conversations, Box 15. Secret; Nodis. The meeting was held in the Oval Office. All brackets are in the original. An undated briefing memorandum from Kissinger to Ford stated the purpose of this meeting was to "demonstrate the importance you attach to the OAS and our relations with the countries of the hemisphere, and to exchange views on the primary issues in our relations with Latin America." (Ibid., Presidential Country Files for Latin America, Box 1, OAS 3)

We are as much at fault as anyone. I have been there a year and a half and I still don't know what we want the OAS to do. Diplomacy is a dying function now—telephones, cables, etc., are making it obsolete.

President: What has the OAS done that is useful in the last twelve months?

Orfila: In recent years it has kept the small countries from going to war with the big ones. It hasn't been wasted there. But that doesn't take me and a 2,000 man staff.

President: How old is it?

Orfila: It was founded in 1910. It is the oldest operating international organization in the world. We have some big issues in Latin America which will determine the future of the hemisphere. We will either get together or drift apart. This is a moment of expectation—what is the United States going to do? One big issue is Panama. They are willing to wait until 1977, but they need some optics to show that progress is being made. The France Field turnover was helpful for a few months; sending Bunker back was also helpful. We need more.

President: We'll take a look. There are 14–15 land and water issues. We'll see what we can do.

Orfila: But not all at once. Dole them out so Torrijos can show progress.

In June 1977, there will be a big celebration in Panama. I am trying to get the United States invited. They say unless the United States can go down there in 1976, to the meeting of the Central American Presidents, no way.

President: I can't do that in an election year.

Orfila: I agree, but you should know it will be a meeting of activists.

Next is the Bolivian corridor. It is a Venezuelan proposal for a corridor 10-kilometers wide. It would separate Peru and Chile.

Next is the conflict between Honduras and El Salvador. There is no fighting but the dispute has never been settled.

President: What about Echeverria's successor?

Orfila: Mexico invariably follows a "rapid" President with a consolidating one. That has happened here. He is a money man.

The only real leader in Latin America is Perez. Otherwise it is a vacuum.

Another issue is holding an OAS Assembly in Chile. Two countries have said no. The others will probably try to stay aloof and try not to take a position.

Mailliard: A decision on it must be made in November. I think it will look bad for the Secretary of State to go there. The Hill would be upset.

Orfila: The human rights pressure is very severe. All these problems show you that OAS could be a very useful vehicle.

Mailliard: Tell about the Trade Bill.

Orfila: That caused a big fracas.

President: Justifiably.

Orfila: The reaction was overdrawn. Some change there would be very helpful.

Another issue is having an OAS without the U.S. There now are ideas for an Economic Community of Latin American (the SELA). I am not worried about it because I think it will be useful to get a forum to discuss these problems.

If the U.S. doesn't demonstrate that it cares, I worry about how Latin America is going to go. Latin America needs the United States, but the United States also needs Latin America.

President: I agree.

Orfila: So we must either get together or drift apart.

Mailliard: If we can't find answers to the problems of developed and developing with the most developed of the developing in our own back yard, how can we do it worldwide?

President: I appreciate your thoughts and suggestions. I will look seriously about your idea to visit the Organization. It is a distinct possibility.

36. Telegram 4056 From the Embassy in Nicaragua to the Department of State¹

Managua, October 20, 1975, 2255Z.

4056. To Assistant Secretary Rogers from Ambassador Theberge.
Subject: Travel Plans for the Secretary. Ref: State 248400.

¹Summary: Ambassador Theberge reported on increasing resentment of Kissinger's repeated postponements of scheduled trips to Latin America, which were seen to indicate a lack of interest in the region.

Source: National Archives, RG 59, Central Foreign Policy File, P840178–2229. Secret; Nodis. In telegram 248400 to Caracas, San José, and Brasilia, October 18, the Department reported that a planned November trip by Kissinger to Latin America was to be rescheduled. (Ibid., P850033–2147.) In telegrams 1351 and 1352 from Caracas, February 4, Ambassador McClintock reported on the conversation with Venezuelan President Pérez referred to in this telegram. (Ibid., D750041–0436.)

1. As requested I have informed Foreign Minister concerning the postponement of Secretary Kissinger's visit to Central and South America until the New Year. Given the unfortunate background of previous postponements, I stressed that this one was in response to a preference expressed by one of the governments. The Foreign Minister said that he regretted this latest development, and he asked me to keep him informed of the Secretary's plans to reschedule the trip.

2. *Comment:* Although the Foreign Minister's reaction was reserved, I know from prior conversations with him and President Somoza that the GON feels that by putting off his visits to the region the Secretary has seriously undermined his efforts, which were initially well-received, to establish a friendly, cooperative dialogue. While fully understanding the heavy responsibilities borne by the Secretary, they nevertheless feel that these trip deferments have effectively strengthened the creditability of the claims of various Latin American leaders that the Secretary is not really very interested in Latin America and U.S.-Latin American relations.

3. In my conversation with President Carlos Andres Perez in Caracas in January of this year, he told me flatly, in the presence of Ambassador McClintock, that the postponed trips reflected Secretary Kissinger's complete disinterest in the region. This comment of President Carlos Andres was reported to the Secretary at that time.

4. The morbid lack of Latin self-esteem constitutes a major incumbrance to a mature relationship with countries of the region. Therefore, it is especially important to avoid any actions which convey the impression of a lack of U.S. respect or interest in our remaining friends in the area. The personal interaction between the Secretary and his Latin colleagues is extremely important in creating a more favorable, or less unfavorable, psychological context for dealing with bilateral and regional problems.

Theberge

37. Telegram 282526 From the Department of State to All American Republic Diplomatic Posts¹

Washington, December 1, 1975, 1518Z.

282526. Subject: Suggestions for Bettering Relations within Latin America. For the Ambassadors only from Assistant Secretary Rogers.

1. The Secretary indicated at our meeting with him on Tuesday (November 25) that, although we might not anticipate any major U.S. initiatives for the hemisphere, it was his intention to do what he could within the Executive Branch on specific issues which aggravate our relations with the nations of the hemisphere. Two examples were put on the table at the Tuesday meeting: The desirability of concessions by us for the Panamanians' desire for access to the trans-Isthmian pipeline and access to drydock facilities, and the Costa Ricans' anxiety for a miniscule increase in their meat quota.

2. Let me have from each of you within the week a list of similar items which we can undertake to resolve within the Executive—things we can do for your country, or things we should not do to your country.

3. And if there are no such burning specific issues, don't hesitate to say that.

Ingersoll

¹ Summary: Rogers asked Ambassadors in Latin America to identify specific ways in which bilateral relations with their host governments might be improved, noting that Kissinger had indicated that no major regional initiatives were likely to be forthcoming.

Source: National Archives, RG 59, Central Foreign Policy File, D750416–0746. Secret; Immediate; Exdis. No other record of the November 25 meeting with Kissinger referred to in this memorandum has been found; the meeting took place as part of a Chiefs of Mission Conference held by the Bureau of Inter-American Affairs.

38. Intelligence Memorandum No. 0783/75¹

Washington, December 29, 1975.

[Omitted here are a title page and a warning notice page.]

*Latin America's Changing Foreign Relations**Summary*

A combination of forces has moved Latin America away from a generally passive view of world affairs toward an assertive, sometimes aggressive, activism abroad. Diminishing commonality of interests with the U.S. has produced a centrifugal effect in Latin foreign policy, which traditionally followed the U.S. lead. The relaxation of east-west tension and the subsequent turn to a north-south axis of confrontation in the UN and other international forums have significantly changed Latin American behavior in these political arenas and drawn the region toward a third-world viewpoint. The global impact of OPEC's oil politics has provided a new, probably unrealistic model for bloc action to achieve mutual national goals. All of these factors have stimulated reassessment of the constraints on and possibilities for activities overseas, with the result that Latin American governments now engage in international processes from which they previously felt excluded. They have emerged as actors rather than observers on the international scene.

This kind of response to external factors might not have occurred a decade ago. Latin America's "coming out" on the international stage has been possible largely because of a greatly altered political atmosphere and remarkably changed social and economic conditions in the hemisphere.

[Omitted here is the body of the memorandum, including sections entitled, "Latin America's New Politics," "The U.S. Angle," "Third Worldism," "Regionalism," "Particular Viewpoints," and "Continuing Reappraisal."]

¹ Summary: This memorandum analyzed the forces propelling Latin American nations towards a more assertive, independent stance in world affairs.

Source: Central Intelligence Agency, [text not declassified] Files, Job 79T00865A, Box 26, Folder 27. Confidential. All brackets are in the original except those indicating text omitted by the editors. Colby transmitted this memorandum to Ford under a January 2, 1976, covering letter, on which Ford wrote, "Very helpful. GRF." (Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, Box 10, Latin America)

39. Telegram 304397/Tosec 250065 From the Department of State to Secretary of State Kissinger in Ocho Rios¹

Washington, December 30, 1975, 1812Z.

304397/Tosec 250065. Subject: Angola, Cuba and Latin America. For the Secretary from Eagleburger.

1. You will recall that you asked me to get Bill Rogers's views on a Colby proposal that we get some Latin American countries to denounce Cuban/Soviet involvement in Angola. To refresh your memory, the Colby paragraph was as follows: "Some Latin American countries, such as Bolivia, Honduras, and Uruguay, are strongly anti-Communist. It is likely that the heads of state of those countries would make public statements denouncing Cuban/Soviet involvement in Angola if the American Ambassador were to ask them to do so. If one of them did make such a statement, it would have the effect of further dramatizing Cuban involvement in Angola for the Latin American people. Therefore, consideration should be given to instructing our Ambassadors in those countries to ask the heads of state to make appropriate public statements."

2. I asked Bill for his views on this Colby suggestion and have received the following memorandum from him. I frankly think his arguments have merit and therefore recommend we forget the Colby proposal.

3. Text of Rogers's memo is as follows:

"I do not embrace Colby's suggestion that we instruct our Ambassadors to Bolivia, Honduras and Uruguay to urge the Presidents of those countries to say something public about Cuban/Soviet involvement in Angola.

"A. It is helpful in such matters to define purpose precisely. I am not clear about the purpose of this one. If the purpose is to increase the pressure in Havana to withdraw, then public statements from these three countries will not serve that purpose. Honduras, Bolivia and Uruguay count for nothing in Cuba (or for very little, in the case of Bolivia).

¹ Summary: Responding to Colby's proposal that U.S. Ambassadors encourage Latin American leaders to denounce Cuban intervention in Angola, Eagleburger transmitted Rogers's memorandum recommending the idea be dropped, in part because Latin American nations no longer wished to be enlisted in cold war conflicts.

Source: Ford Library, National Security Adviser, Trip Briefing Books and Cables for Henry A. Kissinger, Box 18, 12/26/75 Jamaica, Tosec 1. Secret; Cherokee; Nodis. Drafted and approved by Eagleburger. Kissinger was on vacation at Sir Harold Mitchell's plantation in Ocho Rios, Jamaica. ("Kissingers Reach Jamaica," *New York Times*, December 27, 1975, p. 18) In telegram Secto 25011, December 31, Kissinger informed the Department that no further action was required on the Colby proposal. (National Archives, RG 59, Central Foreign Policy File, P840083–0685)

"If the heads of state of larger and more moderate countries, such as Colombia, Venezuela, Trinidad or Mexico, said something, that would be very much to the good. But there is precious little our Ambassadors in those countries can do to push the possibility, beyond what we are doing now. We are now passing on to the Foreign Ministries of all the countries of the hemisphere the most up-to-date information we have about Cuban involvement in Angola. I would leave it there, and hope that the facts—not our official solicitation—would move some significant political personality in Latin America to speak out. This would be the best way to increase Cuba's embarrassment in the hemisphere and thus increase its incentive to withdraw—if that is the purpose of the proposal.

"B. If, on the other hand the purpose of the proposal is to rally Latin American public opinion against communism, then the proposal is archaic. This is the sort of thing we were doing in the fifties, when the cold war was in its classic period. Latin America, we thought, was another of the arena for the worldwide struggle with communism. We could expect—and ask—that the nations of the hemisphere publicly denounce the Soviet Union and its satellites.

"Not so today. The modern Latin America has opted out of the cold war. The cold war has receded from Latin America.

"Brazil's motto—that it has no automatic alignment with any power—is one expression of this. Trinidad's abstention from all East-West votes in the UN is another. Latin America wants to concentrate on Latin American issues. We should not, as a generality, try to reenlist Latin America in a cold war.

"Furthermore, public statements from the Presidents of Bolivia, Honduras and Uruguay would hardly do much for us in terms of hemispheric public opinion on Angola. Those three heads of state are not the objects of universal hero worship. Anything they said on this issue would be discounted, and presumed to have been inspired by the U.S. in all events."

Robinson

40. Telegram 10/Tosec 250115 From the Department of State to Secretary of State Kissinger in Ocho Rios¹

Washington, January 1, 1976, 0024Z.

10/ToSec 250115. Subject: The Setting for a Trip. For the Secretary from Assistant Secretary Rogers.

1. I venture a preliminary comment on your possible February visit to Latin America. As your plans harden, we will be preparing the more traditional briefing papers. But I thought it might be useful to mention now some unpleasant aspects of our relations with the countries you will visit. These are the issues which will color your visit.

2. Our bilateral relations are generally quite good with Venezuela, Brazil and Central America. Better, perhaps, than they have been for some time past, but this should not obscure the fact that we have and will continue to have some real problems. The problems are economic problems. More importantly, as I hope will emerge, the economic problems I refer to are relatively intractable. They have a life of their own. There is precious little we can do, even with the best of will, to shape them, moderate their impact on our diplomacy or provide major offsetting compensation by way of aid.

3. The major concern in the minds of the Presidents and Foreign Ministers you will be seeing will be U.S. power, and its relation to the hemisphere, in the light of Angola, Vietnam, Watergate and Panama. These are both more malleable and more traditionally political issues, and I will have more to say about them later. But I suggest that the trip will illuminate, even though it may not focus on, what is perhaps a general characteristic of the contemporary U.S. foreign relations process—that important economic aspects of our relations with other countries are locked away beyond the reach of the managers of foreign policy by congressional and other constraints which did not exist in an earlier day.

4. Specifics, as always, will make my point better.

5. Begin with Brazil. Many of its leaders are persuaded that U.S. policy aims at preserving an existing world power structure at the expense of emerging powers such as Brazil. Everything we do is read

¹ Summary: Rogers reviewed difficult economic policy problems that complicated relations with Latin America.

Source: Ford Library, National Security Adviser, Trip Briefing Books and Cables for Henry A. Kissinger, Box 18, 12/26/75 Jamaica, Tosec 2. Confidential; Nodis; Immediate. Drafted and approved by Rogers. Kissinger was on vacation in Jamaica. ("Kissingers Reach Jamaica," *New York Times*, December 27, 1975, p. 18)

against that back drop. Consequently routinely intractable issues take on geopolitical dimension and special meaning in their eyes.

6. At the moment, trade issues are at the forefront of our relationship. It is true that U.S. attempts to influence the Brazil-FRG nuclear arrangement has left some residue of difficulty. The Brazilians are also concerned about the delay in renewing talks on expanded U.S.-Brazilian nuclear cooperation, and may respond negatively to our insistence on safeguards when the talks finally get underway. But the big issues are the trade issues.

7. And the heart of those issues is this: we export almost twice to Brazil what Brazil sells to U.S. For Brazil, trade expansion is vital.

8. We have applied countervailing duties to Brazilian footwear and will do so to handbags and possibly castor oil. The countervailing duties have been fairly modest. But they could be increased in the coming months. The International Trade Commission is expected to find injury to the U.S. shoe industry in the pending escape clause action. This could result in quotas on Brazil's exports of leather footwear to the U.S. Other clashes over Brazil's export subsidies are virtually inevitable as long as Brazil piles up its horrendous balance of payments deficit and the U.S. continues its tough and inflexible legislative program for the protection of our own perceived trade interests.

9. With Venezuela, too, the major issue is economic, but of a slightly different sort. The big question in Venezuela is the petroleum nationalization process. The Venezuelans will be desperately anxious that the program work well in the first year of Venezuelan control. Problems are inevitable. There may be a strong temptation to blame the companies, or the U.S., or the two together.

10. By February, the most serious Venezuelan concern will be the oil price. Some Venezuelans—Perez Guerrero particularly, and perhaps the President as well—have a deep suspicion that the U.S. oil companies and the USG are prepared to collude to reduce Venezuela's "just price" return from Venezuela's oil. Their nervousness on this point is a reflection of their realistic, though tardy, appreciation of the fact that Venezuela's development and its hopes to become a source of aid for its neighbors are viable only through high oil prices and reasonably high offtake.

11. It is now likely as a result of the price-offtake crunch of the past week, that Venezuela will not have both, at least not for the first quarter of 1976—the very time you could be there. I am optimistic that this will not sour their reception of you. (The Venezuelan President was extraordinarily conciliatory toward your Paris speech in his press conference of December 29) But I could be wrong; official relations could take a sudden turn for the worse if there is a hitch in the nationalization process in the next few days which the GOV may decide to blame on

us. And in all events, there will be a cloud of self-doubt in Caracas in February about Venezuela's capacity to manage the beast they have decided to ride, and apprehension that we will conspire with the oil companies to see that they have no easy time of it.

12. In addition, there is the U.S.-Venezuelan economic problem of GSP. The Venezuelans have lost no opportunity to tell us that they continue to feel unjustly discriminated against by their exclusion from GSP by virtue of their OPEC membership. They think this is no way to treat a friend which continued to supply the U.S. during the Arab oil embargo. On this, of course, they have the support of their fellow Latin Americans.

13. Costa Rica is another example of an economic problem beyond easy repair by powerful and friendly Secretaries of State. Foreign Minister Facio described the need to increase the level of 1975 meat exports to the U.S. as "absolutely the most serious problem that has faced Costa Rica for some time." We have been unable, by virtue of the rigid character of our governing agricultural legislation, the regulations and the byzantine voluntary restraint agreements we have negotiated pursuant to this legal system, to comply with Costa Rica's plea for an increase in its meat export level for 1975.

14. In 1976, Costa Rica will have an estimated export capacity of 10 to 15 million pounds over the voluntary restraint level. It is likely to ask that we devise a new formula which will permit Costa Rica to ship at a higher level. Chances of our doing this are very dim, by virtue of the statutory multilateral negotiating machinery we operate within this field.

15. A host of other issues touch our relations with Brazil, Venezuela and the countries of Central America, of course. In Central America, for example, there are a brace of long-standing local political disputes—Belize and the Honduras-Salvador conflict—in which some or all of the parties are pleading for our intervention and your magic touch. These other issues we will address in the regular briefing papers.

16. It is the economic problems that I fear. For it is those problems which could sour a visit. I do not think they will. I think you should make the trip. I know it will contribute greatly to our relations with the countries you visit and constitute the best earnest in recent years of our serious and respectful attitude toward Latin America. But you should be aware, as you think out the trip plans, of these relatively less tractable economic issues.

Robinson

41. Memorandum of Conversation¹

Washington, February 13, 1976, 3:30–4 p.m.

SUBJECT

Secretary's Meeting with OAS Secretary General

PARTICIPANTS

OAS

Alejandro Orfila, Secretary General

United States

The Secretary

William D. Rogers, Assistant Secretary, ARA

Mark Dion, Notetaker, USOAS

The Secretary: It's a pleasure as always to see you, Mr. Secretary-General.

Orfila: I'm very pleased to see you on the eve of your trip to Latin America. I suppose all the preparations are made.

The Secretary: Bill Rogers has me giving more speeches in Latin America in a week than I give here in a year.

Orfila: I am sure what you say will be well received.

The Secretary: Looking at the draft speech, it will take Latin America ten years to get over it and it may turn out to be the greatest disaster since the U.S. took Vera Cruz. What it says is that Latin America should understand and accept our moral superiority. We substitute moral superiority for regionalism.

Mr. Rogers: When are you going to tell him about cancelling the trip? (Laughter)

The Secretary: I am making this trip because I believe in a special relationship and I want to accomplish something—do you think the trip is useful?

Orfila: I think it's very useful. It comes at the right time. We are drifting apart.

The Secretary: Spoken like a man. Bill, why can't we say that? Say something frank like that in Venezuela, instead of that horrible drivel you have me saying about an interdependent world.

¹ Summary: In a conversation with OAS Secretary General Orfila, Kissinger discussed his upcoming trip to Latin America and the state of U.S. relations with the region.

Source: National Archives, RG 59, Central Foreign Policy File, P820117–0900. Confidential; Nodis. Drafted by Mark Dion in ARA/USOAS, and approved by James Covey in S on March 12.

Orfila: They want you to say something frank. Tell them what your policy is toward Latin America.

The Secretary: You're always telling us that we have no policy. We talk about a community and everyone criticizes us for trying to form a bloc. We talk about bilateralism and you say we are trying to divide the Latin Americans. What we want to do is put something in the speech about how important we consider the Western Hemisphere. How do we say it to be believed?

Orfila: The word community creates a misunderstanding, because they think of NATO. But if you talk about the importance of Latin America and its special meaning to you, it will be understood. Make it the theme of your trip.

The Secretary: The Latins understand men. They respect frankness. They respect men, not assistant professors of political science.

Orfila: When Douglas Dillon came down to see us in 1962 and said that you would blast the Russians out of Cuba if you had to, we were impressed.

The Secretary: Let me tell you something. If the Cubans think they are going to send another expeditionary force somewhere, we will have a reverse blockade and stop them from leaving. I'm not going to say this out loud, of course.

Orfila: It makes sense, but saying it in Latin America could make lots of enemies.

The Secretary: I'm saying this to you, but that's all.

Orfila: The OAS is falling apart. The General Assembly meets in Santiago on June 10. This is no time to talk about budgets and committees; we can leave it to the technicians. Let's talk substance.

The Secretary: Bill, am I going to the GA? How long should I be there, two days?

Mr. Rogers: We would like to keep the issue of your attendance open.

Orfila: You have to go. It's very important. But you can keep the question open publicly. The people you talk to there will not be happy with things here.

The Secretary: What I want to know is can they explain to me in coherent fashion what we need to stop the drifting apart?

Orfila: No, but they will learn a lot from talking to you and you will learn from talking to them. You believe our relationship is important.

The Secretary: I believe in a special relationship. I've experienced it. I would like to restore it. That is what I want to say on this trip, not the horrible pap they have me saying. Bill, why can't I say what he says? Can't we put it in the Caracas speech?

Orfila: Go to Santiago and use the two or three days to restore the OAS, rebuild this organization. Leave the budgets and administration to technicians.

The Secretary: Bill, put in a speech for Caracas that if we are not going to have a new dialogue outside the OAS, then we should use the OAS itself to build a new relationship. Why shouldn't I go to Santiago? With the credit I have in this country, there is no reason for me not to go. I might well go.

Orfila: Before you throw me out, I would like to raise one more subject—Bolivia.

The Secretary: Are you saying that I would throw you out of here?

Orfila: (Laughing) It is very important that Peru be convinced that it should go along with Chile and Bolivia on the question of Bolivian access to the sea. Carlos Andres Perez will take this up with you in Caracas.

Mr. Rogers: Alex, are you asking the Secretary to take this up in Lima?

Orfila: No, I'm saying only be very careful. Do not reveal any U.S. position but only say to the Peruvians that a solution of this old problem will be very well received.

Mr. Rogers: That's fine, that's all right. Perez will take this up with you in Caracas because he also thinks it's important.

The Secretary: What do you think of Perez?

Orfila: This has to be off the record but for me Perez is number one in Latin America. A very interesting, able person.

The Secretary: What's Geisel like?

Orfila: Whatever you hear, he is good, charming, has definite ideas, he is very pro-American. He will probably bring up counter-vailing duties.

Mr. Rogers: We think he will.

The Secretary: Bill, can we say anything?

Mr. Rogers: It's very hard to say anything; we are locked in because of the Congress.

Orfila: I had the same problem with shoes when I was Ambassador of Argentina. It was necessary to change a word. We had to get rid of the word subsidy and find another word.

Mr. Rogers: We can try for something like that.

The Secretary: What else is on your mind?

Orfila: Central America.

The Secretary: I'm supposed to be seeing all the presidents of Central America at San Jose but another one drops out every day. I understand of course about Laugerud but the other one, Molina, I don't un-

derstand. No one in the U.S. cares about Central America but my going there, with a large party of newsmen, will focus attention and create interest. If two of the chiefs of state don't come, stories will appear here about how they didn't care to meet with me. That will go badly here, although my prestige does not require me to meet with them. The point is to focus attention on Central America.

Orfila: Would it help if I called Molina or if I called all four of them? I know all of them well. Let me ask you to raise the OAS with Perez and the others in Caracas.

The Secretary: Call them and tell them to come. He (referring to Rogers) is against the OAS.

Orfila: Yes, he's against the OAS, the way it is at present. He is right. He also understands that we have to preserve the forum. Bill knows, and I think you know, that the Permanent Council is making my life impossible. But we can't just say, do away with the Permanent Council. We have to do something like they did in the UN.

The Secretary: The Latin American foreign ministers would be the supreme body.

Orfila: Yes, with the Permanent Council meeting rarely like the Security Council.

The Secretary: So there would be no Permanent Missions, no OAS ambassadors?

Orfila: There could be ambassadors but they would meet much less often. Right now the organization is simply dwindling. The present reform, going over the charter articles again and again, that is changing nothing.

The Secretary: What do you think about Cuba?

Orfila: Angola has been a big set back and everyone knows it.

The Secretary: I am not going on this trip to carry on a crusade against Cuba. Is that understood?

Orfila: No one is pushing for Cuba these days except perhaps Torrijos.

The Secretary: Torrijos approves of Angola?

Orfila: No, but Torrijos is on a tight rope. He has great pressure on him from inside and he has to do things that will maintain his balance. He has to keep the peace internally. You know that Panama will be raised in Caracas and in Central America; perhaps marginally in Brazil and Peru also.

The Secretary: They should understand that we need silence in Panama. I can't speak out on this subject or it could have domestic political repercussions—especially before the New Hampshire and Florida primaries. All I can say is that we are negotiating in good faith.

Mr. Rogers: When I was in Caracas I spoke with Perez. He knows what the situation is and will not push us.

The Secretary: Do we have to expect trouble on this score during the visit, riots, perhaps?

Orfila: No, no, no trouble. Some questions from the press, questions from leaders. To go back, we are drifting apart. We have to do something about it.

The Secretary: I've spent the last week beating up my associates. I want to say that we have a problem. Let's face it. Don't say everything's fine. We have a special relationship and we have to save it. What we need to do is to get ready between now and June to accomplish something serious. The General Assembly in June provides an opportunity. I can use this trip to begin the process and between now and then we can make good progress. But the Assembly must be set up as it was here last year, for informal meetings. We have to avoid those horrible speeches.

Mr. Rogers: The trip is the opportunity to forewarn them about what we have in mind.

The Secretary: Bill, you have to get this in the Venezuela speech and also in the toast in Brasilia. I don't mind saying it twice. The point is, this is a serious trip and I would like you (Orfila) to get this across to your colleagues. I will be travelling with a great number of journalists and if they beat up on me in Latin America, there will be lots of bad publicity here.

Orfila: Would you like me to say to the press just that—that this is a serious trip, a substantive trip and that you have important things to say to those you will be meeting?

The Secretary: I would like that very much. You know it's not in my nature to go off on a goodwill visit. I have serious purposes in mind.

Orfila: I will make this clear when I go downstairs.

The Secretary: Thank you so much for coming. It's always a pleasure to see you. I respect your views.

Orfila: And I respect yours. Have a good trip.

42. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, February 19, 1976.

Secretary Kissinger has asked that I pass you the following report.

"The mood at the first two stops on my Latin American Trip—Caracas and Lima—is warmer, and also more unsettled than I had expected.

"In Caracas, I met at length with President Perez. He is a commanding figure, quick, energetic, tireless, proud of his country and its democracy and utterly in control of his government. With the nationalization of the oil industry, he and Venezuela have come to terms with the United States. He can now relate to us as an equal, without rancor or embarrassment. I hope his visit to the United States will come off in the second half of the year, because you will like him and he will give you a sense of the new Latin America, a hemisphere we can work with.

"In Peru, I talked with the President, the Prime Minister and the Foreign Minister; all are military. All give the impression of dedicated, but confused, military reformers, anxious to preserve their third world credentials but now, and for the first time, equally anxious to enhance their relationship with us. We should grasp the opportunity, for the Peruvians, though they can say some ideologically terrifying things publicly, are still a voice for moderation in third world fora. At home, though, they are close to the ragged edge, their international economic accounts are in bad trouble; internally, they have trouble deciding whether they face tougher opposition on the left or on the right. And they want to reform their own country, which is no easy task under the best of circumstances and well-nigh unthinkable in as ancient and rigid a society as Peru's. They much appreciated the visit, from all the evidence; the feeling all around was warm—though I have no doubt that the very few student noisemakers in the Lima streets will get more press coverage than the much larger crowds who were favorable.

"Cuba, however, is much on the Latin mind; this is already apparent from the first two stops.

¹ Summary: Reporting to Ford on the first part of a trip to Latin America, Kissinger noted that the failure of the United States to respond forcefully to Cuban intervention in Angola had damaged U.S. prestige in the region.

Source: Ford Library, National Security Adviser, Outside the System Chronological File, Box 1, 12/20/1975–6/1976. Secret; Sensitive. Sent for information. Ford initialed the memorandum. In a February 25 conversation with Ford after his return to Washington, Kissinger stated that Latin Americans were "scared to death about Cuba," adding that he thought that "we are going to have to smash Castro," but not before the Presidential election. Ford agreed. (Ford Library, National Security Adviser, Memoranda of Conversations, Box 18, February 25, 1976—Ford, Kissinger)

"In Venezuela, it has hardly escaped President Perez's attention that the new government in Luanda came to power on the bayonets of a Latin American state (or rather a Caribbean country, since Venezuela deeply fears that Cuba can create a black Caribbean bloc). The fact that it was in Africa that the Cubans installed a government of their choosing, and not in his hemisphere, is small comfort to President Perez, who as Interior Minister fought Cuban infiltration. Caracas is full of rumors that the Cubans are already in Guayana. It is not hard to imagine that it could cause real trouble any day between the two countries, if the Cubans want it to. President Perez himself has strong memories of the time ten years ago when Castro was deep into political murder in Venezuela itself; Perez was the Minister of Interior then. So he has no illusions, and plenty of apprehensions about the Cubans.

"This is what gives such point to our response to the Angolan adventure. For Venezuela, like the rest of Latin America, has in all practical fact, stood behind the protective security shield of the United States against intervention from overseas. And we have protected them, until now. They see themselves defenseless against the new Cuba, armed to the teeth and, from all appearances, not unwilling to do in this hemisphere what it has already done in Africa. And they are concerned.

"In this sense, Angola, for Latin America, is more important than Vietnam. Now as then, they are interested in what is happening in Washington, not Saigon or Luanda. They know that a Latin American nation—for the first time in history, has launched an overseas invasion of military force with considerable fire power into an internal conflict in another nation with absolutely decisive results—and we tried to do something about it and failed, by our own internal division, to stop them.

"The Venezuelans were as explicit about our failure as courtesy would permit them to be. The Peruvians were a little less willing to show anxiety, probably since Peru treasures its credentials as a non-aligned state. But there was no doubt at either Caracas or Lima that our response to the Cubans in Angola has altered the Latin view of the United States—and not for the better."

**43. Summary of Interagency Intelligence Memorandum NIO
IIM 76–017¹**

Washington, April 26, 1976.

[Omitted here are a title page and a warning notice page.]

LATIN AMERICAN PERCEPTIONS OF THE UNITED STATES²**SUMMARY**

While most Latin American countries continue to regard the United States as a rich and powerful country, the outcome of the Vietnam war has led them to the conclusion that they had an exaggerated image of U.S. strength and resolve. Lack of U.S. response to Cuban action in Angola made some Latins nervous about their vulnerability to the communist threat, but most believe the U.S. would react vigorously in the Western Hemisphere.

The domestic problems which beset the U.S. in the form of Watergate, intelligence investigations, and differences between the U.S. Executive and the Congress are viewed by many Latins as examples of the kind of national disarray that led to traumas in some of their own countries. Many Latins wonder about the true value of Executive commitment if Congress can effectively block it.

Latin bitterness has increased as their relationship with the U.S. has turned on a series of differences based on trade, investment, and military support. But it remains dogma for most of the governments to align themselves with the U.S. on issues of survival. Further, they consider cooperative ties with the U.S. to be both natural and desirable, so long as the relationship does not relegate them to the role of satellites and provided it permits them to adopt adversary positions when they see it in their own best interests to do so.

¹ Summary: This analysis examined Latin American perceptions of the United States in the wake of the Vietnam war and Watergate.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, Latin America—General 3, 11/1/76–12/20/76. Confidential; [*handling restriction not declassified*]. All brackets are in the original except those indicating text omitted by the editors or denoting original footnotes. In a February 13 memorandum to Kissinger, Harold Saunders of INR provided an analysis of Latin American views on the United States based on input from U.S. diplomatic posts in the region, concluding that “Latin American perceptions of the U.S. for the most part have not been influenced as much as one might have expected by Vietnam, Watergate, revelations of U.S. intelligence activities, and Presidential-Congressional differences.” (National Archives, RG 59, Records of Henry Kissinger, Entry 5403, Lot 78D443, Box 19, Nodis Briefing Memoranda, 1976)

² This memorandum was prepared under the auspices of the Acting National Intelligence Officer for Latin America. It was drafted by the Office of Current Intelligence of the Central Intelligence Agency after consultation with representatives of the Intelligence Community and with contributions from U.S. Ambassadors in Latin America [Footnote is in the original].

Impressed by the stunning impact of OPEC, Latins have formed their own economic blocs and are gratified by the flexible strengths they perceive in attracting cooperation from the U.S. or in applying leverage against it. Furthermore, they have become more responsive to the overtures of other countries and blocs.

Latin America's changing behavior toward the U.S. results in part from a perception of weakened U.S. ability to deal with domestic and international problems, including the growing realization that U.S. hegemony in the hemisphere has limitations; but principally it stems from the region's new appreciation of its own growing international importance and of its need to follow policies responsive to its more sharply defined interest.

[Omitted here is the body of the memorandum.]

44. Memorandum of Conversation¹

Washington, June 1, 1976.

SUBJECT

The Secretary's Trip in June, 1976 to the OASGA in Santiago, Chile

PARTICIPANTS

Secretary Kissinger
 Under Secretary for Economic Affairs Designate William D. Rogers
 Assistant Secretary for Inter-American Affairs Designate Harry Shlaudeman
 Deputy Assistant Secretary of State for Inter-American Affairs William H. Luers
 Director, S/P, Winston Lord
 S/P—Luigi Einaudi
 S/P—M. Charles Hill
 S—Richard W. Aherne
 NSC-IG/ARA—J. H. Glenn (Notetaker)

¹ Summary: Kissinger commented on the purpose of his upcoming trip to Latin America, during which he was to participate in an OAS General Assembly session in Santiago, Chile.

Source: National Archives, RG 59, Central Foreign Policy File, P820118-1524. Secret; Nodis. Drafted by James Glenn in NSC-IC/ARA. Approved by Collums on July 6. All brackets are in the original except those indicating text omitted by the editors. The toast that Kissinger delivered in Santo Domingo on June 6 is published in the Department of State *Bulletin*, July 5, 1976, pp. 14-19. Kissinger's June 8 statement on human rights, delivered at the OAS General Assembly in Santiago, is *ibid.*, pp. 1-5. In telegram 130518 to Kissinger, May 27, the Department transmitted talking points for an informal OASGA session on cooperation for development. (National Archives, RG 59, Central Foreign Policy File, D760205-0109) Kissinger's June 9 statement on cooperation for development is published in the Department of State *Bulletin*, July 5, 1976, pp. 5-10.

Kissinger: Have my comments on these drafts circulated? No? Well, let's look at the Dominican toast; you can look at my comments later. First of all, it's preposterous to speak of a special relationship between us; it's an insult to the Dominicans. Second, this toast makes it sound as though my trip is mainly to further the restructuring of the OAS. This is only a tertiary objective. I don't care if Alex Orfila is having problems with the Permanent Council. But, I am willing to plug OAS reform at the tail end of the toast.

The purpose of my trip is the continuation of the dialogue begun last year and continued on my last visit to Latin America; attending the OASGA is only a pretext. So, restate the themes of my last trip in this toast, put OAS reform at the end, and say a few graceful things about the Dominican Republic, but don't go overboard as in this draft.

The important thing is that Monday's newspapers emphasize my purpose in making the toast and the trip. It doesn't hurt to stress the same themes as before; reiteration doesn't discourage the press. Nobody can remember what we said before, anyway.

Make sure that the toast includes the themes of economic development, technology transfer, trade and human rights. But cut most of the stuff on the Dominican Republic's role in world affairs. After all, what place does the Dominican Republic have in the family of nations.

Human rights make me love the State Department. Am I supposed to make a revolution in Chile? I can't say what you want me to. I can't launch a broad scale attack on Chile. I am willing to make a general statement on human rights in the Western Hemisphere.

Luers: The basic question is: how do you address the Inter-American Human Rights Commission report, in the context of which Chile arises?

Kissinger: Do we want a separate Human Rights Commission for each country? The Southerners would blast me.

Lord: But the Southern primaries are over.

Kissinger: This human rights statement is ridiculous. Are we willing to set a commission up to report to the OAS? Senator Allen would filibuster it. Would Argentina set one up?

Shlaudeman: Sure, a controlled one.

Luers: Only the democracies would have problems.

Kissinger: Why is it that only now when terrorists are being killed is action being proposed? What about earlier when the terrorists were doing the killing? Why wasn't there any action then? What I want is a general statement along the lines of what I said in Colombia and Costa Rica; at the end, mention Chile in a less self-righteous manner. Take out the harebrained schemes like country commissions.

Shlaudeman: What about regular, 4-year visits?

Kissinger: O.K.

I see no advantage in the talking point format in this cooperation for development statement. We need a coherent statement for the press.

Lord: For the press?

Kissinger: Yes, I want it given to the press; it's the only way to get it covered. Briefings themselves are insufficient. The problem is that the Latins need heroic rhetoric at the beginning of each statement. They need to know you care. Also, the problems for which solutions are posed in this paper are not stated. I'm the last to believe that a special relationship really exists between the U.S. and Latin America. One of our hangups is our insistence on a special relationship. With the right policy, we could make more progress in the Western Hemisphere than in any other area of the world. De la Flor, for instance, is qualitatively different from the others; why push them? I don't accept in light of the Lome and similar conventions that the U.S. should follow a purely global approach to trade. Why not a special arrangement with Latin America?

So, in this paper, define the problems for which it poses solutions; focus more on the Western Hemisphere; flesh out further the proposals for the Western Hemisphere. It's really a rather good paper; I have some problems with it, of course. Half of our problem is the press.

[Omitted here is discussion of the May 5–31 UNCTAD session held in Nairobi, Kenya, and discussion of plans for Kissinger's June 10–13 visit to Mexico.]

45. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, June 5, 1976.

SUBJECT

Secretary Kissinger's Trip to Latin America June 6–13

Purpose

As you know, Secretary Kissinger will visit Latin America June 6–13 to participate in the annual General Assembly of the Organization of American States in Santiago, Chile. He will visit the Dominican Republic and Bolivia on the way to the meeting and Mexico on the return. His purpose is to demonstrate the importance you attach to our relations with Latin America and to discuss bilateral and hemisphere issues. The trip will continue the momentum of his February trip toward improving our relations with Latin America. During the closed sessions of the OAS, he plans to make a number of proposals relating to trade, technology, and human rights. The OAS meeting will also provide the occasion for us and others to consider proposals for the reform of that organization.

Schedule

The following is the Secretary's schedule:

Sunday, June 6	Washington to Dominican Republic [lunch stop] to Santa Cruz, Bolivia
Monday, June 7	Santa Cruz, Bolivia to Santiago, Chile
Tuesday, June 8 thru Wednesday, June 9	OAS General Assembly Meetings
Thursday, June 10	Santiago to Mexico City
Friday, June 11	Mexico City
Saturday, June 12	Cancun (Yucatan), Mexico
Sunday, June 13	Evening—Arrive Andrews

¹ Summary: Scowcroft briefed Ford on the itinerary for Kissinger's June 6–13 trip to Latin America and outlined the key issues in relations with the region that were likely to arise during the Secretary's travels.

Source: Ford Library, National Security Adviser, Trip Briefing Books and Cables for Henry A. Kissinger, 1974–1976, Kissinger Trip File, Box 25, June 6–13, 1976—Latin America, General. Sent for information. Ford initialed the memorandum, and a note reads: "The President has seen." All brackets are in the original. Kissinger's remarks and statements in the Dominican Republic, Bolivia, Chile, and Mexico are published in the Department of State *Bulletin*, July 5, 1976, pp. 1–36.

The focal point of the trip is the OAS General Assembly meeting in Santiago. Some of the more significant agenda items are:

Human Rights

In the human rights field the central focus will be on the report on Chile of the Inter-American Human Rights Commission (LAHRC), which is sharply critical of that country. The Secretary intends to make a forthright statement indicating our commitment to international resolutions in support of human rights and collective standards of behavior. He will propose strengthening the Inter-American machinery for assuring respect of human rights and suggest periodic visits to the member nations by the LAHRC.

OAS Reform

For the last three years a special committee of the OAS has been studying ways to modernize and reform the organization. In the process, it has drafted a new charter which would restrict our freedom of action in the economic area and is therefore unacceptable to us. The Secretary will attempt to have the draft charter referred to a study committee. Others are aware of our opposition to the draft charter and are likely to support us or propose other methods to sidetrack it.

Panama and Cuba

In 1974, the OAS General Assembly passed a resolution urging the U.S. and Panama to continue their negotiations for a new treaty governing the Canal and requesting annual progress reports. At last year's General Assembly in Washington an innocuous joint report was submitted by the U.S. and Panama indicating that negotiations were continuing and satisfactory progress was being made. The statement was accepted by the meeting with approval. We are negotiating a similar joint report with Panama to be submitted to this Assembly in Santiago. It again states that negotiations are continuing and progress is being made but notes that significant differences remain in the areas of treaty duration and lands and waters. The report will be submitted to the Assembly by Panama and the U.S. while the Secretary is in Santiago on the 9th or 10th of June and will undoubtedly be accepted without problem.

There is a possibility that some of the Latin governments which are most concerned about the Cuban military adventure in Angola might press for a resolution condemning Cuban intervention abroad. The more democratic regimes in and around the Caribbean would almost certainly disassociate themselves from such a move. So as not to leave the U.S. all alone in the company of the right wing authoritarian group, we plan to be firm but to keep a low profile, letting the Latins take the lead on this issue.

During the course of the informal dialogue sessions, the Secretary will outline proposals in the field of cooperation for development which include the following points:

- that the OAS establish a special Inter-American commission for trade cooperation;

- that you will weigh Latin American special interests in exports when exercising your discretion under the Trade Act;

- that we add products of particular interest to Latin America to the Generalized System of Preferences List under the Trade Act;

- that we consult on various aspects of the Geneva Multilateral Trade Negotiations, including special consideration for developing countries;

- that a U.S. trade team visit Latin America shortly;

- that we apply our UNCTAD proposals specifically to Latin America;

- a set of key principles guiding the transfer of technology;

- specific programs now underway to improve Latin American access to U.S. technology.

The Santiago Visit

Because of widespread criticism of denial of human rights in Chile, the U.S. had abstained when the decision was taken by the OAS to hold the General Assembly in Santiago. However, a majority of the members supported holding the meeting there in the absence of an alternative.

Only Mexico is refusing to attend. The Secretary's visit to Santiago is being cast entirely in terms of his participation in the OAS General Assembly. Nevertheless, he has agreed to meet privately with Chilean President Pinochet during his visit to Santiago, and he accepted a luncheon invitation of the President along with a number of other foreign ministers attending the meeting. He intends to discuss our bilateral problems frankly with the Chilean President.

Dominican Republic

During the four-hour stopover in the Dominican Republic, the Secretary will lunch with President Balaguer. His visit is intended to demonstrate that we do not take good friends for granted and to indicate our interest in the Caribbean.

Bolivia

The Secretary will spend Sunday night in Bolivia and will breakfast with President Banzer on Monday morning. The stopover there will demonstrate our interest in the smaller and poorer nations of the hemisphere and our recognition of the good relations that exist between Bolivia and the U.S.

Mexico

The Mexico visit is intended to reassure that country of our interest and friendly intentions following the Secretary's two lengthy trips to

Central and South America. It will show that we do not take the important but delicate relationship with Mexico for granted. It will also provide an occasion for the Secretary to meet the unopposed Presidential candidate Jose Lopez Portillo, whose election will occur on July 4. Secretary Kissinger will assure both President Echeverria and Lopez Portillo of our continued desire to seek solutions to our bilateral problems in the narcotics and illegal immigrant areas and of our support for the economic and social development of Mexico.

Before returning to Washington, the Secretary will fly on Saturday, the 12th, to Cancun, a newly developed resort area on Mexico's Yucatan coast, at the invitation of President Echeverria. He will return to Washington the following day.

The Secretary plans a press conference in each of the four cities he will visit. There will be two speeches in the form of toasts: the first on the way down in the Dominican Republic and the second on his return in Mexico City. The Dominican speech is intended to explain the reasons for the trip: a demonstration of the importance of Latin American relations to us; a further step in the dialogue with Latin America following on the February trip; and an opportunity to present positive programs in the fields of development, human rights, and OAS reform. The Mexico remarks on June 10 are intended to emphasize our close relationship with that country and the importance we attach to Mexico's role in world affairs.

46. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, July 19, 1976.

SUBJECT

The Significance of the OAS General Assembly in Santiago

Secretary Kissinger has sent you the attached memorandum describing the significance of the recent OAS General Assembly in Santiago. He believes that the meeting represented a turning point in our relations with Latin America.

In brief, the memorandum notes that the atmosphere at the meeting was amicable, and that the tone of US-Latin American relations is better than at any time in the recent past. This improvement is largely due to our resumption of an active role in inter-American forums. The Latins regard this as proof that the United States is genuinely concerned about its relations with the rest of the hemisphere. This impression has been enhanced by the personal attention given the region by Secretary Kissinger and other high Administration officials as well as by U.S. initiatives on major issues of interest to the Latin Americans: development cooperation, human rights, and modernization of the inter-American system.

Latin America has changed during the 60s and early 70s. It is now wealthier and more self-confident. The low profile of U.S. policy during that period contributed to the process of maturation. It is now possible, as the meeting in Santiago proved, for the United States to deal with the Latin Americans in a new spirit based on mutual respect and understanding. We have, in fact, established a new basis of communication with the other nations of the hemisphere.

¹ Summary: Scowcroft transmitted a memorandum from Kissinger which referred to the OAS General Assembly in Santiago as "a turning point in our relations with Latin America." Kissinger also referred to a "historic shift" in U.S.-Latin American relations during the Ford administration and attached a memorandum from Rogers giving a more detailed account of recent trends in relations with the region.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Box 3, Chile. Confidential. Sent for information. Ford initialed the memorandum, and a note reads: "The President has seen." The July 8 memorandum from Kissinger to Ford that was transmitted with this memorandum is *ibid*. The July 8 memorandum transmitted a June 30 memorandum from Rogers to Kissinger on "The Significance of Santiago."

47. **Briefing Memorandum From the Director of the Policy Planning Staff (Lord) to Secretary of State Kissinger¹**

Washington, September 1, 1976.

Latin America: A Deceptive Calm?

This has been a good year in our relations with Latin America. Your two trips—which included stops in no less than 10 countries—revealed impressive reservoirs of warmth and potential for cooperation. Above all, they confirmed your sense and ours that most problems in this hemisphere can be solved to mutual advantage.

The problems are many, however. And new issues arise constantly, sometimes endangering earlier progress. This memorandum assesses the general state of relations on the eve of your various encounters with Latin American officials and Foreign Ministers this fall.

The U.S. in Ascendance

Recent events suggest that U.S. prestige is again rising in Latin America:

- the Santiago OASGA went very well for us;
- official relations with major countries have improved noticeably; and
- except for parts of the Caribbean, anti-American posturings—and with them the Cubans—seem to have lost most of their appeal.

These developments reflect a basic trend toward economic and political conservatism. Latin Americans are increasingly sensitive to the need for good relations with the United States.

—The emergence of a new economic climate has been reported by sources as diverse as *Business Week* (which published a Special Report August 9 recounting growing opportunities for U.S. firms in Latin America) and Sam Lewis and Charles Frank (who found a growing mood of pragmatism and a desire to play down ideology—particularly in contrast to the 1974 policy planning talks).

—Politically, governmental changes in Argentina and Peru have accentuated a general swing to the right. The failure of the left has reduced the appeal of radical solutions and enhanced predispositions to cooperate with the United States.

¹ Summary: This memorandum reviewed significant improvements in the state of U.S.-Latin American relations while commenting on persistent problem areas and recommending means of engaging the challenge posed by the issue of human rights.

Source: National Archives, RG 59, Central Foreign Policy File, P770114-0501. Confidential. Drafted by Einaudi on August 31.

The Role of Foreign Policy

This changed environment is due fundamentally to the renewed vigor of the U.S. economy and to Latin America's inability to find acceptable substitutes for U.S. enterprise and technology either domestically or from third parties. But our policies have helped. We have shown new flexibility toward Latin America recently on three levels:

—Bilaterally, we have made special efforts to reach mutual accommodations without attempting to dictate the domestic policies of the countries concerned. Our commitment to conciliation has been demonstrated by our acceptance of the legitimacy of Latin America's governments—even in the face of challenges to U.S. interests that in the past might have provoked confrontation or even direct intervention. Our pragmatism in dealing with Venezuela's iron and oil nationalizations and our efforts to resolve the Marcona expropriation in Peru have demonstrated that investment disputes need not entail irreconcilable conflicts. These policies have contributed decisively to more favorable Latin American attitudes toward private investment and to a lessening of quasi-Marxist ideological preoccupations.

—Regionally, we have reaffirmed our commitment to the OAS, and to efforts to make it more responsive to Latin American concerns. In joining a majority move to end mandatory OAS sanctions against Cuba, we did more than remove a source of multilateral tension and shift attention to Cuba's own behavior as the reason for its continuing isolation. We also made clear our interest in the survival of the OAS and the Rio Treaty as instruments of inter-American cooperation. In Santiago, you supported the contributions of the OAS to the protection of human rights and to regional peace, and committed us to a Special General Assembly next year on cooperation for development.

—Globally, we have shown growing awareness of North-South concerns. Discussions of commodities, trade, debt and technology in the UN, UNCTAD and CIEC have had positive reverberations on bilateral relations and on the elaboration of possible regional initiatives through the OAS, ECLA and the IDB.

This record is based on gradual case-by-case progress, with no sweeping new programs or attempts to force countries into a single mold. Though inherently difficult to articulate in inspiring terms, such a pattern of pragmatic adjustment is congruent both with our limitations and Latin America's. Moreover, if we can sustain this approach and avoid major mistakes for a few more years, Latin America's growth may be sufficient to facilitate more constructive and balanced relations in the future.

Problem Areas

Some observers believe, however, that we may be on the verge of a new period of recriminations and mutual alienation. Their chief fear is that the implacable campaign now underway in South America to eradicate terrorism will provoke equally rigid American reactions in defense of human rights. The powerful emotions and frustrations thus

unleashed on both sides, they argue, will inexorably destroy the gains of the past year and create fresh obstacles to cooperation for years to come.

Latin American conditions have always tended to elicit cataclysmic visions—and agonized responses—from American observers. Nonetheless, three problem areas seem particularly significant:

- limitations in our capacity to muster the resources to take advantage of our increased opportunities for cooperation;
- weaknesses in Latin America's capacity to respond constructively; and
- the disruptive potential of the human rights issue.

Of the three, the human rights issue is the most delicate, for it could bring out the worst aspects of our other difficulties.

Our limitations are substantial. Domestic political and economic conditions severely constrain our flexibility on investment disputes and access to markets. We have made—and can continue to make—piecemeal progress. Executive branch efforts have softened potential conflicts over trade with Brazil and Colombia, and investments with Venezuela and Peru. But the underlying problems remain, and increasingly affect our relationships even with Mexico. We cannot get Congress to make Venezuela and Ecuador eligible for GSP—let alone meet the desires of those Latin Americans who seek new regional trade preferences. Nor have we been responsive to advocates of the development of assistance, trading, and investment relations free from the threat of sanctions or countervailing actions.

Even if we could, it would probably be unwise to support the utopian preconceptions behind the legalisms of "collective economic security," Echeverria's Charter of Economic Rights and Duties of States, or the UNCTAD Code of Conduct for Technology Transfer. But the difficulties we have had in developing your own insights on science and technology suggest a deeper lack of practical flexibility in implementing even moderate and pragmatic initiatives for coping with the economics of interdependence. Meanwhile, our traditional bilateral economic and military assistance programs are increasingly meager and irrelevant to Latin American needs.

Latin America's weaknesses are just as apparent. Most hemisphere governments are so beset with immediate domestic problems that few real energies remain for anything else. Despite continuing institutional and economic growth, elite disorganization and popular pressures have created an underlying crisis of legitimacy and authority—in apparently stable countries like Mexico as well as in more obviously troubled countries such as Argentina, Uruguay and now Peru. The great dilemmas—migration and population growth, income maldistribution, unfavorable terms of trade and investment—regularly take a back seat

to mundane emergencies over public services, gasoline prices and obtaining the (mostly private) loans to meet growing import bills.

Not surprisingly, therefore, the region's foreign affairs—always ambiguous in recent years—seem more difficult to categorize than ever. Everyone favors economic integration, but the Andean Pact falters. SELA is virtually still-born, leading everyone to agree that the OAS must survive, but no one is sure how to reform it. Sub-regional tensions—over the future of the Caribbean and of Cuba's role in it, over Bolivia's outlet to the sea or Belize's independence, between military governments and the few persisting democracies—fester, but never seem to produce a major crisis. Even Puerto Rico is becoming a long-term question mark.

Extra-hemispheric relationships are similarly in flux. The EEC discriminates economically—but, like Japan, is an increasingly important trading partner. Seen up close, other parts of the Third World seem backward—but not entirely impotent as allies. The Soviet Union remains a source of danger—but offers occasional benefits. Only China seems rather absent.

The one important generalization about the region's foreign affairs, then, is the one made earlier: most of its governments actively desire improved relations with the United States. And their new pragmatism may actually test our capacity for responsiveness more than did their previous unmeetable demands. Despite the difficulties, therefore, there is reason for optimism. The real short-term danger points are only two: Panama and human rights. Little need be said about the Canal question: a failure to begin to conclude a new treaty relatively soon could severely damage inter-American relations. Human rights may be even less controllable.

The Human Rights Challenge

The tendency in several South American countries to fight terror with terror has led to a rash of killings, disappearances, and similar acts against "subversives." Some of these acts are provoked by genuine threats, some are not. Some are officially sanctioned, some not. The distinctions are typically difficult. It is clear, however, that most of those targeted and hit are not terrorists.

In Argentina, the new storm center, a conservative military government is attempting to reestablish order after a period of uncontrollable proliferation of terrorist and counter-terrorist armies. International acceptance of the legitimacy of its efforts has been severely damaged by reports of indiscriminate "counter-terrorist operations," some of which have been carried out with anti-Semitic fury by defiant local Nazis, apparently with policy connections and even some official tolerance.

The resulting climate of insecurity and outrage—more abuses are to come—could wreak havoc on attempts to consolidate improved relations, not just with Argentina, but throughout Latin America. Cooperation among intelligence and security forces to combat suspected subversives involves five countries in addition to Argentina: Chile, Uruguay, Paraguay, Bolivia, and, significantly, Brazil. Because the governments concerned are all military-dominated and hence by definition illegitimate in some eyes, the human rights issue is stimulating a quasi-ideological reaction against “reactionary military dictatorships” and even against Latin America as a whole.

The result is that we are and will continue to be faced with a resurgence of paternalism and anti-militarism in American attitudes toward Latin America, combined with neo-isolationist anger at Latin America’s failure to follow a course more compatible with American ideals. In fact, the combined force of cultural attitudes, congressional pressures, and bureaucratic habits are already pushing us toward general condemnations and denials of multilateral as well as bilateral assistance. The harbinger is clearly present in the Harkins Amendment, which requires us to vote against IDS loans to countries where there is a “consistent pattern of gross violations” of a long list of human rights. Furthermore, the only exception allowable under Harkins, that “such assistance directly benefit the needy,” reveals assumptions about the nature of Latin America and of politics in general that will rarely prove congruent with the requirements of relations with the increasingly complex societies and governments to our South.

Does it Matter?

Would even a worst-case scenario—in which some if not most Latin American countries wound up in defiant confrontation with the international community—make any measurable difference to the United States?

The answer, unfortunately, is yes. If South America were to become isolated, it would be heavily at our expense, morally and politically. The swing of the pendulum to the political right in Latin America—even the counter-terrorism campaigns in the southern cone—are being justified partly in the name of the West in general, and of the United States in particular. The failures that could lead to international opprobrium—and internal radicalization—would be listed—however unfairly—as *our* failures. And in the meantime, other powers with fewer inhibitions would position themselves to advantage. The Soviet Union has kept a low profile in Latin America recently, but its willingness to heavily subsidize military sales to Peru demonstrates its capacity to take advantage of our inflexibilities.

Furthermore, because we and the Latin Americans both stand to lose a great deal economically as well as politically, alienated interde-

pendence is ultimately more likely than complete isolation. U.S. direct investment is substantial. The exposure of commercial banks is even greater. Private efforts to salvage these economic interests would predictably outlast public patience, thereby just as predictably stimulating political controversies of the kind that already dog us with South Africa.

There is a more immediate problem as well: the human rights issue threatens to subject most if not all our bilateral and multilateral relations to unenforceable standards. We have been through this before—on both economic and military assistance. The pattern is now being repeated on Human Rights. Our inability to explain or control Latin American conditions leads first to criticism of the executive, then to congressional restrictions, and finally to an apparent U.S. unwillingness to cooperate.

It is difficult to escape the conclusion that the stakes are sufficient to warrant concern, and that some sort of continuing engagement is inevitable.

What Can we Do About It?

To argue that our relationships with Latin America are too manifold and intimate to escape is of course nothing new. It is in many ways what you have yourself been arguing for three years: we need new ways to manage our interdependence, in this hemisphere as elsewhere. And the agenda is so vast that no single problem should be allowed to dominate relations, just as no single policy formula can encompass the full range of relations between the U.S. and the varied societies of Latin America.

The limits on our flexibility are increasingly clear, however. There is precious little constituency in Congress for political realism towards Latin America. Support for even modest military programs has been dwindling steadily. And unless conditions improve noticeably in Argentina and Chile, nothing we can say will turn Congress around on human rights. Chile is not Iran or Korea—witness the unusual ban on even commercial arms sales.

This paper cannot attempt to lay out a detailed strategy on the human rights issue. But the basic requirement seems clear. Faced with the intractable realities of human rights, we have little choice but to develop forms of engagement that tolerate both cooperation and criticism. At Tlatelolco, faced with Latin American complaints about “U.S. economic sanctions,” you responded that such measures could be overcome only through development of more cooperative and mutually responsive relations: new “rules of the game.” The New Dialogue demonstrated the difficulty of arriving at abstract rules. But the course of our relations since then also suggests that accommodations can frequently be worked out in practice. To do so we will need to demonstrate:

—to the American public and Congress, that the U.S. government considers human rights one of several interests we seek to promote with balance and vision—but that it would be self-defeating to allow it to override all others; and

—to Latin America, that our commitments are practical and not abstract, that they involve cooperation as well as preaching.

Your two Latin American trips this year have set forth the elements of such a policy—of cooperation for development as well as for security, to advance human rights as well as economic progress. To lessen the disruptive impact of the growing storm over human rights, we will need to articulate this approach more fully in *all* of its dimensions. By showing sympathy for the victims and giving practical support to institutions that promote human dignity and the rule of law, we can make clear our rejection of acts contrary to civilized values. By expanding trade and increasing the flow of technology and people—and working pragmatically to resolve the problems they create—we can increase mutually profitable cooperation and perhaps even alleviate some of the insecurities and poverty that contribute to abuses. We can do little more—and should probably do no less.

Two and a half years ago, on the eve of Tlatelolco, Mexican Foreign Minister Rabasa urged that the most important single thing you could do would be to declare publicly that there would be “No More Santo Domingos.” Today, after new “revelations” about Chile (and the CIA in general), some Latin Americans still talk about U.S. “destabilization” plots. But those who take such talk seriously are probably fewer today than at any time since the early 1950’s. We have in fact succeeded in demonstrating our commitment to mutual accommodation rather than unilateral intervention.

It was thus not accidental that human rights could be discussed constructively at the OASGA. Because we had quieted fears of intervention, we could afford to make our views on human rights known. We can continue to do so, so long as we distinguish among conditions, countries and policy instruments, using more discrimination, specificity and perhaps even compassion than either we or Congress have routinely shown in the past.

The executive, not Congress, should set policy on human rights. Latin American governments should be made aware that we do not condone certain practices even if we cannot force their complete control or elimination. And Congress should be reminded that we have important national interests to promote in addition to human rights, that attempts to enforce explicit standards on other societies frequently have undesirable side effects, even that the visa, immigration and refugee policies Congress largely controls sometimes set a poor example of openness and respect for political rights. The watchwords are similar for both audiences: cooperation, not imposition or withdrawal; discrimination, not frustrated overreaction.

Mexico

48. Message From Mexican President Echeverría to President Nixon¹

Mexico City, undated.

1. It would not be difficult to agree that it is necessary to restructure relations in general between the United States and Latin America. In fact, these relations have shown an increasing tendency to deteriorate in recent years. Almost all observers and analysts agree that the last serious attempt on the part of the U.S. to define an attitude towards Latin America took place during the "Kennedy" era, through the Alliance for Progress.

2. After the "Good Neighbor" policy, and when the U.S. emerged as a great power with commitments in all areas of the world, Latin America became of secondary concern within the overall international interests of the U.S. This trend, which reached critical levels at the end of the decade of the fifties, was emphasized even further by the needs of the "cold war." It was then that the electoral platform of the Democratic Party proposed a new approach through its "New Frontier." It is generally believed that the Alliance for Progress failed from its inception due to the weakness and inconsistency of its assumptions and plans. This opinion, however, was not definitely and officially accepted until Mr. Richard Nixon became President of the United States.

3. The policy of the U.S. toward Latin America is characterized by its imprecision. Even though it is less paternalistic than the positions adopted by recent governments of the Democratic Party, the "discreet presence" only conceals the absence of a defined position, if not the presence of concrete or definite interests. Actually, President Nixon's policy is outstanding for the way in which it has disregarded Latin America in comparison with other areas of the world. The "self help" policy has been insisted upon, though it is not acceptable to the peoples of Latin America who have a great need for equitable treatment in order to meet the demands of economic development.

¹ Summary: Echeverría conveyed his views on U.S. relations with Mexico and Latin America, and on internal Mexican affairs.

Source: [text not declassified]. Secret; [handling restriction not declassified]. Sent to Kissinger under a March 15, 1973, covering memorandum [text not declassified], that noted the paper was received on March 12 and was probably intended "to inform President Nixon what the Government of Mexico's concerns are so that your [Kissinger's March 26] meeting with him can start on that level of frankness which Echeverría appreciates and finds useful." (Ibid.)

4. At present the U.S. seems to want to relinquish the role of "world policeman," which it has performed for many years, and urges its allies to share responsibilities which during the "cold war" period were almost exclusively under U.S. control. This attitude applies equally to matters of war and finance as well as aid for development.

5. At the same time U.S. objectives in Southeast Asia—to withdraw under the most honorable terms possible from Vietnam and remodel its policy toward the People's Republic of China—seem to have crystallized. The foregoing could lead to the assumption that the U.S. will have an increasing interest in other areas, among which Latin America could be of foremost importance. Another factor in support of this assertion is the clear trend of the world toward trade by geographical regions, with a view of complementing economies. Because of the consolidation and importance of other economic centers of world importance, particularly the European Economic Community, Japan and the Socialist Bloc, the U.S. will find it necessary to give more attention to the countries which are closer to it geographically.

6. On the other hand, different circumstances have appeared in Latin America which prefigure the need to change hemispheric relations. The relative failure of the main projects created during the last decade, such as regional integration and the Alliance for Progress, have led to a new type of nationalism. This nationalism is not in all cases of a socialist nature, such as in Chile, but it does seek to change the perspectives of inter-American relations at both the multilateral and bilateral levels.

7. There has been no resurgence of any type of radicalism of the traditional left. Socialists or communist groups have made no important headway, except in Chile. Neither Peruvian or Ecuadorian nationalism, internal movements in Argentina and the struggle for hegemony over the Southern Cone, the measures implemented by the Government of Venezuela on the exploitation of its petroleum, nor the system for the treatment of foreign capital adopted in common by the countries which form the Agreement of Cartagena, mean that the government or parties in power have, in any way, come close to Marxist currents. In almost all cases, Latin American nationalism identifies with the principles and ideals of western democracy, whose economic and political values no government doubts. On the other hand, what we do find is that the deterioration of hemispheric relations and the seriousness of the domestic problems of all Latin American countries have favored an ever greater, and above all persistent, search for the diversification of trade with the rest of the world.

8. With reference to Mexico, the fact is that the process of industrialization has underlined the need to acquire capital goods and technology abroad. More than 60 percent of its transactions abroad are with

the U.S., however, and this is the most important point, during the last four years, Mexico's deficit in its trade balance with the U.S. has tripled. This is why it is urgent for Mexico to exert even greater efforts to reduce its foreign debt and promote its sales on the international markets.

9. Mexico must promote its development with a higher proportion of domestic savings. Due to its unfavorable trade balance with the U.S., which is aggravated by American protectionist trends and laws, it is necessary to simultaneously reorient trade relations abroad. President Echeverria has already pointed out at the Mexican-American Chamber of Commerce that protectionist barriers "relieve immediate problems but overlook long term benefits and the real national interest of the U.S." He added that "if instead of importing capital goods and a proper technology on which to base a reasonable prosperity, Mexico should continue to import American inflation (amplified by U.S. trade barriers), in the long run it will inevitably cause Mexico to export social problems."

10. Mexico has chosen the way of a mixed economy which has permitted the emergence of new social classes. A sector of businessmen has developed and consolidated its position. The GOM is interested in strengthening this sector as long as it continues to take part in and support national objectives. Foreign investments are considered in Mexico as a complement to domestic savings and efforts. For this reason foreign corporations must meet a number of requirements among which the most outstanding is that they must adjust to domestic development policies and associate on a basis of equality with Mexican businessmen. President Echeverria has insisted that "foreign investment will be welcome to the extent in which it contributes to an improved technology, promotes the development of new and dynamic enterprises, directs its efforts to the production of goods for export to all the countries of the world and contributes to the achievement of our national objectives."

11. It is evident that the Government has made efforts to modify many harmful aspects of the strategy of Mexico's economic growth which, by unduly stressing industrialization through basically protectionist measures, resulted in a growing concentration of the national income in certain sectors of the population and in certain areas of the country. To continue its process of development, Mexico needs to reorient the structure of its system of production in order to pay off the enormous deficits which have been created by the excessive import of capital goods and insufficient exports; to adopt measures for a fair distribution and decentralization of the productive activities that will satisfy an increasing demand for employment occasioned by demographic pressures; and, at the same time, to expand its domestic market. Otherwise, domestic industries can hardly attain the levels necessary for international competition.

12. The Mexican Government is attempting to carry out these changes without disturbing political stability and social peace. The present administration has made an enormous effort to create a clear awareness of the magnitude of these national problems in all sectors of the population, so that the most important groups of power will become jointly responsible for their care and for the measures to solve them without any major frictions or breaches in harmonious relations.

13. The President of Mexico has frequently defined himself as a coordinator of the national effort. He has made it clear that he does not propose to set some groups against others or destroy the present harmonious relations between the business, labor and rural sectors and, in general, between all sectors of the country but rather strive for unity and coordination. A symbol of this attitude is the National Tripartite Commission, which he created on May 1, 1971, in which workers and entrepreneurs openly discuss with the Government the main problems which arise from the adoption of a more advanced social policy and the reorientation as a whole of existing economic policies.

14. In recent months it has been said that serious disagreements have arisen between the U.S. and Mexico due to the unfair nature of trade relations and to "the Mexicanization process," which supposedly is aimed at the elimination of foreign capital. The truth is quite different. What has happened is that the domestic level of savings now permits enterprises, which in the past were financed by foreign businessmen, to be funded by Mexican capital. This is a totally valid phenomenon within a system of a free economy. It might even be added that many times American companies themselves have initiated such disengagement operations, possibly because they have found better fields for investment in other countries, including their own.

15. It is true that foreign capital does not enjoy a privileged status in Mexico but neither is it subject to discriminatory treatment. President Echeverria referred to this subject during his visit to the U.S. when he explained that "our country does not create incentives or grant artificial concessions to attract foreign resources. Foreign investment finds security of our legislation, political stability, a wide infrastructure framework, unrestricted exchange convertibility, and a sound financial and credit system."

16. He also reminded his audience that although Mexico is a developing country, its dynamic institutions, which favor social justice, guarantee a sustained rate of development, even without taking into consideration that the magnitude of its economy and the potential size of its domestic market are enormous.

17. Furthermore, we all know that uneven treatment is not new and should surprise no one. In addition, we realize that the internal decision-making process in the United States is extremely complicated

and in the last analysis requires full consultation among all the interested parties within the U.S. Government.

18. Therefore, it is not difficult to understand why President Echeverria, who intended to state our problems clearly and objectively during his official visit to the U.S. last June, wished to establish direct communications with the representatives of the different groups of power and with significant currents of thought in American society. He also gave an explanation of the frank, though always cordial, terms which he had used before the Congress of the U.S.

19. Within this framework it is not conceivable that the visit of the President of Mexico to Canada, several European countries, the Soviet Union, and China in the near future could be construed as an attempt to find points of support to counterbalance the influence of the U.S.

20. Such an argument is not logical. In the first place, Mexico is not seeking to substitute influences. What it does want is to reduce intervention in its internal affairs to a minimum. Mexico seeks new markets. Its outward approach is in search of capital, technology and consumer centers for its products.

21. This position is not the result of a breach or even a weakening of Mexico's relations with the U.S., as might be the case of other countries in the same area. Together with other mechanisms and thrusts, Mexico's position stems from the need to complement these relations with those of other countries which can offer new perspectives serving to continue to stimulate its growth. To channel or direct Mexican foreign trade either exclusively or excessively toward the U.S. would condemn us to stagnation and dependency. We know that Mexican relations and trade with the U.S. for several decades, or perhaps forever, will, on their own, be insufficient to avoid deterioration in these sectors.

22. No such breach exists. Mexico has not taken any measures or decisions that would have an adverse effect on American enterprises as a whole. The decision that has been adopted on the acquisition of technology as well as on any technical or capital investment from anywhere in the world, is based mainly on the fact that Mexico must intensify its economic relations abroad, within a new and more precise framework.

23. Basically, it is a matter of searching for ways to diversify Mexico's trade with other countries in order to reduce its present condition of vulnerability, since the U.S. has proved unwilling, or unable, to bridge many of the existing gaps in the field of technological cooperation. It would be well to remember that due to its present stage of development, our country requires a certain type of technology that our own resources are still unable to provide. Looking at the problem from another angle, it might more precisely be said that the viability of maintaining our industrial development is directly related to the acquisition and use of that technology. To cancel or even delay our development

would be to emphasize the social injustice that is this country's main problem. It would mean to submit ourselves to tensions that would compromise the proper functioning of all our national institutions, including the political system as a whole. On the other hand, everything that favors and allows the continuation and expansion of economic development, such as reinforcing foreign trade which is an important aspect of our economy, would provide added assurance of achieving our national objectives within a climate of peace and stability. It would also be the means, therefore, that would enable us to contribute, indirectly, to maintaining the stability of the U.S.

24. There have been attempts, in some cases malicious ones, to interpret President Echeverría's words to the United States Congress as a sign that the dialogue between the two nations has suffered a breach. In the first place, it should be remembered that it has been the U.S. that has neglected fair and just treatment in bilateral relations and has even affected fundamental interests of Mexico with its unilateral decisions. In the second place, however, the true philosophy of the position adopted by the GOM should be sought in President Echeverría's speech to the Third UNCTAD Meeting. There one finds the basic principles ruling Mexico's conduct in world affairs, and our concept of what cooperation among nations should be. On that occasion President Echeverría postulated the need for the creation of a Charter of Economic Duties and Rights of States "that would guarantee to every nation the free use of its natural resources, assure stability and justice in the price of raw materials, improve the general conditions under which new technology and financing for development are offered, avoid the use of instruments and economic pressures to impair the sovereignty of states, expressly prohibit intervention by foreign corporations in the domestic affairs of nations, and allow the people of every country to adopt the economic structure most fitted to its needs and to give private property the position dictated by public interest."

25. In his second annual Government report, President Echeverría stated that, at this stage in its development, what Mexico needed was "to multiply and intensify its relations with all other nations and not forgo any exchange that might favor our evolution."

26. In addition, while requesting the approval of Congress for the trip he is soon to begin, President Echeverría provided a full explanation of the motives and basis for the trip. He stated: "The future of developing nations depends on their possibility to broaden and modify their traditional links with the great industrial societies. We have an increasingly diversified production and insufficiently exploited human and natural resources. A vast system of reciprocal trade would allow us to accelerate our industrialization, increase the supply of employment, and raise the standard of living of our peoples. At the same time, the

more advanced nations will be better able to fulfill the requirements arising from their own progress, such as the supply of food and manufactured goods. If the international economic order is currently undergoing transformation, so too are the internal structures of the different areas of the world. Countries, like ours, which have begun their industrial development, are facing enormous problems that can only be solved by increasing foreign trade. Mexico has a growing need for equipment and technology. To obtain them without decreasing Mexico's sovereignty and monetary stability, we must acquire knowledge and capital goods that imply no ties of any kind; we must have a real opportunity to select the techniques and procedures that best adapt to our needs and will favor the progress of research within our country. It is the Government's duty to offer the forces of production a wide range of stimuli and options that can give added impulse to our growth, increase employment opportunities, and consolidate independence. The country's population growth, together with structural deficiencies in the economy and the insufficient development of our foreign trade, are, in the long run, largely responsible for the low incomes and low employment levels that affect large sectors of our population. We have no desire to obtain any advantages, concessions, or privileges that are not the result of mutually advantageous trade. But we are engaged in a brave struggle, in accordance with the principles of cooperation which are freely accepted by all nations, to achieve access to markets in the great consumer centers, just and stable prices for our products, and trade conditions that take into account the differences arising from Mexico's present state of development."

27. In the same speech, President Echeverria referred to a basic point regarding these considerations: "Mexico has its own well-defined political system, born of its experience, and consecrated by its Constitution. The national unity that it has attained makes it possible for Mexico to act today with full maturity on the international scene. It does not fear any type of ideological contagion and respects the way of life adopted by other peoples just as it demands respect for its own way of life."

28. If many countries that are relatively, even less developed than our own—including some of the Latin American countries—have an active foreign trade policy, it would hardly seem logical for Mexico to fail to accept both its own responsibilities and its proper role in the present-day world. We would also have no difficulty in agreeing with all aspects of this policy.

49. Memorandum of Conversation¹

Mexico City, March 26, 1973, 11 a.m.–12:30 p.m.

PARTICIPANTS

President Luis Echeverría of Mexico
Foreign Secretary Emilio Rabasa of Mexico
Interpreter

Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs
Deputy Chief of Mission, Robert Dean
Commander Jonathan T. Howe, NSC Staff

After brief amenities during which President Echeverría escorted Dr. Kissinger around the room showing him various art objects, the group was seated.

Dr. Kissinger: Your Foreign Secretary is very independent but very firm.

President Echeverría: Yes. I guess you will be going back directly to the United States. You will miss your vacation.

Dr. Kissinger: Three days after I returned last year the North Vietnamese started an offensive.

President Echeverría: I congratulate you profusely for solving such a difficult problem. It takes patience and perseverance in the midst of such a complex world.

Dr. Kissinger: Yes, it was very complex. The Vietnamese have a very unique method of negotiation. They start with their document, make changes in the English version but don't bother to make the same changes in the Vietnamese version of the documents.

President Echeverría: Next time you must watch them more closely.

Dr. Kissinger: One Vietnamese negotiation is enough for a life time. You have a long trip ahead.

President Echeverría: Yes, I will be visiting Canada, the UK, the EEC, France, the Soviet Union, and China. With Canada and the EEC

¹ Summary: Kissinger and President Echeverría discussed U.S.-Latin American relations, Echeverría's upcoming international travels, and a Mexican proposal for a charter on the economic rights and duties of states.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Secret. The conversation took place at the Mexican Presidential residence, Los Pinos. Jorden summarized the outcome of Echeverría's March–April trip to Canada, Great Britain, France, Belgium, the Soviet Union, and China in an April 27 memorandum to Kissinger. (Ibid.) Echeverría had put forward his proposal for a global charter on economic relations between developed and developing nations at an April–May 1972 UNCTAD session. (*United Nations Year Book*, 1972, pages 273–274)

we have economic problems because of the deficit trade balance. But politically we have good relations. You, of course, recall the friction with the USSR.

Dr. Kissinger: When you expelled the diplomats.

President Echeverria: The Ambassador was not here at the time. Only the six who are under him. We expelled the next five and these of course were people high up on the diplomatic list. When their Ambassador came back we said we were happy he had not been here. They had organized guerrilla units.

With China our relations have never been that way; that is, they have not been the way they are with Russia. We plan to export Volkswagen cars, cotton, and trucks to China and other products manufactured in Mexico. In Mexico some of the large institutions, that is the multinational corporations, perfectly understand our development plan. For example, we are exporting Volkswagens to Germany, China and the United States.

Dr. Kissinger: To Germany?

President Echeverria: Yes, the components and parts are manufactured here. This can be done more cheaply. In fact, right here in the garden I cut the ribbon to send off the first 1,000 out of the 10,000 Volkswagens we are sending. It is a model of development we wish to follow, like the charter we have proposed.

I would like, speaking as a friend, to base my comments on the following thoughts. We are neighbors of the United States, and we always will be. We have a border that is 3,000 kilometers long. We are friends in peace and allies in war. Mexico also has close relationships with Central America and Panama. It has also witnessed the emergence of another country—Cuba. The geopolitical considerations of that are very serious. The U.S. will never permit such a thing to occur again.

Due to our friendship as neighbors, friends and allies we can speak frankly. Other governments never speak with complete frankness. Others just do not. I have thought about what our history and geography means. We are smaller militarily and economically, but we have common problems in Latin America and in the world.

It is important, in fact we must insist, on the following proposals. First, an urgent redefinition, restructuring of organic policy, which would be begun by the United States and would create responses in Mexico and Latin America. I have many reasons for this. The economic situation in Latin American countries is difficult and the growth of population is great. Whether Communist or neo-fascist or some other anti-U.S. government, it will find these places receptive. This will mean that the United States will have to intervene. In Mexico we have witnessed this. The same thing has happened in Latin America and Central America when the United States does not take the lead.

Secondly, the growth of population creates many difficulties for industrial development. We have proposed a charter to industrialized nations. It speaks mainly to the EEC and industrialized nations. Couldn't the United States take a broad view of this? The large transnational companies want investment. In Mexico they say there are not enough technically qualified people, college graduates, etc. But this is not so. We propose to develop an entrepreneur class, but a nationalistic one. This is not the same as expropriation, but rather using people in Latin America itself. These people will produce things needed by the United States—food, finished products produced at a lower price. Better than turning to Japan and Germany, we should develop the sub-continent. We should develop the place where we live.

In this document I mention policy which failed as historical background, not as a road to follow or a model. We have had the Kennedy era and the Roosevelt era and they are not the roads to follow. Rather, we want to transcend them and to learn a lesson from their defects.

In the countries in which I have been invited to, we have a number of problems, particularly with Canada and the EEC. Some of these have been overcome. France sent us an Emperor. Lincoln did not like that at all. When oil was nationalized things were very tense. But this was not so much true with regard to the United States, because the United States understood. This was a year and a half before the war and we could say that there were petroleum reserves in an allied country. Nelson Rockefeller at the time discussed whether companies should sell 49 or 51 percent of their interests to the government. In 1938 it became a complicated legal problem and led to expropriation. But the biggest problem was with England. My attitude is that we are living in a different world. President Nixon's trips to China and Russia have helped create this world.

We foster non-intervention but encourage trade. In such a framework would it be possible for the United States to suggest a proposal that could be insinuated in a broad way? I am thinking of a friendly meeting in which President Nixon would come for twelve hours. I would invite all the American heads of state with the exception of one—Cuba. I would even include Canada. We could first meet in sports clothes for two or three hours in a friendly atmosphere and discuss other matters later. In this way we could have Allende and representatives of Peru or Ecuador and nothing would impede personal closeness.

After that, we could have a restructuring and it would be studied in the United States and not just Mexico. We recently proposed to UNCTAD that aid from the developed world to countries which were increasingly hungry should undergo a certain liberalization. This is something that transnational companies cannot do. It really requires a

reorientation of government policy itself, of investment policy. The companies habitual interests are in the greatest portion as possible. So this is the idea behind the document. Western Europe and the EEC have an anti-Communist policy. They also have capital and technology which they can transfer. Let us do this in a liberal way—still keeping a certain margin of profit.

Unemployment, the demographic explosion, shortages of food, prosperity of companies, are all elements which become in a place the elements that ultimately require intervention of the United States. We defend growth of tourism, and it is 12 to 14 percent a year. They can see our products of industrialization. Rather than being in a position where there is an emergency in Mexico, it is urgent for the rest of Latin American countries, and also for Asia and Africa. If in Mexico, based on proximity to the United States, we can develop the best possible model; it will be an example for the Asians and of Africans to keep in mind. When I visited Japan, I thought that they were operating in a very small commercial margin; the EEC is also very rigid. But Latin America is geographically close to the United States and any small problem between Latin America and the United States is exploited by all the others.

As you know, I went to see President Nixon and I spoke to the U.S. Congress. I spoke in a friendly way. Throughout Latin America, pressure groups want us to speak. In Mexico though, we have a friendly good neighbor policy. It is possible for my country to use its good offices to bring together diverse groups. Brazil also could serve in this way. In Chile the problem is not Allende, but poverty. Argentina has many unseen problems. Isn't it time to have a greater closeness among heads of state of Latin America?

Of course, there is criticism of areas that tend to be pro-Communist in Central America and Latin America. And these should be of greater concern to the United States than Africa or Central Asia because it could bring communism about in America. All of America has a common destiny.

But there is the possibility of shared development. We have overcome the colonialism of transnational companies. They have made great investments and accomplish their management through outside people and wish to subordinate local interests where they can. But there needs to be more products of the local culture and education, a national development. There has been some in Venezuela and some parts of Central America and Latin America, but we need the possibility to finance locally, to give impulse to local entrepreneurs.

In these very interesting times, I go to China and the USSR. Also along with me go bankers, industrialists, representatives of businesses, even the most conservative business people. They meet with me two to

three times a week and they are showing great flexibility. For a long time we have had no strike in Mexico. We have solved many problems in a tripartite arrangement of trade unions and entrepreneurs and government. There is a need, however, in a greater or lesser way, to bring in the participation of national interests which are deeply and radically anti-Communist. It is much more efficient than the action of government. They advertise and create employment, social security, broad popular housing and all of this is done within the philosophy of economic development. If these elements are not present, they favor subversive trends. We need industrial means and to export capital goods. We need to export.

We also need to reevaluate what U.S. industry would like to produce in neighboring countries in order to bring about decreases in prices. Here in Mexico, for example, they can produce things using less expensive parts. At the present time, there are 40,000 workers throughout the border area making parts for U.S. industry. This is a subject in the United States which is of grave concern to the trade unions. But in the United States these components would cost two to three times as much to produce, and the U.S. is just not competitive in such things as electrical terminals and some other types of things. We must keep this in mind.

If President Nixon accepts the invitation for a meeting, it can be before the emergence of problems in Central America. Even relative weaknesses, where there might be a problem of extra-hemispheric infiltration, may not have great quantitative meaning to the United States, but harmony of the continent continues to have importance.

U.S. delegations have been sent to Latin America to deal with the problems of creation of employment, creation of capital and the uses of resources. I insist, therefore, that we embark on a crusade to bring in local entrepreneurs so that workers will find new employment and there will be economic development of the subcontinent. But this needs to be coordinated by the United States. The U.S. needs to speak to the large consortiums. We need to do things which off hand do not appear to be great businesses. This should include political nonintervention. The countries are very sensitive to these things.

President Nixon and Dr. Kissinger are collaborators and we are very happy with our relationship of friendship. We talk as friends. You are very sensitive to our problems. So therefore we can talk as friends. In this way, many things come to light. For example, Mexico contributed to correcting the fiscal policy on mining. The year before last we discussed in a friendly manner with Anaconda the mines in the border area. Mexico and private industry have channelled private investments. Many companies have come to us, both to the private sector and to the Government of Mexico, to purchase particular articles. Today the

Kimberly Paper Company wishes to sell part of its stocks to Mexico. They have an excellent labor policy, fiscal system, and have voluntarily adopted these good attitudes.

We have many problems such as the problem of the Panama Canal and the problem of the 200-mile limit with Ecuador which need to be dealt with. There are conflicting attitudes, but we feel these frictions can be worked out. The attitude adopted by the Soviet Union is disturbing. They know that Mexico will adopt an energetic attitude. When the Soviet Ambassador came to see us, he said that they hadn't anything to do with what we accused them of. Lenin had told them not to interfere. I replied to him that Lenin taught universal revolution was necessary.

In England, Her Majesty has shown great interest in my visit. I will speak to important groups headed by the Rothchilds, both French and British. I have given you Volkswagen as an example of what important developments might be. The same is true with Anaconda and Dupont. In developing countries we need to be able to export; otherwise there will be a flight of the dollar and the cost of living rises. We insist, we hope, that we can structure this policy in a framework.

I apologize if I have been long-winded but these are things which I feel and see every day in my life. Relations are very good with Latin American countries and we can develop together. We can all meet together without any commitment whatsoever. This seems important to me. My trip to Canada and the USSR will be a very important one for Mexico. Half of my administration is completed; I am at the halfway point. The trip will be useful for these bearers of myths about the USSR, Cuba, and China.

Dr. Kissinger: We have used the same tactics.

President Echeverria: Mexico is mature enough to talk to any government. They know that I was Minister of Interior in the previous Administration. If my policy had not been respected, I would not have been a candidate for President. There are groups that want the government to use any large political movement. I will not go to Italy at this time, but I have been invited. When I do go, I will also see the Pope.

The U.S. has brought about a new era and it makes it possible to breathe freely. We can contribute also to a new form of citizenship. During the earthquake in Nicaragua, our Ministry of Health contributed large amounts of assistance, such as 30 technicians, 60 flights of food, and outstanding doctors. They also sent a very large group of construction workers to help in the rebuilding. Mrs. Hermosa came here to see my wife and expressed their gratitude.

All Presidents of Central America have come here. We have good relations. To Allende, I say where are your entrepreneurs? You are trying to export everything. I do not foster capitalization but rather

development of Latin American capability. If we do this, we can surmount great pressures. As you can see, all of these thoughts I have expressed are woven together. Our policy is one of a friendly independence. We would like to publish the invitations to a short meeting of President Nixon with the Presidents of Latin American countries in Cozumel. If Mexico takes the initiative, no one will think it has a position of servitude or that it is based on orders of the United States. I think this because of the new trend for the United States.

Dr. Kissinger: Mr. President, I appreciate the comprehensive and lucid explanation that you have given. Let me talk about our views frankly (at this point Foreign Secretary Rabasa and DCM Dean left the meeting).

We do not have to operate as diplomats. I will tell you exactly what we think. The record of this conversation will be maintained in the White House and it will not be shown to the State Department.

First, let me talk about our general attitude. We not only accept but we prefer Mexican independence. Mexico is proud and self-reliant. We know that we cannot remake the whole world. It is impossible to have an international system in which all orders come from Washington. That would not be good for us or for others. We appreciate your independence. When you agree with us, it means something. When you disagree, we can speak openly.

Secondly, we agree that we need a new Latin American policy even though we do not put Latin America among the other underdeveloped countries. We must concentrate our efforts, therefore, and think about our special relationship, both geographically and historically. We must make a special effort. But it is difficult to know how to proceed. We are grateful to you for your suggestions through private channels to President Nixon.

Thirdly, we will deal with countries on the basis of their dignity. We will gear our actions to deeds. We have, for example, no objection to your trip to the USSR and the PRC. We have gone there. Why should not the President of Mexico go there? We believe your trip will contribute to the general atmosphere of an opening world, but we will, of course, make our judgment on the basis of what happens. In the Soviet Union many phrases, which in Latin America are necessary, take on a special significance in the USSR. In Latin America the President must speak for the Mexican people. In the USSR many phrases that are understood here take on a special significance. We must not encourage a feeling by the Soviets that they can make a grouping of Communist countries in Latin America.

President Echeverria: Yes, yes.

Dr. Kissinger: From my view point, whether a trip is useful depends on what is said. If a global view is expressed and an under-

standing of Communist words is shown, I believe it will be very constructive. In these days we especially encourage relations with China so that they do not feel isolated. We certainly have no objection if you want to tell them that. These are my general views.

Now, I would like to discuss specific items you have raised: With regard to Latin America, we have been very occupied with Vietnam, the Soviet Union, and China. But we are very prepared now to form the basis for a new relationship. We very much appreciate your recommendations. We know you are going on a trip and will discuss some of the principles you announced at Santiago. If when you return you communicate with the President, we will consider your recommendations very seriously.

In the 1950s and 1960s it was in the U.S. interest to help backward nations. It contributed to peace. But we learned by our experience with Europe and Japan, which were backward in the 1950s, that there is no automatic return gratitude in international relations. Quite honestly, when we now make decisions, we must speak not only of the present but must consider also the period ten to twenty years from now. We must consider how relations will develop. With the Common Market, very frankly, we should have worked out our economic relationships when it was organized. If there is no political and moral vision, then only purely economical self-interest becomes involved. It is a problem today with Europe and Japan and in a way it is your problem. What we need is political vision, not just economic.

We have difficulty with Latin America because it is imperative for leaders to make anti-U.S. statements in order to take pro-U.S. measures. (Echeverria laughs deeply.) So, I understand. But if it goes beyond a certain point, then it turns into a contest between the developed United States and the underdeveloped world. It faces us with a dilemma. It helps create a political structure which freezes a country into a posture against us. And, as I say, this does create a real dilemma. We want independence but also a structure in which we can get along together.

The President's and your terms are the same now. Our President understands foreign policy. His successors may not.

Now as to your specific ideas concerning Latin American organization, we will be in touch with you again. With regard to the principles of the so-called Echeverria Doctrine, some pose no difficulty at all. All of them are discussable. You recognize I'm sure they could be used as an anti-U.S. club.

President Echeverria: Yes.

Dr. Kissinger: They will be positive if they lead to an understanding of the developed and the underdeveloped, dangerous if they are a charter for the underdeveloped to use against the U.S.

I talked to the Foreign Minister in Acapulco about the U.S. attitude and told him that we would study them and let him know when he returned. When the White House tells you that, we will keep our promise. Provisionally, we could at least agree not to delay discussions if we sensed that the Mexican Government would take a moderate and understanding position. It is not necessary to agree. All we want is an understanding of our position. Then we can deal with substance. But if it is used as a weapon against the United States, then there will be endless procedural delaying tactics. Please forgive my frankness.

President Echeverria: I understand perfectly.

Dr. Kissinger: We could come to an understanding in May and then let substantive discussions proceed. I will let you have a definite answer.

With regard to the breakfast meeting in Cozumel, from what I have seen of Latin American Presidents they have strong personalities. Weak men do not reach those positions. A meeting of all of these men would have many unpredictable aspects. It would be the expectation of these heads of government, and our expectation, that they would leave such a meeting with the feeling it had been most productive. There would have to be a feeling beforehand that there would be results. When you visited the United States, we had some understanding on salinity beforehand. We knew that you would not leave without making satisfactory progress. If there were a meeting of Latin American heads of government, there would be two requirements: First, it can not be a contest between Latin America and the United States.

President Echeverria: No, no.

Dr. Kissinger: Secondly, we cannot have every President listing his grievances for local newspapers. I have noticed that Spanish lends itself to special rhetorical grandeur when translated to English. The meeting must be in a spirit of cooperation and produce some positive results. That has to be a basic requirement.

President Echeverria: The specific points we were thinking of were some restructuring of OAS and some discussion of aspects of this charter. Before the meeting, we would work discreetly. What we would do might appear superficial on the surface, but these would be steps forward, even if ever so slight.

Dr. Kissinger: The best way to proceed would be to get your views directly to us.

President Echeverria: Rabasa will come to Washington during the first fifteen days in May.

Dr. Kissinger: We could then work out a possible agenda, what position you would have and what position we would have. If our posi-

tions are compatible, then perhaps you could begin talking to others and then we could have some more consultations.

President Echeverria: Mexico wants to invite everybody.

Dr. Kissinger: But not yet.

President Echeverria: Yes, after May. Our Ambassadors would speak in their countries and state some of the points you thought necessary for an essential step forward to be dealt with. All Latin America will follow if it is accepted by President Nixon. To Panama, Chile, Peru, and Ecuador I would send a special envoy. This would not be to deal with problems but to see what could be done positively.

Dr. Kissinger: We will decide in May and see if the United States is receptive. After an agenda has been worked out, we will know better. We cannot do it in abstract. In principle, it is something we would want to discuss with you.

I would also like to make one other comment and then you may want to throw me out.

President Echeverria: If we speak frankly, it will promote a closer friendship.

Dr. Kissinger: I admire the method by which the President operates. For us, we deal with many other countries. We deal with Latin America at irregular intervals. Last year after you were here we made a big effort to build our Latin American relations around Mexico. On the salinity issue some efforts were made. We cannot have anything but a just solution with our close neighbor. If it takes a confrontation to settle it, it would be difficult to have good relations overall. The danger is that some of the comments of the Mexican President create the impression in the United States that the negative side of our relationship tends to be emphasized. It may be unfair, but it is the impression of some people.

We now have a big decision to make. We will give you the Brownell report as soon as you return and will discuss the Cozumel meeting and the ten principles. In one case we may be dealing with a friend who is very frank and independent. Or in another situation, it could be seen as a situation where the pressures are generally shaded against us.

If we go to the meeting as partners, not of course publicly, it will be an advantage for Latin America. But if we go as opponents, it would be difficult for us. Both of the Presidents have about three and a half years. Both want many of the same things. With regard to general objectives, our President agrees with many of the things you raise. There is an opportunity to work on them in a parallel way. Your trip in this way could affect the attitude.

President Echeverria: It is what I want the trip to be.

Dr. Kissinger: I hope you do not mind me speaking so frankly.

President Echeverria: It is frank but very refined. There are great possibilities for the U.S. and Mexico. In the past there have been uncomfortable incidents between the Ambassador of the United States and the President of Mexico. I also speak frankly. It was not an intelligent relationship.

Dr. Kissinger: Even the present one?

President Echeverria: The present Ambassador demonstrates very great sensitivity. I am speaking of the past. I am told, however, that he is leaving because of his years. It will be a great loss.

Dr. Kissinger: We will send, in any event, someone very good.

President Echeverria: We are for a full channeling of things in a positive and well-taken manner. In preparing for the trip, I will refer to opening of the world. In itself, it will be a contribution to peace. If there is to be more understanding in the world, we must have an opening of peace. In the past year there has been a great opening.

Dr. Kissinger: I admire your stamina in undertaking a 28-day trip without rest.

President Echeverria: We have an incentive to struggle for a positive thing. We do not believe there will be any anti-U.S. incidents. There may be anti-Mexican incidents, however.

Dr. Kissinger: That is unlikely.

President Echeverria: There may be from the radical left.

Dr. Kissinger: But not in Moscow or the PRC.

President Echeverria: Of course, they never intervene.

Dr. Kissinger: Well, it will be very fascinating.

President Echeverria: Please transmit my most affectionate greetings to the President. Rabasa will see you in May and talk about what we can say on economic matters and reorganization of the OAS, even if superficial.

Dr. Kissinger: If there are specific ideas, we can discuss them in May.

President Echeverria: It is necessary to do something.

Dr. Kissinger: The President has asked me to send his warm regards to you and he, in any event, hopes to exchange views with you.

President Echeverria: If the meeting is held, the U.S. will be able to see the positive result of the independence of Mexican policy. We know perfectly well that we are neighbors and partners and allies. But it must not be something agreed to by an ally but something wider in scope so we can all coexist as neighbors on this continent. I hope you will see the result.

My trip is as if we had agreed on it beforehand even though we did not discuss it. I am certain my relations with Central America, Chile,

and others will be helpful in putting into practice a program which will be to our common benefit.

Dr. Kissinger: It will be an advantage if as friends we can pursue policies in our mutual interests.

President Echeverria: Some may think bureaucratically and not operationally.

Dr. Kissinger: You were most kind to spend so much of your time with me. I know you have many things to do before you depart.

President Echeverria: We will tell you about it when we return. Your attitude stimulates me.

Dr. Kissinger: You will see many of my friends.

President Echeverria: We will share our impressions with you.

Dr. Kissinger: I look forward to it, and I appreciate all the courtesies you have given me. I had a most enjoyable time here.

President Echeverria: I hope you will return many times. Sunshine is good for us.

Dr. Kissinger: My staff will be concerned at the renewal of my energy.

(President Echeverria then engaged in light talk with Dr. Kissinger as he escorted him to the door of Los Pinos.)

50. Special National Intelligence Estimate 81–73¹

Washington, March 29, 1973.

ECHEVERRIA AND UNITED STATES-MEXICAN RELATIONS

PRÉCIS

President Luis Echeverria is more sensitive to his country's problems than most of his recent predecessors. He is concerned about the threat that poverty and uneven development pose to political sta-

¹ Summary: This study assessed President Echeverría's foreign and domestic policies and concluded that he desired a cooperative relationship with the United States, even as he adopted nationalistic rhetoric and sought a leadership role in the developing world.

Source: National Archives, Nixon Presidential Materials, NSC Files, Box 362, Subject Files, National Intelligence Estimates (NIE), Withdrawals, Folder 1. Secret; [*handling restriction not declassified*]. All brackets are in the original except those indicating text that remains classified.

bility and economic growth, and about the ability of the long-dominant party, the PRI, to provide political continuity and social peace. So far he has moved cautiously to attack these problems. He will probably remain cautious, because of limited resources, a fear that rapid change would itself endanger stability, and a desire not to undermine his own position or that of the PRI.

For domestic political reasons, Echeverria, like his predecessors, projects the strong nationalism that pervades Mexican society. This accounts in part for his criticism of the U.S. and other rich nations for their policies toward the developing countries, and his more assertive line toward the U.S. generally. He wants to play a conspicuous role as spokesman in Latin America and the Third World, not only to demonstrate Mexico's independence, but also to increase its prestige and to support a bid for regional leadership.

Mexico's circumstances and Echeverria's domestic objectives require that he maintain good relations with the U.S. He is in any event not viscerally anti-American, and he has a large measure of admiration for the U.S. His intention is to maintain his nationalistic credentials and play an assertive role abroad without damaging his much more important relationship with the U.S. Since Echeverria's assertiveness must be public, he tries to balance it by giving the U.S. private explanations and assurances, and hopes that in Washington's eyes this will suffice. He also argues that Mexico can help the U.S. by playing a moderating role with the nationalistic leaders of the hemisphere and in the Third World.

If Echeverria felt forced to choose between a continuation of his critical posture and the maintenance of good relations with the U.S., he would opt for the latter. In doing so, he would need room to maneuver his way without appearing to bow to U.S. pressure.

THE ESTIMATE

I. The Problem

1. The behavior of President Luis Echeverria reflects an increasingly assertive line towards the U.S.—particularly his role as spokesman for the Third World but also his sponsorship of additional controls over foreign business. This estimate assesses the meaning of Echeverria's activities in the Mexican context and considers their implications for U.S. interests.

II. Mexico Under Echeverria

2. Echeverria is a shrewd, tough, practical politician, who worked his way to the top through the Institutional Revolutionary Party (PRI) and the Ministry of Government, which handles security and intelligence. The PRI has controlled Mexico's politics for decades. Under the Mexican system, Echeverria exercises almost unchecked authority over

the government during his single term (1970–1976), though he must take into account the interests of the middle class groups and the party bosses that dominate the PRI.

3. Echeverria is more energetic than most of his recent predecessors and more aware of his country's problems. He sees the system that has provided 40 years of political stability and economic growth under challenge, and he intends to revitalize it. He has two broad domestic concerns. One is for poverty and uneven development and the threat they pose to political stability and continued economic growth. The other is for the health and effectiveness of the PRI, which he sees as increasingly isolated and unresponsive to popular needs, and in danger of losing its historical ability to provide for political continuity and social peace.

4. Despite his many statements on these matters, it is difficult to know the extent of the changes Echeverria has in mind. The problem of interpretation goes beyond the inevitable gap between actions and rhetoric. It reflects a degree of uncertainty imposed by the existence of contradictory pressures and goals.

The Problems of Uneven Development

5. Over half of Mexico's 52 million people are locked into poverty. During the postwar period the economy has grown at a very respectable rate of six percent per year, but the population is now expanding by well over three percent. The emphasis of government policy has been on modernization and rapid development, rather than on social welfare. The poor are still quiescent, as a result of apathy and fear of authority, but their numbers keep rising. Echeverria fears that in time the sheer magnitude of the problem will create an avalanche of pressure against constituted authority. Yet he knows that any substantial reduction of poverty will take decades, perhaps generations, and that a major attack on it would overtax available resources.

6. In a barrage of propaganda, Echeverria has castigated the privileged classes for their indifference to the problem of poverty, and has called for far-reaching change. He probably hopes to placate the poor and disarm radical critics of the system. But his immediate objective is to convince the conservative elites that it is in their own best interest to join him in addressing the problems of poverty and uneven development in practical and measured ways.

7. Despite his rhetoric, Echeverria has moved cautiously so far. There have been some tax and budget changes aimed at redistributing income, some changes in investment priorities designed to stimulate industrial development in rural areas, and the beginnings of a program to reduce the birthrate. He will probably stick to cautious and limited measures, because of the constraints under which he must operate: lim-

ited resources, the need to maintain rapid growth even as its fruits are distributed more equitably, and the fear that rapid change would cause a backlash among investors and in the PRI and endanger political stability.

Dealing with Political Tensions

8. The PRI has ruled unchallenged for decades. It is now dominated by a self-perpetuating bureaucracy that is mostly concerned with perquisites and power, and with advancing the interests of the middle classes. As in other countries, there is growing frustration among the politically articulate at the inability of new or critical political groups to make their views felt within the system. Echeverria is worried about the growing political tensions and the need to revitalize the PRI. He has tried to ingratiate his administration with students, young professionals, and other disaffected elements, inviting them to make their influence felt within the PRI, or outside it as a loyal opposition.

9. Although Echeverria is probably sincere in wanting to co-opt or accommodate his critics, there are limits on what he can do. The main constraint is an unwillingness to jeopardize the political monopoly of the PRI or to undercut his own primacy. Also, Echeverria and his colleagues are products of the system. They see the PRI as the only legitimate ruling force, and their instinct is to equate any organized activity against government policy with subversion. Thus, the government has reacted forcefully to political activity which it views as unacceptable challenges to its control, e.g., student demonstrations, pressures for greater local autonomy, and demands for a genuine two-party system.

10. Given the conflicting desiderata, it is questionable whether Echeverria can succeed in what amounts to a delicate balancing act. He will be able to maintain political stability during his own term, but it is doubtful that he can prevent the buildup of political tensions and frustrations over the longer run.

III. Echeverria and the United States

11. Contradictory pressures and values are also at work in Echeverria's relations with the U.S. His attitude toward the U.S. contains a large measure of admiration, mixed though it is with envy and resentment. He accepts as inescapable that Mexico's national destiny is tied closely to that of the U.S. But for domestic political reasons, he also feels it imperative to maintain a nationalistic posture.

12. Echeverria realizes that a cooperative relationship is essential to Mexico's economic development and, ultimately, to its political stability. Whereas trade between the two countries accounts for three percent of total U.S. exports and imports, it accounts for 60 percent of Mexico's. Total Mexican imports, which are mostly capital goods and

raw materials needed for industrial growth, currently exceed exports by about \$1 billion per year. This deficit is made up by earnings from U.S. tourism, by remittances from Mexicans working in the U.S., and by foreign investment and credit, mostly from the U.S. Thus, the Mexican economy is vulnerable to a deterioration of relations with the U.S.

13. Nevertheless, Echeverria feels he must be responsive, to a greater or lesser degree, to the strong nationalism that pervades Mexican society. It is a nationalism much like that of many other developing nations. It also reflects the acute sensitivity of Mexicans to the overwhelming power and wealth of their neighbor to the north. Even on relatively minor issues they demand a vigorous defense of national interests by their President. Whatever the source, they resent what they view as interference in their affairs or as threats to their national interests. Echeverria, who is wary of Communism, was quick to expel five ranking members of the Soviet Embassy in 1971, because the USSR had been indirectly involved in the movement of Mexican extremists to North Korea for training in guerrilla warfare.

14. Echeverria is ambitious to achieve a prominent role for Mexico as spokesman for the developing nations. He wants to demonstrate Mexico's independence, elevate its international prestige, and support a bid for leadership in regional affairs. From his point of view, the more independence of U.S. interests he can exhibit the greater the payoff domestically and internationally—including, perhaps, increased leverage on U.S. actions towards Mexico. He has posited an adversary relationship between the developed countries and the have-not nations, and he has been highly critical of the U.S. and other rich nations for alleged injustices perpetrated against the underprivileged Third World. Still, Echeverria has no intention of damaging his much more important relations with the U.S. to achieve the gains he anticipates from a more assertive role in Third World and regional affairs.

15. Since his assertive role must be a public one, he balances it by giving the U.S. frequent private explanations of his purposes and assurances of his basic friendship. He insists that Mexico will be in a position to play a moderating role among nationalist nations and to serve as counterpoise to such vociferous exponents of "anti-imperialism" as Castro and Allende. But Echeverria feels he must maintain a credible independence of U.S. policy to play a moderating role. This dualism will be reflected in efforts by Echeverria to serve as diplomatic bridge between Washington and some of the capitals of Latin America, as he has privately offered to do.

16. It is essential to Echeverria that Washington understand and accept the game he plays. Because of what he sees as a good track record of support for the U.S. when it really counts, he probably believes that Washington does. If he became convinced that the U.S. con-

sidered his words and actions too costly to its own interests, he would draw back, provided he did not feel pushed to the wall.

IV. *Bilateral Problems of Current Concern: Investment, Salinity, Drugs*

Restrictions on Foreign Investment

17. The relationship between government and business in Mexico in recent years has been described as an "alliance for profits." Though in past decades Mexico led the way in Latin America in imposing controls over foreign capital, the impact of the various restrictions has been outweighed by special advantages for U.S. investors: proximity, political stability, a relatively large domestic market, sound financial management, and especially a strong record on such sensitive matters as the remittance of profits and compensation for nationalized foreign assets. There now is more than \$3 billion of direct foreign investment in Mexico, of which about two-thirds is from the U.S.

18. Mexico has recently passed laws which expand government control over foreign business. They call for closer scrutiny of new investment proposals, majority Mexican control over new enterprises, and government review of contracts involving the import of technology. The laws will make Mexico somewhat less attractive as a locale for foreign investments. They are in part, however, a response to requests from foreign businessmen for a clear statement of the rules of the game, and they will probably blunt the thrust of ultra-nationalistic elements who would like to severely curtail the role of foreign capital. The measures affecting investment represent for the most part a codification of existing practices, and they give the government broad discretionary powers to grant exceptions. Such exceptions will be forthcoming, if only because Mexico cannot produce the capital to acquire a 51-percent share of all new enterprises.

19. Through these and subsequent measures, Echeverria will aim to increase the Mexican share of ownership and management of business enterprises, to channel new investment and technology in accord with Mexican priorities, and to reduce the visibility of U.S. participation in the economy. To the latter end, he will also encourage European and Japanese investment. As a result, some U.S. businessmen will experience reduced opportunities, closer supervision of their activities, and, in certain cases, smaller profit margins.

20. But Echeverria gives every indication that he intends the impact of his measures to be gradual and moderate, and that foreign investment will be welcome as long as it has a good export potential, introduces new technology, and helps to reduce unemployment. He will work to avoid damage to the business climate by consulting regularly with the leaders of the American community, by enforcing new measures judiciously, and by backtracking discreetly should that prove nec-

essary. Echeverria realizes that a broad loss of confidence in Mexico would ruin the now strong prospects for a continued high rate of economic growth.

Salinity

21. Echeverria has staked his personal reputation on gaining an equitable solution to the problems of the Mexicali region, where the waters of the Colorado River flowing in from the U.S. have a saline content which adversely affects agriculture. He has led the Mexican public to expect some dramatic concession from the U.S., and he appears confident that the Brownell study, personally commissioned by President Nixon, will resolve the long-standing impasse. Unless he sees substantial progress soon, Echeverria will feel impelled to seek adjudication by a third party or to present a claim for redress at the World Court.

Drug Control

22. Mexico is both a producer of illicit drugs for the U.S. market and a conduit for drugs produced elsewhere. The Echeverria government has agreed to cooperate fully with the U.S. effort against the drug traffic. It has committed considerable resources to support the commitment, and in response to U.S. urging, would probably commit more. But even with all of Echeverria's political clout, the flow of drugs will be difficult to slow and all but impossible to stop, so long as the U.S. market remains profitable. [4 lines not declassified] Finally, in some areas where drug cultivation represents a major source of livelihood, any major campaign to eradicate the trade would meet strong local resistance.

23. Because of these domestic constraints and because he will want to avoid the appearance of acting under U.S. pressure, Echeverria will feel it necessary to move gradually and carefully. The control of drugs could therefore become a serious bilateral issue. Echeverria would expect, and accept, some U.S. criticism of the Mexican effort. But he would resent an accusation that he personally was being non-cooperative, and he would resist U.S. pressures to put into effect a stronger control effort than he thought feasible. He would probably react by charging the U.S. with interference in Mexican affairs and by reducing Mexican cooperation, at least temporarily. He would almost certainly try to minimize the impact of the drug issue on other aspects of bilateral relations.

V. Implications

24. The principal finding of this assessment is that Echeverria needs and wants a cooperative relationship with the U.S. His initiatives in the areas of Third World leadership and control over foreign investment are less important to him, even though for domestic political

reasons he feels it imperative to maintain a generally nationalistic stance. Thus, if it became clear that he was endangering Mexico's relations with the U.S., he would modify his public posture—though he would need room to maneuver his way, without appearing to bow to U.S. pressure.

51. Memorandum From William J. Jorden of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, April 11, 1973.

SUBJECT

Echeverria Doctrine

You asked about the state of play on the Echeverria Doctrine. It was originally planned to take this up at a two-week meeting of the UN Commission on Trade and Development (UNCTAD) in Geneva beginning in mid-July. However, at the February meeting of UNCTAD it was decided that the Secretary General should discuss this matter with governments concerned and come up with a time for further discussion. Our UN people do not now believe that UNCTAD will stick with the original July schedule. It is more likely that the subject will be added to the agenda of the UNCTAD board meeting in August, which will probably last three days.

Our options regarding the Echeverria Doctrine are:

- (1) to fight it hard and try to prevent its acceptance in any form;
- (2) to work actively to water it down, if necessary adding a statement on "the rights of developed countries and the duties of developing countries"—the reverse of the Echeverria approach;
- (3) assume an active role trying to constructively change the doctrine;

¹Summary: Jorden briefed Kissinger on possible U.S. approaches to President Echeverría's proposal for a charter of economic rights and duties.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Confidential. Sent for information. On the first page of the memorandum Kissinger wrote, "I favor approach 2 or anything else that delays it." Copies were sent to Hormats and Rondon.

(4) take a fairly low-key approach but work closely with other developed countries and state our positions or suggest alternative language where appropriate so we can vote for at least part of the final product.

State will almost certainly opt for (4). No active thought is being given to using deliberate delaying tactics, although certain parliamentary moves would always be available—referral to subcommittees, requests for special reports, proposing alternatives or amendments that would take time to consider, etc.

A three-day session in August would probably not provide enough time for Mexico to win agreement from all the LDC's in support of the Doctrine. A two-week session would be more troublesome.

As you have noted, the Canadians hit Echeverría very hard on his Doctrine noting some of the problems posed for developed countries. We have no reports as yet of reactions in other countries visited—the U.K. and Belgium.

52. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, April 24, 1973.

SUBJECT:

Mexican President Echeverría

When Dick Helms made his farewell call, you asked him for an assessment of Mexican President Echeverría—what is he up to? Is he basically anti-American? Helms promised to have CIA's specialists pro-

¹ Summary: Kissinger summarized a March 19 memorandum from Director of Central Intelligence Schlesinger regarding President Echeverría's attitude towards the United States, highlighting the conclusion that Echeverría would draw back from his often critical posture if it became clear that his policies were undermining U.S.-Mexican relations.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Secret. Sent for information. A note on the memorandum reads: "The President has seen." Attached at Tab A, but not published, is Schlesinger's unsigned memorandum of March 19. (Ibid.) An undated memorandum from Scowcroft for the President's files summarized a February 14 conversation with Helms in which Nixon noted that Echeverría had been "particularly obnoxious" in recent public statements and asked if Echeverría was taking a "cheap shot" at the United States or if his actions reflected deeply held beliefs. (Ford Library, National Security Adviser, Memoranda of Conversations, Box 1)

vide their views. Jim Schlesinger has submitted the attached memo (Tab A) in answer to your request.

Its basic points:

1) Echeverria's conduct reflects a balancing of pressures—relations with the U.S.; internal politics; his desire to be a leader of the Third World.

2) He knows cooperation with the U.S. is essential to Mexico's economy (60% of Mexico's trade is with us).

3) Pressures from the Mexican Left make it necessary for him to take a strong nationalist stance.

4) He wants tighter control over foreign investment—to meet Mexico's needs as he sees them—but he intends to move gradually so as not to damage the investment climate.

5) Leadership of the Third World would enhance Mexican prestige (as well as Echeverria's place in history).

6) Echeverria is not viscerally anti-American but reflects the traditional love-hate relationship of Mexico for the U.S. (with perhaps a little less "love" than some previous Mexican Presidents have felt).

The CIA memo notes that Echeverria tries to balance his aggressive public line with private messages reassuring us of his friendship and cooperation. And it concludes: "If he became convinced that the U.S. considered his words and actions too costly to its own interests—and intended to retaliate in some way—he would draw back."

53. Telegram 3082 From the Embassy in Mexico to the Department of State¹

Mexico City, May 5, 1973, 2228Z.

3082. Subj: Leonhardy Kidnapping. Ref: State 85770.

1. Following instructions given Kubisch-Dean telecon and confirmed reftel. I reviewed with Foreign Secretary Rabasa U.S. policy concerning kidnapping of diplomats. Rabasa was frankly somewhat stunned by restatement of U.S. policy against acceding to terrorist demands at this particular time under circumstances relating to Leonhardy kidnapping. He said he was fully aware of overall U.S. policy this regard but said that he felt this not appropriate time to discuss “theoretics” and philosophical considerations when a man’s life may hang in balance. He added that we were not playing a game nor debating in UN forum but embarked upon all-out effort to protect liberty and life of kidnapped diplomat. Specifically and firmly he asked whether we were suggesting that GOM not, repeat not, meet kidnapers’ demands.

2. In reply I reiterated overall statement U.S. policy with emphasis on that portion which recognizes sovereign right of each state to follow its own policies and to handle specific instances in the manner it determines best and in keeping with its obligations to protect safety and lives of foreign diplomatic representatives.

3. Not satisfied with this restatement of overall U.S. policy, Rabasa persistently requested specific answer to his question. He said I should appreciate the depth of real concern and consternation over this kidnapping held by President Echeverria, members of his Cabinet, Mexican Congressmen and others. He said it would be extremely difficult for him to interpret to them this restatement of known U.S. Government policy at this particular time.

¹ Summary: After the kidnapping of Consul General Terrance Leonhardy by leftist militants in Guadalajara on May 4, Chargé d’Affaires Robert Dean reminded Mexican Foreign Secretary Emilio Rabasa of the U.S. Government’s policy of not acceding to terrorist demands.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Immediate. In telegram 85770, May 5, the Department instructed Dean to reiterate U.S. policy on handling of kidnappings to Mexican officials. (Ibid., Central Files 1970–1973, PER Leonhardy, Terrance) Kissinger informed President Nixon of the kidnapping in a May 7 memorandum. (Ibid., Nixon Presidential Materials, NSC Files, Country Files, Box 788, Mexico, Vol. IV, 1973) A May 29 memorandum from Torrey to Kubisch provided a full account of the kidnapping. (Ibid., RG 59, Miscellaneous ARA Country Files, Lot 75D144, Mexico, 1973) In airgram A–531 from Mexico City, October 19, the Embassy reported that the Mexican Government had modified its policy towards political kidnapping cases, announcing that it would no longer negotiate with kidnapers. (Ibid., Central Files 1970–1973, POL 23–8 MEX)

4. I told Secretary Rabasa that rather than my attempting to explain further nuances of U.S. policy I would prefer to consult Washington for more explicit reply to his question.

5. After consulting Assistant Secretary Designate Kubisch and members Washington task force I was able to answer Rabasa's question by stating clearly, "No, we are not suggesting that GOM refuse to accede to demands of kidnappers, that we recognize that this is entirely sovereign decision of GOM as to how to handle situation in this specific case." I gave Rabasa full background information as presented by Kubisch and concurred in by task force, separating out worldwide policy and responsibility for lives of U.S. officials from direct interest in this specific case in saving the life of ConGen Leonhardy. I referred to overall policy as declared by President Nixon but pointed out we not in position to make judgments or decisions in this case, which only Mexican authorities can make in full enjoyment their sovereign rights and responsibilities.

6. Although not totally converted, Rabasa said he perceived line of distinction we were drawing. In any case, he had discussed our earlier conversation with President Echeverria who flatly reiterated Mexico's sovereign decision, in adherence to its overall policy and humanistic approach to these matters, to make all reasonable efforts, including accession to kidnappers' demands in this case, to preserve the safety and life of ConGen Leonhardy. As a footnote, Rabasa said I couldn't imagine how concerned and even depressed Echeverria was over this development, which he considered to be "a blow below the belt." He said the President felt he had done everything to maintain frank and open dialogue with all sectors of Mexican body politic, including students, intellectuals, etc., and there was no need to resort to such dastardly measures to protest or make political point.

7. Conversation then turned to more pleasant subject, i.e., consideration of details of prospective trip of Secretary Rogers to Mexico in connection with Latin American tour. Rabasa was gratified to learn that barring unforeseen circumstances Latin American trip still being planned including stop in Mexico City.

8. Incidentally, in these conversations and in conversations with Interior Minister Moya Palencia and AG Ojeda Paullada on latest developments in case I expressed in my capacity as Chargé my warm appreciation and that of members of this mission for the sincere concern and all-out effort being made by GOM for the safe return of Terry Leonhardy. I associated Mr. Kubisch and members of the task force with this sentiment. I would hope soon to be in a position to express the same in the name of the USG.

Dean

54. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, May 7, 1973.

SUBJECT

Brownell Report on the Salinity Problem with Mexico

BACKGROUND: The most troublesome issue in U.S.-Mexico relations is the salinity of Colorado River water delivered to Mexico under the 1944 Water Treaty. You discussed this last June with President Echeverria, and promised to seek a “definitive, equitable and just solution” as early as possible. To this end, we promised:

- to pick a special representative to study the problem and make recommendations;
- to complete the study by the end of 1972;
- once a solution had the approval of the Administration, to submit it to Mexico for the latter’s consideration and approval.

Meantime, you ordered interim steps immediately to reduce the salinity differential between U.S. water and that delivered to Mexico. A 25% reduction was achieved in one week.

You selected former Attorney General Herbert Brownell as your special representative. He studied the problem intensively, aided by an interdepartmental task force. He visited the Colorado River Basin States and Mexico, consulting officials and specialists. He submitted his report on December 28. We sent the report to concerned Departments and Agencies for comment and reactions. The Brownell Report is contained in a classified letter to you (Tab A). A longer, releasable report and agency comments are available should you wish to see them.

Main Issues: The main issues considered by Brownell were:

- 1) the continuing wide gap between the quality of U.S. water and that delivered to Mexico;
- 2) the need to balance our own growing need for water and our treaty obligations to Mexico;

¹ Summary: Kissinger reviewed the proposed resolution to the Colorado River salinity problem offered by the President’s Special Representative, Herbert Brownell. After outlining the positions of various concerned agencies, Kissinger recommended that the President approve Brownell’s report and authorize Secretary of State Rogers to present the proposal during an upcoming visit to Mexico.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 789, Latin America, Brownell Report on Salinity Problem with Mexico. Confidential. Sent for action. A note on the memorandum reads: “The President has seen.” Nixon initialed his approval of the memorandum’s three recommendations. The letter described as Tab A is not attached. All brackets are in the original.

3) the likelihood of a huge claim for damages (crop losses, etc.) suffered by Mexico since 1961 (estimates run as high as \$144 million) as a result of the poor quality water we have been providing;

4) the adverse impact on U.S.-Mexico relations if this issue is not settled promptly in a fair and friendly way.

CONCLUSIONS: Mr. Brownell and his task force concluded:

1) Reaching a settlement through negotiation rather than in the courts is in our interest.

2) We should seek an early settlement (by mid-1973) while Mexico's mood is positive.

3) Since no quick solution is possible, we must offer an Interim Solution (1973-78) and a Final Solution (1978 and after).

4) In return, Mexico should renounce all damage claims against us, although this will be difficult; agree to certain other water arrangements; and accept the solution as definitive, just and equitable.

INTERIM SOLUTION: Mr. Brownell recommends:

1) Continue steps now being taken—extra pumping and delivery of additional water from Imperial Dam;

2) Gradually increase quality of water deliveries between now and 1978, providing steadily improving water to Mexico;

3) Relocate and concrete-line part of the Coachella Canal to provide the additional water needed for steps 1 and 2 above. [Estimated cost: \$20 million over 3-4 years to be divided 50-50 between the Federal Government and California.]

4) Reduce the effect on salinity of the Wellton-Mohawk Irrigation District—the main offender—by increased on-farm efficiency and reduction of acreage.

PERMANENT SOLUTION:

1) Build a membrane process desalting plant to purify Wellton-Mohawk drainage waters. This would guarantee our ability to provide Mexico indefinitely with good quality water. [Estimated Cost: \$42 million over 5 years; 1st year cost (for design) \$1-3 million; annual operating cost after 1978—\$6 million.]

2) Line extension of Wellton-Mohawk drainage channel to the Gulf of California for brine disposal from desalting plant. [Estimated cost: about \$8 million.] This channel might eventually be used in connection with the proposed nuclear desalting plant on the Gulf of California. But the Mexicans may resist any channel across their territory.

RELATED ACTIONS: In addition to the above, Mr. Brownell recommends a number of related actions—including information and technical exchanges on such things as geothermal techniques, nuclear desalting, irrigation practices, etc.

MEXICAN ACTIONS: In return, Mexico should accept the proposal as a “permanent and definitive solution;” waive all damage claims; agree to mutual controls over water pumping along the border; agree to permit disposal of high-saline drainage and brine into the Gulf of California.

CONCURRENCE: The Brownell proposals are concurred in by: the Domestic Council, Department of State, the Environmental Protection Agency, and the Committee of 14 (representing all the Basin States). Secretary Rogers wishes to deliver an outline of the proposals to the Mexican Government during his visit next weekend.

ALTERNATIVE VIEW: The Department of the Interior, OMB, CEQ and OST concur in the Interim Solution proposed by Mr. Brownell, and they firmly support Mr. Brownell’s objective of achieving a permanent agreement with Mexico on Colorado River water quality. They are concerned, however, about some of the implications of the *means* recommended by Mr. Brownell for achieving the “permanent solution.” They would prefer deferral of the decision as to the means for permanent solution.

The specific problems raised by OMB to the *means* recommended by Mr. Brownell are:

1) A federally-funded desalting plant is inconsistent with your water pollution control policies of

(a) controlling pollution (dissolved salts in river waters, in this case) at the source—irrigation operations on farms; and

(b) requiring polluters to bear a part of the costs of pollution control as provided in the 1972 Federal Water Pollution Control Act.

2) A water quality control precedent would be set that would lend support to a proposed \$1 billion program of salinity control in the Colorado River Basin consisting largely of desalting plants built at Federal expense.

3) The desalting plant may not prove to be the least costly way to achieve the desired water salinity levels.

OMB points out that, apart from the international implications, it is not necessary to make a decision on the means of achieving the required water quality right now. They recognize that deferring commitments to the desalting plant would raise opposition from the Basin States, and that support of the Basin States is needed for solution of the problem. The water resource development interests of the States would certainly prefer the approach recommended by Mr. Brownell—environmental interests may not.

CONCLUSIONS: After weighing carefully all pros and cons, I conclude the Brownell plan has the greatest promise of success. It is the only plan with a chance for acceptance by Mexico as being what we

promised: "A definitive, equitable and just solution." The critical element is the support of the seven Basin States. Their backing will be crucial in winning support from Congress, which will be necessary for success. Moving them to this position has been a major breakthrough. The OMB approach would buy time, but we do not have that kind of time to play with. If we go to Mexico with an unacceptable proposal, we will find ourselves soon in international litigation which we will lose. The financial and political losses of such a consequence would be enormous.

Bill Timmons concurs in this recommendation. OMB feels that, while foreign policy interests may be overriding, we should not require the American taxpayer to bear the full costs of controlling pollution caused by Basin State water users, and, on this basis, they oppose the Brownell approach to the permanent solution. OMB recommends that we negotiate only on a water salinity differential between Imperial Dam and Morelos Dam, reserving the selection of means as a subsequent internal decision. OMB recognizes the necessity for Basin State support, and notes that, if the decision is made to accept the Brownell approach, the solution should be presented internally as *sui generis* in order to avoid establishing a damaging precedent within the U.S.

RECOMMENDATIONS:

1. That you approve the recommendations in the Brownell Report and in his letter to you with the inclusion of as many of the recommendations advanced by OMB and Interior as are feasible—especially improving irrigation efficiency at Wellton-Mohawk.
2. That you designate Mr. Brownell as your personal representative to negotiate with Mexico on the basis of his proposals.
3. That you authorize Secretary Rogers to present an outline of the proposal to the Mexican Government during his forthcoming visit to Mexico.

55. National Security Decision Memorandum 218¹

Washington, May 28, 1973.

TO

The Secretary of State
The Secretary of Interior

SUBJECT

Salinity Problem with Mexico

The President has approved the recommendations for an interim and a permanent solution of the problem of the salinity of the Colorado River waters flowing into Mexico contained in the report submitted on December 29, 1972, by his Special Representative, Mr. Herbert Brownell.

The President has asked Mr. Brownell to conduct negotiations with Mexico as appropriate with a view to reaching an agreement on the basis of his proposals. He will work as Special Representative of the President. Mr. Brownell should be able to call on other Departments and Agencies for assistance as necessary.

The President has decided that the Department of Interior will be responsible for preparing legislation seeking authorization for the immediate relocation and lining of the Coachella Canal, and design and construction by 1978 of a desalting plant and related works, to be submitted to the President for approval and for subsequent presentation to Congress at the appropriate time.

The President has also directed that a working group chaired by a representative of the Department of Interior be established to determine and implement means of further increasing Wellton-Mohawk on-farm irrigation efficiency. The group should include representatives of the Environmental Protection Agency, the Department of Agriculture, and the Office of Management and Budget.

Henry A. Kissinger

¹Summary: Kissinger conveyed the President's approval of Brownell's proposed interim and permanent solutions to the Colorado River salinity issue. Kissinger instructed the Department of the Interior to prepare the legislation necessary to fulfill U.S. obligations under the anticipated agreement.

Source: National Archives, Nixon Presidential Materials, NSC Institutional Files, Box H-240, NSDM 218, Salinity Problem with Mexico. Confidential. Copies sent to the Secretaries of Defense and Agriculture; Administrator, EPA; Director, OMB; Chairman, Council on Environmental Quality; Chairman, AEC; and Assistant to the President for International Economic Affairs. Scowcroft signed for Kissinger.

56. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, June 26, 1973.

SUBJECT

Status of the Colorado River Salinity Negotiations with Mexico

The first round of the negotiations on the Colorado River salinity issue was conducted by your Special Representative Herbert Brownell in Mexico City June 11–13. The Mexicans initially responded to our proposal with an unrealistic counterproposal. A private conversation between Mr. Brownell and Foreign Secretary Rabasa revealed considerable flexibility in their position, however, and the principal remaining issues have been fairly specifically defined as:

1. The degree of differential in water quality between that delivered to United States users from Imperial Dam and that delivered to Mexican users from Morelos Dam.
2. The timing of providing the agreed-upon water quality, through substitution for Wellton-Mohawk drainage, during the interim period before a desalting plant can be completed.
3. The means of achieving an interim understanding which will protect United States waters from Mexican pumping, pending a general agreement on groundwaters.
4. The means of disposing of the issue of past damages which Mexico alleges have been caused by overly saline water.

Mexico appears to desire an agreement by September 1 in order to permit President Echeverría to refer to it in his mid-term address to the nation. We will know more when Secretary Rabasa comes to Washington for the second round of negotiations beginning July 3. Between the first and second round of negotiations, consultations are being undertaken within the Executive Branch, with the Committee of Fourteen which represents the seven Colorado River Basin States, and with Congress.

William P. Rogers

¹ Summary: Rogers reported on the first round of talks between Brownell and Mexican officials on the proposed resolution to the Colorado River salinity problem.

Source: National Archives, Nixon Presidential Materials, NSC Institutional Files, National Security Study Memoranda, Box H-197, NSSM 173. Confidential. In telegram 4356 from Mexico City, June 18, McBride reported on a discussion with Echeverría in which the Mexican President noted that Rabasa was "optimistic that a settlement would soon be reached" after his meetings with Brownell. Echeverría also expressed concern that the issue of illegal immigration to the United States "might prove to be more serious and even more difficult of solution" than the long-running salinity problem. (Ibid., RG 59, Central Files 1970–1973, POL 33–1 MEX–US)

57. Memorandum of Conversation¹

Washington, July 9, 1973, 1 p.m.

SUBJECT

The Acting Secretary's Lunch for Foreign Secretary Rabasa—The Problem of Illegal Mexican Workers in the U.S.

PARTICIPANTS*Foreign—MEXICO*

Emilio O. Rabasa—Secretary of Foreign Relations

Jose Juan de Olloqui—Ambassador of Mexico

United States

Kenneth Rush—Acting Secretary

Ambassador Porter—Under Secretary for Political Affairs

Ambassador Tapley Bennett—USUN

Martin Herz—Deputy Assistant Secretary, IO

Robert A. Hurwitch—Acting Assistant Secretary, ARA

Harry W. Shlaudeman—Deputy Assistant Secretary, ARA

Continuing the conversation which began in the Acting Secretary's office, (MemCon of the 12:30 meeting, July 9) Secretary Rabasa referred to the status of illegal Mexican workers in the U.S. as one of the two overriding problems Mexico has with this country—the other being salinity of Colorado River water. He said the current state of affairs cannot be allowed to continue; progress must be made on this problem as it is being made on salinity. He recalled the communiqué issued by Presidents Nixon and Echeverria last June, and the resulting agreement to establish a commission on each side to study the problem. Secretary Rabasa noted that the study groups will meet on July 16. He said it would be a waste of time and contrary to the spirit of the Presidents' communiqué if the U.S. group comes only "to listen." He asked "officially" that our group be prepared to consider concrete proposals with a view to making recommendations.

Secretary Rush emphasized that we attach equal importance to the problem and, in particular, find the exploitation of illegal Mexican

¹ Summary: In a conversation with Acting Secretary of State Kenneth Rush, Rabasa expressed interest in reaching an agreement that would regularize the status of Mexican illegal immigrants in the United States and establish a program for temporary laborers from Mexico. Rush responded that there were obstacles that would make the conclusion of such an agreement difficult but that the U.S. Government wished to do whatever might be possible to address the issue.

Source: National Archives, RG 59, Central Files 1970–1973, POL MEX–US. Confidential. Drafted by Shlaudeman. Approved by Rush on July 12. The earlier discussion in the Deputy Secretary's office is recorded in a separate memorandum of conversation. (Ibid.)

workers repugnant. Measures can be taken within the U.S. to discourage the use of illegal laborers. (Rabasa subsequently commented that on balance he did not find the Rodino Bill a step forward since it would in his judgement be as hard on the illegal immigrant as on the illegal employer.) The Acting Secretary said we would give careful consideration to such proposals as might be made.

During the ensuing discussion Secretary Rabasa indicated some points that might be incorporated in Mexican proposals:

(a) A method should be found to regularize the status of long-term illegal Mexican immigrants; i.e., those who have lived here for a number of years and are responsible, productive members of their communities. (It was pointed out to Secretary Rabasa that legislation would be required for any such "regularization.")

(b) A new program should be instituted to import temporary Mexican laborers on the basis of "certificates of necessity." Secretary Rabasa indicated that it would be acceptable as the lesser of two evils to permit payment of less than the U.S. minimum wage to such laborers. He added that he would not want to be quoted on that point and could never concede it publicly.

(c) Arrangements should be made to permit Mexican consuls to furnish protection to illegal immigrants.

The Acting Secretary pointed out some of the difficulties we would encounter:

(a) Political realities flowing from a 4.8% unemployment rate in the U.S. would arouse extremely strong opposition from organized labor and in the Congress to any new "bracero" program. It would clearly be impossible to exempt Mexican laborers from the requirements of our minimum wage legislation. Widespread public sentiment and the traditions of our country would not permit such discrimination.

(b) The proposal to import temporary workers offers no apparent relief to the constant flow of illegal immigrants. They would simply keep coming despite such a program. There is no assurance that even a state of "saturation" in the labor market would effectively discourage the flow as long as the disparity between our two economies exists and as long as unscrupulous employers are willing to use illegal workers at substandard wages.

(c) The argument that the unavailability of illegal workers would automatically create a labor shortage in the agricultural industry is open to question. The economics involved are more complex. For example, one result might be increased mechanization.

The Acting Secretary concluded with the assurance that the U.S. Government wishes to do whatever may be possible to improve this serious situation while recognizing that a final solution will depend on such factors as the development of Mexico's economy and is not a prospect over the short term.

58. Memorandum of Conversation¹

Washington, July 11, 1973, 4:30 p.m.

MEMORANDUM FOR THE FILES

SUBJECT

Conversation Between Henry A. Kissinger and Mexican Foreign Secretary Emilio Rabasa

PRESENT

Dr. Kissinger
Secretary Rabasa
William J. Jordan (NSC)

After opening pleasantries, *Rabasa opened the discussion* by referring to the problem of salinity in the waters of the Colorado River. He praised the choice of Mr. Herbert Brownell as the U.S. negotiator and said the talks had gone well with most problems solved. The one outstanding problem not yet resolved was the matter of a differential in water quality between that at Imperial Dam and the water delivered to Mexico. He argued that a differential of 115 parts per million (PPM) as proposed by the U.S. could not be accepted. He argued that the solution thus far negotiated would be “permanent” and “definitive”—as promised—but would not be “just”—as also promised. The Rabasa argument was essentially that made in the attached memo which he handed to Kissinger (Tab A).

Kissinger promised Rabasa that he would look into the matter. He noted that in reaching the proposal made to the Mexicans, “we overruled everybody and the blood is still flowing.” He said he wanted to talk further with experts on the budget aspects and on the technical elements. He promised to get back to Rabasa after studying the matter further. He said that the two sides, and he and Rabasa, had committed

¹ Summary: In a July 11 meeting, Kissinger and Rabasa discussed the state of negotiations on the salinity problem, President Echeverría’s recent international travels, and the Mexican proposal for a charter of economic rights and duties.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Secret. Sent for information. The men met in Kissinger’s office in the White House. The memorandum is dated July 16. Attached but not published is a July 10 memorandum on the salinity problem that Rabasa handed to Kissinger at their meeting. In a July 10 memorandum to Kissinger, Jorden pointed out that meeting Rabasa’s request for concessions in negotiations over the salinity problem would be costly in both political and budgetary terms. (Ibid.) A July 16 memorandum from Rush to Nixon provided a summary of the issues that remained outstanding after the conclusion of July 6–9 talks between Brownell and Rabasa on the salinity problem. (Ibid., RG 59, Central Files 1970–1973, POL 33–1 MEX–US)

themselves so strongly to a solution that we could not afford to have it fail now. He felt sure that "we can work it out."

The two men then discussed the recent trip to Europe and to Moscow and Peking by Mexican President Echeverria. *Rabasa noted* that he had been surprised by the absence of any criticism of the U.S. in the two Communist capitals. He said that "American imperialists" had been mentioned no more than once. He said the Mexicans found the Russians and Chinese both preoccupied with their rivalry with each other.

Referring to the Treaty of Tlatelolco (nuclear-free zone in Latin America), *Rabasa said* he felt that the French and Chinese would both sign on, but the Soviet Union would not. He said they gave several reasons but the Mexicans were certain the heart of the matter was Moscow's refusal to eliminate totally the possibility of one day putting nuclear weapons in Cuba.

Rabasa said he had talked with Deputy Secretary of State Rush about the problem of illegal Mexican immigrants moving into the U.S., and did not wish to raise this with Kissinger. He noted the two sides will be discussing the problem in Washington next week.

The other matter he wishes to raise, *Rabasa said*, was the matter of the Echeverria Doctrine (rights and duties of developed and developing countries). He said Mexico knew it had to work both ways, that both developed and developing countries had rights. He said the Group of 40 would be discussing this in meetings at Geneva beginning the following Monday. He said he hoped the U.S. would not obstruct the effort and that Mexico would be allowed to get some kind of charter that could be presented to the UN General Assembly. He said that Ambassador Olloqui would provide us with a detailed description of Mexico's views on the charter.

(*Kissinger asked* Jorden to prepared a paper for him by Friday giving the current state of play, the parliamentary situation, etc.)

Rabasa also mentioned the OAS meeting in Lima which has been discussing the organization and possible restructuring of the OAS. He said the Mexicans would give Jorden a paper on Mexico's views. He said they felt the OAS Charter was outdated.

Rabasa then said he had received a call from President Echeverria and that he had urged Rabasa to try to see President Nixon. He said he would review briefly what is coming up in Latin America and offer Mexico's support to President Nixon on important issues. Kissinger said he would look into the possibility and get back to Rabasa by noon the following day.

Rabasa closed by noting that August 23rd would be the 25th anniversary of his marriage. The Rabasas were planning a party and would

like Kissinger to attend. Kissinger promised to do so—noting that he would be in California at the time.

Rabasa said he wanted a private word with Kissinger and Jorden left the room. The meeting ended at 5:45 p.m.

59. Memorandum From the Permanent Representative to the United Nations (Scali) to the President's Assistant for National Security Affairs (Kissinger)¹

New York, August 24, 1973.

SUBJECT

Report on Scali Conversation August 23 with Mexican Foreign Minister Rabasa in New York

At a meeting, which Rabasa requested, he expressed delight at HAK's appointment as the new Secretary of State. He said without elaboration that this could make a substantial difference. He said, based on his knowledge and conversations with Henry, that he knows that when Kissinger says "yes" it means "yes." He credits Henry with being the catalyst who solved the salinity problem after 12 years of impasse. He also spoke very highly of the U.S. negotiator, Brownell, but said the agreement would not have been possible without HAK's personal interest and involvement. He said he looks forward with the greatest of pleasure to seeing Henry again in a few days.

Rabasa's main pitch was to appeal for U.S. support for President Echeverría's proposed Charter of Economic Rights and Opportunities which he has been seeking to promote on his world travels. (Echeverría discussed this with me in Mexico for almost an hour on my way back

¹ Summary: Permanent Representative to the United Nations John Scali reported on a conversation in which Rabasa appealed for U.S. support for a charter of economic rights and duties of states, an initiative put forward by President Echeverría.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. III, 1973. Confidential; Eyes Only. The text of the memorandum was transmitted to the Embassy in Mexico City. The memorandum, which was not initialed by Scali, was sent to Kissinger under a handwritten note from Scowcroft, which indicated that Scali "wanted you to have this to read on the plane." Kissinger wrote on the note, "This would have helped *before* the trip. I want to see Scali the week of Sept. 4. Can he draft Charter we *could* accept?" In telegram 644 from Mexico City, August 30, the Embassy noted that Kissinger made a 2-day visit to Mexico City in late August. (Ibid., RG 59, Central Foreign Policy File, [no film number])

from Panama last March. The fervor and the dedication that he has to this as an objective is clearly obvious.)

The United States position toward this Charter, as you recall, has been basically a medium-positive attitude, even though most of our industrial allies are highly skeptical. It is already being discussed in a United Nations committee but the progress has been slow partly because the British particularly are suspicious. On instruction, I said that our attitude continued to be a positive one, but that because the subject was so complex and far-reaching we obviously would have to move cautiously. Nevertheless, I said, we were prepared to continue discussions in a positive spirit by favoring a continuation of the UN committee where the Charter is being examined.

I showered enough kind words on the objective, while stressing it, of course, has to be a realistic, moderate document—one which does not give the less-developed countries all the rights and assign all the duties to the industrialized countries.

Rabasa said that Echeverria understands this perfectly; that after all Mexico, as a fairly well-industrialized country already, is not about to sacrifice or give away all its gains merely to satisfy the have-not countries who are inclined to demand more of the good things of life without working too hard to gain them.

Rabasa said, however, that adoption of such a Charter has now become almost “a holy crusade” on Echeverria’s part and that he is appealing for American support even while recognizing that much difficult bargaining will lie ahead before there is agreement. But, Rabasa said, his main purpose was to encourage us not only to adopt a basically positive attitude but to allay suspicions of other industrialized countries as well. I told him we, of course, must necessarily be cautious in our approach because of the enormous implications, plus the attitude of some of our long-standing allies of the industrialized world, particularly Britain. (At this point, Rabasa said that Echeverria detected two months ago, when he visited London to talk with Heath, a more receptive British attitude.)

At this point, Rabasa came to what I suspect was the main objective of the meeting: to appeal to President Nixon to personally champion the Echeverria Charter idea on the grounds that it is basically not just a Mexican idea or initiative but one that the President of the United States believes will benefit the entire world. (Of course, Echeverria in the process inevitably would receive credit.) Rabasa said a Nixon embrace of this idea would have a dynamic effect in all Latin America, disprove the widespread belief that the United States no longer cares about Latin America, while at the same time persuade the Third World countries that the United States is not a selfish stand-patter that is interested only in making the rich countries richer.

I again stressed the complexities of the project, while exuding all sorts of confidence that Echeverria is one of the few moderate world leaders who understands both sides of the problem and who could conceivably be the man to find an acceptable formula bridging the gap separating both sides. But, I cautioned that it was unlikely that the current General Assembly, which has this item on the agenda, could take final action because much work remains to be done, even though the U.S. has a basically positive attitude.

Comment:

The kind words about Echeverria and Rabasa clearly pleased Rabasa no end. Rabasa says he hopes to take this up with you at the earliest opportunity, perhaps this weekend, because you have the vision to see the far-reaching possibilities. He mentioned in passing that the Chinese promised all-out support for the Echeverria idea when Echeverria visited Peking two months ago. My personal view, based on a preliminary study of this concept, is that it is one which we might well study seriously to see whether we could not come up with an acceptable Mexican-American formula which gives nothing away but which puts us on the side of the angels. Echeverria is already very proud of the fact that Mexico has been the author of the Treaty of Tlateloco making the Central America-Caribbean a nuclear-free zone and is clearly anxious to enhance his reputation as a world statesman. The good will obviously flowing now from our settling the salinity problem with Mexico may offer an opportunity for Mexican concessions on this score so that Echeverria can maintain his world statesman momentum. The concept, however, conflicts somewhat with another rival, somewhat foggier idea being advanced by the Brazilians—something called “the principle of collective economic security.” The Brazilians have not yet spelled this out, but insist in answer to our questions that it is not a rival to the Echeverria plan but supplementary to it. In any event, it is clear to me that in the months ahead there is to be intense, perhaps prolonged discussion about some kind of code of economic rights and opportunities and it would be well for us to consider how best we can embrace some formula or other, making us look as a continuing champion of the downtrodden while giving little or nothing away as long as it helps our foreign policy objectives.

60. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, August 27, 1973.

SUBJECT

Settlement of the Colorado River Salinity Problem

Your Personal Representative, Herbert Brownell, has reached agreement with his Mexican counterpart on a solution to the problem of salinity in Colorado River waters delivered to Mexico under the 1944 Water Treaty. The proposed solution is in accord with the proposal made to you by Mr. Brownell last December which you subsequently approved. The agreement is subject to final approval by you and President Echeverria.

This is a major breakthrough in our relations with Mexico. It promises an end to a problem that has gone unsolved for twelve years. And it removes the largest single irritant in our relations with this important neighbor.

Mr. Brownell will be submitting a detailed report in a few days. But the essential elements of the agreement are as follows:

U.S. Undertakings

—a commitment to deliver to Mexico most of its treaty allotment of waters with a salinity level of no more than 115 parts per million higher than that of water at Imperial Dam. The commitment begins when Congress has authorized funds for a desalting plant and relining of the Coachella Canal;

—agreement to pay for lining a drainage channel that would carry outflows from the Welton-Mohawk Irrigation District and brine from the desalting plant from the Mexican border to the Gulf of California;

¹ Summary: Kissinger summarized the key points of an agreement on the Colorado River salinity issue reached by Brownell and Rabasa on August 21. He recommended that President Nixon approve both the agreement and a directive instructing U.S. Agencies to prepare a legislative package for the implementation of its terms.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Confidential. Sent for urgent action. Nixon initialed his approval of Kissinger's recommendations. A note on the memorandum reads: "Wash. notified 8-28." Notations on a draft of the memorandum indicate that Nixon conveyed his approval to the White House through a phone message from San Clemente, California, on August 28. Attached as Tab A, but not published, is a draft memorandum from Kissinger to the Secretaries of State and the Interior and the Director of OMB. In telegram 6497 from Mexico City, August 31, the Embassy noted that the accord was formalized with an August 30 exchange of notes. (Ibid., RG 59, Central Foreign Policy File, [no film number]) In telegram 134951 to Mexico City, June 24, 1974, the Department reported that President Nixon signed legislation implementing U.S. commitments under the agreement on that date. (Ibid., D740165-0734)

- support for Mexican efforts to get financing on favorable terms for improving and rehabilitating the Mexicali Valley;

- on a basis to be negotiated, to provide modest grants to assist Mexicali rehabilitation related to the salinity problem, including tile drainage and technical assistance.

MEXICAN Undertakings:

- specific acceptance as part of its water allocation of 140,000 acre-feet of water delivered at San Luis but not heretofore covered by agreement;

- acceptance of pumped drainage water as part of its allocation, so long as the salinity differential is not exceeded;

- acceptance by Mexico of this agreement as the “permanent and definitive solution” foreseen in the Nixon-Echeverria communiqué of June 1972.

Mutual Undertakings:

- agreement to limit groundwater pumping within five miles of the Arizona-Mexico border to 160,000 acre-feet a year by each party;

- agreement to consult regarding any water development programs in the border area that might affect the other party.

You will note that Mexico has agreed to consider this the “definitive” solution and that no provision was offered or demanded regarding the payment of cash damages.

I believe the agreement is a favorable one for the United States. It will be costly (the current estimate is between \$110 and \$130 million over the next four years). But Mr. Brownell believes, and I agree, that there are no known politically feasible, less expensive alternatives within the United States. And the international alternative of going to court would cost the United States considerably more financially, while creating a substantial, unnecessary and long-lasting strain in our relations with Mexico.

The Mexicans expect to have President Echeverria’s prompt approval of the proposed agreement and would like us to inform them of your approval by Tuesday, August 28. They propose to make a public announcement of the agreement on August 31, and we would make our announcement that same day.

We shall, of course, inform key members of the House and Senate of the essential elements of the agreement in advance of the public announcement. Mr. Brownell’s consultations over the past months with Congress, especially with Foreign Affairs, Foreign Relations, and Interior Committees, indicate they are basically favorable to an agreement along the lines now achieved. We expect an effort by representatives of some Basin States to link their approval of the agreement with support

for some of their favorite water and development projects in home States. But we believe the basic outlook regarding Congressional reaction is favorable.

The proposal submitted to the Mexicans and now accepted by them was worked out in close consultation with Interior Secretary Morton and Mr. Ash of OMB.

Recommendation:

That you approve the agreement reached with Mexico and announcement of that Agreement on August 31.

That you approve the attached directive (Tab A) instructing the Departments and Agencies involved to prepare a legislative package promptly to carry out the terms of the agreement, including appropriation of an initial \$2 million for study and design of the physical works.

61. Memorandum of Conversation¹

New York, October 4, 1973, 11:15 a.m.

PARTICIPANTS

Secretary of State Kissinger
Mexican Foreign Secretary Emilio Rabasa
Mexico's Permanent Representative to the United Nations Garcia Robles
Mexico's Ambassador to the United States Jose Juan de Olloqui
Assistant Secretary of State Jack Kubisch
Ambassador Robert McCloskey
William J. Jorden, NSC Staff (Latin America)

SUBJECT

Conversation Between Secretary of State and Mexican Foreign Secretary Rabasa

Following warm greetings on both sides, and after the photographers had recorded the meeting on film, Secretary Rabasa presented

¹ Summary: During a bilateral meeting, Kissinger and Rabasa discussed Echeverría's Charter of Economic Rights and Duties of States, illegal immigration, and regional matters.

Source: Ford Library, NSC Latin American Staff Files, Country Files, Box 4, Mexico—Political, Military 1. Confidential. The meeting took place in the Secretary's suite at the Waldorf Towers while Kissinger and Rabasa were in New York for an UNGA session. The Rodino Bill to which Kubisch referred during the discussion on illegal migration was legislation introduced in January 1973 by Representative Peter Rodino (D-NJ) that would have imposed sanctions on employers who hired undocumented workers. The personal letter that Rabasa delivered to Kissinger from Echeverría was not found.

Secretary Kissinger with two picture books of Mexico for the Kissinger children and a silver necklace for the Secretary's daughter.

Secretary Rabasa then said he wanted to come down to business.

The Secretary of State said with a laugh that "it's no good settling problems with you because you just bring up another one."

Rabasa said he had been consulting with other foreign ministers—Douglas Home of the UK, Gromyko of the Soviet Union, and others—regarding the future of the proposed charter of economic rights and duties. He said that the "sensitive issue" at the moment was the legal nature of the document.

Rabasa continued that Mexico's hope was that the charter could take the form of a treaty. The British favored a declaration. He said Gromyko was "indifferent." He said the majority of non-aligned nations shared the view that the matter should be handled in a treaty. He said this had been especially true of Chile. He said he was talking about the "legitimate government" of Chile, not a "guerrilla government." He underlined his strong feeling on the matter by turning to the note-taker and saying: "Be sure to put that down."

Frankly, Rabasa said, his President wants a treaty. But he admitted that was not realizable now.

Secretary Kissinger said he thought that was right.

Rabasa said he hoped it would be possible eventually to work toward a treaty in gradual stages. He added that "as we all know" a declaration is completely different from a treaty. Even if the Secretary and President Nixon agreed to a treaty, there would be "the problem of Congress."

"Exactly," the Secretary said.

At this point in time, Rabasa said, it would be sufficient for the General Assembly to merely take note of the "fine work" done by the working group. (As an aside he noted that the United States had a "good man" on the working group but he did not recall his name.) He said he foresaw two further working sessions of about 3 weeks duration each, one in February and one perhaps in July. He said there were still many details to be worked out and the present was "no time to vote." He said he expected the II Committee (at the UN) would be spending about five days later this month on UNCTAD matters and that perhaps one or two days of that would be devoted to the Charter. Secretary Kissinger asked if he was right in interpreting Rabasa's remarks as meaning that Mexico "did not want us to be active." Rabasa said that was correct, but he wanted the U.S. to vote for the final resolution, not abstain.

In other words, the Secretary said, Mexico would get someone to propose the declaration, that they did not want the U.S. to do it, but

they did want us to support it. Rabasa said that was correct, and the Secretary said "we can do that." He then said jokingly that he hoped he got out of office before Rabasa raised any border issues. Rabasa asked whether the U.S. was going to give Texas back to Mexico. The Secretary said with a laugh that the question confirmed his fears. The Secretary then turned back to the Rabasa proposal and said he would give the appropriate instructions to our people. He said he assumed that we did not have to do so immediately.

(At this point, Ambassador de Olloqui entered. He had thought the meeting was to be held in another place.)

The Secretary turned to Mr. Kubisch and instructed him to see that the proper actions were taken "without leaks."

Rabasa said there should be a mandate to the working group to work out a declaration. He said it would go to the Assembly from the Commission. He noted that the Assembly normally accepts 99% of the Commission proposals.

Rabasa said a declaration would make it possible to put in many things "that your Congress won't accept."

The Secretary responded by saying that he would not accept anything that the Congress wouldn't. For example, he said we would oppose any declaration that was an indictment of developed countries. Rabasa said quickly that it was not his idea to put in things that attacked the U.S. or other developed countries.

The Secretary noted that "we are supposed to be relieved that it's a declaration and not a treaty when it wasn't going to be anything." He then said that the way to proceed was to have the Mexicans work with Kubisch and Jorden, and between them make sure that there would not be "big differences." Rabasa said he would be able to tell the Secretary in January who was going to work on this matter for his government.

Secretary Kissinger said the work should be done in a "constructive and far-sighted spirit." It was an opportunity for developed and less-developed countries to work together. The process put Mexico in a unique position and he thought the Mexican leaders could go down in history. Rabasa said his government's view was that the declaration should be "positive and constructive." The Secretary said that a declaration could be couched in broader language than a treaty and not be so legalistic. Rabasa promised to come back to the Secretary in January with further ideas.

Rabasa then turned to the problem of illegal immigrants. He said that as a Mexican it hurt him deeply to have to face the fact that so many of his people wanted to leave Mexico to work in the United States. He said that in the past, Secretary Rogers and others with whom he had discussed the problem had told him that nothing could be done.

He said he realized that organized labor opposed the flow of illegals into the U.S.

But, Rabasa said, if you had a total sweep and picked up everyone now illegally in the U.S., you would soon be on your knees asking them to come back. The reason was, he said, that they do work—picking cotton, grapes, and other things—that no one else wants to do.

The Secretary asked what the problem was. Mr. Kubisch explained the opposition of Congress (noting recent passage of the Rodino Bill in the House) and of organized labor.

The Secretary said he did not understand the problem. He asked Rabasa to give him a few months to study the matter and said he would then go to Rabasa with “what can be done.” He said he would talk with George Meany and others to get their views.

Rabasa said he thought those who opposed action on this matter were “lying” and that they realized the United States needed the Mexican labor. The Secretary said he wanted to talk with his staff and find out what could be done. Rabasa said he would talk further about the problem with the Secretary in January.

Secretary Rabasa then handed Secretary Kissinger a personal letter from President Echeverria to President Nixon, plus a copy of the letter for the Secretary in English.

The Secretary said we should see if we can do something about the immigrant worker problem. The two men could talk further in January. He said he was approaching the problem “in the spirit that we can do something.”

The discussion then turned to more general problems. Secretary Rabasa unfolded a large map of South America and another of Central America. He said the Latins were “hurt” that the Secretary had not mentioned our relations in this area except in one paragraph. He said the Secretary had a chance at the luncheon for Latin diplomats the next day to say something more. He said that, of course, bilateral arrangements would continue to be important. But in addition, he suggested it would be good if the Secretary told them he wanted to hear their advice regarding policy in Latin America. They should be told that they should be the architects of the new policy.

The Secretary asked whether he might propose formation of a “commission on foreign ministers” to consider this matter and give us their advice.

Rabasa said he thought it would be better to do this individually. But he added that he thought the Secretary might suggest that a group of foreign ministers could get together and work on the problem. Rabasa said he thought the new Secretary had an unique opportunity to open a new period in U.S.-Latin American relations. He said that Secre-

tary Dulles had been associated in Latin minds with intervention. Others whom he would not name largely ignored Latin America. From the Latin point of view, he said, "none of your predecessors has been a great Secretary of State."

The Secretary said that he had a genuine affection for Latin America and that he truly wanted to do more to improve our policy and our relations. Rabasa said the lunch the next day afforded an excellent chance. The Secretary said that he would make a constructive statement.

Rabasa then reviewed the situation in the hemisphere country-by-country, noting how many governments were dominated by military men and how few still had constitutional governments.

There was a brief discussion of Argentina with the Secretary asking Rabasa's views. Rabasa said he could not explain the situation in any detail. He said it was clear that Peron was going to die in the next year or so. The Secretary asked whether his wife would succeed him. Rabasa said he thought she would not. Rabasa pointed out that he was not going to attend the Peron inauguration. The Secretary asked whether he should go to Buenos Aires. Rabasa replied, "Unfortunately, I think you should." There was then discussion of when the inauguration would be, and the Secretary pointed out that he could not go because he was travelling to Europe at that time.

Rabasa returned to the theme of the paucity of constitutional governments in the Western Hemisphere. He foresaw drastic consequences if this trend did not change. He thought the United States should take positive action in support of constitutional government. If not, he said that "blood will flow" and many Latins would blame the United States.

The Secretary said our problem was what the United States can do. How can we move from what you call neglect to cooperation without getting into every dispute in the hemisphere?

Rabasa said that this was a challenge "you can face." He recalled the remarkable progress achieved in relations with China and with the Soviet Union. He thought the same could be done in the Western Hemisphere.

The Secretary said he was thinking of sending former Commerce Secretary Peterson to Latin America to visit a few countries and come back with new ideas. He said that Secretary Kubisch might go with Peterson.

Rabasa said he thought that would be all right provided there was no publicity and it was handled in low-key fashion. Rabasa recalled previous visits to Latin America by Governor Rockefeller, Secretary Finch, Secretary Connally and others. He said the Latin American impression was that these had accomplished little.

On the question of Chile, the Secretary pointed out that we had nothing to do with it. Rabasa said that he had noted that the junta had specified that they had not told the United States in advance of the coup.

The Secretary said that as far as international corporations were concerned, he didn't think they were smart enough to make a coup even if they wanted to.

The Secretary then said that he wanted to make a major speech on Latin America at an appropriate time. But he said he needed the right occasion—something must be happening. He said that he would be consulting with Rabasa and others on this subject. He said he thought we could “get moving” by the end of this year.

At this point in the discussion, Secretary Rabasa said he wished to have a private talk with the Secretary. The other participants left the room, and the two Secretaries continued their discussion for approximately ten minutes.

62. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Kubisch) to Secretary of State Kissinger¹

Washington, December 21, 1973.

The Mexican Illegal Immigrant Problem

The Problem:

The Government of Mexico has placed high priority on obtaining an agreement to permit large numbers of Mexican workers to enter the United States for temporary employment. Given our own high unem-

¹ Summary: Responding to Rabasa's interest in an agreement that would permit large numbers of Mexicans to enter the United States as temporary workers, Kubisch presented a study of the illegal immigration problem and recommended against the reestablishment of a bracero program.

Source: National Archives, RG 59, ARA/MEX Files, Lot 78D235, PER–Ambassador Joseph John Jova, 1973–1975. Confidential. Drafted by Bowdler and Torrey on December 20. Kissinger approved Option 2 on January 4, 1974. Sent under a December 21, 1973, covering note from Kubisch to Kissinger that indicated the memorandum was based on a study carried out by an inter-departmental working group after Kissinger told Rabasa in an October 4 meeting that the U.S. Government would reconsider its position on the illegal immigrant problem. (Document 61.) Tabs A through G are attached but not published. The draft letter to Rabasa attached at Tab A was sent on January 4, 1974.

ployment rate and the strong opposition to the Mexican proposal by important sectors in the United States, how forthcoming can and should we be?

Analysis/Background:

Historical Perspective: The existence of large numbers of Mexicans illegally in the United States has been a problem for many years. A surge of Mexican workers entered this country during the decade 1910–1920, partly to fill a labor need here and partly to escape the turmoil of the Mexican Revolution. This influx continued during the 1920s. Mexican migration to the United States virtually stopped during the depression years of the 1930s, and thousands of Mexicans who were in this country legally or illegally returned to Mexico, voluntarily or under forced repatriation. Mexican labor was again imported into the United States in the 1940s under a series of agreements in which the employer (agricultural and industrial), not the U.S. Government, was the contractor. Mexico increasingly expressed concern with the often-shoddy treatment of its nationals, the low wages paid them, and the lack of U.S. Government contractual guarantees. This resentment led to the passage by Congress of P.L.–78, which permitted the negotiation with Mexico of the Migrant Labor Agreement of 1951, commonly known as the Bracero Agreement. Principal provisions of P.L.–78 and the Bracero Agreement with its subsequent modifications are at Tab C.

During the life of that agreement (1951–1964), nearly four million Mexican workers passed through the Reception Centers operated by the U.S. Department of Labor. The peak was reached in 1957 when American farmers entered into nearly 500,000 labor contracts. By 1964, the last year of the agreement, the number had dwindled to less than 200,000, largely because of increased farm mechanization. The Congress allowed the agreement to expire in 1964 under pressure from U.S. labor because of high unemployment rates and the low wages accepted by the *braceros*.

The Mexican Illegal Problem: Mexican workers entered the U.S. illegally in varying numbers before, during, and after the time of the *bracero* program. In 1952, for example, INS apprehended 543,538 Mexican nationals illegally in this country; in 1954 this number rose to 1,075,168 (because of a special INS drive); by 1964 the number of apprehensions had been reduced to 43,844. Each year since then the number of illegals expelled by INS has increased significantly, reaching an anticipated 550,000 this calendar year. It is not known how many illegal entrants go undetected, but it is conservatively estimated that the total number of Mexicans living in protracted illegal status in this country is now over one million, and growing. Given the Mexican population growth projections (it will nearly double by 1990, to about 100 million) and the wage disparity between the two countries, the pressure for

Mexicans to emigrate illegally to the U.S. will continue and probably increase.

The distribution and occupations of Mexicans illegally in this country have changed significantly in recent years. In the past, these illegals had traditionally remained in the border states and engaged primarily in agricultural work. Recent information indicates that now more than half of those apprehended are in non-agricultural employment, with many living in such areas as Detroit, Chicago, and New York City.

As the number of expulsions of Mexican illegals has increased, so have pressures on the Government of Mexico to negotiate a new *bracero*-type agreement. These pressures are due to:

- adverse publicity in the Mexican press, especially that drawing attention to the Government of Mexico's inability to rectify alleged low wages paid to Mexican workers and other alleged unfair employment practices and mistreatment by American employers.

- embarrassing mass expulsions from the United States of Mexican citizens who have left their country in search of economic opportunity not available to them at home.

- fears that pressures in the United States may result in more stringent border control measures and even greater numbers of expulsions. (Such measures would exacerbate Mexico's embarrassment, add to its already strained socio/economic infrastructure, and deprive it of foreign exchange remittances which may amount to several hundred million dollars annually.)

Study and Efforts to Ease the Problem: Referring to the migratory workers problem in their joint communiqué of June 17, 1972, President Nixon and President Echeverria announced that "it was desirable for each government to undertake immediately a study of this question with a view to finding a mutually satisfactory solution." Both governments established special national groups to make the study. The two groups conferred once during the course of their deliberations. The U.S. Group, under the Chairmanship of former Assistant Attorney General Roger Cramton, submitted its report to the President on January 15, 1973. The highlights of its findings and recommendations are:

- control of the border should be strengthened.

- legislation should be enacted to impose penalties on employers who knowingly hire illegal aliens.

- INS should provide facilities for Mexican consuls at its detention camps and otherwise improve its services to the detainees.

- legislation should be enacted to make adjustment of status available on a discretionary basis and to permit lawful permanent residence to any alien who has resided in the U.S. for a period of ten years.

- the institution of a new *bracero* program is specifically not recommended.

A more complete treatment of these recommendations is at Tab D.

At the request of the Government of Mexico, the Mexican Study Group met in Washington July 15–18, 1973 to exchange views with an *ad hoc* team representing the same U.S. agencies represented on the original U.S. Study Group (Justice, State, Labor, Agriculture, HEW, INS). The Mexican presentation centered on the need for a new *bracero* agreement (as have all subsequent conversations with Mexican officials) which would overcome alleged injustices to Mexican workers in the U.S. and provide American farmers with what the Government of Mexico insists is badly needed farm labor. The Mexican Group was not encouraged to anticipate a new *bracero* agreement. Ways were sought to alleviate some aspects of the problem and a “joint statement” (Tab E) was prepared for the internal use of each government.

The following actions have been concluded, or are pending conclusion, as a result of the July meeting:

- INS has offered office space to Mexican consuls at their three detention centers adjacent to the border and has named officers to coordinate with the Mexican officials in the handling of personal problems of the detainees. The Mexicans have been slow to respond, not yet having occupied the facilities offered by INS.

- the GOM and the USG have agreed to abolish Article I of the bilateral visa agreement (providing for waiver of documentation for government officials and thereby lending itself to widespread fraud).

- our Embassy in Mexico has been pressing the GOM to provide the names of Mexican officials with whom INS can exchange information concerning illegal recruiters, traffickers, and smugglers of aliens and vendors of fraudulent documents.

Recent Legislative and Administrative Actions: There are three legislative and administrative developments over the past few months that have a bearing on the Mexican illegal immigrant problem:

- On May 3, 1973, the House of Representatives passed H.R. 982 (Illegal Alien Bill) which, *inter alia*, provides that penalties be imposed on employers who knowingly hire aliens who are in this country illegally. A similar bill died in the Senate last year, and it is uncertain that the Senate will act on this one unless pressed by the Department and/or other government Agencies.

- In August this year the Social Security Administration promulgated a regulation implementing a statute of 1972 which requires persons born abroad to present proof of U.S. citizenship or immigration status entitling them to work in order to obtain a Social Security card. From the U.S. point of view, this action should have the salutary effect of discouraging the hiring of at least some of the recently arrived illegals.

- The House of Representatives on September 26, 1973 passed H.R. 981 which would place Western Hemisphere immigration under the same selection criteria and numerical limitation system as the Eastern Hemisphere (which would have the effect of reducing legal Mexican immigration by one-third, if enacted without amendment), would somewhat liberalize the provisions for admission of temporary workers, and would make other amendments to the Immigration and

Nationality Act. A proposed amendment to H.R. 981, which would have greatly liberalized restrictions on temporary workers and which some opponents of the proposal described as a *bracero*-type program, was defeated 310 to 70.

The Rabasa Proposal: In the *aide mémoire* he left with you on November 3 (Tab F), Rabasa proposed that the U.S. and Mexico enter into an agreement that would include three basic points:

- depending upon requirements in the U.S. for imported labor, the two countries should each year agree upon a quota for the legal admittance of Mexican workers.

- these workers should be under contract to guarantee fair pay and humane treatment.

- Mexican consular representatives should be empowered to defend and represent these workers before all American authorities, including INS and the judiciary.

Rabasa recognizes that the root cause of the illegal problem is the great disparity between the two countries in employment availability and wage levels. He bases his argument for a new *bracero* program on the premise that Mexican workers are a vital necessity to the U.S., and he rejects as “absolutely untrue” statements made by U.S. labor unions, members of the U.S. Congress, and representatives of U.S. executive departments that Mexican workers “cause competition and unemployment.”

Since his *démarche* to you, the press has quoted Rabasa as saying that he was negotiating with you for the legal entry into the U.S. of 300,000 Mexican workers per year. President Echeverria on November 27 told a group of foreign correspondents that a new *bracero* program with the U.S. was needed.

Constraints on USG Acceptance of the Rabasa Proposal: High levels of farm worker unemployment, and the opposition of Congress, organized labor, Mexican-American groups, and some government Agencies offer the principal constraints to acceding to a new *bracero* program.

- A U.S. Department of Labor analysis (Tab G) shows that, except for a few minor and relatively isolated instances where small numbers of foreign workers may be needed to relieve temporary peak demands, there are no shortages of American farmworkers. In November, 1973, the unemployment rate of farmworkers amounted to 8.2 percent, as compared to the national rate of 4.7 percent. The Department of Labor spends large sums of money in making the transition from farm to non-farm employment. The Department of Labor estimates that in 1974 no more than 21,000 alien farmworkers from all areas will be required.

- Over the long run the need for farm labor is likely to decline owing to continued substitution of machine and chemical technology for hand labor. The Department of Agriculture projects that fruit and vegetable labor needs will fall 12 percent below the 1968 level by 1975. It also estimates that labor needs for tobacco growing will be cut 50 percent by 1975.

—There is deep concern over wage levels being depressed by aliens who are willing to accept wages lower than those accepted by American workers. The Department of Labor points out that even in 1972, a year of high farm production, prices, and exports, 50 percent of all farm workers still received less than the minimum agricultural wage rate.

—U.S. labor unions are disturbed by the large numbers of Mexican illegals who depress wages, compete for jobs, and are often used as strike-breakers. They are strongly opposed to a renewed *bracero* program for the same basic reasons.

—There appears to be no significant support in Congress for the renewal of a *bracero* program. On the contrary, indications are that there would be strong Congressional opposition to such a proposal, particularly in the light of domestic economic uncertainties as a result of the energy crisis. (Senate Majority Leader Mansfield, who has a long history of sympathetic understanding of Mexican problems, remarked recently to Ambassador McBride that “a new *bracero* agreement is not in the cards.”)

—The increasingly vocal and politically active Mexican-American community is ambivalent with respect to the present situation with large numbers of Mexican illegals in this country. While the Mexican-Americans are sympathetic to the plight of recent Mexican immigrants (legal or illegal) because of their common language and cultural ties, their emotional response is not without cost. Many feel a *bracero* agreement would erode their painstaking progress to enter more fully into the mainstream of American life. There would be increased competition for jobs, increased financial load on their community through what has been called the “private welfare system,” and increased fears of harassment and discrimination by law enforcement officers, as well as possible diffusion of health and welfare resources. The Director of the Office of Spanish Surnamed Americans (HEW) states that on balance the Mexican-American community is opposed to a renewed *bracero* agreement.

—There is also a foreign policy consideration associated with any possible bilateral *bracero* agreement with Mexico. Several other nearby countries, notably those in the Caribbean, also have large surplus labor pools and would likely be most interested in entering into a similar agreement with the U.S.

To summarize, the GOM request for a new *bracero* agreement reflects mounting pressures in Mexico to do something about its growing unemployment problem. The long-term solution to that problem—and hence to the illegals issue—is the lifting of Mexico’s standard of living to a level which makes mass migration less attractive. Given Mexico’s population growth there is not likely to be sufficient narrowing of the economic/social gap for many years, perhaps generations. In the meantime we will be faced with large and continuing pressures for Mexican employment in the U.S. Our ability to absorb large numbers of Mexican workers is constrained by our own unemployment problems and sharp opposition of those sectors most directly affected by Mexican competition.

The Options:

1. *Make an energetic effort with organized labor and the Congress to reinstitute a bracero program as proposed by Mexico and at the same time work out with Mexico an effective program to reduce the flow of illegals.*

Advantages: (if successful)

—would alleviate Mexico's internal political problem, continuing to provide an escape valve for social problems.

—would remove a source of irritation to our bilateral relations.

—depending upon the size of the program, might ease (but not eliminate) the problem and expense of control and deportation.

—would make the aliens less vulnerable to abuse.

(If Unsuccessful)

—would nonetheless be a positive indication of the Administration's sincere interest in attempting to solve the problem along the lines proposed by Mexico.

Disadvantages:

—Congress is unfavorably disposed toward this solution.

—The Departments of Labor, Agriculture, and HEW, labor unions, and the Mexican-American community oppose this approach.

—Unless huge in scope, a *bracero* program would not significantly alleviate the problem of illegal immigration.

—It would have some adverse effects on the U.S. balance of payments through increased remittances to Mexico.

—It might be considered discriminatory by other nearby countries with large surplus labor pools.

2. *Do not reinstitute the bracero program; work out with the Mexican Government a program which effectively reduces the flow of illegals which in turn would result in a larger demand for certification for legal temporary workers. Take the following concurrent actions designed to alleviate the situation:*

—Introduce legislation to regularize (legalize) the immigrant status of those illegals who have been in the U.S. for at least ten years.

—Continue efforts to assure that detainees are not mistreated.

—Encourage the Senate to pass H.R. 982 providing for penalties to American employers who knowingly employ illegal aliens, and also abolishing the present prohibition against the adjustment of status in the U.S. by natives of the Western Hemisphere.

—Elicit the cooperation of Mexico in controlling the outflow of illegals.

Advantages:

—Would indicate to U.S. organized labor that its employment position is being protected by continued enforcement actions against illegals.

—Would provide for a greater number of temporary workers, although not in the magnitude sought by Mexico.

—Would provide opportunity for legal residence to thousands of Mexicans who have resided here for many years, raised their families in this country, etc.

—Would reduce the demand for illegals by imposing penalties on employers who knowingly employ them.

—Would indicate to Mexico our sincere desire to alleviate some aspects of the problem.

—Would avoid mass expulsion programs that would add to the GOM's political problems and damage bilateral relations between our countries.

Disadvantages:

—Would fall far short of what the GOM hopes for—establishment of a new *bracero* program.

—Would in the short-run require continued control and expulsion measures on a relatively high scale.

3. *Do not reinstitute the bracero program and continue apprehension and expulsion at present levels, i.e., maintain the current posture.*

Advantages:

—Will not call attention to the problem of Mexican immigration and consequently will not arouse the opposition of groups hostile to such immigration.

Disadvantages:

—Does not face up to the major problem of how to stem the invasion of illegals.

—Does not consider the aspects of alleged unfair treatment by employers and enforcement agencies.

—Is costly to enforcement agencies and not totally effective.

—Does not overcome the concern of labor unions and minority groups.

—Shows disinterest on the part of the U.S. to a problem considered to be of extreme importance to the GOM.

4. *Do not reinstitute the bracero program; mount an enforcement program to keep out Mexican illegals; make a major effort to locate and deport those illegals already in the U.S.*

Advantages:

—Would meet with the enthusiastic approval of all those sectors opposed to a large influx of Mexican workers.

Disadvantages:

—Would be very costly in terms of the money and manpower required to patrol the 2000 miles of common border.

—Would be extremely disruptive, at least in the short run, of U.S./Mexico relations.

—Would damage the image of the U.S. (particularly if exploited by Mexico) in Latin America and elsewhere.

Relative Merit of the Options:

On the illegal immigrant question the U.S. faces a sharp conflict of interest. On the one hand the high unemployment rate among farm workers and the additional wage competition represented by Mexican illegals translates into opposition to a new *bracero* agreement by organized labor, ethnic (Mexican-American) groups, and a substantial majority in the Congress. On the other hand, from the standpoint of Mexican-United States relations, it would be advantageous to accommodate the Mexicans with a *bracero* agreement. Separate but related to the Mexican initiative for a new *bracero* agreement is how to handle the growing problem of illegal Mexican immigrants.

Of the four options discussed in the previous section, the last two do not deal adequately either with the Mexican desire for a large *bracero* program or the problem of Mexican illegals in the United States. Option 3 is a stand-pat alternative which contemplates no further progress on either of the objectives. Option 4 would put a stop to the flow of illegals but at a very high financial cost for enforcement if it is to be effective. The diplomatic cost to our relations with Mexico and our image elsewhere would also carry a very high price tag.

Options 1 and 2, on the other hand, would advance our objectives of being forthcoming to the Mexicans and at the same time deal with the illegals problem. The first option, however, faces strong opposition in Congress, labor and ethnic groups. It is also opposed by the Departments of Labor, HEW, and Agriculture. A major effort by the Administration, including the President himself, would be required to overcome this opposition, and even then a favorable outcome with the Congress cannot be assured.

Option 2 offers a progressive approach toward the Mexican desire for a greater flow of legal temporary workers into the United States while at the same time reducing the illegals problem without seeking Congressional authority to negotiate a new *bracero* agreement. Its acceptability to the Mexicans would have to be tested. Their response would depend in large part on their—and our—perception of how many Mexican laborers can be “transferred” from the illegal to the legal categories and how fast. Option 2 would allow you to meet the second and third points contained in Rabasa’s *aide mémoire*.

Recommendation:

That you approve Option 2 which contemplates no new *bracero* agreement but offers a joint program with the Mexicans for effectively reducing the flow of illegals thus allowing for the certification of larger numbers of legal temporary workers. In the meantime certain interim measures would alleviate Mexican complaints.

If you approve Option 2, it will be necessary first to obtain Secretary Brennan's approval of the labor certification aspects of the proposal. (The Labor representative who participated in this study expects no problem on this score.) Following this step, you may wish either to send the suggested letter to Secretary Rabasa (Tab A), explaining where you came out in the study you promised, or, if you prefer to handle it orally, use the talking points at Tab B.

Alternatively, you may prefer to make the energetic effort with other government Agencies, organized labor, ethnic groups and the Congress to reinstitute the *bracero* program (Option 1) proposed by Mexico, and at the same time work out with Mexico an effective program to reduce the flow of illegals.

If you approve Option 1, you should initially speak to Secretaries Brennan, Weinberger, and Butz to enlist their support, following which we will undertake consultations with Congress, labor leaders and Mexican-American leaders.

Attachments:

Tab A - Suggested Letter to Foreign Secretary Rabasa.

Tab B - Talking Points for discussions with Foreign Secretary Rabasa.

Tab C - Summary of Bracero Agreement of 1951-1964.

Tab D - Summary of Recommendations of U.S. Special Study Group.

Tab E - Joint Statement of Mexico/United States representatives' meeting of July 17, 1973.

Tab F - Foreign Secretary Rabasa's *aide mémoire* of November 3, 1973.

Tab G - U.S. Department of Labor analysis of the need for imported labor.

63. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Kubisch) to Secretary of State Kissinger¹

Washington, December 24, 1973.

Anti-Narcotics Program in Mexico

The Problem: On November 27 the Cabinet Committee on International Narcotics Control recommended that you express our concern about the U.S./Mexican drug situation to Foreign Secretary Rabasa (Tab C). As I understand that you had an opportunity to review the approved and other options prior to the meeting (Tab D), this paper is to provide you with background and talking points for such a *démarche*, to be made at an appropriate opportunity of your choosing. We hope that your raising the matter with Foreign Secretary Rabasa will make unmistakable our concern that the GOM devote greater resources to the problem and our willingness to provide necessary support.

Background/Analysis: Despite progress in our efforts to encourage greater GOM activity to stop illegal narcotics from entering the U.S., the flow of Mexican heroin into the U.S. has increased both quantitatively and in terms of geographical extent. Mexican heroin in FY 1972 accounted for only 8 percent of the heroin seized in the U.S.; that percentage now exceeds 50 percent. Long confined to the West and Southwest, Mexican heroin is now being reported in Washington, DC, and other areas of the East Coast.

In September Ambassador McBride gave President Echeverría a comprehensive assessment of our narcotics program and suggested specific ideas for improvement. That *démarche* resulted in Mexican agreement to accept four additional large helicopters (Bell-212s) for use in poppy and marijuana eradication and to create a small GOM/DEA task force to operate in the heroin production area of Sinaloa, in

¹ Summary: Kubisch informed Kissinger of the Cabinet Committee on International Narcotics Control recommendation that he convey U.S. concerns about the increasing flow of narcotics into the United States to Mexican authorities. Kubisch suggested Kissinger raise the issue in a future meeting with Rabasa.

Source: National Archives, RG 59, ARA/MEX Files, Lot 78D235, PER—Ambassador Joseph John Jova, 1973–1975. Confidential. Drafted by Hamilton; cleared by Shankle, Shlaudeman, Kleine, Warner, and in OMB. On December 30 Kissinger initialed his approval of Option II. Attached but not published are an undated and unsigned draft letter from Kissinger to Rabasa (Tab A), talking points for future discussions on the subject (Tab B), the minutes of a November 27 meeting of the Cabinet Committee on Drug Abuse (Tab C), an undated memorandum for the Cabinet Committee from Handley on new patterns of international narcotics traffic (Tab D), and a report on the status of anti-narcotics programs resulting from a September 11 *démarche* to Echeverría (Tab E).

western Mexico. The GOM also agreed to accept four smaller helicopters through a lease arrangement for the duration of the opium poppy harvest season, provided Mexican pilots could be located to fly the aircraft. Additional information on the démarche and resultant action is provided at Tab E.

We believe the Ambassador's démarche has set in motion machinery which should have some impact on the heroin problem. Aside from increased poppy destruction capability represented by the helicopters, the Sinaloa task force will be a concentrated intelligence/enforcement assault on a major problem area. If successful, and if sufficient enforcement personnel are made available, this technique could be employed more widely against drug trafficking networks in Mexico and thus play a major role in stopping heroin from entering the U.S. from Mexico.

Mexican Position: Mexico approaches the drug problem with the view that it exists only due to U.S. demand and therefore is a U.S. problem, not a Mexican one. No significant internal drug abuse problem has yet developed in Mexico, except to some degree with marijuana. The GOM's internal concern is primarily directed toward interdiction and eradication of that drug, a lesser priority with us.

The 375-man Mexican Federal Judicial Police, under control of the Mexican Attorney General, has in addition to internal security and other police matters, primary enforcement responsibility in the narcotics field. The GOM has permitted DEA agents to operate in Mexico in conjunction with the Mexican police but is naturally sensitive to U.S. personnel engaging in a law enforcement activity on Mexican soil. It does not acknowledge publicly the full DEA role. The Federal Judicial Police, as well as all Mexican security forces, are and will be increasingly preoccupied with the internal security situation which during the past year has developed to a level of public concern.

U.S. Position: Our first priority is to interdict all hard drugs, with highest priority assigned to heroin, entering the United States from Mexico. It is important that the availability of heroin in the United States not return to 1970 levels. Although the Attorney General of Mexico is committed to the enforcement effort, the Federal Judicial Police under his command is in our view too small an organization to enforce narcotics laws effectively and perform its other police functions. For instance, only twenty agents work full time on narcotics in the vital Sinaloa area. The USG would be receptive to a GOM request for direct support to increase its police forces in narcotics area. Further, despite large numbers of military personnel engaged in eradication, the production and flow of opium continues. We are disturbed by the apparent inefficient use of this major Mexican resource and hope the

GOM can improve and expand the performance and contribution of the military in the narcotics effort.

The long and generally open border between us would make unilateral action by the USG to stop narcotics from crossing the border a politically, administratively, and economically extreme course of action. We likewise appreciate Mexican sensitivities and the need to minimize direct U.S. activity within Mexico. Our policy, therefore, is to encourage a greater allocation of Mexican resources to deal with the problem, to emphasize our willingness to provide needed support, and to provide additional DEA personnel to the extent acceptable to the GOM.

Option I:

Sign the letter to Foreign Secretary Rabasa provided at Tab A.

Option II:

Discuss the subject with Foreign Secretary Rabasa along the lines of talking points provided at Tab B, at a time of your choosing.

Discussion of Options:

Both the timing and manner of your raising this subject with Rabasa are essentially matters of your personal preference. We believe your raising the matter with Rabasa in person would have greater impact. You may wish to consider the timing in light of the option you choose with respect to the illegal alien problem, a memorandum on which is being submitted separately. We recommend Option II.

64. Telegram 26443 From the Department of State to the Embassy in Mexico¹

Washington, February 8, 1974, 1716Z.

26443. Subj: Secretary Rabasa's Call on Secretary Kissinger—February 2, 1974.

1. Rabasa met privately with Secretary Kissinger for a few minutes prior to being joined by Ambassador de Olloqui, Assistant Secretary Kissinger [*Kubisch*], and Country Director Torrey. After which Rabasa brought up six topics; the Secretary initiated discussion on narcotics control.

2. Charter. As a result of the private conversation between the two Secretaries, Secretary Kissinger asked Kubisch to instruct the USDel at the Geneva UNCTAD meeting to establish and maintain a close working relationship with the Mexican delegation and otherwise to be as cooperative as possible consistent with our own interests.

3. IATTC Tuna Allocation. Rabasa said the tuna quota was no longer an issue inasmuch as he had been informed that agreement was reached giving Mexico the 20,000 guarantee it has requested.

4. LOS. Rabasa went to some length to praise Ambassador Stevenson, saying that he was the best man for the U.S. as regards LOS negotiations. He said that discussions between Stevenson and Castaneda were progressing in a fair and honest fashion and that Mexico would be going to the Caracas LOS Conference with almost the same position as the U.S., adding "of course we can't say that publicly."

5. Bracero Program. As expected, Rabasa raised the illegal immigrant problem commenting that GOM consuls are now occupying facilities at three INS installations and that if there are more such places, the GOM would also like to station personnel there. He said that a quota of 300,000 workers was needed under a new Bracero program and mentioned that the U.S. Congress is against this proposal because of the influence of U.S. labor leaders, particularly George Meany. The Secretary expressed the opinion that Meany would not agree to a new Bracero

¹ Summary: The Department reported on a February 2 meeting between Kissinger and Rabasa in which Rabasa raised various bilateral and multilateral issues and in which Kissinger expressed U.S. concern about the narcotics problem.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Confidential; Priority; Exdis. Drafted by Torrey. Cleared by Kubisch and Luers, and approved by Eagleburger. All brackets are in the original except "[*Kubisch*]", added for clarity. In anticipation of this meeting with Rabasa, Kubisch transmitted to Kissinger talking points and a briefing paper on the narcotics problem under cover of a January 23 memorandum. (Ibid., RG 59, ARA/MEX Files, Lot 77D57, SOC 11-5 Narcotics, 1973)

program but said that he would personally speak to Meany before he goes to Mexico for the MFM. The Secretary at no time during these discussions offered any encouragement that a Bracero program was a possibility.

6. Petroleum. Rabasa mentioned the difficulty experienced by AeroMexico in getting fuel in Detroit but admitted that this is not now a problem. He said that the bilateral Civil Air Agreement will soon be renegotiated and commented that if Mexico acquires increased routes or flights it will require more fuel. The Secretary responded by agreeing that “obviously if you get more routes, you will need more fuel.” The FEO statement published in the *Federal Register* January 23 relating to licensing and export allocation of certain petroleum products was discussed briefly by Kubisch. Rabasa admitted that he was looking for a reaffirmation that the FEO regulation is a statement of U.S. policy with regard to exports of petroleum products to Mexico.

7. Rabasa brought up the salinity issue by saying that the Coacchella Canal must be relined by June 30 in order for the U.S. to comply with the agreement and that in the meantime Mexico was wasting unusable saline water. He was corrected in his interpretation of the agreement on being informed that the agreement can be implemented as soon as the Congress authorizes the funds for the necessary public works. In Rabasa’s presence, the Secretary issued instructions that everything possible be done to see that the required legislation passes Congress before June 30. (FYI—the legislation will be submitted to Congress this week.)

8. The Secretary raised the question of the need for greater cooperation from the GOM in the area of narcotics control. Pointing out that over fifty percent of the heroin being seized in the U.S. is of Mexican origin. Kubisch and Rabasa continued discussion of the narcotics situation after the party left the Secretary’s office. The general thrust was that Ojeda Paullada’s cooperation with us is excellent and very much appreciated but that greater efforts must be made, especially with respect to heroin control. Kubisch said that the USG is prepared to give Mexico more assistance for an accelerated anti-narcotics program and that we would like to know from the GOM precisely how we might be more helpful. Rabasa replied that he would mention to Ojeda Paullada that more should be done, adding that any program in Mexico must be under Mexican jurisdiction, not that of the U.S.

Kissinger

65. Telegram 5131 From the Embassy in Mexico to the Department of State¹

Mexico City, June 19, 1974, 1948Z.

5131. Subject: Rabasa's Concern re Press Attacks.

1. Today Foreign Minister Rabasa sent for me urgently and in some agitation told me of his concern regarding attacks in the press that he had sold out on Chile and that he was "a creature of Kissinger." He was now concerned that on Friday, June 21, Gaston Garcia Cantu (an elderly left-wing columnist who also was very critical of my own assignment to Mexico) would publish in *Excelsior* a column critical of Rabasa. This column would purportedly claim that just while Rabasa was sycophantically praising Kissinger's role on salinity and other matters, the U.S. was not only supporting the concentration camps in Chile but in effect itself maintains similar setups in the so-called "detention camps" in which Mexican illegal immigrants were held and allegedly mistreated, and even tortured.

2. Rabasa said that he wished to give me advance notice that in order to counteract the Cantu column he was sending me a note this evening which would review the salinity matter with all the positive aspects of its solution, and would lay out all outstanding matters on the bracero problem and would make a plea that some agreement, perhaps similar to that recently concluded with Canada (Mexico 5076), be negotiated between our two governments. Such agreement should take into account the factors of supply and demand as regards Mexican labor, which would insure equal wages and treatment for Mexican laborers, would assure that the so-called "detention centers" be changed or perhaps be eliminated entirely and would speak of improved consular

¹ Summary: Ambassador Jova reported on a meeting with Rabasa in which the Mexican Foreign Secretary stated his intention to present a new note on the salinity and immigration issues in an effort to counteract charges in the local press that he was not sufficiently critical of the United States.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 788, Latin America, Mexico, Vol. IV, 1973. Confidential; Immediate; Exdis. Rabasa delivered his note later on June 19, and the Embassy transmitted an informal translation in telegram 5172 to the Department, June 20. (Ibid., RG 59, Central Foreign Policy File, D740161-1062) In telegram 5239 from Mexico City, June 21, Jova deplored Rabasa's "employment of this tactic critical of USG" but observed that the points raised in Rabasa's note had been "repeated by GOM in many fora over past two years." (Ibid., D740163-0709) Allegations of mistreatment of Mexican migrants in INS detention centers had previously been raised by Subsecretary of Foreign Relations González Sosa, as reported in telegram 3341 from Mexico City, April 19. (Ibid., D740092-0695) In telegram 5660 from Mexico City, July 5, the Embassy reported it had delivered a memorandum expressing concern about the treatment of U.S. prisoners in Mexican jails to the Foreign Ministry. (Ibid., D740179-0783)

access to the detainees, in order to investigate allegations of ill-treatment, etc. Rabasa proposed to release the text of the note to the press more or less simultaneously with its delivery to us in order that it can be carried in tomorrow's papers, thus undercutting the Cantu column which is scheduled to appear the day after tomorrow. In his comments to the press he would make clear that Mexican consular access to the "detention centers" had already improved and would give examples.

3. In answer to my query, Rabasa assured me that the note would be couched in elevated language and would be factual in approach. It would carefully avoid lending credence to allegations of mistreatment and particularly torture at the "detention centers." He asked that I keep secret the fact that he had given me advance warning of the content of the note as this would undermine his credibility with the press, but that despite this he wished "to play fair" with us by telling me of the circumstances that had led to the note and the nature of its contents. He suggested that when it was published and I was queried by the press, I limit my reply to saying that I had transmitted full text to the Department for study and thus could comment only after I had received instructions.

4. Despite fact that last comment seemed gratuitous, I thanked Rabasa for his courtesy in giving us advance warning and said I would await receipt of note this evening. I told him that I wished him to know that we also had problem regarding treatment of American prisoners in Mexican jails and that I wanted him to understand that this already existed and would be the subject of informal, friendly conversations between us later in order to obviate any suspicion that we were raising this matter in "retaliation" for allegations concerning our own "detention centers." He assured me our motives would be above suspicion but he pleaded that we not take up the American prisoner issue concurrently with the "detention centers" in order to avoid any suspicions on the part of his collaborators or others. I told him that actually I had refrained from submitting this matter in writing precisely in order to avoid leaks and to give him adequate forewarning, as some of the prisoners' complaints included allegations of mistreatment and even electric shock and other means of torture. I had felt that this was matter that had best not be put in writing at this stage and moreover discussed at a lower level prior to my raising it with him officially at some later date.

Jova

66. Telegram 161834 From the Department of State to the Embassy in Mexico¹

Washington, July 25, 1974, 2044Z.

161834. Subject: Reply to Foreign Secretary's Note on Illegal Aliens. Ref: Mexico 5723, 7/9/74. For the Ambassador.

1. You are requested to seek an appointment for Friday, July 26, with the ranking official of the Foreign Secretariat to deliver in person a note, text of which is quoted below. At that time you should, as a courtesy, show that official a copy of the press release, text of which is quoted in paragraph 3, and which you are authorized to release following delivery of the note. If the GOM official should for any reason raise strong objection to the press release, you should consult with the Department before releasing the press statement.

2. The text of the note is as follows:

A. I have the honor under instructions from my government to refer to Your Excellency's note number A-246 of June 19, 1974, concerning the agreement to settle the Colorado River salinity problem and the continuing problem of Mexican workers illegally in the United States.

B. As Your Excellency is aware, the President of the United States on June 24, 1974 signed into law the legislation which permitted the immediate implementation of the terms of minute no. 242 of the International Boundary and Water Commission as this minute applies to the delivery of waters to Mexico. It is gratifying that the spirit of goodwill and accommodation existing between our countries resulted in a negotiated permanent and definitive solution to this difficult problem.

C. My government is sincerely and seriously concerned with the problem of large numbers of Mexican workers illegally entering the United States each year in search of employment. Your Excellency will recall that as a result of the meetings in Washington in June 1972, each country established a special group to study this problem in detail and that later, on July 16-17, 1973, representatives of the two governments met in Washington for a frank exchange of views. Copies of the reports

¹ Summary: The Department transmitted a note to be delivered to the Mexican Foreign Ministry in reply to Rabasa's June 19 note.

Source: National Archives, RG 59, Central Foreign Policy File, D740202-0409. Confidential; Immediate. Drafted by Hamilton and Torrey; cleared in draft by Feldman and in substance by Greene (INS); and approved by Kubisch. Telegram 5723 from Mexico City, July 9, is *ibid.*, D740182-0537. In telegram 6355 from Mexico City, July 26, the Embassy reported that Jova had delivered the reply to Mexican Subsecretary of Foreign Relations González Sosa and "urged, along lines of note, that GOM also attempt to do its share to impede access of illegal migrants." (*Ibid.*, D740203-1060)

prepared by the United States study group were given to the Mexican delegation and made public at that time.

D. Following subsequent consultations between representatives of the two governments, the Government of the United States reassessed the desirability of reinstituting a bracero-type program, which had been suggested by the Government of Mexico. The Government of Mexico was advised last January that there exists a serious unemployment situation among farmworkers in the United States and that increased use of mechanical and chemical technology is expected to reduce further the demand for hand labor in agriculture. The Government of Mexico was further informed that for these reasons very limited numbers of imported workers are required by the United States to meet peak demands of short duration and that the United States therefore did not consider a new bracero-type program a feasible solution to the problem.

E. Upon receipt of Your Excellency's note of June 19, 1974, my government once again studied this matter and gave the most careful consideration to the possibility of negotiating a new agreement with the Government of Mexico along the lines suggested in that note. After considering all relevant factors, my government has once again concluded that such a new bracero-type program is not feasible in the United States at this time. Therefore, my government hopes that the Government of Mexico will be willing to cooperate with the United States in every other possible way in a major effort to deal with this problem which is of such importance to both countries.

F. For example, last January it was suggested that our two countries might cooperate in finding ways to discourage and control the influx of Mexican workers into the United States. It was pointed out that a substantial reduction in the numbers of illegal aliens in the United States would increase the effective demand for imported labor and, in turn, pave the way for more extensive application of presently existing procedures for labor certification as a means for the legal importation of workers. The Government of the United States continues to believe that this process would provide at least a partial solution to the problem. As Your Excellency is aware, large numbers of Mexican citizens enter the United States legally each year—almost 67,000 in fiscal year 1974—for the purpose of establishing residence and seeking employment.

G. My government considers it of high importance, in considering this problem, that distinction be made between two major elements of the issue. The question of a new bracero-type program is one of these elements. As indicated above, the view of the Government of the United States is that a new bracero-type program is not at present or in the foreseeable future a feasible solution to the problem of Mexican

workers who wish to enter the United States. The other major element of the problem is that of the illegal entry of Mexican citizens into the United States. I am sure that Your Excellency does not question the right of the United States, in the exercise of its sovereign prerogatives, to determine the conditions under which nationals of other countries may enter its territory.

H. United States law enforcement agencies in the exercise of the United States sovereign authority to control immigration into the United States, are required to maintain physical facilities to gather, process, and return to Mexico the hundreds of thousands of Mexican nationals apprehended each year for having entered the United States illegally. The views of the Government of Mexico as to the appellation and operation of these installations have been noted, and the Government of the United States is considering alternative designations for these facilities. My government would also welcome suggestions from the Government of Mexico as to procedures which might be developed which would better coordinate processing of these Mexican citizens from United States installations into any Mexican reception programs which may now or in the future exist for the purpose of assisting such citizens to return to fruitful pursuits in Mexico and desist from seeking illegal entry into the United States.

I. The Government of the United States is at all times concerned with fair and humane treatment of apprehended aliens. It was with this in mind that the United States Immigration and Naturalization Service offered to provide office space at its centers for use by Mexican consular officials. I am pleased that Mexican consular officials are now using these facilities to the extent Mexican authorities consider necessary or desirable, and I understand that these consular officers have voiced no complaints with respect to the food, the accommodations, or the treatment accorded Mexican nationals while at these processing centers. If Your Excellency is aware of any cases of abuse, I would welcome specific information so that my government could take appropriate action.

J. I wish to assure Your Excellency that the United States Immigration and Naturalization Service has under constant review the operation of these centers to insure their orderly and humane functioning. United States consular officials assigned to cities in northern Mexico also visit the centers, and an officer of this Embassy has recently returned from a visit to the centers at El Centro, California, and El Paso, Texas. He consulted with Mexican consular officials in the centers, talked with detained persons, observed procedures, and examined facilities at the installations. I wish to invite Your Excellency or your representative to visit the centers at any time.

K. The presence of large numbers of illegal immigrants imposes a very substantial burden upon United States taxpayers at federal, state and municipal levels. Recognizing the magnitude and the serious nature of this problem, I earnestly reiterate my government's request that the Government of Mexico most seriously consider what measures it may take to prevent the illegal entry of Mexican citizens into the United States.

L. Your Excellency may be assured that my government will continue to review this problem with the most serious concern, in search of those possibilities of solution which address the needs of both countries as well as those of the individual citizens affected.

M. I am also instructed to reiterate to Your Excellency my government's strong desire to cooperate as closely as possible with the Government of Mexico on this matter, within the overall cordial and friendly framework which characterizes our special bilateral relationship.

(Complimentary Close)

3. The text of the press release is as follows:

A. The Embassy of the United States of America today formally replied to the Mexican Foreign Secretariat's note of June 19, 1974 concerning the treatment by United States authorities of Mexican illegal immigrants in the United States and the desire of the Government of Mexico that a new bracero-type program be instituted.

B. The Embassy's note pointed out the serious concern of the Government of the United States over the large number of Mexican workers who enter the United States each year in search of employment. The reply recalled that at a meeting in July, 1973, between representatives of the two governments, the United States delegation presented the results of studies and recommendations in an exchange of views with the Mexican delegation.

C. The Embassy's note pointed out that the unemployment situation among American farmworkers and the use of increased mechanical and chemical technology result in only a small requirement for imported temporary seasonal workers and that a renewed bracero-type program is not considered a feasible solution to the problem of Mexican workers illegally in the United States.

D. The question of illegal immigration into the United States, as distinct from the issue of a new bracero-type program, relates to the sovereign authority of the United States, or any other State, to regulate and control the admission of foreigners into its territory. The facilities established to process in an orderly manner the repatriation of foreigners who have illegally entered the United States are clearly consistent with that sovereign authority.

E. The Embassy's note also pointed out that as a result of an offer made by the United States Immigration and Naturalization Service, Mexican consular officers for the past several months have been physically located at the three processing centers and that these officials have not, so far as is known, registered complaints to United States authorities regarding the treatment of Mexican nationals at these centers.

F. The Embassy's note invited suggestions for actions which the Government of Mexico might take to prevent the illegal entry into the United States of Mexican citizens. At the same time, the note assured the Foreign Secretariat that the United States will continue to give this problem serious attention, in search of possible solutions which meet the needs of both countries.

67. Memorandum of Conversation¹

Washington, August 29, 1974, 5 p.m.

PARTICIPANTS

Emilio Rabasa, Secretary of Foreign Relations, Mexico

President Gerald Ford

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for
National Security Affairs

Lt. General Brent Scowcroft, Deputy Assistant to the President for National
Security Affairs

Rabasa: Thank you very, very much for meeting with me. I know you are busy.

¹ Summary: Ford and Rabasa discussed immigration issues and the possibility of a visit by the President to Mexico.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, General Subject Files, Box 12, President Ford—Memcon—August 29, 1974—Emilio Rabasa, Secretary of Foreign Relations, Mexico. Secret; Nodis. The meeting was held in the Oval Office. In telegram 7343 from Mexico City, August 28, the Embassy reported on the kidnapping of President Echeverría's father-in-law, José Guadalupe Zuno Hernández, and noted that the incident would "severely test GOM policy . . . of no negotiations, no deals with kidnappers and terrorists." (National Archives, RG 59, Central Foreign Policy File, D740238-0616) In telegram 192503 to Mexico City, September 1, the Department reported on a separate August 29 conversation between Kissinger and Rabasa on the Charter of Economic Rights and Duties, foreign investment in Mexico, and the illegal immigration problem. (Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974-1977, Box 5, Mexico—State Department Telegrams—From Secstate—Exdis)

President: Not for our good friends. I am so sorry to hear about the President's father-in-law.

Rabasa: Under no circumstances will there be a deal. We had a problem over Leonhardt.

President: Any idea who is behind it?

Rabasa: They say it was four toughs of the Left. Our concern is he is an old man.

Last night I saw a tape of your press conference. I was pleased to see how well informed you are. I am not an expert on inflation but your answer on the OAS shows you are very well informed by Secretary Kissinger on foreign relations. Henry has a certain relationship with me. When he wants to know about Latin America he calls me.

President: He tells me that.

Rabasa: Seriously, we speak very frankly and openly. Thanks to Henry the salinity problem was solved. It was a very irritating problem. And I know, thanks to you and Henry, we will solve the migration problem.

President: I thought the old agreement was a good one, but it terminated, what, four years ago?

Rabasa: Ten.

President: Really? We got into a problem with Labor and then the humanitarians said it was bad treatment.

Rabasa: We want a quota so that those who go are treated humanely.

Kissinger: Curtis said if they got that they would cooperate on their part.

Rabasa: Henry didn't mention it, but the Montoya idea for a joint commission is a good one. If we would sit down and agree on numbers and treatment, we could stick to it.

President: In other words, it would be like the old program.

Rabasa: Yes, although that had bad aspects. But now, there is bad publicity in Mexico. It wouldn't have to be 2 million.

President: It would be a contract—a certain number for a certain period?

Kissinger: Yes—and not immigration.

President: That is important—that they come in and go back out.

Rabasa: Yes, we have one with Canada.

President: How big is that program?

Rabasa: Only about 5,000. I wouldn't want to give you a figure now. We should sit down and decide. We would try to keep all others out.

President: Let's talk to Meany. If he okays it, we will go to Congress. We need authority. This session is not good.

Rabasa: It helps us to have you have your good relations with the Congress.

President: Henry has mentioned the idea of Echeverria and I getting together in one of the border areas.

Rabasa: Yes, in one of the salinity areas. Henry called Echeverria and he was very pleased. I understand the end of October. May I tell the press you asked Echeverria to meet with you this year, at a time and place to be set? Please don't meet with any other Latin American leader first.

President: Don't narrow it down more. The last week in October seems to be great.

Rabasa: Mexicali would be good. On our side of the border in the morning and the other side in the afternoon.

Kissinger: And again the next day.

Rabasa: Echeverria went all over Latin America. There are very many differences in the military regimes—from so-called revolutionary regimes in Peru to the radical Right in Chile.

There is word we don't want private investment. That is not so. We only don't want bad investment. Especially we want industry for export. Some companies' presidents say they are not for export. That is very bad—they are just milking us. In many areas investment is welcome.

President: I used to be on the board of directors of a small company which had a monopoly on woven and printed labels for material. We made an agreement with the company in Payon and later in Mexico. In Mexico, the plant is in a small town. Our people had a warm reception, and we sent the merchants down, and everything was fine.

Rabasa: We have a law, but if they meet the conditions we welcome them.

68. Memorandum From Stephen Low of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, October 5, 1974.

SUBJECT

Meeting of the Presidents at the Mexican Border—October 21

As things now stand we have little but bad news to give the Mexicans in response to the subjects that they want to raise with us at the border meeting on October 21. They will, of course, be pleased that the meeting is being held at all—and particularly that it will be the first foreign visit which President Ford will have made.

On *illegal immigrants* we will have to inform them of the Rodino Bill which will be out of the Senate Committee or perhaps in conference by the time the meeting is held. The Bill will permit somewhat greater flexibility in the Department of Labor certification procedure, thus permitting a slightly increased flow of legal aliens. However, its main import will be to make hiring of illegal aliens a punishable offense. If enforced with any stringency (which is unlikely) it could result in the return to Mexico of many of their estimated 1.5 million illegal immigrants now in the United States. We have pointed out to the Justice Department the importance of holding up on final passage of this Bill until after the meeting and it is cooperating with us. However, the President will have to inform Echeverría of the imminent enactment of this legislation.

The Mexicans will also propose a preliminary conference between coastal states on a *200-mile patrimonial sea*. We will have to discourage this until a new Law-of-the-Sea Conference has met.

The third subject will be the *Charter of Economic Rights and Duties*, where, as you are aware, we will have to stand by our refusal to agree to a document which does not include recognition of obligations of states under international law. The Mexicans have indicated they want to press towards consideration of a final agreement in the General Assembly.

¹ Summary: Low outlined the issues likely to be raised in a meeting between Presidents Ford and Echeverría planned for October 21, lamenting that “we will have little but bad news to give the Mexicans.”

Source: Ford Library, National Security Adviser Papers, NSC Latin American Affairs Staff Files, General Subject Files, Box 13, Trip—President's Meeting with Echeverría of Mexico, October 21, 1974, 1. Confidential. Sent for information. A note on the memorandum reads: “10/8 HAK took on trip to ME [Middle East].”

Two other subjects will be considered. We will want to bring up *narcotics* and ask for greater cooperation from the Mexican Government. Echeverría has said that he wishes to ask our advice on the *Mexican anti-inflation measures*. We can, of course, be forthcoming on this subject.

We are looking into whether there are any other matters on which we can be somewhat more positive towards Mexican positions. One possibility might be a joint high-level commission to study improvement of economic conditions in areas from which the migrants are leaving, through private investment and assistance from international financial institutions. State is working on this proposal.

69. Memorandum From Stephen Low of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, October 19, 1974.

SUBJECT

President's Meeting with Echeverría—Handling the Illegal Immigrant Problem

One way of responding to the Mexicans' problems on illegal immigrants would be to accept their proposal that we enter into an agreement to set a fixed quota of workers to be legally admitted to the U.S. each year on the condition that they would be responsible for keeping out any illegal movement beyond this number. The difficulty, however,

¹ Summary: In preparation for a meeting between Ford and Echeverría, Low briefed Kissinger on possible ways to address the issue of illegal immigration, suggesting that Ford agree to the formation of a commission to study the subject.

Source: Ford Library, National Security Adviser Papers, NSC Latin American Affairs Staff Files, General Subject Files, Box 13, Trip—President's Meeting with Echeverría of Mexico, October 21, 1974, 3. Confidential. Sent for action (briefing memo). A note on the memorandum reads: "The President has seen." Low reviewed the state of play with respect to the immigration issue in an October 2 memorandum to Kissinger. (Ibid.) According to an October 19 memorandum of conversation among Kissinger, Bowdler, Low, William D. Rogers, and Dreyfuss, Rogers observed that "We really have no political give" on the issue of illegal immigration, and Bowdler informed Kissinger that Rabasa had backed off earlier statements that Mexico would undertake to reduce the number of illegal migrants to the United States upon the conclusion of a new bracero agreement. Kissinger predicted that Echeverría would "talk about the Charter, non-alignment, friendship for the U.S." at the bilateral meetings "and then make a public speech unfriendly to the U.S. and say he didn't mean it but had to do it for domestic consumption." (National Archives, RG 59, Central Foreign Policy File, P820121-2515)

is that we do not think the Mexicans could legally implement their side of the bargain or would be able to do so even if the legal impediment did not exist. We asked them in September to present their proposal to us in writing, but they have never done so. If they were to accept our condition, we would be entering into a new migrants agreement. The Justice and Labor Departments, as well as the labor movement, would be strongly opposed to this, particularly at this moment. We might be able to explain it to the labor movement eventually, but in view of our belief that the Mexicans would not enforce it, it would only cause us future problems in trying to get them to live up to their undertaking.

Another way of responding to the Mexicans would be by a combination of a positive explanation of the proposed Rodino Bill and agreeing to a proposal for a study commission of the development aspects of the long-range problem. As it now stands, the Rodino Bill has three pertinent provisions: it makes employment of illegal aliens a punishable act, but the enforcement provision is extremely weak; it would require the Labor Department either to furnish the laborers or certify entry of alien migrant workers within a 20-day period; and, finally it would legalize the status of illegal aliens who entered the U.S. prior to June, 1965. These provisions are based on a compromise worked out between the Justice Department, the AFL–CIO, and Senator Eastland (for the employers). It will be considered in Congress right after the recess and the parties are all concerned that premature publicity might make it difficult for labor, in particular, to accept. The Mexicans say that we really do need labor. Where this is the case, workers would be able to enter under the provisions of this Bill as it now stands.

President Ford can take the position that we should try out this law, which may be passed this year, and see whether it helps the situation, though they would have to be warned of the danger from premature publicity. If we add to that our willingness to study the longer range aspects of the problem, particularly as they relate to development of the regions from which the migrants are leaving, we may have as good a response to give the Mexicans as is possible.

70. Memorandum of Conversation¹

Magdalena de Kino, Mexico, October 21, 1974, 12–2:30 p.m.

SUBJECT

Talks between President Ford and President Echeverría

PARTICIPANTS

U.S. Participants

President Ford

Secretary Kissinger

Anthony Hervas, Interpreter

Mexican Participants

President Luis Echeverría

Foreign Minister Rabasa

Mrs. Italia Morayta, Interpreter

After an initial exchange during which President Ford expressed his appreciation for the fine reception extended by the people of Nogales and of Magdalena, and the hope that he would be able to reciprocate the high standard set by his host later on during the visit to Tubac, Arizona, President Echeverría suggested that it would be an appropriate moment to discuss matters of common interest.

President Ford: The United States has a great interest in the solution of problems regarding illicit traffic of drugs and narcotics. I am aware of the cooperation of the Government of Mexico in this area including efforts made by the Army to control the cultivation of poppies. A number of agencies and organizations are cooperating in an effort to stop the flow of heroin and marijuana. However a maximum effort is presently needed because though heroin traffic to the U.S. decreased for a while we are now witnessing a renewed increase in such traffic. Unfortunately, too much of this heroin is coming across the Mexican

¹ Summary: Ford, Echeverría, Kissinger, and Rabasa discussed the need for continued cooperation to combat narcotics trafficking and address the problem of illegal immigration. The Presidents agreed that the time was not right to pursue a new immigration agreement, and they discussed establishing a joint commission to study the issue in greater depth.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, General Subject Files 1974–1977, Box 13, Trip—President's Meeting with Echeverría of Mexico. Secret; Exdis. Drafted by Rogers and Anthony Hervas in Language Services. All brackets are in the original except “[nationalize],” added for clarity. At the conclusion of his meetings with Ford, Echeverría publicly dropped Mexico's push for a new bracero accord, telling a news conference in Tubac, Arizona, “that we have definitely desisted from our intention of signing an agreement, and this is due to the fact that we made a revision of the previous agreement and we saw that in practice, in the way it works, it is not good. It gives opposite results from the ones we want.” (Department of State *Bulletin*, November 18, 1974, p. 665)

border. For this reason it would be a good time to discuss what the U.S. can do to help stop such traffic.

President Echeverria: Mexican and U.S. officials have been cooperating in the fight against drug traffic and a number of very important seizures have been made. However, because of the extended border between the two countries, continued and increased cooperation is necessary. Substantial amounts of drugs that originated in Lebanon and France are being shipped through Mexico. This is also true of drugs coming in from South America, which account for a large part of the traffic. Along the three thousand kilometer border, it is very easy for small planes to take off and land in small private ranches. However, over the last 10 or 12 years, cooperation between officials of both countries has been much greater and has resulted in increased seizures. One such very large seizure took place just a few days ago. It involved a large band of Mexican smugglers with a connection in France. Nevertheless, I believe it is necessary to expand efforts to educate the consumers because they played an important role in the overall drug situation. Pushers providing free drugs to potential addicts and smugglers expanding available supplies are largely responsible for growing demand.

President Ford: I agree it is necessary to be tough with the pushers. The strongest measures, however, should be directed against the kingpins or heads of the organizations. A strong policy should be adopted against this criminal element. In talks with our experts, we have found that the countries of Southeast Asia, which are important producers of drugs, do not worry much about drugs until they find that the problem is getting closer to home. When the children of high echelon officials become addicted, the parents begin to show concern. When our own population was affected, the result was a stronger and tougher attitude. In the United States, many children of wealthy families became addicted. As a result we now have a much tougher attitude against drug use.

We need more safeguards; a greater effort to educate the public; stiff sentences against offenders; and the systematic destruction of poppy fields, as well as the adoption of any and every possible measure to control this danger.

President Echeverria: I am aware that Mexican officials are cooperating with their American counterparts. For example, the Mexican Confidential Information Services are in daily contact with U.S. officials. However their efforts are complicated by the fact that sometimes innocent children fly in from Peru and Bolivia to deliver packages of drugs. When this information is received, Mexican customs confiscate the shipments. However, sometimes the carriers are not aware of the nature of the contents of the packages and are simply acting as relays. One

complicating factor is that over 3 million U.S. tourists cross the border every year. Likewise, a large number of Mexican tourists cross the border. Therefore border passage procedures have had to be reduced to a minimum, making traffic control more complicated.

President Ford: Perhaps we should turn to the topic of illegal aliens. In the past, Foreign Minister Rabasa has talked to me as well as to Secretary Kissinger on the problem of Mexican migrant workers.

President Echeverria: Much of northern Mexico consists of desert and of poor arid areas; it is precisely from such areas that workers go to the U.S. seeking employment. The availability of such workers sometimes is of great benefit to U.S. farmers because they contribute to cheaper labor costs. During the time the bracero agreement was in force it also acted as a stimulus to the illegal entry of workers through border towns. There they were contracted to work on the farms. The situation created problems that Mexican consuls could not cope with. In addition growing and complex problems with unions opposed to the admission of migratory workers arose. Also, workers who were U.S. citizens, though of Mexican origin, together with migratory workers, were used to break strikes. These farmers would hide on farms or the farmers themselves would hide them to avoid detection by officials.

Secretary Kissinger: The present inflation tends to increase unemployment. However, some thought has been given to the possibility of negotiating a new agreement. This would require extensive consultation with unions and Congressmen who fear that a new agreement which provides legal status to migrant farm workers would allow them to compete in a shrinking labor market.

President Ford: When I was in Congress, in the fifties, and the program was in operation, labor unions forced an end to the program. Since then, the numbers of illegal aliens entering the U.S. has continued to grow. Therefore, I believe it would be helpful if a joint U.S.-Mexican Commission would sit down to study the impact of the present circumstances which are bad, and to seek the best solution possible to the problems confronted. The Commission should be broad-based and include organized labor. Once it concludes that the present system is more harmful, then it may be possible to persuade members of Congress and public opinion, and then obtain their support for an agreement.

Secretary Kissinger: Our friend Rabasa has just suggested such a proposal to establish a commission that would study the problems and identify areas of cooperation. He suggested a number of steps: first, the establishment of an international commission similar to the existing Mexican Commission; second, the adjustment of the status of long-term migratory workers. In reference to this point, I have not had an opportunity to talk to Congressman Rodino on the matter.

Secretary Rabasa: The proposed Rodino Bill would hurt Mexico because, for the first time, it provides sanctions for employers. Under the circumstances such employers might be inclined to throw out all Mexican workers, thus creating greater problems. However, Senator Montoya's proposed Bill to create a commission appears more constructive. It is, however, weakened by two provisions, the first which would limit the life of the commission to one year; and the second, that it did not include the Secretary of Labor, who is essential to the success of such a commission.

President Ford: The Rodino Bill, if adopted, would adjust the status of all individuals who were in the U.S. before 1965, thereby legitimating the status of a large number of workers who could gain U.S. nationality.

Secretary Rabasa: There are over one million Mexican workers in the U.S. The Commission should study the de facto situation of those Mexicans who are married, have children and are already established in the U.S. They could be offered an option to select status, because nationality cannot be imposed on individuals since this would be against constitutional provisions. The Commission could set requirements such as a five-year residency and the establishment of a family; the existence of a known domicile. On the basis of such criteria it could legitimize their situation. Mexico already has a national commission to deal with this important matter with representatives of labor, the Foreign Office, and other interested agencies. These people are ready to go to work on the matter.

President Ford: The creation of a commission might complicate the subject. There are already one and one half million aliens in the U.S. and the number is growing daily. Maybe Secretary Kissinger and Secretary Rabasa could work out some other acceptable solution.

President Echeverria: In my view, this could be a good point of departure. All principal interested parties should be brought together to discuss the matter. This should not be a political decision nor one hastily arrived at. Consultation with trade unions and others should be undertaken.

Secretary Kissinger: With Government officials and union leaders, a certain amount of initial missionary work is necessary. An idea which was discussed in the meeting between Secretary Rabasa and President Ford was that it would be easier for the U.S. to regulate the matter if we could tell the unions that we would undertake to accept a figure of, say, no more than five hundred thousand workers. In exchange, you would have to guarantee under the agreement that you would stop all other workers from crossing into the U.S. If we are to reduce the total number we could guarantee certain minimum conditions. This we cannot do

now, but it could be suggested as a result of the study, when we would have something specific to suggest to the unions.

President Ford: Those who would come under such a program would benefit from better pay and better working conditions.

Secretary Rabasa: Mexico has signed one such agreement with Canada. The memorandum of understanding which is part of the Canadian agreement contains precisely such provisions.

Secretary Kissinger: Under the terms of a guaranteed number can Mexico give assurances that no additional workers would come to the U.S.?

Secretary Rabasa: The Government of Mexico accepts this matter as its own responsibility. In order to find a solution, the Government is going to undertake the creation of more jobs, construct highways, hospitals, and other such public works. I accept the point that this situation is essentially Mexico's fault. However, U.S. employers encourage migration because they employ Mexican workers. The problem is not exclusively a Mexican problem but is also a U.S. problem. U.S. firms are very happy to have Mexican workers to pick their cotton and grapes.

President Ford: I am aware of the fact that, during the period of the apple and blueberry harvest, many strong, fine workers from Mexico and Texas arrive in large groups in Michigan and are both well paid and well treated. At least, this was the case until the unions forced Congress to stop the program.

President Echeverria: I think we should address the question of a statement to the press on the subject. It will be necessary to say something to alleviate their concerns. To refer to an agreement would be premature. The Mexican press had the idea that I am going to insist on an agreement, but this, of course, is not the case. I also feel that U.S. labor unions would not like the concept of an agreement.

President Ford: Some trade unions would like an agreement because unorganized workers undercut wages and living conditions because they are willing to work for less money and under worse sanitary conditions. If, as a result of a careful study, Mexico could conclude that it would be able to stop the flow of illegal aliens and the U.S. would accept a limited number of Mexican workers who would receive adequate pay and living conditions, the outcome would be much more successful. That type of a solution could be the subject of an agreement.

Secretary Kissinger: It might be best that the announcement to the press be limited to the fact that both countries are setting up a commission for the study of the problem.

Secretary Rabasa: Turning to another area, current discussions relating to the Law of the Sea are at present subject to two conventions, the 1958 Convention and 1960 Convention. These documents regulate

such matters as territorial waters, adjacent zones, the continental shelf, pollution contamination, etc. The Caracas conference on the Law of the Sea was not quite a success, though it was not a complete failure either. One trend apparent in the conference pointed to the concept of the “patrimonial sea,” as opposed to the traditional concept of the “territorial sea.” Mexico and 94 other countries have traditionally subscribed to the 12-mile territorial sea concept. However, certain countries—Ecuador and Peru—have recently posed problems by their claims to territorial seas extending two hundred miles from their shores. A new “in between” theory, gaining support, is the one of the “patrimonial sea” or “economic zone.” The concept of patrimonial sea does not proclaim sovereignty over the sea, but does claim ownership of its resources, such as fishing, mining, flora, fauna, etc. I am under the impression that Secretary Kissinger appeared to support this concept. However some Senators from the New England states were raising objections.

President Ford: It is not only the Senators from New England but also those from the West Coast.

Secretary Kissinger: We are basically in agreement with the concept of the patrimonial sea. However, two specific problems remain. The first refers to its application to the Mar de Cortes, or Gulf of California. Secondly, we oppose a unilateral declaration by Mexico without waiting for the conclusion of the Law of the Sea Conference. If Mexico were to make a unilateral declaration, other countries might feel encouraged to follow suit and the results lead to insoluble problems such as those involving the archipelago as well as the right of transit through straights. What for some countries is a “patrimonial sea” for others is a “territorial sea.” If we can get you to stop from making a unilateral declaration on the matter, and if you can get a number of countries to go along with your proposal, I believe we could support the Mexican position.

President Echeverria: We could cooperate at the next international conference on the Law of the Sea to be held in Geneva, Switzerland, next March, April, and May. If President Ford agrees, both delegations could join forces to support the concept of patrimonial sea. Mexico is not presently contemplating a unilateral declaration. However because of the conflicting theories being proposed at the conference, it would be advisable to reach some kind of agreement regarding waters that are adjacent to the territorial sea. Let us try for an internationally-reached agreement. After that each country would try to solve specific problems with its neighbors on a bilateral basis.

Secretary Kissinger: I think that we could go along with such a proposal but we would like to check it with our lawyers. Our basic position is that in principle we see no incompatibility between our positions and I feel certain we can cooperate with the Mexican concept as long as

Mexico does not proceed to make a unilateral declaration. Unilateral declarations by a number of countries such as Persian Gulf countries or Spain could result in denying entry through international waterways.

Secretary Rabasa: I feel we are substantially in agreement on the matter and whatever name used, whether patrimonial sea, economic zone, or international sea, this is not of great significance. It is important to work out legislation at the Geneva Conference and Mexico will not proceed with a unilateral declaration.

President Ford: How many countries support the concept?

Secretary Rabasa: Among others, Ecuador, Peru, Chile, Argentina, Brazil and Uruguay have made claims to a large territorial sea and, in fact, the U.S. and Brazil have signed an agreement regarding shrimp fishing rights in an area of two hundred miles of ocean along the Brazilian coast.

Secretary Kissinger: We have a convention with Brazil and this is a concept we can live with. It requires further study in order to arrive at a proposal that would meet with the approval of the Law of the Sea Conference. Would you like to have Mr. Maw come to discuss the matter further with you?

President Echeverria: Could we have a map of the Caribbean Sea and adjoining areas?

Secretary Kissinger: The area we will have difficulties with is what you call Sea of Cortes.

Secretary Rabasa: We should have a conference of the countries in and around the Caribbean, with a view to applying the concept of the patrimonial sea to the area.

Secretary Kissinger: If the 200-mile territorial sea applied we would close off the Caribbean to all navigation, because no area is more than two hundred miles away from any other.

Secretary Rabasa: It is our desire to apply the patrimonial sea concept. Not a restrictive interpretation of the territorial sea. The idea we are suggesting is of a community of Caribbean nations which would include Mexico, Honduras, Guatemala, Costa Rica, Panama, Colombia, Venezuela and the Caribbean Islands. All states would retain their fishing rights within certain limits. The U.S. would see its interests represented by the presence of Puerto Rico and the Virgin Islands in the area. I have already spoken with the Foreign Ministers of Jamaica and Cuba and they have expressed their agreement in principle with the concept of a community of the Caribbean Sea. If the concept of the territorial sea was strictly applied, three countries, the U.S., Mexico, and Cuba would divide up the area.

President Echeverria: If the concept of the patrimonial sea prevails, this will be important for us, because Mexico has recently discovered

large oil reserves on the continental shelf in an area north of the Yucatan peninsula. The U.S. also has large oil fields in the Gulf south of Louisiana and Texas. For these reasons solution to the question of the rights of the riparian states will become increasingly urgent. Within the next few months, the interested parties should attempt to devise the manner in which the Law of the Sea would deal with such matters.

Secretary Kissinger: It is necessary to deal with two separate matters. First, with the question of the patrimonial sea and how it would apply to the Caribbean nations. Secondly, whether all Caribbean Islands would be considered together as a unit or whether all states would assert their separate claims.

Secretary Rabasa: All islands would be considered as a unit, and within that unit, the U.S. would have its interests represented by the presence of Puerto Rico and the Virgin Islands. One practical consequence will be the exclusion of all other countries from the Caribbean.

Secretary Kissinger: This second proposal has not been studied in detail by U.S. Government officials.

President Echeverria: I propose that such a study be undertaken in order to determine the respective interests of all countries involved.

President Ford: Are there any colonial claims which would interfere with the suggested proposal?

Secretary Rabasa: Barbados, Trinidad and Tobago, Guyana and Jamaica are trying to establish a common market, together with Belize, but their claims would have to be studied considering all the Caribbean Islands a single unit.

Secretary Kissinger: We have not studied the future implications of the "patrimonial sea" but in principle we could go along with the concept, provided Mexico does not proceed to a unilateral declaration.

Secretary Rabasa: The matter can not wait forever.

President Echeverria: A few months are still available to study the alternatives and determine the extent with which any norms would have world-wide application. I have already held talks on the subject with Venezuelan President Carlos Andres Perez, with Jamaican Prime Minister Manley, and with Cuban Prime Minister Fidel Castro. All agreed that the matter must be studied soon because of existing problems and of others that might arise in the near future. This idea originated with the Prime Minister of Jamaica. We have become very concerned with seeking a solution. One possible problem might arise if a country had oil within its patrimonial sea and was not technically equipped to exploit it. Such countries would be free to contract with foreign companies to assist in the exploitation of these resources.

President Ford: How did the countries in the North Sea area solve the problem of sovereignty over the oil?

Secretary Kissinger: They used as a basis the continental shelf and Norway and the United Kingdom drew a line at the continental shelf and divided the rest of the area. Some potential problems could rise applying this measure because some countries such as Argentina—it extends 600 miles into the ocean. It would also give origin to disputes between Korea, China and Japan, especially if different criteria were applied.

President Echeverria: I would like to have the officials involved explain the specific facts regarding recent oil discoveries. I would also like to have other members of the official party join us.

Secretary Kissinger: Secretary Rogers and Ambassador Jova should join us as well.

President Ford: We are glad to hear about the new oil discoveries which will be of great benefit to Mexico and will be delighted to hear the facts. However we are doing very well with our own program and we have not come to discuss the question of oil. (At this point, Mexican Ambassador de Olloqui, Mexican Minister of Natural Resources Horacio Flores de la Pena, Director of PEMEX Antonio Dovali, President of the Mexican Senate Enrique Santana and President of the Mexican Chamber of Commerce Carlos Perez joined the meeting together with American Ambassador Jova and Assistant Secretary William D. Rogers.)

President Echeverria: I feel it is important for Mexico to describe the situation and the oil discoveries as well as to explain the official Mexican policy regarding oil prices and will ask Engineer Dovali to do so.

Engineer Antonio Dovali Jaime, Director of PEMEX, was asked to discuss Mexico's recent oil finds by President Echeverria.

Engineer Dovali: Mexico has been conducting extensive petroleum explorations recently. These efforts have been successful, and I can now say that we have increased production as a result of these new finds so as to eliminate any further oil imports. We have also increased exports. This development has great advantages for Mexico, and there is every prospect that we can maintain this favorable situation. The Mexican oil industry will now be in a position to pay for the country's imports of certain petroleum products as well as the machinery and equipment needed to continue our petroleum expansion. These new finds are largely in the area of Chiapas Tabasco. The new production will also allow us to increase the production of fertilizer which is sorely needed by the agricultural sector. In short, the expansion of our petrochemical industry gives important support to our overall development effort. It will permit us to expand LPG as well as gasoline. We are in the process of constructing three new refineries.

President Ford: How many refineries do you have and where are they?

Engineer Dovali: 90 kilometers from Mexico City, one at Salina Cruz on the Pacific which provides distribution to the California area and one in Monterrey. We do not have all the data we need to evaluate our finds. We have only 47 wells, but they are very rich. They average 5,000 bbs per day.

President Echeverria: That is as good as the Persian Gulf.

Engineer Dovali: In fact, some of our wells produce as much as 10,000 and 15,000 bbs a day. They are very rich wells to average 5,000. These 47 wells belong to three different structures. We have in fact, identified 15 to 20 new structures which are promising. We are drilling in several of these structures.

President Ford: What is the terrain like?

Engineer Dovali: It is semi-tropical. The structures which bear the oil are limestone and they are 4,500 meters deep.

President Ford: What transportation facilities are available and are they near a harbor?

Engineer Dovali: They are adjacent to some new pipelines and to the refinery at Tehuantepec, as well as to the shipping port at the mouth of the Cachacualco River. So we can put the wells into early production. Furthermore, these fields evidently extend as far out as the edge of the Continental Shelf. We have done seismographic exploration off Campeche and we are ready to drill. There are indications of both gas and oil.

President Ford: How far are these from the coast?

Engineer Dovali: About 30 miles from the coast.

President Ford: Have you struck oil in these new off-shore wells?

Engineer Dovali: This is elementary, but there are favorable indications. West of Tabasco in Vera Cruz, there are fields with the same promising structure as Tabasco.

President Echeverria: Minister Flores should say a word about OPEC, international petroleum prices, and Mexico's policy.

Engineer Dovali: They are already in production, and in two years we hope to produce 20,000 bbls. daily. We do not yet know the true dimensions of the find, but within twelve months we should be able to put into production enough wells to have significant exports. We should also be able to define the resources of the basin which runs 300 kilometers from Vera Cruz to Campeche. It is, in any event, rich.

Minister Flores: As to international pricing, they, OPEC, have a rule that one must be "an important, permanent net exporter." Mexico is not yet important, but we are permanent. Our oil exports are mar-

ginal. What is now important is that we are saving considerable foreign exchange by reducing imports. If Chiapas Tabasco had not come in, we would be importing \$800 million each year of petroleum.

President Ford: Each year for the next five years?

Minister Flores: Yes. We also have other sources of oil which have promise. Baja, California for one. Next year our exports will begin to reach 90,000 bbls. eventually reaching 200,000 bbls. including various products in addition to the crude. This is a radically altered situation for Mexico; instead of \$800 million worth of imports next year we should have \$500 million of exports.

President Echeverria: Will we follow OPEC's prices? What will happen to the small importing countries?

Minister Flores: Mexico's policy is to obtain the best prices in the market we can. We do not plan to increase or decrease prices. The problem is what will the other producers do? Mexico is the only oil producer that produces petroleum on a national basis. The others increase prices by taxes and other indirect means, but do not have a national governmental company.

President Echeverria: I have my own idea. The Department of State should study it, and provide you, Mr. President, with the statistics and position papers. There is in the world a serious lack of food and a serious inflation. There is no doubt that Mexico must seek the world price for its oil. But Mexico is, at the same time, proposing a system of international cooperation. People are dying in Asia and India. The poor do not have oil. It is they who are suffering. The increase in the price of oil is felt more by the poor. Even countries with a long history of stability are suffering from inflation. In April 1972, Mexico proposed the Charter of Economic Rights and Duties of States. This is a banner which has now been taken up by more than 100 countries. With regard to petroleum, the question is at what point does this vital raw material reach a price which is detrimental to both the rich and the poor. There are some 50 poor countries with scarcely any resources. Is it possible to improve the idea of international cooperation and include petroleum? The opposition should not be crushed. Otherwise it will lead to chaos and serious imbalance.

President Ford: What you have set forth so eloquently is very similar to the idea that Secretary Kissinger and I tried to promote. The U.S. is affected by the oil price increases, and it hurts Japan and Europe and more. However, the poor countries are hurt the most. They are suffering and lack funds. They are spending their reserves. Ten or twelve countries are getting rich. But they can go broke. You and I are talking about cooperating not to promote inflation but rather to build the economies of the poor nations. Secretary Kissinger is working with the Eu-

ropeans. I raised this theme at the UN and Secretary Kissinger followed up with his own speech. I sincerely hope we can work together.

Secretary Kissinger: We have supported President Echeverria on the Charter. There is one provision, Article 2, which creates a problem. If we could get the others to agree, for example as it was worked out by Mr. Maw and Secretary Rabasa, we could give strong support to the Charter. You will recall, Mr. President, that you instructed us to put forward a very positive proposal at the World Food Conference, which demonstrates our belief that solidarity among the consumers is essential.

Minister Flores: How do the Arabs feel about that?

Secretary Kissinger: Saudi Arabia is not famous for its sophisticated economic approach nor does it specialize in deep analysis of the world situation. Neither does Abu Dhabi where the acquisition of money is a profession. Saudi Arabia and the Gulf States must realize that at present prices they run the risk of producing a massive breakdown in the world economic situation, and may provoke counter measures. I believe that all the oil states now realize that they should not raise prices, and some may lower them later.

Minister Flores: They will not lower prices since they can reduce production without harming themselves.

President Ford: Can you tell me about the production costs of your wells?

Minister Flores: Our wells are about 5,000 meters in depth, which is expensive, but the oil costs 22¢ per barrel because production is very high. As we said, production is averaging 5,000 bbls. a day, reducing considerably the price per barrel.

President Ford: But that also means that if you cut back production your cost goes up.

Minister Flores: We only have 47 wells so far. You still don't know what you have in Alaska, and you have 96 wells there. We will need to drill 200 wells before we really know what we have.

President Echeverria: The U.S., Mexico, and the world must conserve their non-renewable resources. On the other hand, Mexico will have to sell abroad at market prices. The press would attack us if we sold at reduced prices. We are increasing our reserves, our research and exploration, but we are concerned in the present world where the uncertainty over oil complicates all our problems. We propose a system of cooperation based on the idea of the Charter. At the UN, we saw what happened in connection with the admission of the People's Republic of China where a great majority supported the admission and only a few voted against. This situation is much the same. People want food, oil, and industrial development. There are a large number of small coun-

tries, but their vote is important. Can we not consolidate the idea of the Charter and meet U.S. objectives? The Japanese now want to sponsor the Charter. There is international support for it.

Secretary Kissinger: We support the Charter, but there is the problem of Article 2.

Secretary Rabasa: Article 2 is the very essence of the Charter. It involves a commitment that each nation has full, permanent sovereignty over its natural resources, that it can control foreign investment, and that it can nationalize [*nationalize*]. We and the U.S. are in agreement on everything except the third point. We feel that when something occurs within our national jurisdiction, it is not subject to external rules. Of course, our own policy is illustrated by our practice of Mexicanization, which is not nationalization.

Minister Flores: We have a major policy in the Mexican Government of promoting joint ventures with numerous private groups. This has proved a good marriage. Some other examples are DuPont, Anaconda, and the telephone company ITT. ITT recently sold us 26–28% of its shares. This is not a problem. The Government does not want to administer more businesses, it wants to invest as a capitalist.

President Echeverria: Let's discuss mining.

Minister Flores: We just agreed to invest \$150–170 million jointly with Anaconda.

President Ford: The U.S. would approve these national policies which Mexico has. We recall that the U.S. companies which were nationalized by Mexico in the petroleum field were all fairly compensated. We have no objection to the kind of arrangements you are talking about; five years ago I was involved with a small company which invested here, and it worked out fine. We are concerned with what other countries have done—nationalization without compensation. We can't approve a Charter without protection in this sense.

Secretary Kissinger: We want a Charter consistent with the Maw-Rabasa agreement but we cannot go beyond that. We do not want to elaborate principles of international law to be used against us. Secondly, as to oil, all our positions and speeches are consistent with the Charter's principle of operation, but we cannot accept the proposition that these nations can wreck the world economic system, and effect such a massive transfer of resources as to render worthless the very paper with which they are paid. We admit that prices were too low. We know they cannot be reduced to previous levels. Our food policy shows that we can take a cooperative view.

President Ford: If there is a collapse, the oil would not move and the paper would be worthless.

Minister Flores: No. The dollars in the hands of the Arabs would be worth more.

President Ford: Not if it is invested in ventures that go broke. In any event, let's avoid such a collapse.

Minister Flores: If we cannot fight inflation, then there will be a depression. But we must fight inflation and reduce not only the price of oil but of capital goods as well.

President Ford: I think that you will find that competition will result in a reduction of the price of capital goods, if oil prices are reduced, or at least level off.

Minister Flores: I am not sure.

President Ford: Nobody is certain in this type of situation. There were tremendous increases in the price of oil.

Minister Flores: We are paying much more for our equipment.

President Ford: In any event, the two increased at the same time. But now I think it is now time to leave.

(At this point the meeting ended)

71. Telegram 9030 From the Embassy in Mexico to the Department of State¹

Mexico City, October 23, 1974, 2010Z.

9030. Subject: Charter of Economic Rights and Duties: Exchange Between Presidents Ford and Echeverría—Discrepancies. Ref: A. State 233034, B. Mexico 9013, C. Telecon Jova/Bowdler 10/23 Nodis.

¹ Summary: Jova reported on Rabasa's dismay upon learning that the United States would feel constrained to vote against the Charter of Economic Rights and Duties of States as it was then drafted, despite what the Mexican Foreign Secretary had perceived as a statement of support for the initiative by President Ford during a press conference after his October 21 meetings with Echeverría.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Box 5, Mexico—State Department Telegrams—To SecState—Nodis. Confidential; Immediate; Nodis. In telegram 233034 to Mexico City, October 23, the Department stated that Mexican press reports of a change in the U.S. position on the Charter were wrong and that “USG policy remains that of supporting in principle a Charter, provided that its provisions strike a proper balance between the interests of developing and developed countries, and opposing a Charter that does not.” (National Archives, RG 59, Central Foreign Policy File, D740307–0289) Telegram 9013 from Mexico City, October 23, is *ibid.*, D740301–0779. The *New York Times* reports mentioned in the telegram were not further identified. In telegram 9100 from Mexico City, October 25, the Embassy reported on a meeting in which Rabasa had reviewed the Charter “in a mood of grave seriousness combined with emotion (soda water, bicarbonate and even an angry tear),” urging that the United States not oppose the proposal. (Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Box 5, Mexico—State Department Telegrams—To SecState—Nodis)

1. Even prior to receiving State 233034, I was concerned at highly optimistic attitude adopted by Mexican press and GOM officials regarding U.S. position on Charter of Economic Rights and Duties. (Since then I note from State 233034 that *New York Times* has also interpreted results as a "significant change" on the part of the United States.) We brought this apparent discrepancy to the attention of the Department in Mexico 9013.

2. I have just spoken at length with Rabasa and received a very emotional response to my explanation of our position as set forth in paragraphs 1 and 4 of ref. A and my affirmation that we would feel constrained to vote against not only objectionable paragraphs but against the charter as a whole. I pointed out to Rabasa that my notes of the pertinent part of the conversation between the Presidents showed that President Ford said that while we have no complaints against Mexico's record on compensation following expropriation, we are on the other hand concerned that other countries may nationalize without just compensation. The President then said (almost verbatim): "We cannot endorse a major international charter which can then be used totally against us." Rabasa said that subsequent to the above conversation and in the bus and the helicopter enroute to Tubac, he had a private conversation with Secretary Kissinger in which he expressed alarm over our determination to vote against the charter as a whole regardless of the fact that we are prepared to accept practically everything except Article 2. This position had been made clear to him previously by Ambassador Scali in New York and by me in the conversation with (and in memorandums I had left with) Assistant Secretary Gallastegui and also Minister of Interior Moya Palencia.

3. Rabasa said he emphasized to the Secretary that such a global vote against the charter would be unwise politically for the United States as it would seem to place us against even the motherhood provisions of the charter which we are prepared to accept and had accepted previously in other international documents and would make us appear now as even favoring "intervention" rather than being against it. Moreover, such a vote would be "devastating" to U.S.-Mexican relations as it would appear that the meeting between the Presidents had in fact produced nothing favorable to Mexico. Rabasa claims with considerable emotion that the Secretary appeared to accept his thesis that the U.S. might vote paragraph-by-paragraph on the charter, voting against those paragraphs on which it concluded it must, but that it would not vote against the charter as a whole. He said the U.S. might even, in addition to voting against paragraph 2 or others which offended us, give an "explanation or statement" re-emphasizing its points of view, in its favorable vote on the charter as a whole. In the meantime, Rabasa said he told the Secretary the Mexican delegation in New York would re-

ceive instructions to continue cooperating and collaboration with the U.S. in order to attempt to bring about a version of Article 2 which might be more acceptable to the United States. Rabasa said that subsequent to his private conversation with the Secretary on the bus and the helicopter, he took it for granted that the Secretary had had an opportunity to speak privately to President Ford and thus the President's responding remarks at the public press conference seemed to confirm his impression that there had indeed been some change in the U.S. position. He quoted from President Ford's remarks: "You, of course, are the author and promoter of some very far-reaching action in the United Nations which we believe, as a Charter for Economic Development throughout the world has very great merit and very great support, and I compliment you for it. And I can assure you that I and Secretary Kissinger will work with you and others in your government in trying to find the key and the answer to the economic development of all parts of our great globe."

4. Rabasa said this was interpreted by President Echeverria as well as himself as a forthcoming U.S. position on our part and not merely a repetition of the stance that we have taken during previous weeks, i.e., that while we favor the spirit of the charter as a whole, our opposition to Article 2 is so strong that we might vote against the charter. (Incidentally, Echeverria on arriving from the north last night told the press representatives who had met him at the airport that he had defended his point of view and that President Ford, varying the position of the American Government, had decided to support this said charter, understanding that it established a level of international cooperation which would assist in the fight against inflation. In the judgment of President Echeverria, the approval of the charter by the United States would help gain the support of other industrialized countries.)

5. Rabasa said that both he and President Echeverria were acting in good faith in giving public acknowledgment to what they considered to be the United States's more forthcoming position. A move away from this on our part now would have, he repeated, a "devastating" effect on Mexico as it would seem that not only had the meeting of Presidents accomplished nothing favorable for Mexico but it would place Rabasa and even the President of Mexico in an exceedingly awkward position.

6. He concluded by urging that both sides do their best in improving the language of Article 2 and other sticky points in New York, but that regardless of the final outcome on Article 2, that we not undermine our own position before the underdeveloped world, and particularly in Mexico by voting against the charter as a whole. When I again reminded him of President Ford's strong statement in the private meeting, he retorted that those private statements were made prior to

his own talk with Secretary Kissinger and prior to President Ford's own forthcoming public remarks at the press conference.

7. We concluded the conversation, which by then had become repetitious as well as emotional, by my assuring him that I would communicate at once with Washington regarding this awkward situation which seems to have developed. I urged him to be as vigorous with the Third World as they had been with us in New York negotiations.

Jova

72. Memorandum of Conversation¹

Washington, December 4, 1974, 6:20 p.m.

SUBJECT

Charter of Economic Rights and Duties of States

PARTICIPANTS

Mexico:

Emilio Rabasa, Foreign Secretary of Mexico

J. de Ollogui, Ambassador of Mexico to the U.S.

Ambassador Sergio Gonzalez Galvez, Director of the Bureau of International Organizations

Raul Santos Coy Cozzi, Minister-Counsellor and Private Secretary to the Foreign Minister

U.S.:

The Secretary

Senator Charles Percy

Assistant Secretary William D. Rogers

Deputy Legal Adviser Stephen M. Schwebel

¹ Summary: Kissinger and Rabasa discussed Mexico's proposed Charter of Economic Rights and Duties of States, which was before the United Nations General Assembly.

Source: National Archives, RG 59, Central Foreign Policy File, P820121-2628. Confidential; Nodis. Drafted by Schwebel on December 6 and approved by David Gompert in S on December 9. The conversation took place in the Secretary's office. According to a December 5 memorandum of conversation, Kissinger told Ford that "Echeverría has his whole ego wrapped up in the Charter." Observing that Treasury and his legal advisers opposed the Charter, Kissinger stated that "they are right on substance" and that the United States had not taken stronger action against the proposal "only because of our relations with Mexico." Ford asked if abstention would satisfy Echeverría, and Kissinger said it would. (Ford Library, National Security Adviser, Memoranda of Conversations, Box 7, 12/5/74)

(The Secretary initially met with Secretary Rabasa only from 6:20 to 6:30 p.m., at which time the others joined, except for Senator Percy, who arrived some minutes later.)

Secretary Kissinger: With this subject, you have managed to mobilize all the nitpickers in this building. And to generate a lot of passion.

Mr. Rogers: “Nitpickers” sounds like a euphemism for lawyers.

Secretary Rabasa: Can someone say where things now stand?

Secretary Kissinger: I have told Secretary Rabasa that we can abstain if we can be given something that will allow us to do so. Where do things stand? Bill Rogers knows the situation. Bill? (At this point, Senator Percy entered.)

Senator Percy: I have a gift for you, Mr. Secretary. The Foreign Aid Bill was adopted just now by a vote of 46–45 and that’s why I am late. And the Senate adopted my amendment giving women a larger role in development activities and benefits.

Secretary Kissinger: I accept with pleasure.

Senator Percy: However, our UN contribution has been cut. Regrettable but understandable.

Secretary Kissinger: Emilio, I would like to find an excuse for abstaining. Is there anything that can be worked out in the next 48 hours, even if it would not meet Mr. Schwebel’s legal standards of the ideal?

Ambassador Gonzalez Galvez: Our situation is difficult. We started this enterprise and now we are caught in the middle. At one extreme, if I may say so, is the United States and at the other extreme are certain members of the Group of 77, Arabs and Africans. It is difficult to find a compromise on a subject such as the applicable law in case of nationalization that will satisfy both sides.

Secretary Kissinger: We reached a satisfactory compromise with Mexico in Mexico City.

Secretary Rabasa: There is no problem between us. We favor just compensation. The problem is that others cannot accept the compromise acceptable to us.

Ambassador Gonzalez Galvez: The Charter is 75 percent agreed.

Secretary Kissinger: That’s fine.

Ambassador Gonzalez Galvez: On the main disagreed article, Article 2, we have two new ideas we are trying to sell to the Group of 77 which, we think, should resolve your problem. One would do away with the “Calvo clause.” As Senator Percy and Mr. Schwebel argued very ably, the provision: “No state whose nationals invest in a foreign country shall demand privileged treatment for such investors” seems to debar diplomatic representations. So we would change that to read: “No State shall be compelled to grant privileged treatment to foreign

investors." Our second change relates to compensation. Steve, could you please read out what I gave you just before we joined this meeting?

Mr. Schwebel: "Each State has the right . . . to nationalize, expropriate or transfer ownership of foreign property in which case appropriate compensation should be paid by the State taking such measures, taking into account its relevant laws and regulations and all circumstances that the State considers pertinent."

Ambassador Gonzalez Galvez: We realize that the version of Article 2 now contained in the draft Charter of the Group of 77 is unrealistic. You could not be expected to accept it. The Arabs insisted on it.

Secretary Kissinger: By Arabs, do you mean Algeria?

Ambassador Gonzalez Galvez: Libya and Algeria.

Secretary Kissinger: And Iraq?

Ambassador Gonzalez Galvez: Yes, Iraq, but specifically Libya. But now, if we can sell these two changes—and our representative, Ambassador Garcia Robles, is, as you know, very skillful—then I think we can settle things. We are dropping the bar to diplomatic representations. And we are making the payment of compensation obligatory. This is a great deal. This gives you what you need.

Secretary Kissinger: Mr. Rogers, what is your view?

Mr. Rogers: I have just heard these proposals for the first time. May I defer to Senator Percy?

Senator Percy: I would like to see this Charter revised so that we could not merely abstain but vote *for* it. But we cannot support, or even abstain upon, the Charter as it is. In the light of my talks with Ambassador Hoveyda, I wonder if it's even in the interest of Iran and other OPEC members who are becoming exporters of capital to support it. If this draft of the Charter is adopted, no one may wish to invest abroad. The provisions for compensation in case of nationalization are not adequate. What we need is a provision for just compensation. And we need a text that contains some recognition of international law. This Charter is purporting to replace summarily a body of international law built up over many years. We cannot support that. Why won't you include a reference to international law?

Ambassador Gonzalez Galvez: That's difficult. Many of the Group of 77 do not believe that there is any international law on the subject.

Secretary Kissinger: When will the vote be?

Secretary Rabasa: Tomorrow night or Friday morning.

Secretary Kissinger: There is no time.

Mr. Rogers: We would like to have longer.

Senator Percy: We cannot abstain. We need a Charter for which we can vote. Much of the Charter is fine. But some extremists like Iraq are demanding unacceptable provisions.

Secretary Rabasa: We now have some 96 sponsors for our draft resolution setting out the Charter. But it is a question of quality rather than quantity. We need the support of the right States. I would like to add to the points that Ambassador Gonzalez Galvez makes that the current proposal on Article 2 provides for the settlement of disputes arising over compensation for expropriated property. If there is a dispute, there is nothing to prevent the States concerned from agreeing to arbitrate it. So I think our proposal is reasonable enough.

Secretary Kissinger: Mr. Rogers, what is your opinion of what is now proposed? You are the Assistant Secretary concerned.

May I have an expression of a view from our side?

Mr. Schwebel: May I state my views?

Secretary Kissinger: Yes.

Mr. Schwebel: The new proposal which Ambassador Gonzalez Galvez has described would improve Article 2, but only marginally. The essential problems of Article 2 would remain. There would still be the problem of according foreign investors the treatment to which they are entitled and, under this new formula, the payment of any compensation would still be optional. As Senator Percy has pointed out, there is no reference to international law nor even international obligations. Moreover, in addition to several serious problems of Article 2, other objectionable elements of the Charter remain, such as producers' cartels, indexation, and restitution for the ravages of colonialism.

Secretary Rabasa: We don't need authorization to form cartels. We do not need the permission of the United States or of this Charter to join producers' associations. We have that right without it.

Mr. Schwebel: Then why, sir, do you propose to incorporate it in this Charter?

Secretary Rabasa: I mean to say that the Group of 77 should drop this provision but some insist on having it.

Senator Percy: I must say that I agree with Mr. Schwebel's remarks. And of course nobody can stop a country from joining a producers' organization.

Secretary Kissinger: Would it not be best to defer adoption of the Charter to 1975 and allow more time to negotiate a solution?

Secretary Rabasa: I would prefer a vote of the United States against the Charter as a whole to deferral.

Secretary Kissinger: I would like you to put us into a position in which we could abstain. Let's have no postponement.

Senator Percy: I would like to see us in a position to vote for the Charter. If Foreign Minister Rabasa could come to New York and exercise his leadership in the Group of 77—if we could get down to cases with the benefit of his leadership—then I think we might still be able to

reach a solution. I too oppose deferral. I can see the loss of momentum that would result. I would like to settle our problems this week.

Secretary Rabasa: I would be put in a very hard position.

Secretary Kissinger: Let's have the vote deferred for a week; Secretary Rabasa can go to New York, and, in a week's negotiations, bring things to the point where we can abstain.

Senator Percy: Let's get down to the job and stick to it until we succeed, if Foreign Minister Rabasa joins us, we can.

Secretary Kissinger: Yes, let's try. I will do my best to curb the more exacting flights of our legal department. If it were up to them, we could never do anything.

Ambassador Gonzalez Galvez: I am afraid that we do not have a week. The Assembly is going to end. It is impossible to extend the Charter beyond Friday.

Secretary Kissinger: Why? Boureflika is ruthless. He has had no difficulty in doing all sorts of illegal things, why can't he arrange this? I thought to kid him about being impartial . . .

Secretary Rabasa: He has not been impartial.

Ambassador Gonzalez Galvez: It really will not be possible to carry the Charter past this week.

Secretary Rabasa: Then how can we settle in a day or two what we could not settle in two years?

Secretary Kissinger: In my experience, some negotiations which have lasted for years can only reach agreement in the last few days. SALT moved ahead after years. I would like to find a way to abstain on the Charter. I am prepared to give up our more brilliant legal refinements, if you can help to meet the core of our objections. We will do our damndest. I would value your role, Emilio, and I know that Chuck would make a big effort. Is it feasible for you to try, Chuck, if Emilio goes up?

Senator Percy: Yes.

Secretary Kissinger: Mr. Schwebel, is this do-able? Can agreement be reached?

Mr. Schwebel: I do not think so.

Secretary Kissinger: You do not think it is do-able?

Mr. Schwebel: No, I do not think it is do-able. We can agree with States like Mexico, but the Group of 77 extremists will shoot any reasonable agreement down.

Secretary Kissinger: Well, I will try to help. I do not know what this subject is about but I can dig into it. I don't think, Chuck, that it would be useful to try to get at Iraq through the Soviet Union; Moscow would just boast to the Iraqis about how they turned us down. But we have

some credit elsewhere. With India. Chuck has strong credit in India and the Subcontinent. Even with Algeria we have some credit. I would be prepared to call Boumedienne.

Senator Percy: And on the basis of my talks, I think States like Pakistan and Sri Lanka would like to help.

Secretary Rabasa: Well then let's get to work.

Ambassador Gonzalez Galvez: But we do not have a week.

Secretary Kissinger: Let me talk tomorrow to Scali, I want to check with him on how much time we can get. And I am prepared myself to make an effort. Chuck will go up. Chuck, where will you be tomorrow?

Senator Percy: Negotiating with Foreign Secretary Rabasa in New York.

Secretary Kissinger: Mr. Schwebel, where will you be tomorrow?

Mr. Schwebel: Where you direct.

Secretary Kissinger: I don't know whether you will be a hindrance or a help. Let's all meet again Friday and see where we stand. And I will talk to Ambassador Scali about extending the time for a week.

Secretary Rabasa: Let's try to reach an agreement.

Senator Percy: Yes, I am all for trying.

Secretary Kissinger: We will do our damndest. Is that understood, Mr. Schwebel?

Mr. Schwebel: Yes.

Senator Percy: But I am afraid that, once more, we shall run up against the extremists of the Group of 77. They need Western technology, know-how, and capital but they seem determined to act in ways to prevent getting it.

Secretary Kissinger: Actually I don't think that President Echeverria gives a damn about the flow of capital. He wants this bloody Charter, whether or not it will have any practical effect.

Well, we shall make a big effort. But if it fails, then we shall have to vote against the Charter as a whole; we shall vote "no" with a bleeding heart.

Secretary Rabasa: I am ready to work tonight.

Secretary Kissinger: And we will not urge postponement.

Senator Percy: If we fail to reach agreement, I must say that I prefer postponement to our voting negatively on the Charter as a whole.

Secretary Rabasa: I repeat that I prefer your negative vote to postponement.

Ambassador Gonzalez Galvez: A postponement would be complicated. The Charter would get lost in the agenda of next year's Assembly. Have you seen the agenda of the Seventh Special Session?

Senator Percy: Horrendous.

Secretary Kissinger: I confirm that we will do our damndest to reach agreement.

(At this point, about 7:15 p.m., the meeting broke up, Foreign Secretary Rabasa remaining behind briefly with the Secretary. Senator Percy agreed with Secretary Rabasa to meet at the Park Lane Hotel in New York at 8:00 a.m., December 5.)

73. Transcript of Telephone Conversation Between Secretary of State Kissinger and Deputy Secretary of State (Ingersoll)¹

Washington, December 6, 1974, 7:55 a.m.

K: I don't think it has fully penetrated the Department or I don't know why it should not, that I am looking for an excuse to abstain from the Charter. I am not looking for a victory there. I am not looking for getting Rabasa's brains bashed in.

I: I realize that.

K: I see nothing in the cables that Percy and Schwebel have any such interest.

I: I thought you said in the meeting the other morning that if two or three Europeans . . .

¹ Summary: In a conversation with Deputy Secretary of State Robert Ingersoll, Kissinger indicated his desire to find a way to abstain on Mexico's proposal for a Charter of Economic Rights and Duties of States, and he expressed frustration with efforts by U.S. officials at the United Nations to undermine the initiative.

Source: Department of State, FOIA Electronic Reading Room, Kissinger Transcripts, Telecon with Ingersoll at 7:55 a.m., 12/6/75. No classification marking. In telegram 5780 from New York, December 6, Scali reported that a "deeply agitated and emotional" Rabasa had told him that a U.S. vote against the Charter would lead to "a parting of the ways" between Mexico and the United States. (National Archives, RG 59, Central Foreign Policy File, D740355-0656) According to a December 6 telephone conversation transcript, Kissinger asked Rabasa if it would be possible for him to seek a 1-2 week postponement of the vote on the Charter so that he could "take Percy out of it" and "work for an abstention." (Department of State, FOIA Electronic Reading Room, Kissinger Transcripts, Telecon with Rabasa at 6:52 p.m., 12/6/74) According to a December 7 telephone conversation transcript, Kissinger spoke with Percy, who argued that it would be impossible to avoid voting against the Charter "without total capitulation on our part." (Ibid., Telecon with Percy at 11:33 a.m., 12/7/74) In telegram 5947 from New York, December 13, the Mission to the United Nations reported that it had voted against the Charter, which was approved in the UNGA by a vote of 120-6, with 10 abstentions. (National Archives, RG 59, Central Foreign Policy File, D740362-0582)

K: Yes, but look Bob, it is one of those things where the Department has twisted my instructions. I would have liked to abstain but it is too late. They have now brow-beaten enough Europeans to vote with them. I suppose you are telling me that they have now got somebody.

I: I saw in the cables last night they had about six or seven.

K: That is not what I wanted but we now have to go with it. Please instruct these people or I will fire somebody today. I want Rabasa to feel that we are cooperating with him.

I: All right.

K: From Percy's triumphant account to me of his behavior yesterday he was beating Rabasa's brains in.

I: I see. I suppose Rabasa feels that way.

K: I have not talked to him. I know Schwebel and I know Percy. Percy does not give a damn about this limited Charter. He does not care what went before or what will follow after. I will talk to Bill about that. At a minimum I don't want to jeopardize our relations with the Mexicans.

I: I will get that across.

K: It does not seem to have gotten across yet, after three weeks of my pointing it out. When I three times disapprove a cable it should be clear what I want.

I: I tried to get Buffum to go up there yesterday to help out.

K: Why didn't he?

I: I don't know. I tried to reach him last night. I was in meetings with Soames. I will try to get to him now.

K: See what you can do and let me know.

I: All right.

74. Telegram 10712 From the Embassy in Mexico to the Department of State¹

Mexico City, December 24, 1974, 1928Z.

10712. Subj: Charter for Economic Rights and Duties of States (CERDS). For Secretary from Ambassador Jova.

1. Although I had had brief conversations with Rabasa on social occasions, today I was able to see him alone for lengthly conversation in which as you can imagine, our position on Charter for Economic Rights and Duties played an overriding role. Rabasa is still hurt over our position on Charter although he assured me repeatedly he bears no personal grudge and that he and President had made reasoned decision not to "make an issue" over the matter at this time. He made following points which he requested I repeat to you (although I am sure most of them are already familiar): (1) Language of Article II specifically permits states to make bilateral agreements on settlement of expropriation disputes which may arise and hence he still cannot comprehend our qualms in this regard. (2) While it is true as I had pointed out, that our position on Charter had long been made clear to him he felt that this applied to the situation before the Tubac meeting and that conversations at Magdalena and Tubac followed by President Ford's public support for Charter had created a new situation between Mexico and U.S. on this matter. (3) Despite my insistence that Senator Percy was already member of U.S. delegation to UNGA and charged with Committee II Affairs, Rabasa still unable to comprehend why a member of legislative branch "himself with transnational background" was given what seemed to be prime negotiating and even decision-making role. (He is still very resentful of Senator Percy.) (4) By the time U.S. del met with him and offered new alternative language, which seemed conciliatory, it was practically on eve of vote and hence unrealistic at that late date to attempt to bring together Group of 77 let alone to attempt consensus of proposed changes. (5) Fact that U.S. had actually lobbied against CERDS, "a Mexican initiative so dear to heart of President Echeverria" was particularly hurtful. As an example of our lobbying, Rabasa said that he informed that U.S. attempted persuade Japan to change from abstention to negative vote. He said he had not told President Echeverria of this activity as it was difficult enough to explain U.S. negative vote and it would be impossible to explain actual

¹ Summary: Jova reported that Rabasa was still upset by the U.S. vote against the Charter of Economic Rights and Duties of States but that the Mexican Foreign Secretary hoped the United States would reassess its position on the issue in the months ahead.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974-1977, Box 5, Mexico—State Department Telegrams—Tosecstate—Nodis. Secret; Nodis.

lobbying against interests of friendly Presidential meeting at Magdalena/Tubac.

2. I will not repeat here points I made in defense of USG position. Rabasa was tense at beginning of conversation but we ended in more relaxed and friendly mood. Rabasa said that he hoped that during coming months USG could reexamine its position and come to recognize that Charter was not inimical to U.S. interests and in fact would prove to be actually helpful.

3. In regard forthcoming MFM at Buenos Aires, Rabasa stressed that unless tangible progress could be produced it might be better to postpone or cancel this meeting. "Words of goodwill" had been very useful in creating an atmosphere at early meetings but now results were imperative either on transnationals, on science and technology or on something else. Otherwise the system of informal MFMs which had been created so auspiciously would become hollow and as lacking in prestige of some recent OAS General Assemblies.

4. Rabasa stressed his affection and admiration for you, which he said shared by President Echeverria, as well as his recognition of important world tasks on which you were engaged. He hoped, however, that despite these pressures, you could find time to keep alive your personal and continuing interest in Latin America.

Jova

75. Telegram 97 From the Embassy in Mexico to the Department of State¹

Mexico City, January 5, 1975, 1507Z.

97. Subject: Visit with President Echeverria: Overall U.S./Mexican Relations. Ref: Mexico 96 (Nodis). For the Secretary from the Ambassador.

¹ Summary: Telling Jova of his satisfaction with the overall state of U.S.-Mexican relations after his meeting with Ford, Echeverria expressed concern about new U.S. trade legislation.

Source: National Archives, RG 59, Central Foreign Policy File, D750004–0783. Confidential; Immediate. In circular telegram 282967 to all diplomatic and consular posts, December 28, 1974, the Department outlined the provisions of the Trade Act of 1974, which denied tariff preferences to members of producer cartels and certain other categories of countries. (Ibid., D740376–0551) In telegram 315 from Mexico City, January 13, the Embassy reported that Rabasa considered the law discriminatory and planned to raise the subject with Kissinger. (Ibid., D750013–0253)

1. In reply to my question, President Echeverria said that he was quite satisfied with the overall climate of U.S./Mexican relations, particularly since his successful, cordial meeting with President Ford at Magdalena/Tubac. The enthusiastic reception by the Mexican people demonstrated that, despite occasional differences, there was real affection between us. The talks with President Ford and with Secretary Kissinger had been frank and constructive. He now had some concerns regarding the Trade Reform Act but he had noted President Ford's comment regretting the restrictions placed on it by the Senate and he was convinced that the Act would be implemented in an equitable and judicious way which should be beneficial to Mexico in the long run. I assured him of our hope to be flexible except in regard to OPEC membership where executive hands seemed to be tied. He reiterated the comment made earlier that Mexico had no intention of joining OPEC which seemed to be political. Mexico would, however, collaborate with OPEC on sales which must be at market prices in order to be fair to the Mexican people, but there would be no political strings attached to Mexican oil sales.

2. He said he himself had had a long history of working with Americans and fully realized the value of such collaboration. While Mexico had to adopt independent attitudes on international as well as domestic problems, such independence gave satisfaction to Mexican public opinion and had brought him political and social peace. Despite this it was possible to work together as he hoped to do on a variety of international matters and, domestically, he welcomed appropriate controlled foreign—and particularly U.S.—investment. It was to make this clear that he was inviting top U.S. business leaders to meet with him on January 18.

3. He had long worked with the U.S. Embassy in various capacities. Our frank exchange today, he said, exemplified his easy relationship with the Embassy and he agreed that he would tell me with equal frankness any time he felt communications between us were inadequate.

Jova

76. Memorandum of Conversation¹

Washington, January 14, 1975, 3 p.m.

SUBJECT

1. The Trade Act
2. The Charter of Economic Rights and Duties of States (CERDS)
3. The Buenos Aires MFM and Cuba

PARTICIPANTS*MEXICO*

Foreign Secretary Emilio Rabasa

Ambassador Jose Juan de Olloqui, Ambassador of Mexico to the U.S.

Mr. Mario Espinosa de los Reyes, Economic Director, Mexican Foreign Secretariat

U.S.

The Secretary

Mr. William D. Rogers, Assistant Secretary of State for Inter-American Affairs

Mr. John T. Dreyfuss, Country Director for Mexico

The Secretary: Well, Emilio, you've been beating us half to death for the past few days.

Secretary Rabasa: Not as much as you deserve. We consider your Trade Act to be discriminatory and in violation of a number of international agreements. I have two aide-mémoire to leave with you on the Trade Act. One is an analysis of relevant international agreements that discriminatory provisions of the Trade Act violate and the second more specifically about Mexico's concern about the Act.

The Secretary: Before we go on with this—What's it going to lead to? Are you going to go out there and tell the press you delivered an official protest to me?

Secretary Rabasa: No. I'm not using the word "protest." Just that I delivered two aide-mémoire relating to international agreements the Act violates and Mexico's specific concerns about discriminatory provisions of the law you approved.

¹ Summary: Kissinger and Rabasa discussed the Trade Act, the Charter of Economic Rights and Duties of States, and the planned Buenos Aires meeting of the hemisphere's Foreign Ministers.

Source: National Archives, RG 59, Central Foreign Policy File, P820123–1140. Confidential; Nodis. Drafted by Dreyfuss on January 18 and approved by Parker Borg in S on January 26. The meeting was held in the Secretary's office. In telegram 24303 to Mexico City, February 3, the Department transmitted to the Embassy its response to the two aide-mémoire on the Trade Act left by Rabasa with Kissinger on January 14. (Ibid., D750039–0472) In telegram 1062 from Mexico City, February 4, the Embassy suggested changes to the U.S. responses and stated its intention to deliver the aide-mémoire to Rabasa in an upcoming meeting. (Ibid., D750041–0102)

The Secretary: No one opposed the discriminatory provisions more than I. Don't say we approved them. Senators Mathias and Kennedy are proposing legislation to change the restrictions about OPEC. We agree with this.

The language used by Echeverria and others about this Act was especially strong. Do you know that Mexico gets three hundred and fifty million dollars of exports included under this law? The law is not without benefit for Mexico. We did fight against the restrictive provisions.

I liked your first statement on the law, but not the second. I'm tired of this constant threat to end the New Dialogue. If Mexico wants to end it, we'll end it.

Ecuador has a good case against the OPEC restriction. It is ridiculous to apply the OPEC restriction to Ecuador. The OPEC restriction should not apply to Venezuela because it is a member of the OAS, but on strict economic grounds, it does not have such a good case. It has a strong economy and the only case we can make is that it should have a special exemption because it is a member of the hemisphere. But Venezuela's case is weakened by the battering we get. We are willing to ask for exemptions on the OPEC provision for all countries of the hemisphere.

I don't like the whole Trade Bill. I don't like the immigration provision—we would consider this intolerable. I don't like the special exclusions. India has pointed out to me that eighty-five percent of their exports are excluded. We are willing to get these things changed. You should make a distinction between Governmental and Congressional action, and Congressional action should not be used against us. The U.S. mood is such that it will not react positively to being attacked by foreigners. They'd like me to say "to Hell with all foreigners." If I told everyone to go to Hell, my popularity would go up another five percent. You must realize that our Congress is getting tough. We are having a difficult time with the Aid Bills. The constant attacks are not helpful.

Secretary Rabasa: Frankly, Henry, I'm not a popular Foreign Minister in Mexico, but I'm trying to be effective rather than popular. I'm trying to be effective for Mexico and for Latin America in general. Statements I make are not an effort to cater to the press or other special interests. Mexico does not attack the U.S. every day and hour as the press would like.

The Secretary: If you attacked us every hour, they'd want you to increase it to every half hour.

Secretary Rabasa: I don't do this. I'm trying to be an effective Foreign Minister.

The Secretary: You could be effective by showing sympathy and understanding of us. You've really gotten a lot done.

Secretary Rabasa: I'm not guided by what the papers say. I hope to have straight, honest talks with you to see what can really be achieved.

Secretary Kissinger: What did Echeverria say in his statement?—that Mexico's attendance at Buenos Aires would depend on the outcome of this talk with you? I didn't know there was to be an outcome.

Secretary Rabasa: We have to talk about Buenos Aires.

Secretary Kissinger: If one or two more Latin American countries make an issue out of attendance at Buenos Aires, I'll cancel my participation. You convinced me the New Dialogue was a good idea and to have the B.A. meeting. We didn't think the Dialogue could resolve all of our difficulties in one year, but it has been useful. Some difficulties have been resolved.

Secretary Rabasa: You know that we Latin Americans at Inter-American meetings like to make speeches for the news media. This is not the way to resolve problems. We need an atmosphere like we had at Tlatelolco.

The Secretary: Tlatelolco was one of the best meetings I have seen. Even though they criticized us a lot then, I felt I was working with friends and that we accomplished something. A lot of that was due to you.

Secretary Rabasa: Have you thought of calling the Foreign Ministers of Ecuador and Venezuela—Lucio Paredes and Schacht—and ask them to take their grievances to you at Buenos Aires.

Secretary Kissinger: I sent a message to the President of Ecuador explaining our position and our desire to rectify the exclusions and he was very happy. But then the press got after him again and someone made a decision to deny Ecuador a soft loan at the IDB, and he's back where he started. I have asked the Venezuelan Foreign Minister to come here so many times it is embarrassing.

Secretary Rabasa: Can I tell the press that I suggested you call the Ecuadorean and Venezuelan Foreign Ministers?

The Secretary: Is Schacht the man to talk to?

Secretary Rabasa: Personally and off the record, I think that Perez is so intent on being the leader in the hemisphere that Schacht does not have a great deal of influence—he does not have a great deal of stature with Perez.

The Secretary: But it is with the Foreign Ministers that I should talk.

Secretary Rabasa: Can I state I asked you to call them and you said you would.

The Secretary: Say you suggested I call the Foreign Ministers of Ecuador and Venezuela and I said I would send them a message first and then I would be in contact with them.

Secretary Rabasa: You told me you would seek the exclusion of Ecuador and Venezuela from the OPEC provision. Ecuador and Venezuela did not participate in the oil embargo.

The Secretary: There are two questions—the embargo and raising oil prices. But I don't want to apply the OPEC provision to Ecuador and Venezuela.

Secretary Rabasa: We have problems other than OPEC—Title V of the Act, particularly the part that deals with discriminating against States that form producers' organizations. Your Constitution and mine provide the right of free association.

The Secretary: Yes, but we have antitrust laws too. When producers organize it's fine. But when I try to bring consumers together, everybody screams "confrontation."

Secretary Rabasa: You're right, but don't quote me! If we can have producers' organizations, in my opinion you should have the right to have consumer organizations.

The Secretary (to Mr. Rogers): Is there a restriction on Producer Associations as such?

Mr. Rogers: No, not against associations as such—only if their actions disrupt world trade. As of now, only OPEC falls in this category.

Secretary Rabasa: Can I quote Henry Kissinger on this?

The Secretary: Quote the briefing memo we are giving to the Latin American Ambassadors later this afternoon.

Secretary Rabasa: I am giving you this paper outlining what we think is discriminatory and in violation of Articles of the UN Charter, the UNCTAD Declaration in New Delhi, the OAS Charter, and the Charter of Economic Rights and Duties of States.

The Secretary: You say that to me and all the people I argued with against voting "no" on the Charter will prove that they were right.

Secretary Rabasa: In the article-by-article vote on the Charter you voted for these articles.

This second memo deals specifically with Mexico and is of particular interest to me. You will remember that President Ford at the Tubac-Magdalena meeting said (quoting from memo): "I am happy and greatly satisfied that you have asked a question regarding the new Trade Legislation. This is one piece of legislation which we expect the House of Representatives and the Senate to approve before the year is over. It is legislation which will increase considerably the trade between the United States and Mexico, and will help to balance the deficit in the trade of Mexico with the United States. The Trade Act is some-

thing on which I have worked hard and long, in order to promote it, and I hope it will be approved by the Senate and the House of Representatives and will undoubtedly contribute to better trade relations between both countries.” The Mexican Government has several preoccupations regarding the Trade Law and the effect it will have on the spirit of what President Ford said, principally, Section 502B (2), excluding from preferential treatment countries participating in agreements made to establish better conditions for the sale of their raw materials. Section 503C (1) relative to the possible exclusion from the preferential system of products which may be deemed sensitive, particularly electronic products, steel products, and particularly Paragraph G, which authorized the President of the United States to designate any other product imported as sensitive within the context of the generalized system of preferences.

Secretary Kissinger (to Mr. Rogers): What is our position on these provisions?

Mr. Rogers: We do not know yet. This is a complicated technical subject that it will take some time to work out. We have a commission working on these problems.

The Secretary: We should instruct the commission to be forthcoming on these things with regard to Mexico.

Secretary Rabasa: I would like a commitment that, as promised under the New Dialogue, there be previous consultation with Mexico before the implementation of any of the provisions that might be harmful to Mexico. Do I have that commitment?

The Secretary: Yes, you can say that.

Secretary Rabasa: Can I announce that?

The Secretary: You can say that we will try to interpret the law in a manner most favorable to Mexico and that we will consult with you prior to taking any actions that might be harmful.

Secretary Rabasa: All of this could be avoided if you would adopt the Charter of Economic Rights and Duties of States. With regard to the Charter, I’m not angry. I hold no grudge against you personally, but I think you did not give enough attention to what for us was a very important matter. You left it in the hands of bureaucrats and people who stuck on words. I won’t mention names—and I’m certainly not speaking of Mr. Rogers. He’s a man who when he says “no” means “no” and when he says “yes” means “yes,” and is very pro-Latin America. I just can’t understand how it fell into the hands of the bureaucrats. Why not Mr. Rogers or Maw or Ingersoll? Why was this put in the hands of Percy, who has been head of a transnational company. This is what hurts me. My concern was why you put it in his hands.

The Secretary: Because I knew about that concern I stayed away from Acapulco and took my vacation in Puerto Rico where it rained every day.

Secretary Rabasa: You know you are always welcome in Acapulco—and I'll be there with you. We were not properly taken care of.

The Secretary: Right, I agree. I've been raising hell with my people around here. I feel we let you down. We handled it from a purely legal point of view. I'm to blame for not taking full personal charge.

Secretary Rabasa: Mr. Schwebel and your other people stuck on words, they treated it legalistically and not politically. What's wrong with Article 2?—it provides for payment in the case of nationalization, or if someone wants to make a special arrangement with a Government they can do that. What's the uproar about? You've had no problem with Mexico. We paid for the expropriations in the era of Cardenas. Echeverria has not expropriated anything.

The Secretary: If someone like Algeria had put forth the Charter, we would have killed it long ago, but we let it go this far due to our friendship.

Secretary Rabasa: During our last meeting you told your people to be as cooperative as they could and not to stick on words.

The Secretary: I thought my people were to go as far as they could cooperatively, but they clung to words. In reality, don't tell Echeverria, but I think it is nonsense. I don't think the Charter will make any difference, that it will not change anything. Don't you agree?

Secretary Rabasa: No. It is a framework for cooperation and friendship. What about the future? President Echeverria very much wants an expression of your agreement with the Charter.

The Secretary: Impossible. How can we support it at this point if there are no changes in it? Is there a forum in which it will be renegotiated?

Secretary Rabasa: Yes, it will be reviewed at the UN.

Secretary Kissinger: What are we against, Article 2?

Mr. Rogers: Article 2 and several other things. There is a provision for reparations for the ravages of colonialism.

Secretary Rabasa: That is a bad provision. The big issue is nationalization. There is already adequate coverage of compensation or special arrangements. Mexico has not expropriated anything under Echeverria. I don't understand what the problem is.

Mr. Rogers: There's no problem with regard to new investors. They would have to invest under the rules of the game as they exist at the time. The problem is the existing investor—the one already in place. But there's no problem with Mexico.

The Secretary: What can we reasonably do now?

Secretary Rabasa: Echeverria wants a statement that you will reconsider your vote and we will have negotiations on the Charter.

The Secretary: If I say that and then there is no substantial change as a result of the negotiations, what good does that do?

Secretary Rabasa: Can I say you promised you would reconsider and we'd negotiate?

The Secretary: I could do that but the problem is that if we couldn't agree we'd have a mess next September.

Secretary Rabasa: We can arrange things by September. We would handle it, not with bureaucrats, but men of political sensitivity.

The Secretary: Rather than saying that I will reconsider the vote, I would prefer to say that we will discuss the Charter and negotiate to see what might be possible. I don't believe it's possible that we can reach agreement. Even if you and I do, can you convince the 77?

Secretary Rabasa: I can try. I think I can. With regard to your opposition to the Charter, I was particularly upset by your lobbying with the Japanese to vote against it. They told me you had put pressure on them.

The Secretary: The Japanese make a habit of going around saying we are putting pressure on them. If we do say we will reconsider, what will it do to the other countries that voted against? We could say we will have consultations with Mexico to see what is possible before the Charter is voted on again.

Secretary Rabasa: I would like to talk about the OAS and the Rio Treaty. The Special Committee concurs with the idea of changing the Rio Treaty to get rid of that absurd provision in Article 18 that requires a $\frac{2}{3}$ majority to lift sanctions. They will propose a simple majority. I would like to announce that we are in agreement on this.

The Secretary: If you announce this today, what will you announce in Buenos Aires?

Secretary Rabasa: In the Special Committee of the OAS the United States has already agreed to this. In Buenos Aires we would make the change official. Are you going to do something pertaining to Cuba?

The Secretary: Not before Buenos Aires.

Secretary Rabasa: Vignes has given indications he might not be going to invite Cuba, despite the mandate we gave him.

The Secretary: The mandate was not to invite Cuba, but to consult with the nations of the hemisphere about it.

Secretary Rabasa: He has not consulted me. When he consults you I hope you will say "yes."

The Secretary: We will not say "yes." We don't want Cuba at Buenos Aires. Buenos Aires is to lay the groundwork for Council action on the lifting of sanctions.

Secretary Rabasa: I said at Quito that Venezuela and Colombia would renew relations with Cuba on their own. Venezuela has and Colombia will soon.

Secretary Kissinger: It's inevitable. We are not trying to stop the eventual renewal of relations, it's a matter of timing.

Secretary Rabasa: I think you're wrong in not establishing relations with Cuba. Venezuela, Panama and others have. Most nations are in favor of renewing relations. You don't have to consult them. Frankly, Mexico has induced other countries to renew relations with Cuba.

The Secretary: Why don't you ask Vignes to consult?

Secretary Rabasa: I think he's backing out.

The Secretary: We prefer no movement on Cuba until after Buenos Aires.

Secretary Rabasa: With regard to the Buenos Aires Meeting, countries should put their complaints before the U.S. at Buenos Aires.

The Secretary: The dialogue cannot prosper if the U.S. is consistently put in the guilty book.

Secretary Rabasa: Should I call Venezuela and Ecuador and tell them to go to the meeting?

The Secretary: I'll send a message first and will be in touch with them.

Secretary Rabasa: Can I say that?

The Secretary: Yes. What have we each agreed to say? That we would engage in discussions on the Charter to see what could be done. That we would consult with Mexico prior to applying any provisions of the Trade Act that might be harmful and apply the Act as favorably as possible with regard to Mexico, and that I would be in touch with the Foreign Ministers of Ecuador and Venezuela.

Subsequent to this, the Secretary and Rabasa had a private meeting for about 15 minutes.

77. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Ford¹

Washington, March 4, 1975.

SUBJECT

Establishment of an Inter-Agency Committee to Study Problems Related to Illegal Mexican Migration into the United States

In your meeting with President Echeverría last October, it was agreed that each country would establish a committee to review the problems relating to illegal Mexican migration into the U.S. The Mexican Government has now informed us of the composition of their committee. It is made up of government officials from relevant Secretariats, with increased emphasis on areas relating to the creation of employment opportunities on the Mexican side of the border.

We should now establish our own study group to review the status of the problem, make a report to you and offer suggestions on steps which the U.S. Government might take, by itself or in cooperation with the Mexican Government, to ameliorate the situation.

Attached at Tab A is a suggested directive to the Agencies concerned, establishing such a committee and outlining its functions. The committee would be chaired by the Department of State and would be composed of senior officials from the Departments of State, Justice, Agriculture, Labor, Commerce, Treasury and Health, Education and Welfare, the Domestic Council and NSC. The committee will consider the problem in the specific context of U.S.-Mexican relations, while keeping in mind U.S. domestic concerns which are currently under review in the Domestic Council Committee on Illegal Aliens.

Recommendation:

That you authorize me to sign the directive (at Tab A) to the Agencies setting up an inter-agency committee to study problems related to illegal Mexican migration into the U.S.

¹Summary: Kissinger recommended establishing an inter-agency committee to study the problem of illegal immigration from Mexico as agreed upon during October 21, 1974, meetings between Ford and Echeverría.

Source: Ford Library, National Security Adviser Papers, Presidential Country Files for Latin America, 1974–1977, Box 5, Mexico 2. Confidential. Sent for action. The President approved the recommendation. Attached (Tab A), but not published, is a March 5 memorandum from Kissinger to the Attorney General, the Deputy Secretary of State, the President's Assistant for Domestic Affairs, and the Secretaries of the Treasury, Agriculture, Commerce, Labor, and Health, Education, and Welfare, informing them of the President's decision.

78. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, March 27, 1975.

Mexico: Echeverría's Allegations of CIA Involvement in Demonstration Against Him.

You are familiar with the March 14 incident at the National University of Mexico in which President Echeverría characterized students heckling him as "fascists" and "young people manipulated by the CIA." Echeverría did not repeat the allegation after departing the campus under a barrage of rocks, bottles and jeers, but a number of his Ministers took up the cudgel and made public allusions to CIA activities in Mexico. The press, of course, gave heavy play to the incident and the statements.

We have taken the following actions with regard to these statements.

—Bill Bowdler asked Ambassador de Olloqui to come to the Department on March 17 and categorically denied U.S. involvement in the incident, expressed deep concern over such unfounded allegations, and asked de Olloqui to relay these views to Rabasa.

—Ambassador Jova made a similar representation to Foreign Under Secretary Gallastegui.

—Ambassador Jova, has, of course, firmly denied CIA involvement in the University affair to Mexican and American newsmen.

¹ Summary: Rogers reported on the Department's response to an allegation made by Echeverría that Mexican students protesting against him were directed by the CIA.

Source: National Archives, RG 59, ARA/MEX Files: Lot 77D264, POL 1-2, Basic Policies (Echeverría), 1975. Confidential. Drafted by Dreyfuss on March 25 and cleared by Luers. In telegram 2333 from Mexico City, March 15, the Embassy reported on the March 14 incident in which students at the national university heckled Echeverría, prompting him to charge that they were "manipulated by the CIA." (Ibid., Central Foreign Policy File, D750090-0961) In telegram 62479/Tosec 792 to Jerusalem, March 20, the Department informed Kissinger of Echeverría's charge and noted Ford's desire for a firm protest. (Ibid., D750096-0554) In telegram 559/Secto 399 from Jerusalem, March 20, Kissinger disapproved a letter to Rabasa that Rogers had proposed and requested the message be presented verbally to the Mexican Ambassador. (Ibid., D750097-0360) In telegram 2507 from Mexico City, March 21, the Embassy reported that an emissary from Echeverría stated the President had only alleged CIA involvement in student protests for domestic political reasons. (Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974-1977, Box 5, Mexico—State Department Telegrams—To Secstate—Exdis) In telegram 2960 from Mexico City, April 5, the Embassy reported on an apparent suspicion in official Mexican circles that the U.S. Government was fostering subversive activity. (National Archives, RG 59, Central Foreign Policy File, D750118-0049)

Subsequent to these actions Echeverria sent a personal emissary to Ambassador Jova's home to convey Echeverria's personal and official assurances of friendship for the U.S. and his personal esteem for Jova. The emissary stated that while Echeverria regretted the need to allude to the CIA "this was a political necessity." Despite his recognition that there was no CIA involvement, to have accused students of being communist . . . would merely have been to sanctify them in their own eyes. Echeverria was concerned over the Agee book allegations, which would increasingly be used against him. In response, Jova pointed out that the confrontational language Echeverria and other Mexican officials were impelled to resort to made it more difficult for both governments to carry out the cooperative relationships for which we are working.

Additional press interest in the incident was stimulated by wire service stories that we had protested the allegations to de Olloqui. Rabasa, in response to questions generated by the stories, said de Olloqui had telephonically relayed our protest to him and the Mexican Government was considering its formal reply. However, Rabasa later "clarified" his remarks, saying that our approach had not been a formal protest and thus, Mexico would not reply.

We got an inkling of another possible chapter in this tale when on March 21 the Venezuelan Ambassador told me a vague and confused story of another student disturbance involving Echeverria and visiting Venezuelan President Perez. He said that Echeverria had said that the demonstration was not against him but against Perez because Venezuela had just nationalized important oil companies and the demonstrators had been instigated by the CIA to embarrass Perez. Our Embassy in Mexico has been unable to get any confirmation of this story, which may well be an embellishment of the original incident.

What Now?

Ambassador Jova, as a result of conversations with a number of high level Mexican officials, believes the GOM, now that Echeverria's emissary has visited Jova, would like to forget the whole incident. Jova believes, and I agree, that our best course, having made our concern and displeasure known through de Olloqui and Gallastegui, would now be to allow the incident to fade away. We cannot, of course, be certain that Echeverria will not in the future use the CIA as a whipping boy for "domestic political purposes." If that contingency arises we would want to take a careful look at what response might be effective in discouraging Echeverria from making such statements.

79. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, May 6, 1975.

Your Meeting With Mexican Foreign Secretary Rabasa
Thursday, 6:00 p.m. May 8, 1975

PARTICIPANTS

U.S.

The Secretary
William D. Rogers, ARA
John T. Dreyfuss, ARA/MEX
(notetaker)

MEXICO

Foreign Secretary Emilio O.
Rabasa
Ambassador Jose Juan de Olloqui

There are no plans for press participation. (per Rabasa's request)

CHECKLIST

—*Cuba and the OAS*—Express hope that some measure of agreement on how to deal with Cuban sanctions can be reached during OASGA.

—*Charter of Economic Rights and Duties*—Explain that we are willing to take a constructive part in any renegotiations of CERDS, but see little hope as long as radical members of Group of 77 insist on unacceptable provisions (if raised).

—*Verbal Attacks on U.S.*—Express our concern over public attacks on the U.S. by GOM officials.

—*Narcotics*—State that we appreciate Mexico's cooperation against drug trafficking and hope for increased mutual effort.

—*Legal Rights of U.S. Prisoners*—State that we are concerned over allegations of mistreatment of some U.S. prisoners in Mexico and hope that the GOM will assure their rights under Mexican law.

—*Trade Act of 1974*—Explain that we believe the Act can provide trade benefits for Mexico.

¹ Summary: In preparation for a May 8 bilateral meeting between Kissinger and Rabasa, Rogers briefed the Secretary on key issues in U.S.-Mexican relations, including the Charter of Economic Rights and Duties, verbal attacks on the United States by Mexican officials, narcotics control, the treatment of U.S. prisoners in Mexico, and the Trade Act of 1974.

Source: National Archives, RG 59, ARA/MEX Files: Lot 77D264, POL 7 Emilio O. Rabasa, 1975. Confidential. Drafted by Dreyfuss. No record of a Rabasa-Kissinger meeting on May 8 was found. Rabasa was in Washington for an OASGA meeting.

Attachment

Department of State Briefing Paper²

April 1975.

Bilateral Talks During OASGA

Mexico—Foreign Secretary Emilio O. Rabasa

Setting

Rabasa is anxious to see you and has expressed the hope that the meeting can be arranged in circumstances that will attract no publicity.

His principal interest will be to express Mexico's view on issues to be treated at the OASGA—particularly modification of the two-thirds rule for the lifting of the Cuban sanctions and a restructuring of the OAS. He may again attempt to induce you to support the Charter of Economic Rights and Duties of States (CERDS). In keeping with Mexico's impulse towards hemispheric (and Third World) leadership, Rabasa will wish to project an image among his fellow Foreign Ministers that he is working closely with you and is influencing you on the important issues before the OASGA.

Our objectives will be to secure Mexico's cooperation and support for rational action to deal with the Cuban issue and other issues under consideration at the OASGA. We wish to take advantage of your meeting with Rabasa to express concern over recent public attacks made by Echeverria (and other high level GOM officials) on the United States (e.g., charges of our involvement in the overthrow of Allende and "CIA manipulation" of agitating groups in Mexico). Additionally, we wish to impress on Rabasa the need for continued and increasing efforts to stem the high-level of illegal narcotics exports from Mexico to the United States, and to mention our concern over allegations that U.S. citizens imprisoned in Mexico are not receiving their full rights under Mexican law.

Our bilateral relations with Mexico continue to be good, with friendly cooperation on concrete issues. However, the unfriendly rhetoric on the part of high-level GOM officials and Mexican attempts to insert the issue of CERDS into every conceivable international meeting are increasing irritants between us. The question of illegal Mexican migrants has been on the back burner in Mexico since the October 21 Ford-Echeverria meeting. The U.S. is in the process of establishing its

² Source: Ibid. Confidential. The *New York Times* article was published on April 21. (Nicholas Gage, "Latins Now Leaders of Hard-Drug Trade," *New York Times*, April 21, 1975, p. 1)

committee to work with a Mexican counterpart commission to seek solutions.

You last met with Rabasa on January 14, 1975, in Washington.

Issues/Talking Points

1. *Cuba Sanctions and the OAS*

Mexican Position: Mexico has never observed the OAS sanctions and has long advocated a lifting of the sanctions against Cuba. They have pushed to increase their trade with Cuba and pressed the subsidiaries of U.S. companies in Mexico to export to Cuba.

U.S. Position: At Houston you indicated you intended to consult with Latin American Governments "with the attitude of finding a generally acceptable solution to the Cuba sanctions question." If something approaching a consensus can be achieved, we would like to lay the sanctions issue to rest at the OASGA. With regard to trade by U.S. subsidiaries with Cuba, we hold that each request for a license must be examined on a case-by-case basis. We have recently granted licenses to three U.S. auto manufacturers in Mexico to participate in a Mexican Trade Fair in Havana, while several other requests for participation were not acted upon.

Your Talking Points

—Several colleagues have suggested that we might find a way to apply the consensus that the majority shall rule in a future Rio Treaty to the Cuba sanctions question.

—What we want is some measure of agreement on how to deal with the Cuba issue at the OAS General Assembly. We don't want it to continue to divert the hemisphere's attention from more important issues.

—With regard to the question of trade with Cuba by U.S. subsidiaries, we will continue the present procedures for case-by-case licensing.

2. *Charter of Economic Rights and Duties of States* (If raised by Secretary Rabasa)

Mexican Position: The Mexican Government continues to press for U.S. approval (and universal endorsement) of CERDS at every possible opportunity.

U.S. Position: We should continue to indicate that we cannot support a Charter that contains provisions which conflict with important U.S. policies, but that we hope that it may prove possible to amend the Charter so that it will command the support of all countries.

Your Talking Points

—While the U.S. would support a Charter that provides equitable guidelines for the conduct of international economic relations, the Charter adopted by the last General Assembly did not and will not at-

tract U.S. support since it embodies key provisions which fail to take appropriate account of the interests of industrialized countries and of the rules of international law.

—We are willing to take a constructive part in any resumed negotiations on the Charter, but we see little hope of reaching universal agreement as long as radical members of the Group of 77 persist in insisting on inclusion of these key, unbalanced provisions.

3. *Trade Act of 1974*

Mexican Position: In two diplomatic notes handed to you by Secretary Rabasa on January 14, the Government of Mexico expressed concern that the Trade Act is discriminatory, contrary to international agreements, and could be applied to Mexico in a restrictive and inflexible manner.

U.S. Position: We believe the Act can provide concrete trade benefits for Mexico.

Your Talking Points

—Latin American countries will be primary beneficiaries of our tariff preference system.

—Based on 1973 data and the President's proposed product list, about one billion dollars of Latin American exports to the United States (including over 425 million of Mexico's) would have benefited from GSP had our system been in effect then.

—We hope Congress will amend the OPEC exclusion provision for nations which did not engage in the oil embargo to the United States.

—We look forward to working with the Mexican Government during the multilateral trade negotiations, and will endeavor to be responsive to the needs and objectives of Mexico.

—We will seek to reduce tariffs and non-tariff barriers to the maximum extent possible on products of particular interest to Mexico. In turn we plan to seek Mexico's support on issues that are important to the United States.

4. *Mexican Officials' Gratuitous Attacks on the U.S.*

Mexican Position: In response to our expressions of concern over recent public attacks on the U.S., the Mexicans blithely inform us that we should not pay any attention to what they say, they are really friendly to the U.S., and that the statements are made for "domestic political purposes."

U.S. Position: Statements such as those made by Echeverria and other GOM officials are an unnecessary irritant to U.S.-Mexican relations and are not conducive to the cooperative relationship that both we and the Mexicans desire.

Your Talking Points

—We are concerned over public statements made by President Echeverria and other Mexican officials alleging U.S. involvement in the overthrow of Allende and CIA manipulation of Mexican agitators.

—We believe such statements are not conducive to the cooperative relations we both desire.

—We have listened to, but do not really understand, Mexican explanations that such statements are necessary for “domestic political purposes.”

—We are confident that the Mexican Government’s domestic political problems can be taken care of by means other than gratuitous public attacks against the United States.

5. *Narcotics Flow from Mexico to the United States*

Mexican Position: The GOM believes it is already doing a great deal to cooperate in what it considers a U.S. problem, and is unhappy about its vulnerability to domestic criticism for allowing DEA personnel to operate on Mexican soil.

U.S. Position: The rate of heroin entering the U.S. from Mexico continues at an intolerably high level. Referring to statements by DEA officials, a recent *New York Times* article criticized the GOM for ineffectiveness, alleged corruption by a “high official” of an important ministry, and claimed that DEA has a list of 70 major Mexican traffickers. The Mexican press reported these allegations and faulted the Mexican Attorney General for permitting U.S. law enforcement officials to operate in Mexico. We hope that our cooperation in narcotics will not be affected by this.

Your Talking Points

—We have a high regard for GOM anti-narcotics efforts, contrary to the impression created by the recent unfortunate articles in the press. We hope that Mexican-United States cooperation will continue.

—(If asked) The DEA Administrator informed us that the so-called “high official” alleged to be corrupt in the press article is actually a medium-level officer working for the Attorney General who has been demoted and removed to a non-sensitive position. The Mexican Attorney General knows of this case. A list of 70 suspected traffickers compiled by DEA was turned over to the Mexican Attorney General on April 24.

6. *Legal Rights of U.S. Prisoners*

Mexican Position: The treatment of U.S. citizen prisoners is equal or better than that given to Mexicans. They are given every right to due process under Mexican law. Drug trafficking is a serious matter and Mexico is increasing its anti-narcotics effort.

U.S. Position: The growing number (nearly 600) of U.S. citizens imprisoned in Mexico, most of them arrested on narcotics charges, is drawing increasing public attention. We commend Mexico’s anti-narcotics drive, but must make an effort to protect the rights of the prisoners. Many prisoners have sought the aid of relatives and Congressmen and have caught the attention of the press. Although the GOM is concerned with human rights, we sometimes have difficulty obtaining timely consular access to arrested Americans.

Your Talking Points

—We commend Mexico’s anti-narcotics effort and the arrest of traffickers, but in cases involving U.S. citizens insist upon timely consular access.

—Allegations of mistreatment and torture of prisoners in Mexican jails have appeared in the press and a congressional hearing has begun. Timely access to the prisoners will enable us to deal with allegations of mistreatment before they develop into sensational news stories.

—Contrary to provisions of the Mexican Constitution prisoners are sometimes held over a year in pretrial detainment. Such delay is hard to explain to Congressmen concerned with human rights.

80. Telegram 158798 From the Department of State to the Embassy in Mexico¹

Washington, July 4, 1975, 0541Z.

158798. Subject: Echeverria and the UN Secretary Generalship. Ref: Mexico 5820.

1. Indications of Echeverria’s desire to be Secretary General of UN after completing his term as President are coming more into the open now. In addition to approach reported reftel, Ambassador de Olloqui, in separate informal meetings with Dept Asst Sec Luers and officers of ARA/MEX has engaged in rather oblique but unmistakable fishing expeditions on this subject through asking whether we thought the Russians in the Security Council would veto an Echeverria candidacy. We have refrained from making any comment on what he obviously really was after (although unofficially)—what the U.S. thought of such

¹ Summary: As it became increasingly clear that Echeverría was interested in becoming Secretary General of the United Nations, the Department instructed the Embassy to deflect any Mexican inquiries about the U.S. position on a possible successor to Kurt Waldheim.

Source: National Archives, RG 59, Central Foreign Policy File, D750232–0765. Confidential; Exdis. Drafted by Dreyfuss and cleared by Rogers and Buffum (IO). In telegram 6867 from Mexico City, August 1, the Embassy provided a lengthy analysis of Echeverría’s background, views, and personality, in the context of his interest in the United Nations Secretary General position. (Ford Library, National Security Adviser, Presidential Country Files on Latin America, Box 5, Mexico—State Department Telegrams—To Secstate—Exdis) At his staff meeting on March 27, Kissinger stated that “we could not possibly support Echeverría,” as he “would be a maniacal menace.” (National Archives, RG 59, Transcripts of Kissinger Staff Meetings, Entry 5177, Lot 78D443, Secretary’s Staff Meeting, March 27, 1975)

a candidacy. However, as you have done we vaguely mentioned our high regard for Echeverría as an able and prestigious leader.

2. At this point Waldheim's own future intentions are not clear. Therefore, in discussing this question in response to queries from Mexicans or others, we do not wish to give the appearance of endorsing or rejecting a possible Echeverría—or any other—candidacy. As Embassy knows, appointment is by the General Assembly on the recommendation of the Security Council, where the veto is applicable.

3. Line that should be taken in discussions this subject should be that at this point it is much too early to take an official position on the question of a candidate to succeed Waldheim. His term is not over until the end of 1976 and therefore we will have no clear picture of the overall situation until sometime next year.

Sisco

81. Telegram 7629 From the Embassy in Mexico to the Department of State¹

Mexico City, August 28, 1975, 1751Z.

7629. For ARA—Ryan/Luers. Subj: U.S./Mexican Relations.

1. Assistant Secretary of Interior Fernando Gutierrez Barrios came to see me at the President's bidding. The President was concerned [*less than 1 line not declassified*] conversation the day before with Barrios where former had warned that important elements in U.S. Congress were increasingly irritated at having the U.S. kicked around. Gutierrez said President wanted to see me on this (an appointment for Thursday afternoon has since been set up) to discuss what countermeasures he might take to win back the confidence and understanding of U.S. Congress. Perhaps relating this to his recent trip one thought that had occurred to him was possibility of inviting a select group of Congressmen to visit Mexico as his guests for a couple of days of "dia-

¹ Summary: Mexican Subsecretary of the Interior Gutiérrez Barrios met with Jova to discuss Echeverría's concern about increasing U.S. congressional criticism of Mexican foreign policy positions seen as hostile to the United States.

Source: National Archives, RG 59, Central Foreign Policy File. Confidential; Immediate; Exdis. In telegram 7685 from Mexico City, August 29, the Embassy reported on an August 28 meeting in which Echeverría reiterated to Jova his willingness to meet with U.S. Congressmen if doing so might help to address their concerns about Mexican foreign policy. (Ibid., D750300-0350)

loguing” (favorite expression) at some resort town. He could thus explain domestic and international reasons for his Third World leadership stance, i.e., preempting banners from the Left, and by attempting create better international understanding and a more just and equitable world order, thus helping to “avoid an impending world conflict.”

2. I told Gutierrez that [*less than 1 line not declassified*] was giving a very useful personal appreciation of the Washington atmosphere, as he had just come from there. At the same time I could assure him that I had received no complaints re the Presidential trip nor any instructions to raise this or related matters at this time.

3. It was nonetheless wise to keep in mind my oft-repeated counsel that the U.S. was in a sensitive mood at this period having undergone both domestic and international crises. Thus, it was particularly painful at this time to have a next-door neighbor and close friend such as Mexico appear to constantly be taking the leadership of opposition against us in multilateral councils. At the same time, bilateral relations were at a very good level and the private assurances and gestures of friendship on the part of the Echeverria government were frequent and appreciated. Nonetheless, some public, as contrasted with private, demonstration of such friendship would undoubtedly be very welcome. I told him that while I would want more time to consider the congressional gimmick, as I saw pitfalls in this, I did think the forthcoming State of the Union message to be given on September 1 would provide a unique and apparently natural opportunity for some expression of regard for the United States and suggested that the Ford/Echeverria visit of last October would be the obvious peg, recalling that it had been President Ford’s desire that this be the first of his visits to take place with a Chief of State.

4. Gutierrez thought this was a most logical suggestion and said he would speak to the President to attempt to assure that the State of the Union message contained at least this type of graceful reference to U.S./Mexican relations. He said that the President wished to speak to me personally and he would be calling back to set the time. Subsequently the time was fixed at 6:00 p.m. Thursday, August 28.

Jova

82. Telegram 8137 From the Embassy in Mexico to the Department of State¹

Mexico City, September 15, 1975, 1913Z.

8137. Subject: Illegal Immigrants: Conversation With Barona Lobato. Ref Mexico 7770.

1. Pol Counselor this morning met with Assistant Legal Advisor of Foreign Secretariat, Barona Lobato, for exchange of views and current information on illegals issue.

2. EmbOff inquired about possible meetings of respective commissions or perhaps preliminary meeting of a few members from each side. Barona was completely noncommittal as to Mexican attitude. He explained that he must consult with Foreign Secretary Rabasa because "this was a political matter," particularly "in light of President Echeverría's comments" in his Sept. 1 address. He had been unable to see Rabasa because of latter's busy schedule; Barona apologized for long delay in answering Embassy note on subject of commission meeting.

3. EmbOff referred to change in GOM position announced by President Echeverría last October, i.e. that Mexico would no longer solicit a new bracero agreement. In light of that change, EmbOff asked Barona on entirely informal basis what he now considered primary GOM objectives on illegals issue. Barona replied (at length) that a primary objective or aspiration was some U.S. measure to regularize status of Mexicans who have been in U.S. illegally "for three or four or more years." He also detailed his personal views on the desirability of establishing "labor rights" as well as the sanctity of human rights for "undocumented migrant workers." He mentioned GOM efforts to develop this concept in ILO and UN, and described it as a concept of global, not merely bilateral significance. If Mexican illegals might have their status regularized, either through administrative measure or via legislation, the GOM, he thought, might in return be more understanding of "ener-

¹Summary: In a meeting with an Embassy officer, Mexican Foreign Secretariat Legal Advisor Barona Lobato outlined the Mexican Government's objectives on the illegal immigration issue.

Source: National Archives, RG 59, Central Foreign Policy Files, D750321-0072. Limited Official Use. All brackets are in the original except "[*energetic*]", added for clarity. In telegram 7770 from Mexico City, September 2, the Embassy reported that Echeverría stated in a September 1 address that the conditions proposed for a bracero agreement with the United States were "incompatible with the interest of Mexico." (Ibid., D750304-0430) In a September 3 letter to Luers, Estep noted that "it may well be that the closer the Mexicans look at the problem, the more convinced they are that the present situation is the best of all possible worlds and that extensive exchange with the U.S. Commission might cause more problems than it would solve." (Ibid., ARA/MEX Files: Lot 77D264, V-11-3 Illegal Immigrants, September-October 1975)

getic” [*“energetic”*] U.S. measures taken to block flow of new illegals. Finally, he said still expressing personal opinion, roots of the illegal migration problem might more effectively be attacked if soft loans and some technological assistance were made available to Mexico for the long-range purpose of developing more jobs for would-be migrants. (*Comment:* This is to the Embassy’s knowledge first time GOM official has raised possibility of U.S. material assistance on this issue even on an informal basis.)

4. EmbOff inquired about President’s statements in his informe (see reftel). Barona was somewhat shamefaced and obviously had no satisfactory answer with respect to President’s reported comments on unacceptable U.S. conditions for a new bracero agreement. He suggested possibility that Echeverria reference might have been to private conversations between two Presidents at border last October. EmbOff pointed out, however, that Echeverria’s switch on bracero issue occurred some days before meeting. In the end Barona made clear that final draft of President’s address was not cleared with him and had been prepared in Presidency. EmbOff did not press issue.

5. *Comment:* Barona, though well-meaning and likable, is almost impossible to stimulate to action or decision. In order to obtain scanty information set forth above, EmbOff had to endure once again over an hour of Barona’s historical-sociological-philosophical theorizing on the nature of illegals problem, differences in agricultural techniques among Mexicans, Swiss, Japanese, etc. Reliable source close to the Secretary of Labor (represented on Mexican interagency committee Barona heads) told EmbOff that SecLabor extremely unhappy with Barona’s leadership. It seems most unlikely that GOM will move forward rapidly in its consideration of this issue so long as Barona occupies key position. It may well be, however, that this is precisely the reason Barona fills that position.

Jova

83. Telegram 226951/Tosec 130055 From the Department of State to Secretary of State Kissinger in New York¹

Washington, September 23, 1975, 2254Z.

226951/Tosec 130055. Subject: Briefing Memorandum—Lopez Portillo Confirmed as Presidential Candidate. For the Secretary from Rogers.

1. Echeverria announced yesterday that PRI candidate to be the next President of Mexico is Treasury Secretary Jose Lopez Portillo. Lopez Portillo will be elected next July and assume office December 1, 1976 for a six-year term. Lopez Portillo was one of several possible candidates—but had not been perceived as a front runner. We do not anticipate that his Presidency will impact negatively on U.S./Mexican relations.

2. A lawyer by training and a professor of Political Science, Lopez Portillo was the most intimate associate of President Echeverria among the leading choices. From his early days, Lopez Portillo expressed concern for the welfare for the Mexican poor. He has been critical of Mexico's rapid population growth rate and supports increased credit to the impoverished rural sector—an area to which Echeverria only lately has given increasing attention. As Secretary of Finance he has supported a greater role for state-controlled enterprises.

3. None of the leading candidates would have significantly changed the existing pattern of U.S./Mexican relations. Although Lopez Portillo would not have been the first choice of U.S. and Mexican business interests because of his support of increased business taxes and support of the public sector, we do not expect that he will significantly curtail or discriminate against foreign investment. The choice of Lopez Portillo may have resulted from a growing concern of the Mexican leadership over mounting development and social problems at

¹ Summary: The Department informed Kissinger that Mexican Treasury Secretary José López Portillo had been selected as the ruling party candidate for the Presidency in Mexico's 1976 elections, noting that a López Portillo administration would be unlikely to change the dynamics of bilateral relations.

Source: National Archives, RG 59, Central Foreign Policy File, D750329–1141. Confidential; Immediate; Noform. Drafted by Luers and Keane, cleared by Rogers, Dreyfuss and in substance by Bremer, and approved by Luers. Kissinger was attending the UNGA in New York. In telegram 8352 from Mexico City, September 24, the Embassy noted that López Portillo's selection was a surprise and that he had adopted a moderate tone in his first comments to reporters as a Presidential candidate. (Ibid., D750333–0007) In telegram 8522 from Mexico City, September 30, the Embassy suggested "a prime consideration" in Echeverría's choice of López Portillo as his successor had been "maintenance of unity within the political elite," inasmuch as in-fighting between other leading contenders for the Presidency had reached extreme levels. (Ibid., D750338–0917)

home. If this is correct the Lopez Portillo administration may turn inward and he personally may play a less prominent international role than did Echeverria. This is not to say that we expect significant diminution in vocal Mexican support for Third World issues.

Robinson

84. Telegram 264529 From the Department of State to the Mission in Geneva¹

Washington, November 7, 1975, 2135Z.

264529. Following repeat Caracas 11526. Action SecState; Info DEA. Mexico 6 Nov.

Quote. Caracas 11526. S/NM for Ambassador Vance, SER/INC for Wampler, DEA/EOI for Cusack. From Ambassador Jova. Subj: Call on Mexican Attorney General.

1. *Begin summary.* At the AG's request, I called on him Tuesday morning, November 4. The subject was unspecified but obviously was related to recent publicity in the U.S. concerning Mexican narcotics traffic. As conversation developed, it became apparent that AG's main thrust was to forestall new USG diplomatic initiatives on narcotics; but in making his presentation, the AG made several very important points. *End summary.*

2. AG opened conversation by saying that while comments by Senator Percy and Representative Rangel were painful they may have had a net positive result, in that they focused attention on narcotics problem and gave him leverage within the GOM and provided a stimulus to all levels of GOM. He also felt it was better to air criticisms now, while

¹ Summary: In a November 4 meeting, Mexican Attorney General Ojeda Paullada responded to U.S. press and congressional criticism of Mexico as a source of illegal narcotics by assuring Jova of his commitment to antinarcotics measures.

Source: National Archives, RG 59, Central Foreign Policy File, D750389–0810. Confidential. Drafted and approved by Jeffrey Buczacki in IO/HDC. Jova was in Caracas attending the Department's annual regional conference on narcotics. In telegrams 9625 and 9913 from Mexico City, November 1 and 11, the Embassy reported that Mexican officials sought to assure the United States of their serious desire to cooperate on the narcotics problem. (Both *ibid.*, D750379–1061, D750392–1008) Kissinger cited these talks as evidence of a high-level Mexican commitment to stemming the flow of illegal drugs in a December 2 letter to Percy, who had criticized Mexico's performance and called for the Secretary's personal intervention. (*Ibid.*, P750188–2122)

there was still time to effect improvements prior to the end of the Echeverria administration.

3. Speaking, as he said, in confidence and with complete frankness, AG claimed he and his staff are highly dissatisfied, for while they are working hard to attack narcotics traffic their efforts have not produced the hoped-for result. Much more must be done, and he has pinned high hopes on the forthcoming eradication campaign as being productive of a real diminution in the traffic.

4. When white paper on drug abuse was published, AG sought audience with President Echeverria to discuss subject with him. AG said he told President that he did not agree with all recommendations of white paper (particularly with assigning marijuana enforcement a relatively lower priority), but that on balance he considered it a well-intentioned effort with many good ideas. Whether or not we accept USG figures, he commented, we must agree that there is great demand in the U.S. and that large quantities of Mexican-produced heroin are flowing north to satisfy this demand.

5. AG then listed a series of measures he had taken or was taking in connection with forthcoming campaign:

A. He had named Dr Gertz Manero as official mayor of Procuraduria, in capacity of Executive Administrator for the Ministry and for overall coordination of antidrug campaigns.

B. He would assign a new chief of the Aero Services section, an engineer to be taken from Civil Aviation ranks (two candidates are being considered). He pointed out that Aero Services had been deficient; they now were a big-time operation (as large as some Central American Air Forces) and required more qualified personnel to provide leadership.

C. He will replace Lic. Carcamo as Northwest Zone Coordinator, giving him job as inspector of federal attorneys in that area. The new coordinator has not yet been named, but four candidates are under consideration. Any one of these, he felt, would be a net improvement over Carcamo.

D. AG will soon go to Sinaloa, with new coordinator, to inaugurate campaign.

E. AG has seen to it that three army zone commanders in Sinaloa, Chihuahua and Durango (appointed about one year ago) are senior generals in whom he has full confidence, and who are determined to do a good job in eradicating narcotics.

F. He is helping Governors of Sinaloa and Durango by obtaining for them best possible chiefs of State Judicial Police; he hopes he will now get much more use out of these previously parochial and corrupt organs. (The Governor of Chihuahua, an old political fox, had refused to accept suggested candidates.)

G. The campaign this year will begin about one and one-half months earlier, using more equipment and personnel. This will not only get more poppy fields during the harvest season, but will eradicate many at the critical time when they are too early for harvest but too late to be replanted.

H. The AG plans to meet with the owners of radio stations in the northwest area, to attempt to stop the use of public service and personal announcements as codes to warn narcotics traffickers of impending enforcement actions.

I. The AG noted that the biggest problem during the last intensified campaign was in making maximum use of helicopters. The soldiers are available, he said, and the only thing needed to make effective use of them is efficient air support, carried out in accordance with a systematic PLA. He took pen and paper and sketched for us such an operational plan, which in all important respects was the same as that proposed by the U.S. side during the June bilateral meetings. He bases this plan upon the effective use of information supplied by the MOPS system, with the helicopters then depositing troops on a rotational basis in their disparate zones of operation.

J. There would be a class of 120 MFJP agents graduating next week from the MFJP training academy; these were all destined to participate in the upcoming campaign and should more than double the number of trained men available in this field.

6. I asked the AG how he regarded the coincidence of Rep. Rangel and party discovering full flowering poppy fields during their recent trip to the Culiacan area. He replied that he had issued instructions for the pilot to take the group to less-frequented areas of the mountains, rather than to follow the usual and much-travelled air corridor to San Jose Del Llano. He said he had expected the group to encounter some poppy fields in preparation or in the early growing stages, but was very surprised to learn it had found fields actually being harvested. The AG said that there of course were some fields being harvested in Mexico during October, but that it was unfortunate that Rep. Rangel had taken these few fields as an indication that there was large-scale harvesting being carried on during this period, which was not the case. In any case, the fact that Rangel had been taken there by the Procuraduria itself was an indication of good faith.

7. I also asked the AG his impression of the use of herbicides, adding that of course this would be entirely his and his government's decision. He replied that they were continuing the testing this week, that he was consulting within the GOM and that he would probably be able to inform Ambassador Vance (on November 8) of a more concrete GOM policy on this matter, perhaps even on whether and how herbicide would be used.

8. Obviously zeroing in on the main reason for our conversation, the AG expressed his hope that Secretary Kissinger would not find it necessary formally to approach the GOM on the narcotics question. He asked what else he could do, besides explaining the GOM's plans and prospects in the months ahead, to convince the USG that the Mexican Government was seriously determined to make a real impact on the narcotics traffic. I suggested that the visit by Ambassador Vance and Mr. Dogin might be the ideal opportunity for him to exchange views and commitments without resorting to written diplomatic communication and suggested that both sides consider advisability of some statement to press after the meeting.

9. While the recent spate of U.S. press criticism concerning the Mexican narcotics problem has been painful for us and for the Attorney General, we are most encouraged by the positive manner in which the AG has responded to it. The AG has of course in the past been very cooperative with us; however, never before have I seen him evidence so determined, forceful and constructive an attitude.

Shlaudeman Unqte.

Kissinger

85. Action Memorandum From the Administrator of the Bureau of Security and Consular Affairs (Walentynowicz) to Secretary of State Kissinger¹

Washington, November 10, 1975.

American Prisoners in Mexico

The Problem

Approximately 1700 United States citizens are incarcerated in various countries around the world on narcotics offenses, as a result of the program of international cooperation on narcotics control. Some 500 of these United States citizens are so incarcerated in Mexico; few of these privately deny having drugs in their possession, usually in large quantities. Since late in the fall of 1974, the Department has received a substantial number of allegations concerning maltreatment (including allegations of torture), extortion by Mexican attorneys, and procedural violations of rights of confined Americans in Mexico.

The allegations were eventually collected in a resolution of inquiry introduced in the House of Representatives by Congressman Fortney H. (Pete) Stark (D. Cal.) with some 16 seconding signatures. As a result, SCA and ARA have participated in three hearings of the House Subcommittee on International Political and Military Affairs chaired by Congressman Dante B. Fascell (D. Fla.). In addition, there have been identical resolutions introduced by Senators Cranston (D. Cal.) and Tunney (D. Cal.) and by Congressman Steelman (R. Texas). These resolutions, if passed, would in part seek to put into effect the provisions of 22 U.S.C. 1732, the implementation of which could theoretically obligate the President to take strong action, short of war, when a U.S. citizen has been deprived unjustly of his liberty by a foreign power. (A

¹ Summary: Noting increased congressional concern about the treatment of U.S. citizens held in Mexican prisons on narcotics-related charges, the Department recommended Kissinger send a letter on the subject to Rabasa.

Source: National Archives, RG 59, Central Foreign Policy File, P750188–0564. Confidential. Drafted by Alan Gise in SCA/SCS, and cleared by Rogers and Richardson and in draft by Dreyfuss, Gantz, and Vance. Sent through Eagleburger, who wrote, “HAK: The Mexicans really have been outrageous and efforts at below your level of only marginal utility.” Tab 1—Letter to Foreign Minister Rabasa, Tab 2—Telegram to Ambassador Jova in Mexico City, and Tab 3—Letter from Chairman Fascell, are not attached and were not found. In an October 24 memorandum to Ingersoll, Rogers noted that “the press and Congress have been critical of State Department handling of complaints by Americans imprisoned in Mexico.” (Ibid., ARA/MEX Files, Lot 78D235, PER–Ambassador Joseph John Jova, 1973–1975) In telegram 282563 to Mexico City, December 1, the Department transmitted the text of the letter from Kissinger to Rabasa on the prisoner issue with instructions to deliver the signed original. (Ibid., Central Foreign Policy File, D750416–0872)

lawful arrest is not, of course, an unjust deprivation of liberty.) However, the principal concern of the Subcommittee is the Mexican treatment of arrested Americans.

At the April 29–30 hearings, at an Executive Session on July 21, 1975, and again in a televised hearing on October 22, the Department reported on the intensive investigations it had undertaken of the allegations raised by prisoners and on the Department's findings. (To date, we have found confirmed evidence of physical abuse in only a small percentage of cases in which it is alleged, but a larger percentage of denial of other rights.) Nevertheless, because of the issues raised, the concerns expressed, and in order to establish the necessary credibility in the manner we perform our welfare and protection services, the Department has committed itself to a review of all cases of Americans imprisoned in Mexico. The progress reached through these case reviews and through government negotiations will be monitored by the Subcommittee in hearings at approximately 60 day intervals until March 1, 1976 when the Department must have completed its review.

We are now concentrating on achieving timely and consistent consular notification of arrest of, and access to American citizens (to inhibit physical abuse), and enforcement of Mexican legal and penal system guarantees as well as universally accepted human rights (to mitigate denial of rights complaints). Ambassador Jova in Mexico is continuing to negotiate at the highest level towards this goal, and important developments have occurred. However, only 4 of 23 Notes of Protest have been acknowledged, and high-level discussions such as my conversation with the Mexican Attorney General have not produced all the improvements we seek. Abuses are still alleged to occur too frequently.

We believe it vital at this point to demonstrate to the public and Congress within the next 45–60 days (or sooner) that we have made every effort to sensitize the highest levels of the Mexican Government so as to resolve the problem. In a letter dated October 29 to you (Tab 3) Chairman Fascell and all the members of the Subcommittee have requested that you bring this matter “forcefully” to the attention of the Government of Mexico. We do not believe that there would be negative costs to such a letter in terms of our relations. While we do not expect a direct response on the issue, it would serve to inform higher levels of the GOM of our concern that strict prosecution of drug traffickers is not incompatible with humane and proper treatment. The Fascell letter calls for other measures—such as increased Departmental resources to handle arrest cases in Mexico, and possible new procedures on the return of confiscated property—concerning which ARA and SCA are preparing a reply for Ambassador McCloskey's signature.

Recommendation:

That you sign the attached letter (Tab 1) to Foreign Minister Rabasa and telegram (Tab 2) to Ambassador Jova authorizing him to sup-

plement personal delivery of the letter with an oral representation of the problem alluding to increasing congressional and news media attention.

86. Telegram 10288 From the Embassy in Mexico to the Department of State¹

Mexico City, November 22, 1975, 1715Z.

10288. Department for ARA Rogers—Brasilia for Crimmins from Jova. Subject: Visit with President Echeverría's Emissary, Fernando Gutierrez Barrios.

1. Last night President Echeverría sent his emissary, Fernando Gutierrez Barrios (Under Secretary of Interior) to see me at home on an urgent basis. Gutierrez Barrios said President concerned at what he perceived as deterioration in Mexico/U.S. relations and hoped some frank talk might put things right. Gutierrez said both he and the President recognized that deterioration was in large part fault of Mexico and that Echeverría's own statements and actions had undoubtedly played a strong role. U.S./Mexican good relations were of key importance for both sides, particularly when a new administration (and presumably a calmer one) would take office here within a year. The President would not wish to bequeath his successor an additional problem and was eager to do his part to put things back on an even keel.

2. Gutierrez diagnosed the deterioration through the following "symptoms:" 1) Recent declaration (I think by General Chapman) that

¹ Summary: Jova informed Rogers of two November 21 conversations with Gutierrez Barrios, whom Echeverría sent to confer with Jova because the Mexican President felt that bilateral relations had become strained.

Source: National Archives, RG 59, Central Foreign Policy File, D750408–0067. Confidential; Immediate; Exdis. Repeated for information to Brasília. In an October 24 memorandum to Rogers, Falk explored possible actions to be taken against Mexico due to its opposition to U.S. positions in multilateral forums. (Ibid., ARA/MEX Files: Lot 76D110, 30th UNGA—Korean Issue, 9–12/75) In a November 5 staff meeting, Kissinger stated that while the U.S. response to unfavorable positions adopted by big countries should be weighed in context of the overall relationship with the country in question, he was "beginning to get to the point where we may have to do something about the Mexicans," inasmuch as their behavior was "getting beyond the line." When informed by Rogers that a message to that effect had been conveyed to Rabasa, Kissinger added, "I think if it doesn't stop we have to do something retaliatory." (Ibid., Transcripts of Kissinger Staff Meetings, Entry 5177, Lot 78D448, Secretary's Staff Meeting, November 5, 1975) The *New York Times* article is not further identified.

it would be necessary to deport five million illegals; 2) Unduly strong declaration by some U.S. Government spokesman on Mexican declaration of two hundred mile limit; 3) Recent series of declarations from DEA and congressional sources that 85 percent of our heroin problem was of Mexican origin etc.; 4) The *New York Times* Cowan article of Nov. 20 on Mexican/U.S. relations; and, most recently 5) My own call that very morning on Minister of Finance telling him that we could not support Mexico's IDB dairy loan in its present form.

3. I told Gutierrez that while his diagnosis of the illness itself might be correct, as indeed there are feelings of sorrow and hurt on our part, his attribution of the symptoms was mistaken. The statement on massive deportations was probably taken out of context and, however grave the problem, was not U.S. Government's position at this time and I personally hoped it never would be. The statement on the 200 miles was perhaps exaggerated in tone while the various statements on the drug problem would probably have been made even if we had been in a honeymoon stage with Mexico in view of the gravity and our own frustrations with the problems. I stressed that our reluctance re: Mexico's IDB project stemmed not from any antipathy to the GOM but from our very real dissatisfaction with the project itself, with its failure to reach the little people and our genuine concern re: its effect on Congressional actions as replenishment of IDB. Thus it was in no sense retaliatory.

4. At the same time it would be idle to pretend that we did not feel some sense of hurt and disappointment at some of Echeverria's more wounding statements and particularly at various Mexican attitudes and actions in the multilateral field and cited anti-Zionism and Korean issues specifically. This hurt and disappointment, however, was in no sense related to the symptoms he had described; we respected Mexico and its sense of dignity, we considered it as an equal and it would never occur to us to engage in such blatantly retaliatory tactics with a friend and next door neighbor; we recognized that such tactics could even be counterproductive.

5. Gutierrez said he appreciated my analysis of situation. He hoped that something might be done to turn the situation around and specifically asked for help on IDB loan, which meant so much to Echeverria personally and which would have such a favorable political impact in Mexico. I again stressed that our opposition was based on solid technical considerations but said that it was still possible that Mexican attitudes might have made some elements within the U.S. Government feel somewhat less positive in considering these technical aspects. . . . I then suggested that it would be well for the GOM not to be too prideful re: the dairy project and that it might consider reformulating it in such a

way as to cause us less difficulty. If this were done it would be easier for me to ask Washington to look on the project in a more favorable light.

6. Gutierrez Barrios emphasized that Echeverria wanted friendship with the U.S., and hoped that I would stress this in Washington and would visit him immediately on my return. I told him of the possibility that Bill Rogers might visit here on December 1 or 2 and suggested that this too would be ideal opportunity for frank discussion with Echeverria to clear atmosphere.

7. An hour later, I was called from opening of art exhibit as Gutierrez had returned to residence. He said President had asked him to return to assure me that once back from Washington I should visit President for a conversation that "should smooth any and all differences in both the bilateral and the multilateral fields." Echeverria was particularly pleased that Rogers might come, urged that he do so and said he would look forward to meeting with him if he did come. Gutierrez stressed the importance to Mexico of a friendship and cooperation in the political and economic fields. I observed that Mexico must keep this in mind while playing its Third World role. It was possible to be both our friend and a Third World leader, so long as the latter was not overdone. Gutierrez said the President wanted me to know that he was going to lunch with the leaders of the Jewish community next Thursday and was looking for a way out of the anti-Zionism dilemma (I understand that fifty tourist charter flights from U.S. alone have been cancelled). He said the President also wanted me to know that he had already given instructions to reformulate the IDB dairy project.

8. Comment and recommendation: Believe this illustrates that Mexicans are capable of setting a message, whether inadvertent or not, without our having to be explicit or so crass as to lay the old macho on the table. (I know that my recent absences in Washington and Caracas and now again to Washington have also occasioned speculation, however unwarranted.)

9. I recommend that you come for the consular conference and that we call on Echeverria giving him a reasoned but frank itemization (Gutierrez Barrios urged that we be specific) of Mexican actions which have made us unhappy, making sure we are on firm ground in each case. I also strongly recommend that we continue to insist, although perhaps somewhat enigmatically, that no actions taken by us are in any way intended as retaliatory, as such would be unworthy of our relationship.

10. If you cannot attend the consular conference I ask that I be sent firm and detailed instructions to discuss above matters with President Echeverria, together with specific suggestions for actions he might take, both bilateral and unilateral, for improving relations. Perhaps an extra push on the American prisoner issue might be opportune.

11. We remind you that we have been through similar handwriting experiences before with the President, and his mood of repentance has not necessarily been a lasting one.

Jova

87. Telegram 10691 From the Embassy in Mexico to the Department of State¹

Mexico City, December 5, 1975, 0400Z.

10691. Subj: Echeverria and U.S. Prisoners Issue. Ref: Mexico 10687.

1. I took advantage of being alone with Echeverria (during the conversation he had asked an aide to close the door) to speak with great sincerity and frankness regarding the prisoners. I expressed warmest appreciation for Mexico's collaboration on drug program but then stressed that it was possible to be vigorously anti-narcotics and at the same time to be concerned regarding prisoners' welfare. I expressed appreciation for improvements in this situation thanks to collaboration received from Attorney General Ojeda Paullada and the effects of his circular regarding notification and access. (Several principal officers at our ongoing consular conference have stressed that the situation, while far from perfect, has noticeably improved. Monterrey, for instance, tells us that the last ten narcotics arrestees have not alleged brutality during interrogation.) Despite this improvement, the interrogation situation still requires constant vigilance. Similarly, though we had received help regarding prison conditions from Ministry of Interior and others. Situation also far from satisfactory.

2. I told the President that he knew that Mexico's adherence to the defense of human rights was well known. Even so, things happen during interrogation and subsequently during prison confinement which did not redound to the good name of Mexico and particularly on everything that Luis Echeverria Alvarez himself stands for.

3. Methods of interrogation that verged on torture and subsequent prison conditions that had, along with enlightened humane aspects

¹ Summary: Jova and Echeverría discussed the treatment of American prisoners in Mexican jails.

Source: National Archives, RG 59, Central Foreign Policy File, D750423-0578. Confidential. Telegram 10687 from Mexico City was not found.

such as conjugal visits and rehabilitation programs, characteristics that verge on the medieval, were sources of deep concern to me personally, to American public opinion and to the U.S. Government. I recognize that prison administration methods, with the use of the “mayores” system were traditional and couldn’t be changed overnight but at least improvements were possible. A system in which the “mayores” were oftentimes convicted murderers and under which instances of shake-downs and extortion were so prevalent as to (in some cases, not in all) make one think that the U.S. prisoners were considered sources of income more than anything else cannot help but trouble us. I asked the President to reflect on whether or not we might not work out some system under which complaints could be submitted (perhaps through some permanent oversight committee) and to consider the possibility of moving some of the prisoners out of the more disreputable jails such as Lecumberri.

4. The President was not unmoved by my plea. This is obviously one aspect of Mexican life of which he is not proud. (Undoubtedly he also realizes that the current press and congressional interest in this subject is not doing Mexico’s and Echeverría and even Echeverría’s aspirations for UN leadership any good at all.) The President assured me that he would give all aspects of this matter thought and perhaps at the Rogers breakfast, at which the Under Secretary of Interior will probably be present, we might discuss some practical measures.

Jova

88. Telegram 293204/Tosec 240099 From the Department of State to Secretary of State Kissinger in Brussels¹

Washington, December 12, 1975, 0143Z.

293204./Tosec 240099. Subject: Briefing Memorandum: Mexico—Echeverría and Portillo. For the Secretary from Assistant Secretary Rogers.

¹ Summary: Rogers reported to Kissinger on meetings in Mexico City with Echeverría and Presidential candidate López Portillo.

Source: National Archives, RG 59, Central Foreign Policy File, D750431–1050. Confidential; Priority; Exdis. Drafted and approved by Rogers. Kissinger was attending a meeting of NATO Foreign Ministers in Brussels. In telegrams 10776 and 10812 from Mexico City, December 8 and 9, the Embassy reported on the December 6 conversation among Jova, Rogers, and López Portillo. (Ibid., D750426–0913 and D750426–0998)

1. While in Mexico last week, I saw President Echeverria and the PRI candidate who will succeed him, Lopez Portillo.

2. The candidate represents a clear improvement. He understands, as Echeverria never did, the complex economic problems facing Mexico, both domestically and internationally. He is aware of the dimensions of the demographic explosion and promises some effective measures to cope with it. He is far less likely to adopt strident postures for the new international economic order. In fact, he will represent, by a long way, the most effective head of state in all of Latin America on economic problems. And, if as I continue to say, it is the economic problems which are the problems of the future, then he may well turn out to be a person of real international stature.

3. Lopez Portillo is optimistic, confident and open. Echeverria, on the other hand, seemed tired, baffled and ill at ease. This may be because the one is at the beginning, and the other at the end, of the road. And the President may also be feeling the effects of the fact that he is increasingly seen as a lame duck.

4. I sense from both a feeling of moderate apprehension about relations with us, but nothing anywhere near crisis proportions.

5. Echeverria is personally concerned because we have expressed some reservations about a pet dairy project of his in which his family is involved. From this, he extrapolates a cooling of U.S. relations. I straightened him out on the dairy loan, but did tell him about our dislike for their Korea and Zionist votes.

6. The candidate places at the top of his agenda of what he wants from us, further progress in reform of the international monetary system.

Ingersoll

89. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) and the Acting Administrator of the Bureau of Security and Consular Affairs (Lawrence) to Secretary of State Kissinger¹

Washington, December 19, 1975.

*Your Letter to Rabasa on Treatment of
U.S. Prisoners in Mexican Jails*

The Problem

We are concerned over allegations, some of which appear valid, that American citizens arrested in Mexico on drug-related charges are being denied their rights under Mexican and international legal standards. Congressman Fascell, whose subcommittee has been investigating the problem at the behest of Fortney “Pete” Stark urged that we do “more” than the normal diplomatic approaches we have undertaken with the Mexicans on this problem. You dispatched a letter to Rabasa but its existence leaked to the press before it could be delivered, and we instructed Ambassador Jova not to deliver it and denied that such a letter had been given to Rabasa, feeling that delivering it after the publicity could be counterproductive. We still wish to express to the Mexicans, at the highest levels, our concern over the problem.

Background/Analysis

On November 29 you signed a letter to Rabasa about the allegations that some of the more than 550 Americans incarcerated in Mexico, most on drug related charges, had been denied their rights under Mexican and international legal standards. The letter was pouched to Embassy Mexico with telegraphic instructions that Ambassador Jova deliver it “personally” to Rabasa, and orally reinforce to Rabasa the points you made in the written communication.

¹ Summary: Following press reports of a letter from Kissinger to Rabasa regarding the treatment of U.S. prisoners in Mexico, the Department suggested delivering such a letter would be counterproductive. Rogers and Lawrence recommended a new approach to the subject, in conjunction with future communications on the narcotics problem.

Source: National Archives, RG 59, Central Foreign Policy File, P830111–0555. Confidential; Exdis. Drafted by Dreyfuss and cleared by Vance and Eagleburger, who wrote, “So do I,” next to “Bureau Views” to indicate his preference for the views of ARA, SCA, and S/NM. Kissinger initialed the recommendation and wrote, “Yes, but don’t clear it all over town.” Attached but not published is telegram 295463/Tosec 240252 to Kissinger, December 16, reporting the leak of the letter. In telegram 11319 from Mexico City, December 23, Jova reported on a conversation in which an “interested and sympathetic” Rabasa urged “that under no circumstances should Secretary Kissinger send him a written communication on this subject as this would provoke a counterproductive reaction in Mexico if it leaked.” (Ibid., Central Foreign Policy File, D750445–0694)

Our concern about these prisoners is legitimate. The Embassy had brought it to the attention of various Mexican officials, including the President, Rabasa, and the Attorney General on several occasions during the past year. Your letter was in part a response to recent pressures by various members of the U.S. Congress, led by Fortney (Pete) Stark of California, that we do more. (Our diplomatic efforts, we believe, had brought about some improvement in the treatment of U.S. prisoners in Mexico, but we continue to receive allegations of denial of rights, some apparently valid.)

Subsequent to its dispatch to the Embassy, the letter was discussed with Congressmen Eilberg, Fascell, and Winn and their staffers. Someone on the Hill leaked the fact of the letter to the press. An AP story, datelined December 15, stated that you had "assailed" Mexico on its treatment of U.S. citizen prisoners. The letter had not yet been delivered to Rabasa; he had left Mexico to mend fences in Israel before the letter arrived at our Embassy, and he had not returned by the time of the AP story.

In response to numerous press queries resulting from the leak, ARA stated that no such letter had been given to Rabasa and instructed Jova not to deliver the letter for the moment to Rabasa upon his return, which was then imminent.

Given Mexican reaction to earlier pressures which were made public—for example, the disclosure that we had sent them a note on the Zionism issue—coupled with Rabasa's scrupulous feelings about the sanctity of his communications with you, we felt that the leak of the letter had probably diluted its usefulness, if not rendered it counterproductive; its delivery now might hamper rather than help the serious efforts we have been making at all levels of the Mexican Government to improve treatment accorded to Americans arrested in Mexico. This was explained to you in State telegram No. 240252. (Attached)

We still wish to express, to the highest levels of the Mexican hierarchy, our concern over the allegations of mistreatment of U.S. prisoners and to seek the GOM's efforts to investigate the allegations and take whatever corrective measures are necessary.

On the other hand, on December 22, a large delegation of Congressmen is meeting with the President on drugs. They reportedly will pressure him to communicate with Echeverria about increased efforts to suppress heroin traffic from Mexico. *As we are, of course, serious in our efforts to secure maximum Mexican cooperation in the anti-narcotics program, we could usefully meld the two subjects, urging greater efforts on the part of Mexico to eradicate the poppy fields and interdict drug shipments and at the same time point out clearly that we expect Americans arrested in Mexico to be accorded their full rights under Mexican and international legal standards—the two goals are not incompatible.*

The Options

1. Subsequent to the President's meeting with the Congressmen on drugs on December 22, and taking their views into account, *we can prepare a letter from the President to Echeverria stressing our hope for continued and increased Mexican cooperation in the fight against narcotics and expressing our strong concern over the treatment of U.S. citizens in Mexican jails and our belief that the drug fight is not incompatible with the strict protection of human and legal rights of Americans arrested on narcotics charges in Mexico.*

Advantages:

—This is a logical followup of Jova's recent talk with Echeverria on the prisoner problem.

—It could result in Echeverria's issuing orders, which would undoubtedly be heeded, to give greater emphasis to both ironing out problems in the anti-narcotics program and to giving American prisoners their full rights under Mexican law and international standards.

—It would be preferable to sending separate letters on the prisoner and drug problems.

Disadvantages:

—This course of action represents a significant escalation in the handling of the prisoner problem.

—It could prove counterproductive if the letter or the fact that it was sent became public knowledge.

2. *Rather than sending a letter, you could call Rabasa and orally make the points touched upon in your letter to him.*

Advantages:

—This would give informal, but very high level, support to the Embassy's efforts with Rabasa and others on behalf of the U.S. prisoners.

—It would be less likely to leak than would a written communication.

Disadvantages:

—An oral approach might not be as effective as a letter to the GOM, particularly as Ambassador Jova has made numerous such approaches in the past.

—It would not be in keeping with your decision to cool your personal relations with Rabasa as a result of Mexico's actions in the UN with regard to the Korea and Zionism issues.

3. *You could instruct Ambassador Jova to deliver your original letter to Rabasa.*

Advantages:

—This would complete the course of action originally decided upon.

Disadvantages:

—Since the fact of the letter has been made public, its usefulness has probably been diluted.

—It might even be counterproductive to our efforts if it were delivered now, under these circumstances, particularly given Mexico's previous negative reactions to our efforts to influence them when these efforts have been made public.

We must caution that whichever of the options is chosen, it must be held very closely and not be made public if it is to have any chance of really reducing or eliminating abuses of U.S. prisoners rather than serving merely as a temporary palliative to the Congressmen who have been pressing us on the issue.

Bureau Views

ARA, SCA, and S/NM prefer Option 1.

Recommendation:

That subsequent to the President's meeting with Congressman Rangel and others on the drug problem, we prepare a letter from him to Echeverria expressing our hope for greater effort in solving problems in the anti-narcotics program and our concern over the legal and human rights of American prisoners in Mexico.

ALTERNATIVELY, that you call Rabasa and personally make the points presented in the letter.

Or, that you instruct Ambassador Jova to deliver your original letter to Rabasa.

90. Telegram 11441 From the Embassy in Mexico to the Department of State¹

Mexico City, December 30, 1975, 2351Z.

11441. Subj: Visit of Attorney General Levi. ARA for Assist. Sec. Rogers; S/NM for Vance; DEAO for EOI Cusack. Ref: Mexico 11322.

1. Attorney General Levi and Mexican Attorney General Pedro Ojeda Paullada met in Acapulco on December 29, 1975. The Mexican Attorney General had interrupted his vacation in Cozumel to fly to Acapulco to meet Mr. Levi on his arrival. On the Mexican side, Ojeda was backed up by Dr. Alejandro Gertz Manero, his overall campaign coordinator. On the United States side, in addition to Attorney General Levi, were Ambassador Jova, DEA Campaign Coordinator Heath, and Embassy Narcotics Coordinator Alberti.

2. The atmosphere of the meeting was very cordial, but also expressive of great earnestness and concern on both sides. Mr. Levi opened the conversation by explaining that he carried a personal message from President Ford for the Mexican Attorney General. President wished to underline his extreme concern at the amount of Mexican heroin flooding the United States and his interest in knowing whether there was anything USG might do further to enhance the eradication campaign. Mr. Levi described the President's desire to do everything possible to help the Mexican Government carry out a successful campaign this year, stressing that the recent congressional *démarche* by Mr. Rangel's group, and other political pressures on the administration were symptomatic of the public demands that serious inroads be made into the supply of Mexican heroin available in the United States. Mr. Levi said that if he had not planned a vacation in Acapulco at this time,

¹ Summary: During a December 29 meeting in Acapulco with Mexican Attorney General Ojeda Paullada, Attorney General Levi conveyed President Ford's concern about the flow of drugs from Mexico to the United States.

Source: National Archives, RG 59, Central Foreign Policy File, D750450–0788. Confidential; Immediate; Limdis. Repeated for information to DEA. In telegram 11321 from Mexico City, December 23, the Embassy described this meeting as "a golden opportunity" to "stress our grave concern at the magnitude of the problem." (Ibid., D750445–0729) In telegram 11322 from Mexico City, December 23, Jova provided an outline for a verbal message from Ford, emphasizing the President's personal concern and the inevitability of congressional pressure if the Mexican poppy eradication program did not significantly reduce the supply of heroin. (Ibid., D750445–0754) Ford publicly voiced his concern about drug abuse and the flow of narcotics from Mexico in a December 26 statement. (Ibid., ARA/MEX Files: Lot 78D297, SOC 11–5–25 Proposal for Twin Commissions to Combat Drugs, 1976) In telegram 11470 from Mexico City, December 31, the Embassy detailed the conversation between Levi and Ojeda Paullada, including the former's specific requests for anti-narcotics assistance. (Ibid., Central Foreign Policy File, D750451–1018)

President Ford undoubtedly would have sent him down to Mexico anyway to discuss the problem with the Mexican Attorney General.

3. The Mexican Attorney General replied to Mr. Levi, asking him to tell President Ford that the Mexican Government had been working for many years on the poppy eradication campaigns and that each year had been an increase in results; but that hitherto the results had not been satisfactory despite the good efforts of the Mexican Government. This year, however, the AG wished to assure President Ford that the Mexican Government would have a highly successful campaign, far better than any previous.

4. There followed a lengthy discussion of the problems of the present intensified campaign, and requests by the GOM for specific items of assistance arising out of them (see subsequent telegram). Mr. Levi and Ambassador Jova asked searching questions, based largely on points in refutel; these and Ojeda's answers, will also be reported later.

5. Amb. Jova noted that in choosing Mr. Levi as the bearer of his personal message, President Ford was emphasizing his administration's great anxiety over the narcotics problem, while at the same time a written *démarche* by the Department of State might perhaps be avoided. Ojeda expressed his great appreciation on the President's tact and consideration in using Mr. Levi as his emissary, and said he very much hoped there would be no need for a written *démarche* since the approach had already been on such a high level. He said he was confident that an urgent infusion of additional equipment and personnel would save the campaign and indeed convert it into a great success.

6. Both Attorneys General agreed that the details of this meeting should receive minimal or no press publicity, and Ojeda asked specifically that it not be portrayed as the USG making demands on the GOM. That, he said, would only force him into a counterproductive, defensive public posture which would be no good for either side.

Jova

91. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, February 3, 1976.

SUBJECT

Narcotics: Response to Letter from Mexican President Echeverria

President Echeverria has written you expressing concern over the illegal traffic in dangerous narcotics and proposing establishment of parallel Mexican and U.S. Commissions to deal with the broad problem of narcotics use and traffic (Tab B). President Echeverria's letter followed a recent discussion on narcotics with Ambassador Jova and Congressmen Lester L. Wolff (D., N.Y.) and Benjamin A. Gilman (R., N.Y.).

President Echeverria proposes the establishment of twin national commissions that could undertake parallel studies of all aspects of the drug abuse problem, propose new lines of action and expand coordination between our two countries. He believes each national commission could be composed of officials of the executive and legislative branches as well as representatives of the mass communications media and the public. He further states that he is proceeding to establish a Mexican Commission along these lines.

In conjunction with the concerned Federal Agencies, the Domestic Council, OMB and NSC have begun a study of the Mexican proposal to determine how we can best take advantage of Echeverria's initiatives and assure, to the greatest degree possible, Mexican cooperation in the struggle against illicit narcotics. We will soon forward to you our recommendations on how we can best use existing drug commissions to parallel the one being organized by Echeverria.

In the interim I recommend that you respond in a warm fashion to Echeverria's letter. The suggested response at Tab A indicates that you

¹Summary: Scowcroft recommended a warm response from President Ford to Echeverria's proposal for the establishment of parallel national commissions on the problem of illegal narcotics trafficking.

Source: Ford Library, National Security Adviser Papers, NSC Latin American Affairs Staff Files, Country Files, Box 4, Mexico—Narcotics Problem (Operation Intercept) 2. Confidential. Sent for action. A note on the memorandum reads: "The President has seen." Attached but not published is a February 6 letter from Ford to Echeverria welcoming the Mexican proposal. The letter from Echeverria described as Tab B was not attached, but the Embassy transmitted its text in telegram 629 from Mexico City, January 16. (National Archives, RG 59, Central Foreign Policy File, D760017–0498) In a January 9 memorandum, Rogers and Ernst expressed their view that the proposal had merit. (Ibid., ARA/MEX Files: Lot 78D297, SOC 11–5–25, Proposal for Twin Commissions to Combat Drugs, 1976) The Department transmitted the February 6 letter from Ford to Echeverria in telegram 31837 to Mexico City, February 9. (Ibid., Central Foreign Policy File, D760049–0563)

have established a task force to consider ways in which we should organize ourselves to collaborate closely with the commission he is establishing. The proposed response also underscores the importance you attach to measures our governments are already taking, both separately and together.

The Domestic Council and OMB concur in this memorandum. Bob Orben's office has cleared the text of the letter.

Recommendation:

That you sign the letter to President Echeverria at Tab A.

92. Memorandum Prepared in the Central Intelligence Agency¹

Washington, February 26, 1976.

SUBJECT

Mexico's Narcotics Problem

In recent years, Mexico has become the main source of illicit narcotics, especially opiates, entering the U.S. The flow of drugs across the border continues despite extensive eradication and interdiction efforts. [4 lines not declassified]

Both President Echeverria and his designated successor, Jose Lopez Portillo, have recently spoken of the social and economic impact that the government-run narcotics enforcement program could have in rural areas. For the first time since Mexican drug production, particularly heroin, began skyrocketing in the early 1970s, they have emphasized the need to provide alternate sources of income for the peasants who grow the illicit crops.

In the past, Mexican officials had not paid any apparent attention to the social and economic implications of drug growing among the rural poor. They tended to view the activity as strictly illegal and gave no thought to compensating peasants for refraining from breaking the law.

¹Summary: This memorandum discusses the growing narcotics problem in Mexico.

Source: Central Intelligence Agency, [text not declassified] Files, Job 85T00353R, Box 1, Folder 25. Secret; [handling restriction not declassified]. Prepared in the Office of Current Intelligence. All brackets appear in the original except those indicating text that remains classified.

The new concern over what would happen if this source of cash income were cut off implies that the government is worried about the possibility of rural unrest. More important for the longer term, it may indicate that Mexican leaders have come to believe that, in addition to eradication and enforcement programs, the government must deal with the root causes of the problem.

[2 paragraphs (16 lines) not declassified]

[2 lines not declassified] The appointment of Dr. Alejandro Gertz as Attorney General Ojeda's assistant has brought definite improvement. He has taken a tough line against corruption and incompetence. The Mexicans have made the politically unpopular decision to use herbicides. Thousands of poppy and marijuana fields are being destroyed by the herbicides being sprayed from fixed-wing aircraft and helicopters.

Inefficiency and the logistic and coordination problems that plagued the program when it began last November are slowly being remedied, but it is too early to know how significant an impact will be made during the current growing season.

The Campesino Involvement

There is probably good reason for the Mexicans to be thinking about finding alternate sources of income for those involved in drug production.

[1 paragraph (8 lines) not declassified]

Those involved in opium production most often are subsistence-level campesinos who earn many times more income from opium than from the equivalent in corn or beans. In fact, they usually grow opium to the exclusion of anything else, relying on their cash income to buy food and other staples. Opium is far and away the most important crop in the growing areas and hence is nearly the sole source of income for entire villages in the High Sierras.

The economies of the states where most of the trafficking takes place are heavily affected. The Governor of Sinaloa has reportedly stated that his whole state economy is tied to the traffic, both through the operation of large trafficking organizations and through the involvement of the thousands of individual growers.

The role of the campesino varies considerably. Some are paid by large organizations to plant, cultivate, and harvest the fields. The organization provides the seed, tools, irrigation equipment, and protection from the authorities.

Other campesinos work independently, financing themselves and selling their opium to known collectors or directly to someone who operates a heroin laboratory. This campesino may make a larger profit but—without protection from an organization—apparently is the prime target of the government's enforcement efforts.

In some cases, campesinos are simply hired as day laborers to work fields run by the organizations. In the State of Guerrero, for example, they may be paid as much as \$16 a day—about four times more than normal agricultural laborers. Thus, while the campesino's share of the profits is quite small when compared with the middlemen, producers, and distributors, he is economically much better off than if he devoted his time to regular farming.

The lands used for poppy production are usually not suitable for other crops. There may be land nearby that is suitable for legitimate farming, but it is not necessarily available to the campesino on favorable terms. He simply cannot match the returns that drug production reaps. Some areas, such as the States of Sinaloa, Sonora, Durango, and Chihuahua, are rich agriculturally and could probably absorb the campesino in legitimate farming pursuits. Other areas, such as the State of Guerrero, are very poor and narcotics production offers relatively bright economic prospects that would otherwise not be attainable.

Government Control

Because of the remoteness of the drug production areas, governmental control or authority of any kind is sporadic or nonexistent. This is particularly so in the lawless parts of Guerrero and the Culiacan area of Sinaloa. In emergencies, such as labor union battles or student disturbances, the army is called in to maintain order. Otherwise, the federal government is likely to let State authorities run their own affairs. In many areas, local political bosses hold sway and federal authorities and the army have been reluctant to step in and assert control, although the army frequently engages in gun battles with growers and traffickers.

[5 paragraphs (46 lines) not declassified]

[1 chart not declassified]

[6 paragraphs (72 lines) not declassified]

Positive Factors

Fortunately, some positive factors are working to the advantage of the program. Mexico is committed to the anti-narcotics effort for very important reasons: 1) its aspirations as a Third World leader require an impeccable moral posture before the international community; [2½ lines not declassified] 3) Mexico is quite genuinely concerned about its own drug abuse problem [1 line not declassified].

93. Telegram 2918 From the Embassy in Mexico to the Department of State¹

Mexico City, March 4, 1976, 2305Z.

2918. Subject: U.S. Prisoners in Mexico—Call on Foreign Minister Garcia Robles. Ref State 37914.

1. Secretary Kissinger's letter to Foreign Minister Garcia Robles was delivered immediately upon arrival. Due to my absence from Mexico at interparliamentary meeting I had to cancel earlier appointment but saw him this morning in order to reinforce orally our concerns on problem.

2. Garcia Robles was receptive and sympathetic. He said he had carefully read the Kissinger letter and had asked for a staff study to be made in order to give a more profound reply. He drew from the letter that we had three principal fields of complaint, to wit: A. Notification and access—he recognized that Mexico had a treaty obligation in this regard, reminded me that Attorney General Ojeda Paullada has sent out a circular, acknowledged my point that compliance was still spotty. I gave him a summary and a chart of the situation as it applied particularly to the Mexico consular district. He said this material would help his staff on their study and he intended to ask Ojeda Paullada to re-issue circular. In his mind immediate access should be the same day if possible and if not on the succeeding day. B. Detainment without sentencing—our concern about the lengthy trial delays, particularly beyond one year. This matter was being investigated. He understood that in many cases the delay was due to the actions by the defense but there was also the case of overloaded court dockets. He pointed out that in a recent communication to the Embassy the Ministry had told us that in those cases where a prisoner felt that his constitutional rights were being violated by delays of more than a year that the possibility of requesting relief through “ampara” existed and this could be done on an individual basis by counsel. C. Allegations of physical abuse—this was a painful subject for him as he recognized that despite good intentions at the top of the Mexican Government, there probably were valid instances of abuse. It was a matter on which both sides should exercise

¹Summary: Jova discussed a letter on the treatment of U.S. citizens in Mexican prisons with Mexican Foreign Secretary García Robles, who offered assurances of the seriousness with which he viewed the issue and noted that he had requested a staff study of the problem.

Source: National Archives, RG 59, Central Foreign Policy File, D760084–0123. Confidential. In telegram 37914 to Mexico City, February 17, the Department transmitted the text of a February 16 letter from Kissinger to García Robles that outlined U.S. concerns about the treatment of American prisoners in Mexican jails. (Ibid., D760059–0483)

constant vigilance, and he agreed that notification and access were important detriments both to physical abuse and to false allegations thereof. He would include this matter not only in his staff study but in his recommendation to the Attorney General.

3. Speaking more generally we discussed prison conditions in Mexico and referred to an article on this subject in today's edition of *El Sol*, one of the leading Mexico City dailies. He was interested in my observation regarding conditions at Lecumberri as contrasted with more enlightened management in the women's prison at Los Reyes.

4. In closing the conversation, Garcia Robles asked me to assure the Secretary that he took this matter seriously as he realized the bad image it could give Mexico and the irritants that it would cause in our relationship. He preferred to delay in replying personally to the Secretary until his staff study was further along and told me he was hopeful of finding some "new angle" or useful new procedure which might be utilized to improve matters and give greater agility to the GOM response. In the meantime, he had centralized action on notes from the Embassy on this matter in the hands of Under Secretary Gallastegui in order to avoid any further embarrassing instances where delays in reply had occurred.

5. I was gratified by the obvious sincerity displayed by Garcia Robles. He had studied the matter carefully and was fully up to date on both the Vienna and the bilateral consular convention and is obviously taking a personal interest in the matter.

Jova

94. **Telegram 5574 From the Embassy in Mexico to the Department of State**¹

Mexico City, April 30, 1976, 2030Z.

5574. For Assistant Secretary Rogers from Ambassador Jova. Subject: Echeverría's Concerns re Pressures on Peso.

1. *Summary:* Yesterday afternoon I saw Gutierrez Barrios and in the evening saw President Echeverría to reassure him regarding our position on pressures on the peso as well as to raise matter of Mexican attitude in Law of Sea Committee One (see septel). Echeverría while reasonably cooperative on LOS was in an emotional state on the pressures on the peso which he specifically claimed to be the result of an American press conspiracy orchestrated by the American Government and specifically the Department of State, and perhaps the CIA. While I left him in a somewhat more reasonable mood he was not fully convinced and seems to be desirous for some U.S. Government action such as a statement on the matter, preferably in Washington. *End summary.*

2. I discussed this matter first with Gutierrez Barrios at the residence and he gave me a reasoned exposition of the political consequences in an election year, and at a time when the Mexican scene is beginning to be marked by student and labor unrest and violence, that would ensue from a devaluation of the peso. He recognized the internal causes of the current run on the peso but said American press reporting and speculation had since contributed greatly to these existing pressures. While GOM was prepared to do everything possible to hold peso parity should the run on the peso continue, its reserves would be exhausted and it would be unable to maintain parity. The consequences of devaluation could be very destabilizing. It was for this reason he said, somewhat apologetically, that President had asked him to follow up on previous day's conversations of Olloqui and Castaneda with

¹ Summary: In a meeting with Jova, Echeverría voiced suspicions that the United States was orchestrating a campaign to undermine the stability of the peso. Jova assured Echeverría that the U.S. Government was not involved in the placement of press reports then appearing on the Mexican monetary situation.

Source: National Archives, RG 59, Central Foreign Policy File, D760165–0754. Secret; Immediate; Exdis. All brackets are in the original except those indicating text that remains classified. In telegram 5428 from Mexico City, April 28, the Embassy reported on a meeting in which Gutiérrez Barrios requested an appointment with [name not declassified] to convey Mexican concern about pressures on the peso. (Ibid., D760161–0970) In telegram 104363 to Mexico City, April 30, the Department informed the Embassy of a meeting in which Mexican Subsecretary of Foreign Relations Castañeda informed Rogers of his government's concern over U.S. press reports of an imminent devaluation of the peso. (Ibid., D760166–1102) In telegram 110474 to Mexico City, May 7, the Department reported on a May 1 meeting in which Luers assured Gutiérrez Barrios that the United States was "not behind the press activities." (Ibid., D760176–0592)

Rogers by going to see [name not declassified]. It was after all delicate for a Mexican Ambassador to state openly that his President was actually frightened by situation and he could do this more freely as a personal messenger [name not declassified].

3. I told Gutierrez Barrios of my telephone conversations with you in which you had given me an account of your talk with Olloqui and Castaneda repeating your point that our interests are identical with those of Mexico on this matter, that we will be very energetic to avoid doing anything to contribute to the rumors and that we also favor a strong Mexican currency. I reminded him that Mexico is practically the only country with which Treasury has a swap agreement and that this was an indication of our interest and potential support in this regard. The matter of a possible statement by us was discussed and Gutierrez Barrios felt that it might be preferable to have the statement made in a low key manner in Mexico.

4. Regarding his forthcoming visit [name not declassified] I reassured him that I agreed that this furnished still another useful opportunity to make the Mexican point of view known in addition to the Olloqui-Castaneda conversation with you and that after all an Hispanic juridical aphorism says "lo que abunda no dana." He suggested that as both LOS matter and peso situation were so important it would be well for me to see President personally that night, pointing out that this also would give me an opportunity to greet him after my return to Mexico and to express my appreciation for his understanding and support during recent personal troubles.

5. We saw President at about ten p.m., he having come directly from a nine-hour meeting with Ministry of Industry and Commerce (Echeverria is conducting a series of CASP-like reviews with each Ministry to survey accomplishments of regime and what can still be done in its remaining seven months). Echeverria, though proud of his nine-hour marathon session ("in a hard chair yet"), was obviously tired, strained and in somewhat querulous mood. Though Echeverria was helpful on LOS matter, he was extremely aggressive on peso situation, ascribing pressures on peso to an American press campaign orchestrated by the United States Government and specifically the Department of State. He could only think that this was revenge for his independent foreign policy which we were so shortsighted as not to recognize had brought social tranquility to our southern neighbor and hence was to our advantage. Should this situation not be remedied he foresaw a disagreeable visit for Secretary Kissinger with possibility of demonstrations, press attacks, etc., which was quite contrary to enthusiastic welcome which he had originally envisaged for him.

6. I told Echeverria very clearly that he was completely mistaken, that there was no U.S. Government, let alone Department of State con-

nection with relatively isolated press comment regarding Mexican monetary situation, that the press at home was completely independent and its reporting of matter stemmed from certain aspects of Mexican internal economic situation. I reiterated your comments to me about our identity of interests both in regard to speculation and rumors and to the desirability of a strong Mexican currency. I told him that it would be extremely unfortunate to link in any way the Secretary's visit to this type of reasoning, pointing out the Secretary's long friendship for Mexico and the enthusiasm with which he was looking forward to visiting here again. The President was unconvinced and going so far as to thump me on the knee, said "you say that the State Department is not behind this but I say it is, and maybe even the CIA." He claimed that the wire services and very specifically UPI (as in Kewpie doll) were creatures of the American Government and were the leaders in this conspiracy to bring Mexico to its knees.

7. The conversation, as you can imagine from previous experience, was not only repetitious but somewhat rambling covering a review of his policies toward Cuba, Chile, the Third World, the importance of CERDS and growing support for it in developing world (according to him, Italy was about to subscribe); the fact that while Castro had not come to Mexico, due in part to Mexican coolness re Angola, the Pope on the other hand was coming (on October 12 to dedicate the new Basilica of Guadalupe), etc. I too was equally repetitious in our assurances regarding our attitude on the desirability of a strong peso, our identity of interests, the fact that this was one of the few swap agreements that existed, etc. Echeverria grew somewhat more relaxed as the interview went on, but said it was now up to the State Department to take some action to help calm the situation. He hoped that we would discipline the wire services and the *New York Times* in some manner—fortunately Fausto Zapata was brought into the room at this point and he strengthened my arguments that any attempts by State Department to handle U.S. press "a la Mexicana" would be counterproductive. (Zapata will take a brief leave of absence from his Senate campaign to go to the United States on Monday in order to work on James Reston, Marquis Childs and other very close press contacts.) The possibility of some sort of a declaration by an American official source was discussed and the President (contrary to the previously expressed view of Gutierrez Barrios) felt strongly that any statement should be made in Washington itself rather than here.

8. In the final most relaxed part of the conversation, Echeverria reverted to the Kissinger visit saying we had all of five weeks in which to improve and sweeten the atmosphere, that he was looking forward very much to the visit and that the way he envisaged it, the Secretary would have some rest by himself in Cancun as it was not Echeverria's

intention to join him there but would see him afterwards on arrival in Mexico on Saturday.

9. He suggested that it would be appropriate if he spent only an hour or so with Kissinger while a much longer interview would take place with candidate Lopez Portillo who after all was the wave of the future. He hoped to take the Secretary to visit his Third World University and suggested this might be combined with a family-type dinner at his private residence. He had invited 112 Chiefs of State to the inauguration of the Third World University and while he thought only ten or twelve might attend, all the rest would be represented by Ministers. He spoke again glowingly of the Pope's projected visit to the agnostic President Echeverria and the fact that his government was subsidizing the new Basilica.

10. By the time I left the President was almost relaxed and in full good humor and I took advantage of this to urge that still stronger instructions be sent to the Mexican LOS delegation (this morning Gutierrez Barrios confirmed to me that such instructions were in fact sent).

11. *Comment:* We must recognize that current Mexican scene (with student unrest, campesino land invasions and labor difficulties in addition to inflation, capital flight and consequent pressures on peso) would be enough to put almost any Chief of State in a tense mood. Nevertheless, the emotionalism displayed by Echeverria, the depth of his suspicion of the United States combined with his appalling ignorance of elementary features of U.S. political dynamics, cannot help but be worrisome, especially in light of his past record of impulsive behavior. For these reasons recommend that you continue to concern yourself personally with Washington aspects of the problem.

Jova

95. Telegram 5998 From the Embassy in Mexico to the Department of State¹

Mexico City, May 11, 1976, 0016Z.

5998. Subj: Foreign Secretary's Response to Secretary Kissinger's Letter on AmCit Prisoners in Mexico. Ref: Mexico 5528.

1. Embassy is impressed by positive nature of reply of ForMin García Robles to Secretary's letter on AmCit prisoners in Mexico (reftel). While containing predictable denial of mistreatment of AmCits, it is interesting that it is cast in the context of non-discrimination (i.e., Mexican prisoners here are treated just as badly). Our experience indicates that there is little discrimination against AmCit prisoners although they may be more subject to extortion because they have (or are believed to have) more money than the average Mexican prisoner.

2. ForMin's reply also interesting for its recognition of the special psychological and sociological stresses to which AmCit prisoners are subject in Mexican jails, in a foreign country far from family and friends, and its proposal (the first time from the GOM, so far as we are aware) that consideration be given to an agreement for an exchange of prisoners.

3. Embassy realizes that there may be substantial legal and political obstacles to reaching such an agreement on the part of the U.S. (conceivably, ForMin is making this proposal on the assumption that the USG cannot respond affirmatively). But Embassy urges that this proposal be thoroughly explored. In any event, it seems to us that the ForMin's reply can be useful to us in that it opens the way for the U.S. to make proposals of its own to deal with this vexing problem.

4. We are uncertain of the extent to which ForMin may have vetted his proposal in other departments of GOM. Needless to say, any public disclosure by the U.S. side would be extremely damaging to the pros-

¹ Summary: The Embassy commented on García Robles's suggestion that the U.S. and Mexican Governments explore a possible agreement that would allow Americans convicted of crimes in Mexico, and Mexicans convicted of crimes in the United States, to serve their sentences in their respective home countries.

Source: National Archives, RG 59, Central Foreign Policy File, D760180–0933. Confidential; Limdis. In telegram 5528 from Mexico City, April 29, the Embassy transmitted the Spanish text of García Robles's March 25 letter to Kissinger. (Ibid., D760166–0336) In telegram 6025 from Mexico City, May 11, Jova reported that García Robles's proposal for an agreement on the transfer of prisoners was "a personal and semi-official idea on his part" but that the Foreign Secretary recognized "that the prisoner issue is bound to cause trouble between the two governments" and was "proud of having produced an innovative idea as a basis of discussion." (Ibid., D760182–0535)

pects for success of his proposal or any counterproposal we might wish to make.

Jova

96. Memorandum of Conversation¹

Mexico City, June 10, 1976, 7:45–10 p.m.

SUBJECT

Secretary's Meeting with Mexican Foreign Minister García Robles

PARTICIPANTS

MEXICAN

Foreign Minister Alfonso García Robles

Under Secretary Jose Gallastegui

Under Secretary for Special International Studies and Affairs Jorge Castaneda

Ambassador Jose Juan de Olloqui

U.S.

Secretary Kissinger

Under Secretary Carl Maw

Assistant Secretary William D. Rogers

Ambassador Joseph John Jova

Stephen Low (Notetaker)

García Robles: I would like to welcome you to Mexico, Mr. Secretary. We have a number of subjects which we would like to discuss with you. I gave a list of them to Ambassador Jova, and we would be glad to discuss anything which you would like to bring up. I propose we discuss them in this order: First, trade relations between the U.S. and Mexico. Second, the question of illegal trafficking of narcotics. Third, the question of undocumented migrant workers. Fourth, the question of American prisoners in Mexican jails, and Mexican prisoners

¹ Summary: In a meeting with García Robles and other Mexican Foreign Secretariat officials, Kissinger and other Department officials discussed anti-drug efforts, illegal migration, and the possibility of a prisoner transfer agreement.

Source: National Archives, RG 59, Central Foreign Policy File, P820118–1381. Secret; Nodis. Approved by Haley Collums in S on July 20. The conversation took place at the Mexican Foreign Ministry in Mexico City. All brackets are in the original except those indicating text omitted by the editors. Attached but not published is a list of action items arising from the conversation between Kissinger and García Robles. The article García Robles mentioned was published June 6. (Everett R. Hollis, "Bandit Gangs Prey on Mexican Aliens Crossing Border to Seek Work in U.S.," *New York Times*, June 6, 1976, p. 26)

in American jails. Fifth, the question of the exclusive economic zone. Sixth, the question of exploration and exploitation of the deep-sea and seabed resources. Seventh, the question of the reform of the inter-American system. Eighth, any comment the Secretary would like to make on your participation in the General Assembly in Santiago. The list isn't limited, and we would be pleased to examine any matters that the Secretary would like to add to it.

The Secretary: Do you serve breakfast? We may need it with that list.

Garcia Robles: You could make it as long or as short as you wish. Shall I start?

[Omitted here is discussion of trade relations.]

Garcia Robles: The second subject, the question of illegal trafficking in narcotics, is easy. Immediately after the visit of Attorney General Paullada when he met the highest officials of your country, including the President, Ambassador Vance affirmed that Mexico was spending \$35 million annually while the U.S. spent something like \$33 million during six years to eradicate the production of narcotics in Mexico which was consumed in the U.S. He also mentioned the soldiers and policemen who have been killed in the campaign. Mexico has been doing its share, and I am happy that it is being recognized by the U.S.

The Secretary: We greatly appreciate it. I will take the occasion to mention it in a public statement. We don't have any specific requests to make.

Jova: We are satisfied with the cooperation and hope it will increase.

Garcia Robles: The question of undocumented migrant workers is next. The results were encouraging of the meeting of the two Commissions last April. The spirit which prevailed was very good. We have found that there was a spirit of understanding on both sides, so that the problems could be solved. We have made some modest, concrete suggestions in connection with the migratory workers who have been living for some time in the U.S. They are virtual residents there. We would like the U.S. Government to do its best to normalize their conditions.

The Secretary: Do you mean the minimum wage law or citizenship?

Jova: That they not be subject to expulsion.

The Secretary: How do we know how long they have been there?

Castaneda: This has been discussed for years. There is a draft law before Congress. If they are working, then the migratory situation should be regularized. For those who are receiving money from welfare, perhaps not.

The Secretary: I discussed that problem after the meeting with President Ford on the border. Labor is for it. The trouble is that those who are doing the hiring would oppose it. Meany is for it, but he is against letting them in. Once in, he would want to protect them.

Castaneda: That's our view, too.

The Secretary: We have never had a study of this. I have never seen one.

Garcia Robles: The working groups which met are actively discussing a study on this subject.

The Secretary: Can we produce on it?

Garcia Robles: We haven't come to a firm conclusion as to how we ought to be going, given the size of the problem and politics involved. Many imaginative ideas came out of the meeting.

Castaneda: One of the ideas was to strengthen the border industries. Increasing the American market could help keep people on the land.

Jova: These are the two problems: keeping people on the land and protecting those already in the U.S.

Garcia Robles: Another measure we think would be possible and not difficult is a campaign against middlemen who, for personal advantage, incite workers to migrate. We want to recommend that officials at minor levels be more prudent with the information they publicize.

The Secretary: I have no trouble with this in principle; I am in agreement with it. But how do we apply it to the undocumented workers? What is the issue?

Garcia Robles: The gravity of the effects of the workers on employment in the U.S. has been exaggerated by some.

The Secretary: Who does that? Don't be too polite with me. I am not so subtle. Is there something specific? Some agency of ours that is doing something?

Castaneda: In the working group we agreed that it is desirable for both governments to try to avoid exaggeration. In one or two instances, the Immigration and Naturalization Service did so. No one knows what the problem is exactly, and the figures have been exaggerated.

The Secretary: If something concrete can be done, if there is a useful contribution I can make, I would like to do so. Who is the top official? I can contact him.

Oloqui: General Chapman gave an interview. He said that the U.S. is flooded with migrant workers. When this kind of thing is published, it creates misunderstanding and Meany gets excited. He starts talking about a silent invasion.

The Secretary: Chapman is under Levy. I will take it up with him.

Rogers: He's been better lately.

Jova: Somewhat more discrete.

Garcia Robles: Then there is the matter of violent attacks to which the undocumented workers are subject when they enter the U.S. There was an article last Sunday in the *New York Times* entitled "Bandit Gangs Prey on Mexicans When They Enter the U.S." (He reads the article.)

The Secretary: Would that be the Texas government?

Rogers: Both State and Federal authorities are responsible.

Garcia Robles: The Immigration and Naturalization Service recognizes the seriousness of this. Another article I have here states that they recently doubled their force on the border. There are both Mexican gangs and American gangs involved in the mistreatment of these people.

Finally, there is one other question. Your presence has already had a salutary effect on this. There are some 18,000 workers who were going to be repatriated in groups of 100 to 200 a day. Your Embassy convinced the officials in Washington that this would not be the most appropriate moment.

The Secretary: For how long have they held it up?

Rogers: About ten days, I believe.

Garcia Robles: I believe conversations would be called for before embarking on this kind of operation.

The Secretary: Where do we stand?

Jova: They have desisted from charter flights. They wanted to do it commercially this week but it was postponed.

The Secretary: For a definite time?

Jova: Two weeks, but they haven't set a specific date.

The Secretary: I am trying to find out what I have to do to get a hold of the problem. Who is doing it? The Immigration and Naturalization Service?

Jova: Yes. This has been done over the years without objection when it is orderly. The fact they tried to do it by a charter created problems. Mexico wants to be able to document the workers before they leave the U.S.

The Secretary: I understand that you are asking to discuss the matter, not to stop the repatriation. You want to permit it, but to do it in an orderly fashion. In that case, let's see what we can do. I am in favor of discussion so you don't have people dumped on you on a rate which creates problems for you.

Garcia Robles: We need agreement on an orderly procedure. Sometimes the workers are not Mexicans but from other Latin Amer-

ican countries. Most are not documented. At least we need to find which are Mexicans and which are not.

The Secretary: It's a fair request.

Garcia Robles: Second, at this end of the line, they come to Mexico City where they become a problem.

The Secretary: It is a fair argument. We should do it. I will take this up personally on Monday. (To Rogers) Call Chapman about the public statements. (To Garcia Robles) We will let you know next week.

Garcia Robles: The question of American prisoners in Mexico and Mexican prisoners in American jails is next. A few figures would be good to bear in mind. On the 2nd of February 1976 there were 1,103 Mexican prisoners of both sexes in Federal prisons in the United States. I am not referring to the detention camps where there are 18,000.

The Secretary: In camps?

Jova: These are detention camps, not prisons.

Garcia Robles: Of the prisoners, 540 were in jail for violations of the migratory workers law; 451 on narcotics charges, and 112 for a variety of other charges. If these cases were examined with the same care which some American parents are giving the cases involving their sons in Mexico, there would undoubtedly be some cases of abuse revealed.

The Secretary: Prisons are places that encourage abuse.

Garcia Robles: Fifteen are minors and could have been liberated.

The Secretary: In Federal prisons—below 18?

Olloqui: These fellows are less than 15.

The Secretary: Our Federal prisons? Inconceivable! What did they do? Have we any procedure for dealing with this? If you have a complaint, how do we handle it?

Garcia Robles: The situation is not the best. There or here. Many Mexicans have been kept unduly in prisons in order to use them as witnesses in other cases. In Mexico we have roughly 600 American prisoners. Most of these are there on narcotics violations. One of the last lists which the Embassy gave us indicated that last March there were 66 Americans in prisons in the consular district under the responsibility of the Embassy itself. Fifty-eight were in prison because of narcotics violations. The campaign in the U.S. against the treatment of American detainees gathered strength immediately after Mexico had passed legislation cancelling bail. The Mafia felt trapped when they landed in prison and couldn't get out right away. But, of course, you have to take into account the parental feelings of those who have sons in jail. We could consider a mutual exchange of prisoners. I was amazed to read in *Excelsior* that there was a cable from their Washington correspondent saying that an officer of the State Department had said that international ex-

change of prisoners is a practice for countries at war, not those which are at peace with each other.

The Secretary: Our government at this moment is not the most disciplined of which history informs us. There are many who take advantage of this lack of discipline. We have not made a decision on this matter. Our legal people have studied it and point out that it could obligate us to carry out your sentences. They ask how it would affect our procedures for habeas corpus. We normally release people who have served one-third of their time. How will this affect relations if we release persons whom you have sentenced before you would have? Nevertheless, I decided to ask for a restudy of the matter. Even if this idea doesn't work, there is a concept here which we want to explore. Whoever made that idiotic statement doesn't represent our views. We think it is an interesting idea. I want to form a working group when we get back to study the legal questions, not the principle. One of the problems is that you would be angry if we released prisoners you had condemned. We could discuss this in working out the agreement. We want to restudy the proposal and consider it. We are open to your ideas which we consider very imaginative.

Rogers: It might be productive if we have bilateral conversations. You have thought about this and we would like to know more about your ideas.

Garcia Robles: There are many precedents. One is a convention of May 28, 1970, at The Hague, of the European Council. There is another convention signed by Cyprus, Denmark, Norway, and Sweden.

The Secretary: Do you think Cyprus and Denmark have many prisoners to exchange?

Garcia Robles: And there is the fifth committee in Geneva on exchange of prisoners.

Rogers: The idea is good. Let's exchange a list of problems. There are procedures in Mexico which need to be studied.

The Secretary: We will work through the Embassy to get talks started soon.

[Omitted here is discussion of law of the sea issues and reform of the inter-American system.]

97. **Telegram 8640 From the Embassy in Mexico to the Department of State¹**

Mexico City, July 6, 1976, 2233Z.

8640. Subject: PRI Claiming High Voter Turnout for Jose Lopez Portillo. Ref: Mexico 8598.

1. PRI leaders are exuberantly claiming that PRI Presidential candidate Jose Lopez Portillo has defeated the "party of abstentionismo" in elections held here July 4. With approximately 70 percent of ballot boxes in Presidential election counted, JLP is winning 92 percent, the other 8 percent going to "unregistered parties" and annulled ballots, without specifying number received by unregistered candidates Valentin Campa (Mexican Communist Party) and Pablo Emilio Madero (National Action Party, PAN). More importantly, PRI sources project that JLP will receive some 17 million votes, or 65.5 percent of all registered voters (Echeverria received 55 percent in 1970), and that the rate of participation will reach 71 percent of all registered voters (compared to 65 percent in 1970).

2. With the various parties being the only sources of information thus far, the PRI is claiming victories in all 194 and all 64 congressional and senatorial races, respectively. The PARM (Authentic Party of the Revolution) is claiming 9 victories (PRI sources admit that the race in Nuevo Laredo, which PARM won in 1973, is "very close"), the PAN thus far is claiming victory only in Puebla's sixth district (PAN won four seats outright in 1973, none in 1970), and the PPS (Popular Socialist Party) is not yet claiming any victories except for the senatorial candidacy of PPS President Cruickshank, who received PRI endorsement in Oaxaca.

3. In the federal district, where the PRI and PAN invested most of their resources, partial returns show the PRI getting about 65 percent of the valid ballots cast, the PAN 25 percent, the PPS 5.7 percent and the PARM about 4 percent. Rate of abstention, which will be a more revealing statistic, is not yet available. Number of deliberately annulled ballots likewise has not yet been published.

¹ Summary: The Embassy summarized early returns from the July 4 Mexican Presidential election, noting that unopposed candidate José López Portillo had a commanding lead.

Source: National Archives, RG 59, Central Foreign Policy File, D760260-0969. Confidential. Pouched to all consulates in Mexico City. All brackets are in the original except "[be]", added for clarity. Telegram 8598 from Mexico City, July 3, is *ibid.*, D760257-1147. In telegram 8965 from Mexico City, July 13, the Embassy transmitted an updated report on the election results, noting that turnout had apparently been relatively high and that opposition candidates had not fared well in congressional contests. (*Ibid.*, D760270-0747)

4. PRI and GOM officials are emphasizing, along with the defeat of “abstentionism,” the lack of violence during election day. Although bombs exploded in PRI and PAN headquarters in Guadalajara on July 5, election day itself apparently was peaceful throughout the nation. Mexican security forces had anticipated some terrorist acts and had taken stringent security precautions.

5. *Comment:* Since returns thus far are only partial results, because political parties themselves are thus far the only sources of these returns, and thirdly because official results themselves, when available, will be only slightly more reliable than party figures, just what has happened in these elections is difficult to say. A tentative conclusion is that Lopez Portillo has been an attractive candidate and that he has gotten a good response to his appeal for a “mandate” to govern. It would also appear, pending further information, that internal divisions within the PAN have caused it to slip in the federal district, where it did well in 1973 (about 43 percent). If the PARM does win several seats, it may [be] because disaffected elements within the PRI urged voter support for PARM candidates. For example, according to a confidential DAO source, the new leadership of the Telephone Workers’ Union mobilized support against the PRI candidate in Guerrero’s sixth district, Salustio Salcedo Guzman, who lost his leadership of that union in the special referendum held in late April.

Jova

98. Memorandum From Robert Hormats of the National Security Council Staff to the President’s Assistant for National Security Affairs (Scowcroft)¹

Washington, August 20, 1976.

SUBJECT

Economic Crisis in Mexico

The Mexican economy is on the brink of a major crisis. Mexico’s debt is roughly \$22 billion as compared to \$6 billion five years ago. This

¹ Summary: Hormats informed Scowcroft that Mexico’s massive external debt had brought the country to the brink of a major financial crisis.

Source: Ford Library, National Security Adviser, Outside the System Chronological Files, Box 5, 8/3/76–8/30/76. Top Secret; Exclusively Eyes Only. Sent for information.

year alone it must repay roughly \$5 billion in foreign debt, primarily to U.S. and European banks. Under current circumstances, it is unlikely to be able to do so. It is losing foreign exchange reserves at the rate of roughly \$150 million per week, and will likely run out of reserves within two and one-half weeks. Unable to repay its debts, Mexico will have two types of options:

- 1) Declare a debt moratorium, which would cause enormous problems to the foreign banks which are its creditors. And this would, by association, make it extremely difficult for Brazil to continue borrowing on international capital markets;

- 2) Undertake a dramatic peso devaluation (roughly 40–50%), with the attendant increase in domestic prices, along with a stringent domestic reform program to reduce government expenditures and to attract back some of the foreign capital which has recently fled the country (roughly \$2.5 billion outflow last year) and which will be needed to enable Mexico to repay its debt.

Having to resort to either option will be seen as a major disgrace for Echeverria—an admission of egregious economic mismanagement. Given the erratic character of the man, he may react to this situation by taking a very strong antiforeign attitude, by choosing option 1; this would certainly result in enormous criticism abroad and cut off the Mexicans from further credits. He may thus couple this with closer movement toward OPEC (a potential source of new funds) and perhaps movement toward some of the more radical countries in the Caribbean. Alternatively, if he is forced to undertake the difficult domestic reforms of option 2, he may try to blame them on Lopez Portillo, who has been intimately involved in the Mexican economy for some time and whom (it is rumored) Echeverria is now trying to prevent from coming to power. Echeverria has vowed that he will not allow a devaluation during his term; if he is forced to undertake one he may try to turn it instead to a disgrace for Lopez Portillo, claiming it was Lopez's economic mismanagement which brought this on. Bill Hyland, whom I have briefed, is asking Bush to focus on the problem and its implications.

Ed Yeo and I are coordinating our analysis of this problem. He is in the process of preparing a paper for the President (and HAK) describing the problem more extensively, but I wanted you to have this information as soon as possible. As of now, no one outside Simon and Yeo in the Treasury Department, Bill Hyland and I know of the extent of the problem. We will continue to hold it extremely closely. Any mention of it would cause a complete erosion of Mexican reserves practically overnight. It would be wise, therefore, to discuss this with no one other than the President.

99. Transcript of Telephone Conversation Between Secretary of State Kissinger and the Under Secretary of the Treasury for Monetary Affairs (Yeo)¹

Washington, August 21, 1976, 9:31 a.m.

K: How are you?

Y: Fine. I wanted to call you to see if you wanted any further description of the Mexican situation.

K: What Mexican situation?

Y: Mexico is practically broke.

K: Is it Mexico or Brazil.

Y: It is Mexico.

K: He told me it was Brazil.

Y: The . . .

K: What he discussed with me is that we are trying to bail out . . .

Y: We are attempting to help . . .

K: No, no, the only reason I am confused Ed is because he told me in Kansas City that he was—that Brazil was broke.

Y: Well, the . . .

K: Are those . . .

Y: In the first instance it involves Mexico and the gist is that they have about \$23–25 billion in debt and they have \$150 million in reserves. They are losing \$150 million a week.

K: Then the question is do we want to bail out Echeverria?

Y: There are two questions. The first instance is there is a question of whether it is even bailable. There is a question of whether we get the IMF, which I have done, there is a question of whether the situation can be saved in the financial sense or whether they will have to reschedule the debt. If they do that we will have a bunch of badly bent bankers. Our people have \$10 billion down there. The shock of this would badly affect Brazil—the financial shock.

K: I see.

Y: Because in reality the Mexican situation is one of the greatest financial con jobs of all time. They concealed their numbers—there is no one in the financial community that has any idea of the situation.

¹ Summary: Kissinger and Yeo discussed possible responses to the financial crisis that threatened Mexico.

Source: Department of State, FOIA Electronic Reading Room, Kissinger Transcripts, Telecon with Yeo at 9:31 a.m., 8/21/1976. No classification marking.

K: Can this wait until Monday morning?

Y: Yes, it certainly can.

K: The reason I ask is I promised to take my wife to Camp David, and if I don't leave the office within an hour I may have a divorce on my hands.

Y: I wanted you to know about it now because Echeverria is under tremendous pressure.

K: To do what?

Y: If he decides to save the situation he has to accept a brutal devaluation.

K: Which he said he would never do.

Y: But he has to because of the line up of events, not because of what we are telling him. By reducing the budget deficit he has to reverse everything he has done to save it. People are telling him about the realities of the situation—not realities manufactured by us.

K: He could turn on us.

Y: That is the second alternative. He could declare a debt moratorium, impose controls and turn on us.

K: I think that is more likely. What do we do then?

Y: Well, I think there are a number of things we could do to prepare the way. There is one final thing—he would join OPEC in exchange for some money.

K: He will do that in practice if not in name. That knocks him off the GSP.

Y: He is sitting under enormous pressure—facing great humiliation.

K: Can I propose this—can I get my people to work over the weekend and we get together at 9:30 on Monday morning or is that too late?

Y: No, no. I will be here this weekend working. The only thing I have had a very limited group in the Treasury working on this for fear it will leak out. If it does that then rather than make it through the next week it wouldn't make it through Monday afternoon.

K: Let me put to work here Rogers and Shlaudeman and tell them not to have more than one other person working on it, if that is possible in this organization. Whom should they get in touch with, you?

Y: Fine.

K: Let's meet at 9:30 Monday morning.

Y: Fine.

K: O.K. Good.

100. Memorandum of Conversation¹

Washington, August 23, 1976, 9:30 a.m.

PARTICIPANTS

The Secretary
Edward Yeo, Department of Treasury
Under Secretary Rogers
Assistant Secretary Shlaudeman
Robert Hormats, NSC
Jock Covey, Notetaker

The Secretary: I told your boss he would have made a great Vice President, except it would have made his department totally insufferable.

Yeo: I thought we were already insufferable.

The Secretary: Did you hear the line that I used at the meeting with the Young Presidentials? I told them how glad I was to be in Kansas City to witness the reconciliation of two parties that had for so long been at odds with each other—and at the end I said I was thinking about the State Department and the Treasury Department (laughter).

Yeo: He is still recovering from all of that.

The Mexican reserves are about \$150 million. They can add to that about \$250 million by borrowing to bring them up to a total of \$400 million. But they are losing about \$150 million per week.

The Secretary: What happens when a country goes bankrupt? I mean what are the mechanics of it?

Yeo: They have to declare a debt moratorium.

The Secretary: That means no new borrowing. How much of that \$150 million a week is debt servicing?

Yeo: Most of it is being used to maintain the peso. You know currency maintenance is a three- or four-corner stool. If you pull one leg out, the whole thing collapses. Some of it goes into economic expansion which produces inflation, of course, and results in a large deficit in the current account.

The Secretary: Then the peso is over-valued and that makes imports cheaper, right?

¹ Summary: Kissinger, Yeo, Rogers, Shlaudeman, and Hormats discussed the financial crisis in Mexico.

Source: Ford Library, National Security Adviser, NSC Staff for International Economic Affairs Files, 1975–1976, Box 2, Country File, Mexico. Secret; Sensitive. All brackets are in the original except “[sure?]” and “[abrazo?]” added for clarity.

Yeo: Yes, and it makes exports more expensive. That is why the current account shows a deficit of about \$3 billion. But in the litany of Mexican political wisdom, stability of the peso is the number two or number three commandment.

The Secretary: What do they get out of supporting the peso?

Yeo: They get screwed.

The Secretary: Then why do they do it?

Yeo: Ever since they floated the peso in '49, one of the biggest symbols of effective Mexican leadership has been a steady exchange rate for the peso.

The Secretary: That shows the continuing influence of the upper class.

Yeo: Yes, and it has the following effects. It keeps the exports down; it makes imports much more attractive . . .

The Secretary: Which screws their own domestic industries.

Yeo: Yes. And third, it means that a lot of money is going out of the country. People see the crunch coming and they're getting their money out before it comes.

The Secretary: Tell me one thing. Is your perception of the situation shared by the Mexicans? Mexicans like Lopez Portillo?

Yeo: It probably is, but Lopez Portillo wouldn't say so for his own good health.

The Secretary: He seems to be avoiding a number of things for his own good health lately. So what do you think should be done?

Yeo: Echeverria will have to change his entire economic program.

The Secretary: Before December 1?

Yeo: He cannot make it as far as December 1.

The Secretary: Do you agree?

Shlaudeman: He obviously has been cheating heavily on his figures.

Yeo: He has to reduce the budget deficit. 9% of the GNP is enormous. He must devalue the peso by 40–50% and he has to put on a very tough monetary squeeze.

The Secretary: Who would all of that hurt? That would make imports expensive.

Yeo: Yes. It would hurt everybody.

The Secretary: The prices would rise?

Yeo: Yes.

The Secretary: More than the present inflation is causing prices to rise?

Yeo: It would produce a reduction in real income. It would be a very brutal squeeze.

The Secretary: Do you think it's conceivable he would do that?

Rogers: The alternatives are pretty stark too. If he has to declare a debt moratorium, his whole house of cards could come tumbling down.

The Secretary: If I know Echeverria, he will drag it out one way or another until December 1. He doesn't care Lopez Portillo gets dragged under. No average Mexican would understand that Lopez Portillo inherited the problem, and no new President would ever be able to make the hard decisions in the first week of his government. So it will get deferred until the first part of the new year when Lopez Portillo will have to carry the whole burden of the blame.

Hormats: They are already trying to borrow now to draw it out. They are shopping around the U.S., Japan . . .

Rogers: The U.S. is not willing to do very much and the IMF says they have to straighten out their exchange rate and their monetary policy before they will do anything.

The Secretary: How could you help if you wanted to? I'm not saying we should but if you wanted to, how would you do it?

Yeo: We could probably dig up \$500 to \$700 million. That would give them five to seven weeks more life.

The Secretary: I am [*sure?*] that Echeverria would just turn on us.

Shlaudeman: It is an Allende formula. He would have to blame us.

Rogers: There is no doubt that they are arguing exactly this point. They are probably going through agonies trying to decide whether to do this before the election.

The Secretary: As I see it there are two issues. One, should it be done before the election; and two, should they do it as a confrontation with the United States?

Yeo: If they are to hold on they will need a substantial chunk of financing and this we cannot do.

The Secretary: Can anyone?

Yeo: No one can come up with \$2 billion unless Echeverria is willing to mortgage a part of Mexico, like a forward deal on oil or something.

The Secretary: That he might do. How long would \$2 billion hold the peso up?

Yeo: Until a little bit before December.

The Secretary: The important thing is how it is done. Does this have to be anti-American?

Yeo: Well, the alternative is first to declare a moratorium on debt. Secondly, to impose exchange controls.

The Secretary: That would hurt the tourist trade, wouldn't it?

Yeo: Yes, it would hurt it some. And third, to move his entire domestic policy further to the left. That in turn would dry up some of the outside investment.

The Secretary: Then they would have to generate all their capital domestically. How would they do that?

Yeo: They would have to go over to a siege-type economy.

The Secretary: Would he have domestic support for that?

Rogers: It would split the country right down the middle. It is a highly import-dependent economy.

The Secretary: Then where would they get the capital from? Wouldn't that stop the U.S. from investing?

Yeo: Yes.

The Secretary: I don't think they can do that. Do you? Just on political grounds. Echeverria will get plenty of support for an anti-American policy, as long as it doesn't cost anybody anything. But if they can't drive cars, or it forces them to change their way of life . . .

Okay, I see two choices. If they do it in the orthodox way, it will be a terrifically austere program. Prices will be up and it will maintain the conditions for investment, but it will mean that Echeverria will expose himself as a failure. He will have no fall guy. The other choice is to go to a state economy and use the U.S. as a fall guy. The end result would just be about the same, except that the first course would give him a good chance of producing a strong economy in two or three years. But the second course means a long-term depressed economy—but it would get him to December 1.

Rogers: One thing you will have to reckon with is the possibility of a leak. The pressure is increasing tremendously now that Hurtado has talked to the IMF. As soon as people mention anything about the devaluation of the peso, the possibility of a leak runs very high. Hurtado's talk with the IMF has in a way started the clock ticking.

The Secretary: How did it ever go so far without anyone knowing?

Yeo: It is one of the great all-time con jobs. It makes Bernie Kornfeld look like an amateur.

The Secretary: I do not understand how a bank can put \$1 billion into a country and not know more about the domestic situation.

Hormats: It is a cumulative effect. Once they start investing, they can't stop. They are committed and they have to keep pouring it in.

Rogers: The biggest problem here is that if Mexico goes, there are other countries that these banks are loaning to and they will say to

themselves: “If Mexico has gone under, which was the darling of the investment company, what does it mean for Brazil and Peru?”

The Secretary: Then what is the solution? He certainly won’t pick the first choice.

Rogers: He would only do it kicking and screaming.

The Secretary: That’s very well. He will certainly not end his term with an orthodox plan for economic reform. His wife would kill him if no one else did. You know him, Bill. What do you think?

Rogers: No, I don’t think he would.

The Secretary: Maybe there’s enough pressure in the establishment to force him to do it. But he would not go on TV of his own accord and say that the country is insolvent.

Yeo: We will get the blame either way. From what little I know about the man . . .

The Secretary: Can he mortgage future oil production?

Yeo: In effect, he already has to some extent. The question is whether he can get a double mortgage. The Japanese might do it.

Shlaudeman: Do you think Hurtado told him how serious the situation was?

Yeo: I think so.

The Secretary: What are our choices? How would we pull it off if we do want to try to cooperate?

Yeo: Hurtado was asking us for a substantial swap . . . phantom swap. That is, we would announce a loan. We actually would loan nothing. We would make an announcement that they are borrowing, but they would put everything they took back into escrow.

The Secretary: That would give you a psychological advantage. Does this sort of thing happen often? Don’t economists read the fine print. Wouldn’t they notice that it is bullshit?

Yeo: We wouldn’t disclose the fine print.

\$150 million a week is the past average. They might be able to control things a little better for now and use somewhat less than that, but if Murphy’s Law comes into effect . . .

The Secretary: Which is Murphy’s Law?

Yeo: That the worst possibly thing will happen at the worst possible time, and one of the worst things that could happen now is a leak. That would blow the top off the whole thing.

The Secretary: What’s the solution?

Yeo: There is no real solution. That is, we have a solution but we need someone to sell it politically.

The Secretary: Maybe I could run for the job of President of Mexico. It is a remunerative position. Have you ever seen the house

that Echeverria had as a junior minister? You can imagine what it's like from that to be President.

Yeo: I can solve the economic problem . . .

The Secretary: Can you just see Echeverria now saying on TV: "Boys and girls, I'm sorry, but we've been overspending . . ." Maybe they can make him do it—but who would "they" be? And maybe the President shouldn't see Echeverria in San Antonio on September 7.

Rogers: I'm not at all sure he should call that off now. Echeverria was very flattered by your visit. When we make an effort to show him we are not out to get him, it may be very helpful.

The Secretary: Is that visit to San Antonio set?

Hormats: It's not at all clear.

Yeo: I don't think you should cancel it if it's been set.

The Secretary: Is the Lopez Portillo visit set? Do we have a firm date?

Shlaudeman: We don't have anything from the White House yet.

Yeo: The IMF cannot do anything for another two or three months. The question is what we can do to help in the meantime.

The Secretary: Who can do it? Who can talk to Echeverria? Bill Rogers would be best, but he will be in Africa at that time. It must in any case be someone who is known to love Latin America. Who else is there—Sol Linowitz? It must be someone who can give an *abrotzo* [*abrazo?*] and then begin a very friendly talk. Otherwise, we will have a macho confrontation.

Yeo: I told them a two-month stop-gap was not satisfactory. We have worked out a program but we did not tell him what he has to do.

The Secretary: Will the IMF tell him what he has to do?

Yeo: Yes.

The Secretary: The only way to talk to Echeverria is as a friend. But who can we send? It can't be me. That's too high a visibility and it will panic them.

Shlaudeman: Bill Rogers is the best.

The Secretary: No, he is absolutely necessary on the Africa trip. Ed, you would have to go along. It would be mad to try this without you, but we can let the IMF carry the can.

Yeo: I agree entirely. The second thing was once they start working with the IMF they can begin announcing everything they have been doing up until now. Then once everything is out in the open, we can come up with everything we can scrape together to help out until the IMF money can be made available. The right guy to speak for the IMF is H. Johannes Witteveen. He should be the deliverer of the *economic* message.

The Secretary: When should he do it?

Yeo: When he comes back from vacation, they should have a secret meeting.

The Secretary: The best man to carry the political message is clearly Bill Rogers. Do you think it's better to send you first or Witteveen, Bill?

Rogers: Witteveen should go first. The bitter medicine must come from the IMF.

The Secretary: Then maybe you can do it early next week. If nothing else, I will succeed in breaking your marriage. But you could go down and do it in a day, but then maybe I should take Suki on the next trip.

Rogers: That would help. Is Nancy going?

The Secretary: She gets exhausted on these trips and I'm not sure they are good for her. Maybe Larry Eagleburger should go and Marlene.

Rogers: I plan to be back by the weekend.

The Secretary: We are off again on Friday, but first you should see Echeverria alone with no interpreters. Then you could say that Yeo is along with you to help.

Rogers: Yes, but there should be a letter from you first to say that I am coming.

The Secretary: You have to be careful. He is a very dangerous man when he is cornered.

Rogers: He most certainly is. He is a wild man and is capable of destroying everything around him to demonstrate his historical significance.

The Secretary: He would be delighted to announce to the world that "I personally am responsible for international debt rescheduling." It is possible he has not understood the full significance of what is going on. He wants to get through until December 1 and make it miserable for Lopez Portillo if he cannot control him. But in any case, Echeverria would not want to go down in history as the Mexican president who introduced conservative financial policies to pay off international bankers unless he can find some sleight of hand . . .

Yeo: If we say we have a way to finance through December 1, he would be elated. But I would not know how to do it, and anything we do in the exchange stabilization fund, will be under very close scrutiny. There are a number of reporters now following Mexican affairs with some care.

The Secretary: Okay, suppose the bad news is conveyed to him by Witteveen. Then what?

Yeo: Then we should wait to see if the IMF hears back from Hurtado. The response is supposed to come from the Mexicans now. We

would go down to Mexico if the Fund has not heard from them in the next two or three days.

The Secretary: Suppose they turn down the Fund's proposal? Then what? I think it's 50-50 they say that this proposal works against Mexican sovereignty. I think Witteveen should get down there before they get the Mexican answer. You can never be too sure what those people around him are telling him, and he is capable of anything. If he unilaterally rescheduled international debts, he would be a hero to 125 countries. The Mexican upper class wouldn't like it, but I wonder if they have enough balls to force the issue. He is no Callaghan, you know.

Rogers: Nor even an Andreotti.

The Secretary: I would get Witteveen down there as soon as possible. Then Bill, as soon as possible after that—that is after Tanzania and Zambia.

Rogers: What about Mozambique?

The Secretary: Maybe you better do Mozambique too. Those guys will wet themselves when they see a real dictator.

I don't suppose there's anything else we can do right at this moment, but I wanted to thank you for bringing this to our attention. I hope you will keep us informed.

Yeo: It was a pleasure, and I will.

101. Memorandum From Secretary of the Treasury Simon to President Ford¹

Washington, August 24, 1976.

SUBJECT

Mexico's Financial Situation

1. Mexico is in perilous financial condition. Their total external debt is more than \$22 billion. Five years ago it was about \$6 billion. We estimate that in the next twelve months, debt service requirements will total perhaps \$5 billion. In the past year, external debt has increased by about \$5 billion. This combined with an \$800 million use of reserve assets has financed an estimated \$3½ billion current account deficit *and* a substantial capital outflow of nearly \$2½ billion. Mexico, like the U.K., has borrowed large amounts of short-term “hot money.”

2. Recently, Mexico has been losing reserves at a rate of \$150 million per week. If this rate obtains in the immediate future, Mexico will be out of reserves in 2½ weeks. Because of their structural current account deficit, the near exhaustion of their reserves *and* the reported (by them) inability to borrow further significant amounts in the capital markets, a default is quite possible. (A \$360 million swap with the Federal Reserve is due on October 9.)

3. This situation is the result of severe economic mismanagement. The Mexican budget deficit has increased from 2 to 3% in the early 1970s to 7% of GNP last year and 9% this year. The rate of monetary creation has been about 20% per year. Wage policy has exacerbated the situation. Last year, Federal workers were given a wage increase of about 17% when they were expecting about half that much.

4. Last week a delegation led by Fernandez-Hurtado visited Treasury and the IMF. We were asked to increase our credit line to Mexico by

¹Summary: Simon summarized Mexico's financial situation for the President, noting that Mexican authorities would likely make drastic changes to their exchange rate policy while pursuing additional credit from the International Monetary Fund.

Source: Ford Library, National Security Adviser Papers, Presidential Country Files for Latin America, 1974–1977, Box 5, Mexico 4. Top Secret. In telegram 11213 from Mexico City, September 1, the Embassy reported on Echeverría's August 31 decision to float the peso against the dollar. (National Archives, RG 59, Central Foreign Policy File, D760332–0072) In telegram 216408/Tosec 250009 to Kissinger, September 1, the Department reported that Echeverría's decision to change his exchange rate policy and to make “major domestic, economic and financial adjustments” had resulted from negotiations with the IMF. (Ibid., D760330–1182) An September 14 memorandum from Hormats to Scowcroft noted that the initial reaction to news of the float had been mild but that unease was growing as Mexicans came to realize that austerity measures would likely cause hardship. (Ford Library, National Security Adviser, NSC Staff for International Economic Affairs, Box 2, Country File, Mexico)

a “phantom” \$500 million. An integral part of the Mexican proposal was that an increase in the line be illusory (the agreement would prohibit effective use of the increase). We indicated we could not recommend such a course for the following reasons:

a. The “announcement effect” of such an increase is pale in comparison to the realities of the situation, which would ultimately become known. If the announcement of such a swap failed to produce a reversal of capital flows of fairly dramatic proportions, Mexico would be out of usable reserves in a matter of weeks. The announcement effect would quite likely be zero, or even minus.

b. If Mexico exhausted its “usable” reserves and was forced by the market to adjust its exchange rate policy and at the same time had an *unused* swap with the U.S. Treasury outstanding—observers would rightly suspect the Treasury of having participated in a “phantom swap.”

5. Extension of a sizable usable credit on a swap basis would be almost as irrelevant.

a. Unless this swap alone turned the tide (highly unlikely) the borrowings from the swap would add a few more weeks to the effort to avoid a series of measures. It would also mean the absorption of part of the limited amount of official credit available to Mexico for maintenance of an untenable exchange rate.

b. If we unilaterally tried to apply conditions for Mexico, it would place the U.S. in the undesirable position of ordering its southern neighbor around. We would be blamed for politically unpopular measures.

c. Mexico’s problem is acute, it needs long-term money, not short-term debt.

d. There is no visible means of repayment of the swap.

6. As we see it, the Mexicans have three alternatives:

a. Apply exchange controls (difficult to do in Mexico) and declare a moratorium on external debt.

b. Float their exchange rate. Floating would not by itself produce a capital inflow or a positive current account balance. Default on external debt would result in the absence of an almost instant turnaround in current account and/or substantial capital reflow.

c. A drastic change in exchange rate policy plus substantial changes in domestic economic policy and provision of transitional multilateral credit.

After some discussion, the Hurtado delegation indicated their preference for the third option, the only one affording any chance of reasonable results. But the Hurtado delegation does not necessarily represent the judgment of Mexico’s political leaders. They also pointed out that the IMF had told them it would take two months to process an application; two months the Mexicans feel they don’t have.

In conversations with William Dale, Deputy Managing Director of the IMF, we obtained agreement from the Fund to participate in a

process which would compress the time needed for Mexico to obtain credit. The plan to which the IMF has agreed is as follows:

1. Secret negotiations would begin almost immediately between the Fund and Mexico. (In fact, a large part of that work has been done—agreement at the technical level that a 40–50% devaluation would be needed; that the budget deficit would need to be reduced sharply from the present 9% of GNP; and discussions are progressing re a program of wage restraint. At present the last area, wages, appears likely to be a sticking point.)

These negotiations would need to be concluded before “free” reserves are totally exhausted. Negotiations would result in a written agreement between the Fund management and Mexico as to the terms under which Mexico would borrow from the Fund (about \$750–\$1,000 million).

On the basis of that written agreement and a letter from the President of Mexico stating the Government’s commitment to draw from the Fund on the agreed upon terms, the Treasury could consider providing swap credit above the \$150 million effectively available to them under the present Treasury swap agreement. This incremental credit would be for a short-term period, to be repaid out of the funds received from the IMF.

2. At the conclusion of the secret negotiations, the Mexican Government would announce the following:

a. Change in exchange rate policy—implementation of this part of the agreement with the Fund.

b. Changes in economic policy—the beginning of the implementation of the economic part of the Fund-Mexico agreement.

c. An increase in the U.S. Treasury-Mexico swap.

d. Announcement of an application to draw from the Fund.

There are several potential flaws in this program:

a. Echeverria might not accept what has to be done and simply opt to default and close the market (note: default would cripple Brazil as well as other LDCs).

b. The announced economic programs might not get implemented, in which case default would occur.

c. The program might not be large enough—outflows of the large balances in very short-term funds might not be stopped by the brutal devaluation contemplated. (Note: we know that their banking system has at least \$2 billion in spot dollar liabilities against which there are Mexico’s meager reserves.)

These risks reflect the severity of the situation. We could beef up the swap part of this program. We could probably tap some other countries—Germany and Japan. But the size of the swap credit needs to be keyed to the amount that could be loaned to Mexico by the Fund since

usable reserves are almost exhausted and, thus, the IMF is the only source of repayment for lenders of swap-type credit.

The Hurtado delegation returned to Mexico City August 18. They were to discuss their conversations here with President Echeverria and President-elect Lopez-Portillo, and others. A decision as to what course to adopt—whether to open conclusive negotiations with the Fund—is expected shortly.

William E. Simon

102. Memorandum From Robert Hormats of the National Security Council Staff to the President's Assistant for National Security Affairs (Scowcroft)¹

Washington, September 20, 1976.

SUBJECT

U.S. Assistance Program to Mexico

Agreement has been reached on the following help for Mexico:

- a \$600 million U.S. swap agreement with the Bank of Mexico;
- a \$1.2 billion IMF credit for Mexico.

The swap is designed to help the Mexicans until the IMF credit can be made available. Both should be useful in ameliorating current uncertainties in Mexico which have precipitated a run on that country's banks.

This program will be announced in Washington at 11 a.m. today.

¹ Summary: Hormats informed Scowcroft of an agreement under which the United States would provide emergency financial assistance to Mexico.

Source: Ford Library, National Security Adviser, NSC Staff for International Economic Affairs Files, Convenience File, Box 2, Country File, Mexico. Secret. Sent for information. In a September 20 memorandum, Simon informed President Ford of the details of the financial assistance package that would be provided to Mexico. (Ibid., Presidential Country Files for Latin America, Box 5, Mexico—López Portillo Visit 3)

103. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, September 23, 1976.

SUBJECT

Memorandum from Secretary Kissinger Regarding U.S.-Mexico Fisheries Agreement

The United States and Mexico have reached agreement, at the negotiating level, on a broad range of fisheries issues arising as a result of action by Mexico to extend jurisdiction over fishing up to 200 miles. The executive agreement resulting from these negotiations is now ready for signature. It does not require ratification by the Senate.

In the memorandum at Tab A Secretary Kissinger informs you that he believes the agreement, as presently negotiated, is as good an agreement as we can get and that he has instructed Department of State officers to move forward toward signature. (State will not proceed to final signature until receiving your approval.) This agreement has substantial domestic implications, inasmuch as the agreement phases out U.S. shrimp fishing in the Gulf of Mexico over the next 3½ years. The State memo points out that “with the passage of our 200-mile legislation, P.L. 94–265, this is precisely what the U.S. would do (perhaps even less generously) with respect to foreign nations operating off our own coast in the same circumstances.” Nevertheless, the agreement is sharply opposed by the Gulf shrimp fishing industry, particularly in Texas.

On August 3, a bill was introduced in the Senate which, although dealing with a variety of issues relating to the shrimp industry, contains provisions directly aimed at embargoing Mexican shrimp imports. The bill was sponsored by Chiles and Stone of Florida; Bentsen and Tower of Texas; Long and Johnson of Louisiana; Allan and Sparkman of Alabama; and Thurmond and Hollings of South Carolina. Its introduction is related to the shrimping provisions of the U.S.-Mexican agreement. Support for the bill appears to be limited.

¹Summary: Scowcroft informed Ford that U.S. and Mexican negotiators had reached an agreement on fishing rights in offshore waters over which Mexico had recently asserted jurisdiction. Scowcroft recommended approval of the agreement.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, Country Files, Box 4, Mexico—Fisheries Agreement 1. Confidential. Sent for action. A note on the memorandum reads: “The President has seen.” Ford initialed his approval of the first recommendation. Tab A is attached but not published. Tab B is not attached and was not found. In telegram 288140 to Mexico City, November 24, the Department authorized Jova to sign the fisheries agreement. (National Archives, RG 59, Central Foreign Policy File, D760437–0718)

Other aspects of the agreement, however, are very favorable to us, particularly those affecting the U.S. tuna industry, which strongly supports the agreement. The provisions granting access for sport fishing off Mexico also are highly satisfactory. Even with regard to the shrimping interests, the Mexicans reversed an initial decision to terminate access immediately, in order to allow time for U.S. shrimp fishermen to adjust their fishing patterns.

The Mexicans have not enforced their 200-mile law (which went into effect on July 31) against U.S. boats, pending conclusion of an agreement with us. Agreement was reached at the negotiating level on August 6, and the Mexicans are now pressing hard for early signature. They advised us orally on September 10 that they wanted an answer from Secretary Kissinger—presumably a firm early date for signature—before his departure for Africa. Thus, continued delay in signing this agreement could lead to seizures of U.S. fishing vessels in traditional fishing areas now within the Mexican 200-mile limit. Some U.S. fishing vessels are in the area now. In early October the Gulf shrimp fleet will move south into Mexican-claimed waters and seizures will become an increasing possibility. U.S. tuna and sports fishing boats are in those waters constantly. Any seizure would bring into force mandatory U.S. legislative sanctions which would require termination of a small military training program and would require institution of an embargo against the import of at least some Mexican fisheries products. Institution of sanctions could be expected to have serious implications for the broad range of our relations with Mexico.

The alternatives to signing the agreement now would be to further delay signature, concurrently seeking Mexican agreement to avoid seizures. Senator Tower has requested (Tab B) that the U.S. delay signature, preferably by reopening negotiations with Mexico. However, he recognizes the urgency of the problem and also suggested that if a decision to sign is made, a strong statement emphasizing the positive aspects of the agreement be issued. Secretary Kissinger does not believe Mexico will or can agree to substantial revisions in the provisions for shrimping and points out that reopening the talks could jeopardize the other satisfactory terms of the agreement. The delay involved in further negotiations would also increase the possibilities of a seizure or other confrontation with Mexico. He therefore recommends we proceed now to signature of the agreement.

John Marsh opposes signature of the agreement before November, based largely on the Tower letter. Jim Cannon recommends in favor of signature now, believing the problems posed by a seizure outweigh the loss of Gulf shrimping. Bill Seidman reluctantly recommends signature. From the foreign policy perspective, I also recommend signature of the agreement.

Should you decide to delay signature, I believe we would need to inform President Echeverría promptly of the reasons for delay and seek Mexican agreement not to enforce their law against U.S. vessels in the interim. There is no assurance Echeverría would agree and, assuming he did, the price of such agreement is likely to be high.

Recommendation:

That you approve prompt signature of the fisheries agreement with Mexico.

Alternatively, that we inform President Echeverría that further delay is necessary and seek Mexican agreement to avoid seizures.

104. Memorandum of Conversation¹

Washington, September 24, 1976, 2:58–4:10 p.m.

PARTICIPANTS

President Ford
Jose Lopez Portillo, President-Elect of Mexico
Charles W. Robinson, Acting Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Amb. Jose Juan de Olliqui, Mexican Ambassador
Amb. John J. Jova, U.S. Ambassador to Mexico
Anthony Hervas, OPR/LS (Interpreter)
Enrique Loaeza (Interpreter)

¹ Summary: President Ford and Mexican President-Elect López Portillo discussed bilateral issues, including drug control, migrant labor, and a possible agreement on the transfer of prisoners.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, General Subject Files, Box 15, Visit—September 24, 1976—President-Elect López Portillo of Mexico 3. Secret; Nodis. All brackets are in the original. The meeting was held in the Oval Office. A September 10 biographical note on López Portillo observed that he believed “that closer bilateral relations with the United States are essential to the success of his economic programs.” (Ibid., Presidential Country Files for Latin America, 1974–1977, Box 5, Mexico—López Portillo Visit 1) In a September 22 memorandum, INR described López Portillo as wanting “U.S. understanding and help, and he will likely be friendly, frank, and forthcoming.” (National Archives, RG 59, Central Foreign Policy File, P770114–0521) Briefing papers on the López Portillo visit sent by Scowcroft to Ford noted that López Portillo viewed the visit “as an opportunity to strengthen bilateral relations which he may fear have been bruised by the style and some of the international policies of outgoing President Echeverría.” (Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Box 5, Mexico—López Portillo Visit 3)

Lopez: Aren't you feeling tired?

The President: It's a let down, a bit. I spoke before a Polish-American group; I went to an Italian market. So that was a lift. I am looking forward to tonight.

Lopez: I was very pleased at the opportunity to meet with you and introduce my family.

The President: My son Jack will join us.

Let me congratulate you on your election. I look forward to working with you in the months and years ahead. I know we can build on our good bilateral relations.

Lopez: That is what I expect and hope, especially when Mexico is entering a period of turbulence. There is a sense of fortune in the people. We have to build a sense of hope and trust. It will take much work and the main element is the United States. Much of our economic problems stem from the U.S. economy. You are our most important customer and any change is of great consequence to us.

Fortunately, we have made economic arrangements with you and the IMF to carry us over this difficult period.

The President: We are very pleased to be of assistance.

Lopez: Your help has already had its favorable impact. The rest is up to us. But there is one thing. Our trade balance with the United States is very unfavorable. It is accidental, but it is legitimate on our side to seek to restore the balance. We think there are remedies. We have had conversations with the Secretaries of Agriculture and Commerce, and the Congress.

Let me give an example. We could organize an agriculture committee of both countries in areas where it makes sense. This would mean dividing the market equitably, and it would avoid labor migration to the United States. Strawberry cultivation is an example. It is labor-intensive and we have excess labor. If we divided it up, we could grow them in Mexico and our workers wouldn't have to come into the United States. We know that is one of the most serious problems between us. That wouldn't solve the problem, but it could relieve it.

The President: By the way, are you shipping any new oil into the United States?

Lopez: As I remember, some goes to the U.S. and some to Israel. We don't sell to Central America because of an agreement with Venezuela. We sell a little to Brazil. We have an open market and we sell to who ever wants it.

The President: Is your production up?

Lopez: Yes, until 1973 we had to import crude oil. We had the bad policy of subsidizing energy, so our investment was low. I turned this around and in 1974 we were self-sufficient and in 1975 we started to ex-

port. We are self-sufficient in oil, but even though I am President I can't really find out how much. There are old hands in Pemex who think the oil should stay in the ground for the future. I will straighten it out, and I will have someone at my side to give me the information the old hands and technicians want to keep from me.

I understand we have 6–7 billion barrels, and with secondary recovery there would be much more—maybe 11–12 billion barrels of proven reserves. For unproven reserves, the information is more general—probably 50–100 billion barrels. It is hard to make a policy without the information. It is essential to outline our export policy and refining capability.

The President: It should help your foreign earnings.

Lopez: Most of our exports are raw materials. That is why I am emphasizing the countryside and energy. We are also prospecting for mining. We have found lots of minerals. All this has to be developed if we can find the financing.

Let me describe a trap in our financing. Our trade deterioration was obvious recently. One of the ways to increase exports was oil, but we couldn't increase production because the import of materials overloaded the economy. We have to reorganize our economy between prices, wages, production, exports, imports, taxes, expenditures, etc. It is like squaring the circle.

There are already 63 million Mexicans; when I leave there will be 70 million.

[Described how optimum a six-year term is.]

[Some discussion about campaigning.]

The President: Are there any particular problems we should discuss?

Lopez: Yes, I think the terms of trade is the most serious, but there are others.

One is non-documented workers whose situation and treatment in the United States worries us very much. Their non-legal status hurts them because they can't be a contractual situation. We would like to avoid this problem, but when it arises, we would like to adhere to the migratory principles of the ILO. That, of course, has its own sanctions. These people have no empathy for the U.S. and the U.S. has none for them. I know the solution is job creation in Mexico.

The President: As I recall, we used to have an agreement for Mexicans to come to the U.S. under contract. I thought that was a good program. There were controls, but they had guaranteed wages and conditions. Unfortunately, the Congress ended that program under pressure and the problem is bad now. Echeverria and I discussed the prospect of

the study maybe to revive that program. I generally favor that approach, though I don't know where the study is.

Lopez: Unfortunately, stop-gaps like that don't eliminate the problem. It helps, but there is always a black market problem. Some of your farmers demand cheap labor. There is plenty in Mexico and there is the problem.

The only real solution to this, and other problems—like drugs—is jobs in Mexico. That in turn is a matter of markets—supply and demand. I visited during my campaign the Province that is most involved in drugs. Now many of the people there are addicts. What used to be an economic problem has now become a social problem. As we eradicate the traffic, the price rises and the traffic is more lucrative.

The President: We have had wonderful cooperation, and I hope it will continue.

Lopez: To the extent we solve the drug problem, we create another—American prisoners in our jails, almost all of them because of drugs.

The President: How about the idea of exchanging prisoners?

Lopez: There are some problems, including the constitutional ones, but they will be overcome. I think we can solve the problem to whatever degree you wish.

Robinson: [Explains where the negotiations are.] We have no interest in having American prisoners and Mexico has no interest in having them.

Lopez: I would be happy to solve this if it hasn't been solved by December.

Then there is the problem of border industries. If you could do something about the amount of gifts which can be brought in.

The President: But that is set by law.

Lopez: But it had been \$200 until 1966 and then it went to \$100.

The President: And \$100 then would buy more than \$200 now.

Lopez: Of course, I hope you can do something; that will help me a lot.

Also you could let our export agriculture have better entry.

[More discussion.]

The President: I hope your people will talk to State and Agriculture to do something about it.

What percentage of your exports go to the United States?

Lopez: Between 65 and 70%.

The President: Have they been going up or going down?

Lopez: Down just an insignificant amount.

Without being rhetorical, I think my administration will lay down the basis for the 21st century. If I fail, the country will fail and the country will go the Left, then to the Right, and democracy will fail.

The President: We certainly want democracy in Mexico. We will certainly do everything we can to help. You take over on December 1st?

Lopez: Yes. I am now preparing my government plan. I thank you a great deal for your expressions of support. In Latin America, there are different methods. We seek justice through liberty. Cuba eliminated liberty to seek justice. Uruguay seeks justice then liberty with order. Right now there are only four democratic-elected Presidents in Latin America.

I know you are very busy, but I want to thank you. I hope it is not our last contact and our hopes are with you.

The President: I look forward to having a state dinner soon for you, with me as the host.

105. Briefing Paper Prepared in the Department of State¹

Washington, November 1976.

*TREATY BETWEEN THE UNITED STATES OF AMERICA AND
THE UNITED MEXICAN STATES ON THE EXECUTION OF
PENAL SENTENCES*

On November 4, Mr. Leigh and Ambassador Rosenzweig-Diaz initialed texts of a treaty that would provide for the exchange of prisoners to continue their confinement in their home country. Since that time the ad referendum texts have been under consideration in various agencies of both governments. Some minor amendments have been agreed upon. It now appears that the interested agencies have cleared the texts for signature, though the Department of Justice has been grumbling about administrative burdens imposed on them; Justice does not chal-

¹ Summary: The Department summarized the provisions of a treaty that would allow U.S. and Mexican citizens convicted of crimes in the other country to serve their sentences in prisons in their home country.

Source: National Archives, RG 59, ARA/MEX Files: Lot 78D297, Briefing Papers, U.S./Mexico. No classification marking. Drafted by Detlev Vagts in L on November 22 and cleared by Leigh. In telegram 14962 from Mexico City, November 26, the Embassy reported that Jova and García Robles signed the treaty on November 25. (Ibid., Central Foreign Policy File, D760439-0553)

lenge our position on the constitutional issues. A Full Power has been signed, and it is now anticipated that Ambassador Jova and the Mexican Foreign Minister will sign the agreement during the course of this week.

Basic Elements of the Agreement

The basic elements of the agreement are as follows:

1. Prisoners would be transferred to their home country to complete the term of imprisonment to which they were sentenced in the foreign country.
2. No prisoner would be transferred without his own consent and the individual approval of the two governments.
3. Some categories of offenders would be excluded: persons committing immigration offenses, political offenses, or military offenses, and persons serving sentences less than six months.
4. After transfer the parole and prison procedures that apply in the prison to which he is transferred would apply to him.

Possible Points of Discussion

If the agreement is the topic of discussion with Mexican officials, the following points need to be borne in mind:

1. The legislative processes of the two countries cannot operate to bring the treaty into effect before late next Spring at the earliest. Exaggerated hopes have unfortunately built up in the minds of the prisoners and their families.
2. Legislation has been introduced in the Mexican congress that would restore the possibility of parole to those convicted of drug offenses. This would free many prisoners long before they could be transferred under the treaty. However, the bill seems to be bogged down in their Congress, for reasons that are not clear to us.
3. The treaty will not solve various problems concerning our prisoners in Mexico, such as inhumane treatment during interrogations, undue delays in the trial process, and the difficulty of finding competent and honest lawyers to represent them. Our Embassy and consular officials will continue to work on these problems and hope to have the cooperation of the Mexican authorities.

106. National Intelligence Estimate 81–1–76¹

Washington, December 1976.

[Omitted here is a title page, map of Mexico, and a table of contents.]

MEXICO UNDER JOSE LOPEZ-PORTILLO: PROBLEMS AND PROSPECTS FOR U.S.-MEXICAN RELATIONS²**Principal Findings**

Jose Lopez-Portillo, when he assumed the presidency of Mexico on December 1, 1976, inherited an economy in the grip of a psychological crisis. Successive attempts at a managed float of the peso in the last days of the Echeverria administration, while bringing about an undervaluation of the currency, failed to check capital flight and, in fact, further reduced business confidence, already undermined by the antibusiness acts and attitudes of the outgoing government. The extensive last-minute land redistribution of the outgoing President added to the air of tension and uncertainty.

Fortunately for Lopez-Portillo, the Mexican Presidency is a powerful decision-making center that operates under remarkably few institutional constraints. If he has the will, a new President could move quickly on the troublesome issues that confront him. Lopez-Portillo has given every indication that he has both the will and a program to arrest and reverse the current downward spiral. This is not to say that the road will be easy. He is faced with such basic problems as rapid population growth, high unemployment and underemployment, and low productivity in agriculture. Echeverria's populism has some momentum, and various interest groups, particularly organized labor, will at times cause problems. Some compromises are likely. However, the

¹ Summary: Analysts assessed the challenges facing Jose López Portillo as he took office as President of Mexico, concluding that he would be a more cooperative neighbor than his predecessor had been.

Source: Central Intelligence Agency, National Intelligence Council Files, Job 91R00884R, Box 6, Folder 5. Secret; [*handling restriction not declassified*]. All brackets are in the original except those indicating text omitted by the editors. The Central Intelligence Agency; the intelligence organizations of the Departments of State, Defense, and Treasury; and the National Security Agency participated in the preparation of this estimate. The Director of Central Intelligence submitted this estimate with the concurrence of all members of the USIB with the exception of the Deputy Assistant Administrator for National Security, Energy Research and Development, who abstained.

² This Estimate was written during a period of transition in the Mexican government. A follow-up Estimate is planned for mid-1977, when the policies of the Lopez-Portillo administration will have become more fully known. [Footnote in the original.]

Mexican President has unique tools with which to cope with his problems and insure the success of his programs.

The new President, generally considered to be pro-business and economically conservative, is expected to: (a) hold public and private talks to persuade businessmen that his administration understands their problems; (b) affirm the objective of maintaining exchange rate stability; (c) reemphasize that the government has no intention of establishing exchange controls; (d) take special measures to aid individual industries; (e) make use of wage and price controls to reduce the inflationary effects of devaluation; (f) announce specific programs to reduce the public sector deficit; and (g) emphasize agricultural productivity over land distribution. This program should begin to show results in 1977 and achieve substantial success by the end of 1978.

As the emphasis of Lopez-Portillo's economic policy shifts from stabilization to growth, oil will become increasingly important. While there are strong forces within the Mexican Government that will resist all-out development of the country's oil reserves—which may be as much as 60 billion barrels and nearly as large as those of Kuwait—the President would clearly like to produce and export oil at something near the maximum prudent rate. We believe that the President will win most but not all of his battles with the bureaucracy and that by 1980 production and export levels will be on the order of 2.3 million barrels per day and 1.2 million barrels per day, respectively. Such rates would allow Mexico to achieve a substantial current account surplus. By the end of Lopez-Portillo's term in 1982 Mexico could be well on the way to becoming one of the world's major oil exporters.

On the political side, we believe that Lopez-Portillo can prevent Mexico's admittedly serious social problems from becoming unmanageable, but land redistribution and labor problems will be particularly difficult. The government should be able to maintain its authority and to stifle and deflect pressures through the traditional methods of cooptation, coercion, and limited reform.

With regard to the United States, Lopez-Portillo promises to be a much more cooperative neighbor than was Echeverria. It is clear, however, that the new President sees improved relations with the United States as a two-way street and hopes to maximize the economic, financial, and commercial benefits of the new relationship. At the same time, he must avoid any appearance of acting at the behest of the U.S. Thus, while the President's cooperative stance will extend to those areas of most concern to the United States—such as illegal immigration, narcotics, trade relations, and oil—both institutional and political factors will prevent rapid breakthroughs in most of these areas.

Illegal immigration to the United States will continue to be a problem until Mexico can offer potential emigrants a viable alternative.

In narcotics matters we can expect the Lopez-Portillo government to continue cooperative enforcement efforts, but, in spite of U.S. assistance, inefficiency, corruption, and the profit potential will continue to limit the effectiveness of enforcement programs. In trade relations Lopez-Portillo can be expected to press for special trade advantages for Mexican products in the U.S. market. Oil developments will be of primary importance to the United States. Imaginative and discreet assistance from the U.S. Government and the private sector may find receptivity as long as the fact and appearance of Mexican sovereignty are protected.

[Omitted here is the discussion section of the NIE.]

107. Telegram 15605 From the Embassy in Mexico to the Department of State¹

Mexico City, December 10, 1976, 2335Z.

15605. Subject: Mexican Foreign Policy Under JLP—Preliminary Indications.

1. *Summary*: President Lopez Portillo's inaugural address and his first round of appointments to key positions in the Secretariat of Foreign Relations support the view that Mexico, for the time being at least, will return to a more narrowly-focussed foreign policy which reflects the country's immediate needs during this difficult period of internal economic and social disequilibrium. Without repudiating President Echeverría's flamboyant support of Third World issues, Lopez Portillo apparently intends to place greater emphasis on improving relations with the United States and to adhere less dramatically to the basic principles of sovereignty, independence and international solidarity underlying traditional Mexican policy. Pragmatism and self-interest will be the dominant motivations.

¹ Summary: The Embassy reported on early indications that López Portillo would move away from Echeverría's policy of actively pursuing a leadership role in the Third World and that he would adopt instead a foreign policy more narrowly focused on Mexico's immediate needs.

Source: National Archives, RG 59, Central Foreign Policy File, D760457–1038. Confidential. Sent by pouch to all U.S. consulates in Mexico. In telegram 15168 from Mexico City, December 1, the Embassy summarized López Portillo's inaugural speech. (Ibid., D760445–0895)

While there will probably be no significant change in Mexico's basic positions on a wide range of North-South economic and political issues, the tone and style of Mexican policy will likely be less confrontational. Moreover, Mexico is not likely to place itself automatically in the forefront of controversial issues (e.g., Zionism-racism) where the political returns are small in comparison to the potentially adverse impact on Mexico's immediate economic interests and/or broader political relationships, particularly involving the United States. *End summary.*

2. Inaugural Address

The President's inaugural message was probably more significant in terms of what he did not say than what he did say about Mexico's foreign policy (see Mexico 15168 for summary). First, the President devoted only three pages of a 70-page address to foreign policy—a clear indication that his government's first priority is to restore confidence and cope with Mexico's serious internal problems. He began in low key by outlining in general terms the traditional Mexican principles of independence, sovereignty, etc. He endorsed Mexico's commitment to disarmament, anticolonial posture, rejection of imperialism of any hue and all forms of submission, but he did so with a simple, matter-of-fact style that contrasted sharply with the political oratory of Echeverría's foreign policy pronouncements. Tucked in between the lines was an enigmatic but perhaps significant reference that Mexico "will participate in international fora where goals are clearly stated." While reaffirming Mexico's support for the charter of economic rights and duties of states, JLP's reference hardly dramatized this leitmotif of the Echeverría era and under the circumstances represented a minimum gesture to his predecessor's foreign policy.

In sum, JLP's inaugural foreign policy summary was low-key, sober, undramatic, and reflective of the greater priority and urgency which his administration currently attaches to internal problems.

3. Foreign Secretary

The selection of Foreign Minister Santiago Roel and his key Lieutenants in the Foreign Secretariat also appears consistent with JLP's desire to return to a foreign policy which places primary emphasis on Mexico's immediate economic and political needs. Although not an experienced diplomat, Roel is reportedly close to JLP and has already travelled abroad on JLP's behalf. His lack of diplomatic experience means that he has not been identified with the Third World and/or multilateral positions espoused by President Echeverría. Thus, he is truly Lopez Portillo's man with an open record on major and controversial foreign policy questions. The fact that he is from Monterrey, which had been a center of anti-Echeverría feeling, may also have been a political factor in his selection as a member of JLP's cabinet. As an important PRI figure, Roel could help provide Lopez Portillo with do-

mestic political input into foreign policy decisions—an input Echeverria was often accused of ignoring. Judging from his actions so far, Roel will be a cautious chancellor. He has twice turned off inquiring reporters, commenting yesterday just prior to a meeting with the President that Mexico was not in a mood to tolerate errors, he could not say anything, and “declarationitis” would be absurd.

4. Other Top Appointments

In addition to the Secretary of Foreign Relations, Lic. Santiago Roel, the following key SRE positions have been filled to date:

A. Undersecretary “A” (currently primarily economic affairs)—Jose Juan de Olloqui, former Ambassador to the U.S., with wide contacts in the U.S. and an economic and financial background. De Olloqui hoped for the number one position, and has indicated that he still hopes to move up to it before too much time has passed.

B. Undersecretary “B” (currently political and cultural affairs)—Alfonso Rosensweig-Diaz, former Chief Legal Advisor to SRE, a long-time professional, with a reputation as a follower rather than an innovator. He has a U.S. wife; his brother is currently Mexican Ambassador to the UN.

C. Undersecretary “C” (currently multilateral affairs)—Maria Emilia Tellez Benoit, former Official Mayor (Chief Administrative Officer) of SRE. Ms. Tellez is also a career diplomat and lawyer with 30 years service, most of it in the Secretariat. Reportedly she has turned down important ambassadorial positions because she is caring for an aged mother. She was at UNAM Law School with both Echeverria and Lopez Portillo and has ties of friendship from this period.

D. Official Mayor—Guillermina Sanchez Meza de Solis, former PRI Deputy, 1970–73, trained in economics and married to an economist. Her foreign affairs experience, if any, is unclear.

E. Ambassador to the U.S.—Hugo B. Margain, currently Ambassador to London. Margain served as Ambassador to the U.S. under Diaz Ordaz and as Secretary of Finance under Echeverria until Lopez Portillo was appointed to that job.

For the most part, the above positions were filled by foreign affairs professionals, rather than ideologues. De Olloqui and Margain bring to this foreign policy team considerable experience, economic expertise, and knowledge of the U.S., which should prove very helpful to JLP during this difficult period.

In sum, these SRE appointments appear to give the new President a solid team to handle foreign policy in the near term.

Central America

Costa Rica

108. Special National Intelligence Estimate 83.4-73¹

Washington, January 12, 1973.

[Omitted here is a title page, a table of contents, and a map of Costa Rica.]

OUTLOOK FOR STABILITY IN COSTA RICA

Note

This Special Estimate, on the threats to Costa Rican political stability over the next two years or so, was requested by the Department of State.

Conclusions

A. Over the past couple of years the local political pot in Costa Rica has been kept boiling by the highly personalistic and contentious style of administration of President Figueres. The activities both of domestic Communists and rightwing zealots and of their foreign supporters have contributed to the tension and uncertainty. The campaign for the February 1974 election is already underway and is likely to add its own unsettling ingredients. Nonetheless, Costa Rica is strongly committed to the peaceful, democratic processes which have sustained it through periods of political upset. We expect that the elections will take place in this tradition, and that a president representing one of the centrist political groups will succeed to office.

B. We do not discount the chance of a quixotic tilt at the established order by small groups of political extremists. Any such attempt at

¹ Summary: The estimate assessed the threat posed to Costa Rican political stability by the activities of domestic Communists and Rightists and concluded that despite rising tensions the country remained committed to its democratic political tradition.

Source: National Archives, Nixon Presidential Materials, NSC Files, Box 361, Subject Files, National Intelligence Estimates. Secret; [handling restriction not declassified]. All brackets are in the original except those indicating original footnotes, text that remains classified or that was omitted by the editors.

antigovernment subversion or violence would almost certainly be condemned by the public and countered by the security forces. The existence of a number of “private armies” also raises the possibility of a larger action against the government by rightwing forces. But we believe there is little likelihood of such a development, except under extreme conditions; i.e., a major national crisis in which the established moderate leadership of the country is discredited. In short, we see no serious threat to Costa Rica’s stability or democratic political system.

THE ESTIMATE

I. Factors in Costa Rican Stability

1. Costa Rica is the most stable, socially egalitarian, and politically democratic country in Central America, and perhaps in all of Latin America. These achievements reflect in good part its distinctive history. During the colonial period it was isolated from the centers of Spanish political power and devoid of easily exploitable natural resources. The sparse Indian population was all but eliminated, and the salubrious climate and lack of mineral wealth discouraged the importation of slave labor. The society that evolved was composed mostly of industrious, independent European landholders. After independence, first coffee and then banana estates produced a number of family fortunes, but the aristocratic leisure class did not emerge in a dominant position in Costa Rica as it did in most other countries of Central and South America.

2. The Costa Rican political system came to reflect the values of its relatively homogeneous and democratically inclined populace. From its first free and honest election in 1889, Costa Rica has made steady economic and social progress under constitutional, representative governments. The public has supported a major national investment in public and social institutions; the result has been relatively efficient public administration and high standards of education, medical care, and other social services.

3. The Costa Rican economy is basically sound. The per capita gross national product of \$550 is the highest in Central America and has been expanding over the past decade at a steady if unspectacular pace. Because of the relatively high level of social services and the fairly even distribution of personal income, the population of just under two million has been spared the extreme poverty that afflicts large numbers in neighboring Republics.

4. Yet rapid population growth² and budgetary difficulties have placed strains on the country’s ability to maintain the high level of so-

² The annual rate of growth reached nearly 4 percent in the early 1960s, but since has declined to 2.8 percent. [Footnote in the original.]

cial services. The annual rate of economic growth fell from 7–8 percent during 1965–1970, to 4–5 percent during 1971–1972. This decline reflected in part financial problems under the incumbent government. Balance-of-payments strains have arisen from these financial difficulties, as well as from depressed world market conditions for bananas and coffee and the current disorganization of the Central American Common Market. Nevertheless, the Costa Ricans have begun some minor corrective measures and are planning a comprehensive stabilization program. Over time the prospects for some recovery towards the higher growth rates of past years are good, though the economy will continue to be subject to periodic strains caused by fluctuating world market conditions for its agricultural exports.

5. Costa Rica is strongly committed to peaceful political processes which have been interrupted only once in recent times. In 1948 the personalistic party of Rafael Calderón Guardia, which had ruled for the previous two terms, refused to accept its electoral defeat by Otilio Ulate, the candidate of a coalition of opposition parties. José Figueres, an anti-Calderonist merchant and farmer, led a successful armed revolt. He then headed a transitional junta that enacted a new Constitution before Ulate began his four year term in 1949. Every election since this short but bloody civil war has pitted Figueres's political organization against a coalition dominated by the Calderonists. The electorate has alternated the Presidency between these two forces, though Figueres's National Liberation Party (PLN), has held a legislative majority for most of the period.

6. The electorate's voting habits reflect the strong pull of the center in Costa Rica and work to discourage political extremism. The two moderate groupings, the center-left PLN and the more conservative anti-PLN, consistently command over 90 percent of the popular vote. The repeated peaceful transfer of power to the opposition, in turn, serves to perpetuate the sturdy "two-party" system.

7. Costa Ricans have become confident enough in the strength and durability of the political center to be tolerant of the small dissident elements at either end of the spectrum. Extremists—some of them political adventurers and some of them committed ideologues—have in general responded to the democratic atmosphere in which they operate by pursuing their goals in a nonviolent way.

8. The openness of the society and widespread citizen interest in political and other public affairs also lend support to the traditional pattern of political behavior on the part both of orthodox political activists and of fringe groups. Accessibility to political leaders, even including the President, is remarkably free and provides a fairly continuous exchange of views between the electorate and public officials. Little political news or gossip eludes the irrepressible (if sometimes ir-

responsible) corps of newspaper and radio-television journalists; thus, partisan confidences and even conspiracies rarely escape exposure.

9. Finally, the ballast of Costa Rica's political equilibrium is the population's deep-rooted determination to preserve the distinctive national character. The Costa Ricans are sensitive to developments abroad and concerned that the problems that afflict other countries might at some point be visited upon them. Thus, while they are tolerant of *outré* ideas and conduct, they typically close ranks against any threat to their way of life.

II. Current Problems

10. "Pepe" Figueres, generally considered the architect of Costa Rica's present-day institutions and stability, now is regarded by some of his countrymen as a distinct threat to them. Figueres served as President from 1953–1958 and began a second, four-year term in May 1970.³ The outstanding figure in contemporary Costa Rican folklore, Figueres evokes strong responses from others; loyalty or antipathy to him tends to be fierce [10 lines not declassified]. Indeed, his present administration has been a time of intense and protracted political agitation, and Figueres himself as an object of controversy nearly overwhelms the substantive policy issues he raises.

11. Figueres's controversial policies range from efforts to make Costa Rica a tax haven for international investors of dubious integrity to favored treatment for the local Communist Party and promotion of the establishment of a Soviet mission. The heat of the debate over these issues has caused some skittish Costa Ricans to fear that the political bitterness will lead the country into a period of violence. Even among less alarmed citizens, confidence in the future has suffered somewhat from the general climate of tension and uncertainty. General concern has arisen about the seeming disarray of the party system, about the weakening of governmental institutions by Figueres's free-wheeling administration of office, and about corruption. But the areas of greatest concern are the activities of Communist and anti-Communist extremists, the fear that the new Soviet Embassy will subvert Costa Rica and use it as a base of operations against neighboring countries, and rumored foreign-sponsored invasions.

The Communist Issue

12. The Communist Party (Popular Vanguard Party, PVP), though constitutionally proscribed, has traditionally operated fairly openly

³ Figueres was ineligible to run for the presidency until eight years after his first term. He chose to wait an extra four years, partly in order to square off against an old rival, Mario Echandi, whose presidency from 1958–1962 made him ineligible until 1970. Figueres is barred from standing again for the Presidency by a 1969 constitutional change limiting subsequently elected Presidents to a single term. [Footnote in the original.]

and with little success in Costa Rica. But the Party seems to many Costa Ricans to be enjoying a new privileged position under the Figueres government. An upturn in the Communists' political fortune in fact began under the previous administration when they allied with an insignificant but legally registered far-leftist party and were able to run candidates on its ticket for the 1970 election. In this way the Secretary General of the PVP, Manuel Mora, gained an assembly seat. The Party has since made some minor inroads into municipal councils in a few towns. It has also had some success in organized labor, which in Costa Rica is a small, weak movement with little political potential at least over the short term. The Communist front party received only one percent of the presidential ballots and seven percent of the legislative vote in the 1970 election. Since then the PVP has conducted a reasonably successful recruitment drive. It now claims a membership of more than 5,000; we estimate there are about 1,500 active, dues-paying members, which is nearly double the number in 1969–1970.

13. Concern about the Communists, particularly amongst Costa Rican rightists, was raised to new heights by Figueres's determination to open diplomatic relations with the Soviet Union. If any single issue has dominated the Figueres administration, it is that of the Soviet presence. Figueres claims that he is helping the U.S. in its policy of building East-West bridges in the new era of negotiation, and at the same time constructing a valuable Soviet market for Costa Rica's surplus coffee. As the government's negotiations with the Soviets proceeded during early 1971, anti-Communist organizations launched a high-powered propaganda campaign that appeared for a while to have forced Figueres to back down. But on 29 November 1971 the government finally accredited the first two Soviet diplomats. As of the end of 1972, the Soviet mission numbered 13 officers, 8 in the Embassy and 5 in the commercial mission.⁴

14. The Soviets probably view their diplomatic entry into Central America as a modest triumph for their policy of expanding their presence in Latin America generally. They are acutely aware of the local opposition to their presence and of the hostility with which they are regarded in neighboring countries, and their first interest is to promote good will so as to dispel local fears. The Soviets may in time engage in some low-level political action in Costa Rica and in Central America, but they almost certainly will be anxious to avoid costly or risky operations. They probably discern few possibilities for the Communist parties in the region to make major political gains any time soon. They

⁴ As a comparison, the British Embassy in San José has four officers; the U.S. mission contains about 30 members, including Embassy and AID officers. [Footnote in the original.]

are likely to concentrate on building their respectability and influence and, over time, try to take advantage of opportunities to chip away at the strong U.S. position in the area.

15. Many Costa Ricans have been particularly suspicious of the relationship between President Figueres on the one hand and the PVP's Mora and the Soviet Embassy on the other. Their meetings apparently relate principally to various money-making schemes, [1½ lines not declassified] though they probably include some discussion of political matters as well. Some conspiratorial-minded opponents of Figueres, willing and even eager to believe the worst, have conjectured that his long record as an outspoken anti-Communist constituted a stratagem to put him "in place" to promote the Communist cause at the proper time. We do not believe that Figueres's dealings with the Communists represent any "sell-out" on his part of basic Costa Rican interests. Rather they are indicative of his proclivity for opportunistic financial scheming with anyone who can help him cope with his chronic indebtedness. He continues to meet with Mora, who is a long-time personal friend, but his only known political actions in support of the Communists—promotion of a Soviet presence and of legalization of the PVP—are consistent with his long-held views.⁵

16. The institutional checks and balances in the Costa Rican system have operated to limit what Figueres could do to help the Communists even as President. As a key example, Figueres has been unable to persuade the legislature, dominated by his own PLN, to erase the constitutional prohibition of the Communist Party. Furthermore, Figueres's promises of a vigorous and lucrative trade relationship between the Soviets and Costa Rica have not been fulfilled. Soviet goods have not been competitive in Costa Rica's open system of bidding, and only small amounts of vodka and other consumer goods have been sold. The Soviets have made known their displeasure with the one-way direction of the trade arrangement and, now that they have their Embassy, are hedging on further contracts for coffee until Costa Rica reciprocates with a greater volume of purchases. Finally, Figueres's power and influence will drop off rapidly when he steps down from the Presidency, and many in his own party, as well as those in the more conservative parties, oppose him on the Communist issue.

The Rightists

17. The mere fact of the Soviet presence has provided a new *raison d'être* for the local anti-Communist activists. Some of these have already

⁵ Ironically, Mora's dealings with Figueres have caused dissension within the PVP, where some critics accuse the party chief of a "sell-out" to the establishment [2 lines not declassified]. [Footnote in the original.]

engaged in minor harassing action against the Soviets. Others have made an effort to mobilize a political force to unseat the politicians responsible for the Soviet presence, either via the ballot box or in some less orthodox way. [4 lines not declassified] In general, the rapidly anti-Figueres, anti-Communist groups are more likely than any groups on the far Left to use violence in pursuit of their cause.

18. The Communist issue has brought to public notice a rightwing zealot, Jorge González Martén. A millionaire and for a while a U.S. citizen, González waged a successful court battle in 1972 to regain legal standing as a Costa Rican eligible for the Presidency. This effort and González's introduction of a political propaganda blitz, U.S.-style, won quick fame for him as an up-and-coming personality and for his minuscule, stridently anti-Communist, National Independent Party. He has attracted the support of several wealthy Costa Rican businessmen interested in backing a staunchly conservative anti-PLN figure for the Presidency. He apparently has also gained a measure of support from some U.S. businessmen in Costa Rica. González's political appeal is on the wane now that the more moderate opposition politicians have taken to the hustings, but his glib and urgent presentation of a looming Communist takeover in Costa Rica has contributed to the local concern about political polarization.

19. In plotting a coup, the extreme Right might seek support from several paramilitary groups or "private armies" that are a fixture on the Costa Rican scene. These loose organizations are accepted by the populace as a hedge against the need for an armed force (there is no national army) and, as a holdover from the war of 1948. The members of these groups come from a wide variety of social and political elements and include respected businessmen, politicians, and farmers, as well as smugglers and adventurers. While most of the groups do not identify themselves first and foremost as anti-Communist, they would not be uncomfortable with that description, and under certain circumstances some groups might be attracted to the alarmist themes of anti-Communist activists.

20. There may have been as many as a dozen "private armies" at various times since the 1948 conflict, and remnants of most of them probably remain. Some could probably count on the support of only 10 to 15 persons. The Free Costa Rica Movement, a rightwing businessmen's group, is larger and would be able to raise a militia of a hundred or so persons. The single largest group is the security arm of the center-left PLN, which could count on several hundred stalwarts; but few if any of these would support a rightwing coup.

21. Another amplification of the danger from rightist extremists could develop from their connections outside the country. Stories of impending foreign invasions, arms landings, and outside funding of

local subversives have abounded over the past two years. In several instances a kernel or two of truth lies behind the stories. The specific lines of friendships, enmities, family and business ties, and the other forms of intercourse among the Central Americans defy unraveling, but one general aspect is a penchant for meddling in each others' domestic politics. [4 lines not declassified] Legitimate Costa Rican politicians, too, have approached foreign Embassies and businessmen to solicit support and funds.

22. Outside meddling, however, rarely exceeds the talking point before being exposed by rumor, by investigative journalism, or by government leak. The Costa Rican public's invariable censure considerably weakens the impact of foreign interference. Although rumor and minor conspiracies have added to the sense of political insecurity within Costa Rica, we believe there now is no real danger to the government from this kind of activity. Indeed, President Figueres has effectively turned invasion scares to his own end, using the "threat" to expand temporarily his base of sympathy and support.

III. Outlook

23. Although recent issues and events in Costa Rica have raised tensions, we believe that controversy will remain within the bounds of the country's sound institutional structures. The debate over the Communist issue has been particularly potent in energizing small extremist groups. But over the short run there appears to be very little chance that any group—Left or Right—will be able to undertake action on a scale to threaten the government seriously.

24. On the Left, the PVP, even under the present favorable conditions, has demonstrated little potential to rise beyond the minor party status it has held for decades. There are a few leftist extremists in and out of the party who preach violence, but they are for the most part identified and isolated. The leadership and bulk of the PVP have traditionally pursued the *via pacifica*, a penchant at present reinforced by Soviet diplomatic requirements.

25. On the Right, the several continually conspiring small groups possess little strength on their own. We do not dismiss the possibility that a small number of rightist fanatics might launch some kind of coup attempt. However, we see almost no chance that such an effort would prove to be anything other than quixotic. The Civil Guard and other police forces, with public support, would be able to counter it.⁶ The existence of "private armies" raises the possibility of a larger action against the government. We believe, however, that such an attempt

⁶ While the 2,500-man Civil Guard, with the assistance of other small police forces, is competent to meet this kind of low-level threat, it could not cope effectively with widespread outbreaks of violence. [Footnote in the original.]

would be very unlikely except in the extreme circumstances of some dramatic nationwide crisis in which the established moderate leadership was discredited (akin to the effort to steal the election in 1948).

26. We doubt that the traditional center-oriented political system—i.e., PLN vs. anti-PLN coalition—will fall apart, despite various expressions of concern. The sense of “new politics” in Costa Rica apparently grows out of the realization that the end of Figueres’s term will mean the end of the era dominated by such leaders as Figueres, Ulate, and Calderón. The large number of minor parties seeking registration for the next election also promotes the perception of political realignment. But recognition of the basic strength of the PLN behind its likely nominee, party stalwart Daniel Oduber, and the hope that the electorate will hold to its practice of voting for the “outs” will probably in the end serve as imperatives toward unity for most of the anti-PLN forces. These groups have already begun to consider favorably the bid for support by the respected conservative presidential candidate Fernando Trejos Escalante, who is likely to bring back to the center most of the early support garnered by González Martén’s far rightist party.

27. In short, despite the tension and uncertainty, we expect the 1974 election to take place normally and to return still another moderate (and likely less frenetic) administration committed to preserve Costa Rica’s democratic tradition.

109. Telegram 47730 From the Department of State to the Embassy in Costa Rica¹

Washington, March 15, 1973, 1354Z.

47730. Subj: Publication of Vesco-Figueres Financial Dealings. For Ambassador.

¹ Summary: The Department reported that the Securities and Exchange Commission planned to present evidence in court of financial links between financier Robert Vesco and Costa Rican President José Figueres.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Limdis. Drafted and approved by Lazar. Vesco sought residency in Costa Rica after becoming the subject of an SEC investigation for fraud in connection with his management of the Investors Overseas Services mutual fund firm and his implication as the source of an illegal contribution to President Nixon’s 1972 reelection campaign. In telegram 939 from San José, March 17, the Embassy reported that Figueres told Vaky that he could account for the transactions involving Vesco and offered to facilitate an out-of-court settlement between Vesco and the SEC. (Ibid., Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica) Telegram 983 from San José, March 22, transmitted a letter in which Figueres elaborated on his offer to mediate. (Ibid.)

1. The SEC will go into court on Monday the 19th to seek a temporary injunction against Vesco. Among the several hundred documents they intend to introduce in evidence, and which will thereby become matters of public record, will be three showing deposits totalling 80 thousand dols to President Figueres's account in the Bank of North America in New York City. These deposits came through a bank in the Bahamas with which Vesco is or was associated.

2. Department has discussed this matter with the SEC attorneys who consider that the documents are significant to the establishment of their case. The listing of the documents themselves will not name President Figueres although the documents, of course, will become matters of public record. Also, subsequent testimony will identify President Figueres as the recipient of the funds.

3. If you believe it useful you may give President Figueres advance notice of this development.

4. For your information the SEC feels that they have traced all of the funds attributable to the San Cristobal Farm transaction and that the funds involved here were not a part of that transaction.

Rogers

110. Telegram 1248 From the Embassy in Costa Rica to the Department of State¹

San José, April 10, 1973, 1700Z.

1248. Subj: Vesco Case: Transmittal of SEC Reply to President Figueres's Offer Mediate. Ref: San Jose 983.

1. I called on President Figueres April 9 and gave him copy of SEC letter of April 2 replying to President's letter suggesting mediation in

¹ Summary: Ambassador Vaky informed President Figueres of the SEC's rejection of his offer to help mediate a settlement between the Commission and Robert Vesco.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Nodis. The April 2 letter from the Securities and Exchange Commission to Figueres referred to in this telegram has not been found. In telegram 984 from San José, March 22, Vaky reported on a conversation with Figueres, observing that the President seemed to feel the SEC's primary concern was keeping investment capital within the United States. Vaky countered that the Commission was seeking to ensure the "honest and proper management of funds." (Ibid.) In telegram 58280 to Panama City, April 10, Rogers described Vesco's possible bank deposits. (Ibid., RG 59, Central Foreign Policy File, [no film number]) Telegram 983 from San José was not found.

return for immunity for Vesco from criminal prosecution (reftel). In presenting the letter, I stressed two points: a) the SEC's refusal to promise immunity and to have the funds' money be in effect hostage to be ransomed, and b) the description of how the SEC viewed the issues in this case. I pointed out that I thought it was particularly important for the President to understand this latter point, because the motives and views of the issues which the SEC sincerely holds are quite different from what Vesco claims they are. Thus at least this letter will establish the parameters of the issue. I read him the last paragraph which speaks to this point.

2. I also took occasion to describe the reports regarding possible bank deposits in Panama (State 58280). The President listened intently to this, but made no comment. I do not know if he was aware of the information I gave him, but he gave no indication that he already knew about it. The President in return repeated his promise to give me a letter explaining in precise detail the money that was deposited to his account in New York (San Jose 984).

3. The President listened soberly and for the most part quietly to all my exposition. He said only that he wanted to study the letter. I said if he had any further questions I would be happy to try to get him answers.

Vaky

111. Telegram 1499 From the Embassy in Costa Rica to the Department of State¹

San José, May 1, 1973, 1507Z.

1499. Subject: Vesco Case: SEC Letter on Mediation Offer. Ref: San Jose 1248.

¹ Summary: Vaky reported that Figueres seemed committed to Vesco's side in the dispute with the SEC.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Nodis. In a May 14 letter to Pezzullo, Vaky observed that "There is no doubt that Figueres is committed to Vesco's side, and the tighter the battle the more his stubborn nature will lead him to rationalize his position. The upshot is that a situation is developing in which Figueres—psychologically—is in an adversary relationship with the USG, or at least a good part of it. And that is bound to have an effect on the degree to which he and his government are prepared to cooperate with us generally." (Ibid., RG 59, ARA/CEN Files: Lot 75D469, Costa Rica—Political, 1973) Telegram 1248 from San José was not found.

1. President Figueres told me today (Apr 30) that he had shown SEC letter of April 2, responding to his offer to mediate SEC dispute with Vesco, to Vesco. He said Vesco and his lawyers were preparing a rebuttal of the charges in the SEC letter, and he would pass this rebuttal to me so that I could see Vesco's side of the case. The President said that many of the charges in the SEC letter seemed to him unsubstantiated, or at least were affirmations that would have to be proved in court.

2. I again stressed the basic concept of the issue implicit in the SEC case, that the monies Vesco controls are not his but are trust fund and fiduciary requirements. Figueres still does not admit that view. My impression is that he is now completely committed to Vesco's version and side, and that Vesco's renunciation of U.S. citizenship referred to in septel, his apparent continuing effort to locate here and obvious coordination and communication between Vesco and Figueres are further evidence of that.

Vaky

112. Telegram 2028 From the Embassy in Costa Rica to the Department of State¹

San José, June 7, 1973, 1855Z.

2028. Subject: Extradition Treaty—Robert Vesco. Ref: State 109575.

1. As instructed, I called on FonMin Facio at 11 a.m. this morning to present diplomatic note requesting preliminary warrant of arrest for extradition of Robert Vesco. FonMin assured me full cooperation and promised to contact President of Supreme Court immediately to start necessary procedures.

¹ Summary: The Embassy asked the Costa Rican Government arrest Vesco in conjunction with a U.S. request for his extradition on a fraud charge.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Exdis; Immediate. In telegram 109575 to San José, June 7, the Department instructed the Embassy to deliver the diplomatic note. (Ibid.) In telegram 2070 from San José, June 7, the Embassy reported the opinion of a Costa Rican attorney that the U.S. request for Vesco's extradition could be weakened by the fact that the activities that led to fraud charges against him in the United States might not be considered criminal in Costa Rica. (Ibid.) In telegram 2117 from San José, June 13, the Embassy reported that a Costa Rican court decided not to issue a warrant for Vesco's arrest. (Ibid.) In telegram 2182 from San José, June 16, the Embassy reported that the judge had rejected its appeal of the initial decision. (Ibid.)

2. According to Facio, Supreme Court must designate judge to hear this matter and issue preliminary warrant of arrest. As soon as judge is designated, hopefully today, Facio stated that an Ambassador must appear before court (rather than some other diplomatic officer) to make complaint and statement under oath pursuant to Extradition Treaty in form specified by judge. Facio believes that procedures will follow provisions of extradition law of July 16, 1971, although he agreed that Extradition Treaty is governing.

3. I inquired whether under Article 13 of Treaty we may continue to receive assistance of Procurador General in making legal arrangements. Minister responded affirmatively, and later stated that FonOff official competent in legal matters would accompany me to the court.

4. FonMin said he did not know whether Vesco is in Costa Rica, and undertook to find out. In any case, I emphasized and he agreed that we should proceed with request for preliminary warrant of arrest, since Vesco is legal resident of Costa Rica and may return.

5. I said that we of course hope that this whole matter may be kept secret in order not to alert Vesco and thus facilitate his escape. FonMin promised to maintain this confidence and also to investigate whether there are ways to prevent escape even before arrest warrant is issued. (I realize that Facio may have conflict of interest in pursuing this action against Vesco, but for the moment I believe we must take his statements at face value.)

6. I continue to believe that this matter may become public soon. In any case, I wish to contact a local attorney immediately for his advice and possible assistance in future developments. Attorneys I am considering are prestigious and non-political, but they are also very expensive. It is possible that fees might run to several thousands of dollars before this is over. Request immediate confirmation that my authorization to employ lawyer will cover this.

Vaky

113. Telegram 2160 From the Embassy in Costa Rica to the Department of State¹

San José, June 14, 1973, 2345Z.

2160. Subject: Extradition: Robert Vesco—Revocation Costa Rican Passports. Ref: San Jose 2115 and Vaky-Feldman Telcon June 13, 1973.

1. When I presented note to Foreign Minister informing him of revocation Vesco's U.S. passport (San Jose 2115), I asked him whether Costa Rica would restrict Vesco's provisional ordinary Costa Rican passport. Facio told me as he had before (San Jose 2059) that without arrest order or extradition decision there was no basis for restricting passport. Once again he was fuzzy on what happens if there is an arrest order. He states that what must change is the status under which Vesco is eligible to hold a Costa Rican passport, i.e. resident alien "rentista". There is apparently no ruling that someone on whom an arrest warrant is outstanding cannot hold a passport. Facio implied that if after trying to arrest him it is clear he is not in country, presumption might be drawn he abandoned resident status. I think we will have some trouble even with arrest order getting interpretation for restricting passport.

2. There is, however, another factor to which I call your attention. Vesco is also in possession of valid Costa Rican diplomatic passport (see Nassau 1117 of October 27, 1972). I asked Facio about this, and he was clearly embarrassed and discomfited. He said one had been issued and it was still valid. He said he never authorized it and did not sign it. He muttered about Figueres "doing things this way" (Figueres got a diplomatic passport for Teja in the famous Indian extradition case here in 1969–1970).

3. Public knowledge that this diplomatic passport exists would be politically embarrassing to GOCR. Since Facio and Figueres know we know, if it leaks they will accuse us of leaking it and just make our problem here that much more difficult. Therefore, we should be careful that we do not leak this. On the other hand, their knowing we know is also another string to our psychological bow. In any case I think we

¹Summary: In a conversation with Facio, Vaky sought the revocation of Vesco's travel documents and noted the U.S. Government was aware that Vesco was in possession of a Costa Rican diplomatic passport. Facio acknowledged Vesco had obtained a diplomatic passport through Figueres.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Priority. Corrected Copy. Repeated to Nassau. In telegram 124051 to San José, June 25, the Department informed the Embassy of its position that the Costa Rican Government should restrict all of Vesco's travel documents upon the issuance of an arrest order against him. (Ibid.) Telegrams 2059 and 2115 from San José, and telegram 1117 from Nassau were not found.

should consider whether we have basis for formally asking that they revoke the diplomatic passport. It is after all a great asset in Vesco's hands and there is no visible justification for his holding it. I would appreciate Dept's views on this point. If it appears desirable to request its revocation, I would then wish to ask that timing and form be left to me given the great delicacy of the point locally.

Vaky

114. Telegram 2196 From the Embassy in Costa Rica to the Department of State¹

San José, June 19, 1973, 0030Z.

2196. Subj: Extradition: Robert Vesco. Ref: A) San Jose 2195; B) San Jose 2182.

1. In making its decision on further appeal in this case, Department should have in mind following additional considerations.

a) Odio estimates 80 percent probability of success if we appeal; that is, that Segunda Sala penal will reverse first penal judge and order preliminary arrest warrant against Vesco.

b) Alternative outcome is that Sala would reaffirm judge's decision and leave us legally where we are today. Odio now believes that there is only minimal chance (perhaps 5 percent) that Sala would go beyond this position to rule adversely on basic merits of our case (i.e., question of double criminality) and thus in effect shut the door on this extradition request (although we of course could try to come back at a later time with a renewed case).

¹ Summary: While noting that U.S. efforts to extradite Robert Vesco were generating some resentment in Costa Rica, the Embassy recommended taking the extradition request to a higher court.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Priority; Exdis. All brackets are in the original except "[*desire?*]" added for clarity. In telegram 2195, June 18, Vaky outlined the memorial that he would present to the Costa Rican courts if the U.S. Government decided to proceed with an appeal. (Ibid.) In telegram 119541 to San José, June 19, the Department instructed the Embassy to proceed with an appeal, judging that "advantages of clarifying charges and consolidating case to date, as well as keeping pressure on Vesco, outweigh the risks of a possible turndown by the court." (Ibid.) In telegrams 2228, June 20, and 2641, July 23, both from San José, the Embassy reported both a first and second appeal had been rejected. (Ibid.)

c) Defense lawyers for Vesco would be free to submit a memorial of their own to Segunda Sala, but according to Odio neither we nor they would be allowed to present oral arguments at this point. At most I might be asked to swear to the correctness of the U.S. warrant and indictment against Vesco which has not been transmitted to the court through Foreign Ministry and Procuraduria.

d) There would be, however, definite political and psychological costs here if we go ahead with appeal, especially if we lose. There is growing comment and criticism here, even among those friendly to us, that U.S. has been (1) inept, (2) on weak legal grounds, (3) bull-headed, or (4) a bully toward either Vesco or the GOCR in the sense that we persist in demanding arrest without complying with local legal requirements—or all of the above—in our single-minded pursuit of this case. More specifically, there are growing signs that the Figueres administration and the PLN feel harassed by our actions and may really believe that the USG wants to punish them for their association with Vesco. Otherwise, they may reason, why do we badger them in what appears to be a weak case when (they allege) Vesco isn't even here? Intellectually Facio and some others—perhaps including Figueres—know better but the persecution syndrome is strong.

2. I believe therefore that we will incur political costs by proceeding with appeal. I think these costs are manageable but there is some chance that they may be considerable and could adversely affect broader U.S. interests in Costa Rica. The Department should be aware of this.

3. On balance, however, I believe that we should go ahead with appeal on ground of principle. We believe we have a good legal case which has not been fully understood here. The integrity of our Extradition Treaty with Costa Rica has been challenged by lower court interpretation on the question of preliminary arrest and should be defended. If we fail to proceed now we may add to the belief that we did not have good case in the first place. And we may leave Vesco free to turn to Costa Rica as a refuge. This may happen anyway but we would at least have tried to maintain our legal interpretations.

4. In short, the question is whether we should stick to the legal principle involved and try to finish the battle we started letting the chips fall where they may, or retreat for the time being (from the appeal on treaty interpretation), appear to admit we have a weak case and wait for the documents to make a renewed case. In balance I am of the opinion we should stick to principle and what we think to be the merits of the case. If chips fall it is because of the Figueres administration's circumstances here, not our doing. I think we can only continue to insist as a general posture that we have no *dore* [*desire?*] to hurt anyone, we are merely defending our own judicial processes' integrity.

5. If, of course, there is from Washington's viewpoint no urgency or need to push the Vesco extradition or no particular need to preserve the treaty's interpretation, this would affect our assessments of the trade-offs. Since we do not know how the Bahamas' extradition process is going, it is difficult for us to know how much we should try to block this refuge here. Assuming that the U.S. wishes to press Vesco's extradition and to maintain its principle on the treaty interpretation, however, I would recommend we proceed albeit recognizing and being prepared for adverse political and propaganda consequences.

Please deliver at opening of business, Tuesday June 19.

Vaky

115. Telegram 2786 From the Embassy in Costa Rica to the Department of State¹

San José, August 4, 1973, 1610Z.

2786. Subject: Foreign Minister Comments on OAS Restructuring, Cuba and GOCR Bid for SC Seat.

1. During long conversation this morning with Foreign Minister Facio he made following comments re OAS restructuring, Cuba question and SC seating.

2. OAS Restructuring. Facio said Ambassador Lopez would head Costa Rican delegation in September session on OAS restructuring.

¹ Summary: Emphasizing the importance of a strong inter-American system for Costa Rican national security, Foreign Minister Facio discussed with Ambassador Vaky the restructuring of the Organization of American States, the future of OAS sanctions on Cuba, and Costa Rica's campaign for a seat on the United Nations Security Council.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to Guatemala City, Managua, San Salvador, Tegucigalpa, and New York. All brackets are in the original except those indicating garbled text and "[point blank?]," added for clarity. In telegram 2946 from San José, August 20, the Embassy reported that Facio appeared to be discouraged by Venezuela's rejection of his alternate proposal on Cuba sanctions and noted that he would nonetheless continue to advocate his initiative despite U.S. opposition. (Ibid.) An attachment to September 27 talking points sent by Lazar to Kubisch in advance of an October 1 meeting with Facio outlined the Venezuelan and Costa Rican initiatives on OAS sanctions on Cuba and noted that the U.S. position on the issue had "not changed from that conveyed to him [Facio] by Ambassador Vaky." (Ibid., ARA/CEN Files: Lot 75D469, Costa Rica—Political, 1973) In telegram 2772 from San José, August 2, Vaky reported on Costa Rican candidacy for Panama's UN Security Council seat. (Ibid., RG 59, Central Foreign Policy File, [no film number]) The memorandum mentioned in section 3 was not found.

Facio said that Costa Rica opposed any substantial weakening of Rio Treaty or collective security/peaceful settlement of disputes system, because as little country without any army it depended upon the treaty for its international security. For that reason he was concerned with Mexican proposal and specifically with provision therein requiring UN consultation, which he thought would in effect gut the American system. Facio went on to say he favored restoring the OAS Council to prime position with CIES and CIEC being technical bodies rather than coequal councils. He said that Costa Rica obviously supported democracy but thought that some amendment was necessary of the charter's wording calling democratic government the basis of consensus and reason for the organization's existence, since this was not now factually correct and vitiated the idea of ideological pluralism. Finally he said that he opposed the idea of using the system to confront the U.S. or to force concession from it. He thought there was no rpt no utility in pressing the concept of economic aggression (Art. 16) to try to punish the U.S. In reply I said that we felt two important points were that the Rio Treaty and collective security system not be weakened or Markotoy [garble] changed, and that no confrontation develop as a result of efforts to force an economic aggression definition on U.S. that would try to punish U.S. for defending legitimate U.S. interests. I said that from what I knew of our developing positions we were very much in agreement, and I suggested that Ambassador Lopez keep in close touch with Ambassador Jova. *Comment:* I had had earlier conversation with Ambassador Lopez in which I suggested same thing. I believe that on these issues Lopez (and Facio) will be helpful and supportive of general U.S. view, and therefore urge that USOAS keep close contact with Lopez.

3. Cuba. Facio said that the erosion in OAS authority occasioned by the Cuban question worried him. The more countries acted unilaterally to renew relations with Cuba, in violation of the OAS resolutions, the more the moral force of and respect for the OAS was degraded. He thought, however, that the question should be treated openly and not by back door maneuvers. He gave me a copy of a memorandum he had prepared which he said he has held very close and given only to one or two other governments. It poses a "juridical" formula for dealing with the question along the following lines: Summon a meeting of the organ of consultation to determine if the conditions giving rise to the sanctions voted by the ninth meeting of consultation still exist, i.e., Cuban subversion. If they do not then the sanctions are illegal and it would take a two-thirds vote to maintain them. He also maintains that the delegation by the ninth meeting to the Permanent Council of Competence to lift the sanctions is illegal. Facio emphasized twice that Costa Rica would not take any initiative to broach the Cuban question. The memo merely outlines ideas. However, if the question is raised by others, the ideas expressed in this memo will be voiced by the CR delegate. I re-

plied that we did not believe that any change in the sanctions was warranted, and that raising the issue PB [*point blank?*] the OAS would raise a seriously devisive issue. He asked that we talk further after I had read the memo. Action requested: Would appreciate Dept's comments on memo and suggestions for reply to Facio. (Copy of the memo I received today had been received by Embassy earlier through other channels, and was pouched under copy of June 28 letter to David Lazar, AR/CEN.)

4. SC Seat. Facio said he wanted to give me "status report" on Costa Rica's bid for SC seat (San Jose 2772 Notal). Only other candidate for LA seat is Jamaica. According to his count Mexico, Peru, Trinidad, Barbados and Guyana support Jamaica. Venezuela is undecided. All others are committed to Costa Rica. He has no doubt that Costa Rica will win LA caucus designation, but he is worried over small possibility that Arabs and some Africans will try to persuade Jamaica to run anyway. He has some information that Arabs met on this point, and noted that Arabs do not like Costa Rica because of its friendliness towards Israel.

Vaky

116. Telegram 168880 From the Department of State to the Embassy in Costa Rica¹

Washington, August 24, 1973, 1735Z.

168880. Subject: Extradition Negotiations. Ref: San Jose 2789.

1. Summary: Department believes it would be desirable to negotiate a new, comprehensive extradition treaty without terminating the

¹ Summary: The Department responded favorably to a Costa Rican suggestion to negotiate a new extradition treaty in light of the existing agreement's shortcomings, highlighted by the Vesco case.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Limited Official Use. Drafted by Malmborg, cleared by Lazar and in the Department of Justice, and approved by Feldman. In telegram 2789 from San José, August 4, the Embassy reported a suggestion by Facio that the 1922 extradition treaty be renegotiated and modernized. (Ibid.) In telegram 2790 from San José, August 4, the Embassy reported on a conversation in which Vaky told Facio that the United States still considered Vesco a fugitive and that his association with Costa Rica was hurting the country's image. (Ibid., P750008-2322) In telegram 158767 to San José, August 10, the Department informed the Embassy of a congressional initiative that would reduce or terminate assistance to countries that rejected U.S. extradition requests without valid legal grounds for doing so. (Ibid., [no film number])

present one. Authorization will be sought to submit text for consideration by Costa Rica.

2. After consideration here, we conclude that Embassy should inform Facio that we also believe it would be a good idea to negotiate a new extradition treaty. We believe that giving notice of termination of present treaty would be undesirable because there could be a gap between its termination and the entry into force of the new treaty which would leave us without authority to extradite to Costa Rica and because such actions usually not conducive to negotiations.

3. We will prepare text of treaty containing language to deal with problems encountered in Costa Rica as well as other provisions to facilitate extradition. These were discussed generally with Ambassador during his visit here.

4. As soon as text prepared, we will seek circular 175 procedure authorization to formally open negotiations through presentation of text to Costa Rica for consideration and comment.

Rush

117. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Kubisch) to the Deputy Secretary of State (Rush)¹

Washington, February 2, 1974.

SUBJECT

Elections in Costa Rica

Elections for the Presidency and unicameral assembly will be held in Costa Rica this Sunday, February 3. The leading candidates in an eight-man field are Daniel Oduber of the incumbent National Libera-

¹ Summary: Kubisch reported that Presidential and legislative elections were due to be held in Costa Rica on February 3, that Daniel Oduber was expected to be elected to succeed President José Figueres, and that either of the two leading Presidential candidates would likely maintain close relations with the United States.

Source: National Archives, RG 59, ARA/CEN/CR Files: Lot 78D109, POL 1–2 Basic Policy Guidelines, Directives (Briefing Papers), 1974. Confidential. Drafted by Sullivan on February 1. In telegram 218 from San José, January 19, the Embassy reported that elections scheduled for February 3 had failed to generate much excitement. (Ibid., Central Foreign Policy File, [no film number]) In telegram 474 from San José, February 7, the Embassy reported Oduber had won the Presidency with 43.4 percent of the vote. (Ibid.)

tion Party (PLN) and Fernando Trejos Escalante of National Unification (UN). Front-runner Oduber is expected to achieve by a narrow margin the 40 per cent plurality necessary to avoid a runoff election. The PLN, for the first time in its 22 years, appears likely to lose a majority of assembly seats.

Incumbent President Jose Figueres Ferrer, founder of the PLN, is constitutionally barred from running again. In an unusually calm campaign, Trejos has been reluctant to attack Oduber vigorously on his strongest issues of inflation and corruption in the Figueres administration. Oduber has stressed his experience and ability to govern. He has deflected third-party charges of being soft on communism by calling PLN social programs the best vaccination against the communist menace. The establishment of a Soviet Embassy in 1971 has not been a major issue.

Previously, the PLN and the UN have alternated in the Presidency. Either of the two possible winners seems certain to continue Costa Rica's democratic and moderately progressive course, and to maintain traditionally close relations with the United States.

118. Telegram 508 From the Embassy in Costa Rica to the Department of State¹

San José, February 8, 1974, 1940Z.

508. Subject: Tour d'Horizon with President-Elect.

1. *Summary:* In an hour-and-a-half farewell meeting with President-elect Oduber, which was in effect a tour d'horizon of U.S./CR relations and his future plans, Oduber indicated his desire for a close working relationship with the Embassy and the USG, and arrangements were agreed upon for close liaison between him and his nominees and the Embassy during the pre-inauguration period. He indicated his intentions of establishing a close relationship with Perez in Venezuela, Hernandez Colon in Puerto Rico, and Lopez in Colombia if he is elected in

¹ Summary: President-elect Oduber discussed his plans and the state of U.S.-Costa Rican relations with Vaky.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. In telegram 491 from San José, February 8, the Embassy described the political situation that Oduber would confront as he came into office, noting that "Figueres's personal desires and political directions will have to be taken into serious consideration by Oduber." (Ibid.)

April; a link-up in the tradition of the Figueres-Betancourt-Munoz Marin “axis” of several years ago. Oduber plans a strong centralized executive, affirms that he will take strong action against Communist infiltration in the university, states he will give priority attention to improving his intelligence and narcotics organizations and the efficiency of the police. Oduber plans a short trip within a week to Venezuela and Puerto Rico, will meet also with Somoza and Torrijos, and plans to spend a quiet few days vacationing incognito in Key West, Florida. *End summary.*

2. In an hour-and-a-half farewell meeting with President-elect Daniel Oduber, which took place at the residence the evening of February 6, we reviewed U.S./CR relations and future plans and prospects. Principal matters discussed were as follows:

A. Organization of Government.

(1) Oduber confirmed that First Vice-President and Minister-Designate of the Presidency, Carlos Manuel Castillo, will be his “Chief of Staff” with broad coordinating and executive authority. Oduber intends to establish a strong orchestration and centralized executive branch, including establishing firm control over the autonomous agencies and particularly the Central Bank. He will for this purpose rely heavily on the planning office, but he has not yet decided who will head it.

(2) He is still debating cabinet nominations. He said he had specifically decided on renaming Facio and on Rodrigo Quiros as Minister of Public Security. He is considering the appointment of Rodolfo Silva, the present Minister of Public Works, as Ambassador in Washington, and Deputy Jenaro Valverde as Ambassador to the UN.

B. Visits to Caribbean and Central American Countries.

(1) Oduber plans to meet with Somoza and Torrijos at some point very soon. During the next two weeks he plans also to visit Carlos Andres Perez in Venezuela and Hernandez Colon in Puerto Rico. Oduber said that he intends to maintain a close working relationship with Perez and Hernandez Colon, and will do the same with Alfonso Lopez if Lopez is elected President in Colombia. He said this association would be in the tradition of the Figueres-Betancourt-Munoz Marin relationship and even referred to it as a new “Caribbean Legion” but that it would be used for different purposes. Oduber said he also planned to spend a few days vacation in Key West, Florida. He said he wants no protocolary attentions; he simply wants to rest quietly without attention. I told him there would be no problem with that, but that I thought it advisable that he have some security protection and that I would take steps to see that this would be laid on. He promised to give us his itinerary, dates and address next week.

C. Immediate Plans.

(1) While we did not dwell at length on Oduber's new government and legislative planning, he did indicate his interest in the social developmental field (see E below), he did remark, however, that he believes his government will have to take on the task of laying down clear ground rules for investment in real estate and beach development, and the influx of pensionados. He would want to talk to us about these problems as his ideas develop. I agreed this was an important area to cover in order to protect the interests of all and avoid more serious problems or misunderstandings later.

(2) Oduber said he was pleased with the results of The elections. He noted that the elections were a disaster for the Left. He said Manuel Mora is finished; the USSR might as well "pension him off." He said he now feels the only significant Communist threat is at the University of Costa Rica, and he plans to undertake a major effort to isolate and offset them. (He did not bring up the Soviet Embassy, and I did not press him on it, but, as the Department knows, he has previously said confidentially that he would seek to restrict its size. See also comments on security/intelligence below.)

(3) Oduber said he plans a very simple and relatively inexpensive inaugural ceremony on May 8. He will invite special delegations from friendly governments; he will also extend private invitations to specific friends. He said he has already, or will soon, extend private invitations to Senators Hubert Humphrey and Edward Kennedy, and to former U.S. Ambassador Raymond Telles.

D. Security/Intelligence/Narcotics.

(1) Oduber expressed his great concern over the inadequacies of intelligence and police communications available to the President. He indicated that he will concentrate on improving these and give them great priority. He expressed hope that the U.S. could assist him in this area. He also said that he wished to professionalize the civil and rural guards, including perhaps the conversion of the military police unit into a small, well-prepared immediate reaction force. Oduber said he was going to "demilitarize" the police, for example, eliminating military titles and converting them into a true police force.

(2) With regard to narcotics, he expressed great concern about the potential problem and about the inadequacies of the present GOCR capacity to monitor this problem.

(3) I explained the assistance (and the limitations with regard thereto) that the U.S. might extend in these areas, and I particularly emphasized the restrictions with regard to assisting the police which resulted from the termination of the Aid Public Safety Program. I did point out the possibility of training in the U.S. in this area.

(4) Oduber said that he intends to name a single person in his Presidential office who will be the senior security coordinator and who will be responsible for monitoring and coordinating all national security activities, including the rural and civil guards. We agreed upon appropriate liaison contact with this advisor, when he is named, to explore possible cooperation in this area.

E. Development Assistance.

(1) I expressed to Oduber the scope of our aid activities in the rural sector. Oduber has been well informed on the scope of these activities. He expressed a strong concern that they continue. I explained that we were prepared to be as helpful as we could in the developmental field but that he should know that there was sentiment in Washington that Costa Rica was eligible to “graduate” from dependence on bilateral assistance. Oduber said wryly that he hoped graduation could be deferred for four years. He said that he would like to have Carlos Manuel Castillo be his principal coordinator and point of contact with regard to developmental matters. We agreed that USAID would get in touch with Dr. Castillo in a week or so, brief him on past activities and maintain a liaison for these matters.

(2) Oduber also expressed great interest in the Peace Corps, particularly in having Costa Rican youth observe and work with the volunteers. We agreed that when he returns from his trip, we would arrange for the Peace Corps Director to brief Oduber on the scope of the Peace Corps program to date.

F. General Relations.

(1) I pointed out to the President-elect that we had no real immediate issues between the two countries, with a possible exception of the Vesco problem (this is reported separately). Oduber said that there were, of course, such issues as the pensionados, land purchases and real estate, but these were quite amenable to cooperative handling. Oduber parenthetically observed that he was very interested in the ALCOA project and that ICE was pressing him on it. He would be taking that up very shortly.

(2) We agreed that it would be useful in this pre-inaugural period to maintain close liaison and discuss the whole spectrum of our relations and cooperation. Having agreed on specific liaisons, we also agreed on periodic intimate meetings between Oduber and the Ambassador.

3. *Comment:* Two threads in the tapestry of our conversation are worth singling out:

1) Oduber’s very open, virtual invitation to work closely with his government. The CASP premise that we would have by definition to redefine a relationship with the new administration is now evidenced

"in spades." We have a real opportunity to consolidate what we posited as the main goal of our policy—on-going constructive relationships—and to improve and consolidate dramatical U.S. influence and prestige in Costa Rica, if we have the imagination and will to do it. Oduber's agreement (and request) for close and informal liaison on a variety of matters is fortunate. We will over the next several weeks be making recommendations as to future actions as these emerge from our conversations. In the meantime, I stress for Washington's attention this felicitous and favorable climate and consequent opportunity.

2) Oduber's clear intention to forge a working relationship with Perez, Hernandez Colon and Lopez Michelsen (and probably others) is intriguing, and this suggests it may be a development (if reciprocated especially by Venezuela) of significance and interest in hemisphere terms. It also suggests the wisdom of the Department establishing some sort of relationship or liaison with Hernandez Colon. The Puerto Rican Governor is obviously going to have close contacts with a number of governments, and there is again opportunity here and at least a need to know what he is thinking or doing.

Vaky

119. Telegram 34272 From the Department of State to the Embassy in Costa Rica¹

Washington, February 20, 1974, 2340Z.

34272. Subject: Oduber Briefing on Vesco. References: A) San Jose 493; B) San Jose 508.

¹ Summary: During a briefing for Oduber on the activities of Robert Vesco, the Costa Rican President-elect indicated that he was considering the possibility of freezing Vesco's assets.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Immediate. Drafted by Lazar, cleared in substance by Robert Kushner of the SEC and by Malmborg, and approved by Lazar. In telegram 493 from San José, February 8, the Embassy reported on a request by Oduber for a briefing by U.S. experts on the case against Robert Vesco. (Ibid., RG 59, Central Foreign Policy File, P740146-0979) In telegram 1002 from San José, March 13, the Embassy reported on a bill introduced in the Costa Rican legislature that appeared to be intended to protect Vesco against any future extradition proceedings, adding that the timing of the legislation's introduction, at a moment when both Figueres and Oduber were out of the country, suggested that "no one apparently wants to be around to take the inevitable heat." (Ibid., [no film number])

1. *Summary:* President-elect Oduber was briefed by U.S. officials on Vesco matter. Discussion was carried out in depth and with candor on both sides. In discussion of possible future action to freeze Vesco assets in Costa Rica, Oduber indicated he had been considering this independently. *End summary.*

2. Briefing took place Tuesday, February 19, from 1:30 to 3:30 in Key Biscayne apartment of Jose Garmen Dio where Oduber is vacationing. Briefing went off quite successfully with Oduber obviously understanding both spoken and implied points. Briefing was low-key and atmosphere was friendly. Participants were Commissioner Pollack and Mr. Kushner, SEC; Mr. Thomas Edwards, U.S. Attorney's Office, Department of Justice; Mr. Knute Malmborg, State/L; and Lazar. Oduber was not accompanied.

3. Oduber opened the meeting by giving a brief description of Costa Rica and its prospects. He stated restoring confidence in governmental honesty, which he said had been badly shaken by allegations of graft, was top priority. He alluded to Figueres's investments with Vesco and said that, while there probably was nothing dishonest about this as far as Figueres was concerned, "it was not a smart thing" for the President of a country to have done. He also mentioned that he had talked to President-elect Perez of Venezuela about the need for greater confidence in the honesty of government and that he and Perez both agreed on this.

4. Briefing was in two parts. First part was historical background on Vesco matter handling by SEC with some particular attention to Vesco's "modus operandi." This formed bulk of briefing and was presented mainly by Pollack. Among key points made were limited amount of U.S. investors' funds involved and need for, and increasingly existence of, international cooperation in stopping international swindlers. Mentioned especially was need for cooperation in freezing Vesco assets wherever found. It was pointed out that cooperating in this effort now are Governments of Germany, Luxembourg, Canada and most recently the Netherlands Antilles. Further point made that Canadians, who have appointed receivers for two of the four dollar funds, are taking lead in "chasing assets" with the SEC, by agreement, working in close cooperation with them. It also was pointed out that actions thus far have been civil actions except for some peripheral actions already made public, but that criminal actions against Vesco are pending. Oduber well realized international ramifications of this matter and said that the Germans (presumably a group known to the SEC, representing German shareholders, who constitute as much as 70 percent of shareholders of dollar funds) have been in touch with him in Costa Rica and probably will be taking action there. In this connection he also mentioned a visit he had received from an emissary of Willy

Brandt, who described the Chancellor as quote furious unquote at Figueres for his protection of Vesco.

5. Second part of briefing also went over prospective possibilities of involvement of Costa Rica and/or Figueres in upcoming actions against Vesco or publicity arising therefrom. Oduber seemed particularly grateful for this presentation. Principal matters raised were: a) use of President Figueres's New York bank account as a conduit for Vesco funds; b) publicity regarding Figueres letter to White House offering to "mediate" settlement with Vesco and SEC reply (as Embassy aware this has been alluded to in newspaper accounts here and Oduber was aware of it); c) pending negotiation of new extradition treaty; d) possible further attempts at Vesco extradition (Oduber was told that this is not being contemplated at the moment but could not be discounted as a future possibility; e) possible move by SEC or Canadian receivers to freeze Vesco assets in Costa Rica. Also mentioned was upcoming SEC action against McAlpin.

6. With respect to possibility of freezing Vesco assets, Oduber showed great interest and indicated that he himself had been thinking along those lines. (In this connection, in answer to our question, he estimated Vesco's holdings of bonds of various GOCR institutions at about \$10.0 million. Although he didn't say so, it seems likely his thoughts on freezing assets derive from the bond problem.) He stated that what was most important for U.S. in this connection was having a first-rate Costa Rican lawyer.

7. At one point Oduber mentioned that J. Paul Getty, Howard Hughes and various unidentified Arab investors were now looking into investment possibilities in Costa Rica. This followed on his discussion of the impact of the Vesco stories on Costa Rica's international reputation and in context it was clear that he felt that investments from the sources named would not be good for Costa Rica. Oduber also mentioned his intention to talk to Torrijos within the next couple of weeks and to warn Torrijos of indications of Vesco's possible interest in Panama and the dangers attendant thereto as indicated by the Costa Rican experience.

Rush

120. Telegram 1138 From the Embassy in Costa Rica to the Department of State¹

San José, March 22, 1974, 2359Z.

1138. Subject: Extradition Bill. Ref: 1) San Jose 1098; 2) State 58359.

1. Pursuant to ref 1, this morning March 22 I requested an appointment with Solorzano for tomorrow or Monday, but in any case prior to final GOCR action on this bill. Response was invitation to come in at 5 p.m. today, invitation which was advanced to 4 p.m. at last minute. I therefore did not have the benefit of ref 2 before my meeting, but fortunately desk officer Sullivan had been able to give me essence by telephone earlier.

2. My approach to Solorzano covered all points outlined in para 1 ref 1, but was somewhat overtaken by fact that Solorzano handed me on arrival a detailed 5-page informal memorandum responding to all points I had made in my démarche to President Figueres (San Jose 1075). I have looked over this memorandum in only cursory manner, but can report that it rejects all of our points and concerns. Specifically it posits absolute supremacy of bilateral Extradition Treaty over ordinary legislation, denies that the bill is in any special way designed to protect Vesco, and maintains that both Costa Rican policy and law guarantee full GOCR cooperation in international highjacking and narcotics matters. Copies of memorandum will be in classified pouch tomorrow to ARA/CEN.

3. I urged that GOCR further consider our concerns prior to taking final action on bill, but Solorzano gave me no satisfaction. It is clear to me that bill will be signed very shortly, probably this weekend.

4. In absence of ref 2, I could not be as explicit as desired in foreshadowing content of a future note from U.S., but I did tell Solorzano that we might well have final comments and reservations about the bill

¹ Summary: Lane reported on a meeting in which Solórzano presented him with a memorandum rejecting U.S. Government concerns regarding a proposed Costa Rican extradition law that would benefit Vesco.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Immediate; Exdis. In telegram 1075 from San José, March 19, Lane reported on a meeting with Figueres in which he outlined U.S. objections to the proposed law. (Ibid., RG 59, Central Foreign Policy File, P740141–2046) In telegram 1098 from San José, March 21, the Embassy reported that the legislature had approved the extradition bill. (Ibid., D740060–0165) In telegram 58359 to San José, March 22, the Department approved Lane's suggestion that he meet with Solórzano. (Ibid., P740141–2595, D740062–0242) In telegram 1195 from San José, March 27, the Embassy reported that Figueres had signed the Extradition Bill into law on March 22. (Ibid., D740066–0750). In telegram 55653 to San José, March 20, the Department transmitted questions regarding the proposed bill. (Ibid., D740059–0093)

to express in a formal communication should it be finally enacted into law.

5. When I put the question squarely to him whether the GOCR had any plans to denounce our present Extradition Treaty, Solorzano replied that they do not to the best of his knowledge. Given the great emphasis placed on the sanctity of the treaty in their memorandum, I now think it unlikely that they will denounce the treaty. Rather, after further consultations with Castillo, which will be reported separately, I now believe that the Figueres administration is confident that future judicial interpretations of the treaty, taking into account the qte procedural unqte provisions of the law will effectively protect Robert Vesco.

6. Solorzano could give me no satisfaction on the questions posed in State 55653. Neither could Castillo really, since everything depends upon future judicial interpretation.

Lane

121. Telegram 1313 From the Embassy in Costa Rica to the Department of State¹

San José, April 4, 1974, 1547Z.

1313. Subject: Extradition Law. Ref: San Jose 1300.

1. During interview reported reftel, FonMin Facio volunteered following comments on new extradition law:

A) Law was not intended to protect Vesco. It could not obstruct any future U.S. effort to extradite him from Costa Rica since bilateral treaty takes clear precedence.

¹ Summary: The Embassy reported that Facio told Lane that the new extradition law "was not intended to protect Vesco," an assertion which the Embassy found "hard to swallow."

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Exdis. In telegram 1285 from San José, April 2, the Embassy noted student protests against the new extradition law and reported on allegations in the Costa Rican legislature that the United States had been involved in fomenting the demonstrations. (Ibid., RG 59, Central Foreign Policy File, D740073-0859) In telegram 1300 from San José, April 3, Lane reported he had assured Facio the Embassy had played no role in supporting protests and that Facio had stated his intention to downplay the matter. (Ibid., D740074-1059) In telegram 1006 from San José, March 13, the Embassy transmitted the Legal Advisor's views on the proposed bill. (Ibid., P740145-1003) For telegram 58359 to San José, see footnote 1 to Document 120.

B) Facio qualified this general statement by admitting that one provision of new law could technically benefit Vesco, namely Article 6 which reserves decision on extradition for executive branch when executive of requesting State has final word on extradition matters (San Jose 1006). Facio assured me, however, that this provision would not be invoked to protect Vesco as long as he is FonMin and Oduber is President.

2. I thanked Facio for his comments and observed that we have been concerned about the possibility that the tribunal in some future case might by interpretation introduce portions of the law where the treaty is silent or not explicit. Facio did not deny that this is possible.

3. I also took occasion to tell FonMin that after Department has completed its analysis of law we may formally request explanations and clarifications of its impact (State 58359). At that time, it would seem to me appropriate also to return to subject of whether it would be any longer useful to attempt negotiation of a new extradition treaty.

4. *Comment:* Whether or not Facio himself had a hand in drafting the new law, as some sources speculate but we have not confirmed, it is hard to swallow para 1(A) above from any source.

Lane

122. Memorandum of Conversation¹

San José, April 18, 1974.

PARTICIPANTS

Luis Alberto Monge, President, Legislative Assembly
 Lyle F. Lane, Chargé d'Affaires ad interim, AmEmbassy San Jose
 Peter D. Johnson, Political Officer, AmEmbassy San Jose

SUBJECT

Oduber, Figueres, and Liberacion Politics

During luncheon conversation today, Luis Alberto Monge, who is uncomfortably in the middle of some bitter parliamentary infighting and maneuvering between political factions, took time to explain in some detail the political problems implicit in processing through the Assembly the Education Bill; the Newspaper Bill; the Family Assistance Bill; the Exchange Reunification Bill; and then looking back two or three weeks, went into some of the politics of the Extradition Bill.

With regard to the last, the Extradition Bill, as much of the rest has been picked up in A-52, Monge described the reaction of the Figueres administration against the Embassy as an attempt to "devolver la pelota" at the Embassy after having been stung by the public's reaction to the bill. He explained that back in December when the political campaign was beginning to really get expensive, Daniel found himself in desperate need for \$4 million. Although he had not previously turned to Figueres and Vesco, Oduber found that, according to Luis Alberto, money was available from this source for a price. While Luis Alberto Monge was in Taiwan over the Christmas holidays, he said a deal was struck between Oduber and Figueres whereby \$4 million worth of Vesco money was channeled into the *Liberacion* campaign coffers. Monge said the money was part of the funds that Vesco paid for the various government bonds that he bought from the administration a year or so ago and which we in the Embassy estimated totalled nearly

¹ Summary: During a lunch conversation, the president of the Costa Rican Legislative Assembly told Embassy officials that Oduber had agreed not to oppose the recently passed extradition law in exchange for Vesco-linked funding for his election campaign.

Source: National Archives, RG 59, Central Foreign Policy File, P740044-0780. Confidential. Drafted by Johnson. Sent as an enclosure to airgram A-58 from San José, May 1. The meeting was held at the Hotel Amstol Restaurant. In airgram A-52 from San José, April 19, the Embassy reported that efforts to tie demonstrations against the Extradition Bill to U.S. interests appeared to represent an effort by political allies of the Figueres administration to discredit the protests. (Ibid., P740037-0730) In a July 1 letter to Sullivan, Johnson stated his view that Oduber sought to create the appearance of non-involvement with Vesco while enjoying the benefits of his presence in Costa Rica. (Ibid., ARA/CEN/CR Files: Lot 76D290, Chron—Letters, Correspondence from Embassy, 1974)

\$10 million (dollars). Monge went on to say that the price Oduber was required to pay for the \$4 million was:

1. Nomination of Gonzalo Facio to remain in the Foreign Ministry;
2. A stiffened law to protect Robert Vesco from extradition attempts.
3. A promise to appoint Figueres's son-in-law, Danilo Jimenez, as president of the social security institute.

This deal with Figueres, Luis Alberto pointed out, explains why Oduber was not in a position to fight the Extradition Bill when it was being pressed through the legislature. He had already committed himself to Figueres's scheme.

Curiously, Monge made no reference whatsoever to the Embassy's approach in the Legislative Assembly, at the time of the Extradition Bill's consideration, to Edgar Arroyo, Acting President of the Assembly in Monge's absence and probably an important element in provoking Figueres's and possibly even Oduber's irritation with the Embassy. On the other hand, Monge said he expected there was nothing to the allegations by Manuel Carballo Quintana that the Embassy was stimulating the Costa Rican youth to protest against the government extradition projects. Monge said that the original motion presented by Manuel Carballo Quintana contained allegations naming Peter Johnson, but Monge, before approving the motion, convinced the sponsor that the name be dropped. Monge anticipated, furthermore, that nothing would come of the investigation by the Foreign Ministry except a perfunctory reply indicating there was no substance to the allegations.

Liberacion Politics

Monge clearly is finding himself in an increasingly difficult position as heir apparent to the party presidency. The difficulty lies mainly with Figueres and his cronies: Burstin—who is the grey eminence; Danilo Jimenez—who has his own presidential aspirations; and Carlos Manuel Vincent former Minister of Gobernacion under Figueres. Figueres has been convinced by his cronies that he should take over the party, and Oduber has persuaded Monge that he should not confront Figueres. Anxious himself to avoid a confrontation, Monge said, perhaps unrealistically, that he believed that time might well work to his advantage. Monge said the PLN National Assembly scheduled for May, after the inauguration of the new administration, had been indefinitely postponed on his orders because the rank-and-file as well as the party cadre are solidly behind his own candidacy, but Figueres is insisting on the candidacy himself. Luis Alberto says it would not be politically wise to beat Figueres, even though he believes he could easily do it. So, as a temporary solution, Monge has agreed to indefinitely postpone the party convention. He will, in the meantime, continue as

the party's secretary-general, and there will be no party president for the indefinite future.

COMMENT: Monge is obviously unhappy with what he regards as indecisive backing of his position by the President-elect, but, on the other hand, by not himself providing courageous leadership, and allowing decisions which directly concern him to be made by others to his disadvantage, Monge has lost some ground with the rank and file. Maybe Oduber, always reluctant to take on Pepe Figueres, has agreed with Don Pepe to let Luis Alberto's star eclipse by itself, leaving little alternative to a resurgence of *Figuerismo*.

123. Telegram 1943 From the Embassy in Costa Rica to the Department of State¹

San José, May 22, 1974, 0025Z.

1943. Subject: Oduber Releases Letter to Vesco.

1. In press conference May 20 President Oduber, before turning to questions, announced that at his meeting with Robert Vesco the day before he was sworn in as President, he spelled out in a letter the conditions which Vesco must comply with if he is to remain in Costa Rica. The following are the highlights of this interesting document which was published in its entirety in the May 21 press:

2. Oduber said that "friendly governments have kept me informed regarding possible judicial action against you (Vesco) and your firms, but at no time has your expulsion from this country been requested—a thing that would be unacceptable to a country that historically prides itself with being a center for exiles who are suffering persecution in their respective countries. Unfortunately, as I told you when I met you several months ago, anyone coming to Costa Rica to be a shareholder in

¹ Summary: The Embassy reported that Oduber released a letter indicating conditions with which Robert Vesco would have to comply in order to remain in Costa Rica. The Embassy concluded the letter was intended primarily to deflect criticism of the Oduber administration for its failure to act against Vesco.

Source: National Archives, RG 59, Central Foreign Policy File, D740128–0602. Confidential. Repeated to USIA. In airgram A–4610 to San José, June 6, the Department instructed the Embassy to submit a written request to the Costa Rican Government for a detailed explanation of points of concern in the new extradition law. (Ibid., P740058–1016) In telegram 2398 from San José, June 25, the Embassy reported that Lane delivered the aide-mémoire on June 24. (Ibid., D740167–0439) All brackets are in the original except "[With]", added for clarity.

Mr. Figueres's companies becomes automatically an enemy of Mr. Figueres's enemies, and your enemies in the international arena automatically convert themselves into enemies of his. Now that a new government is beginning, none—I repeat none—of its members can be accused of being shareholders in your businesses, the situation is different and the country will be able to see with greater objectivity the problems caused by your presence in Costa Rica."

3. Oduber went on to specifically warn Vesco not to expect anything but the normal immigration and customs treatment for visitors at the airport for his people, airplanes and baggage.

4. With regard to Vesco's investments in Costa Rica, Oduber states in the letter that "it would be better if your investments go into agriculture, cattle, tourism, agro-industry and stay out of the kind of mysterious activities that are much spoken about precisely because they are unknown. It's better not to complicate things with webs of tangled shares and portfolio companies so Costa Ricans can know that your investments are going to be beneficial for the country. In this context I request that you not accept any member of my government as an associate. If you do, I would have to fire the official and ask you to leave the country. If there are (business relationships)—and I do not know that there are—I request that you liquidate these investments within thirty days ..."

5. Apparently one of Oduber's chief concerns about Vesco is the amount of his money that has wound up in the media. He told Vesco in this letter that he was preparing a bill which would require shares of media enterprises to be totally owned by Costa Ricans and registered by name (nominative). He said, "Before this legislation is promulgated, I request that you take the necessary steps, if you have investments in the media, with the objective of respecting the intention of this government ..."

6. With regard to Vesco's possible extradition in the future, Oduber alluded to the USG's unsuccessful attempt last summer as an effort handled as if intended not to succeed. Oduber stated that Vesco would have to be extradited if the courts found him extraditable under "treaties, laws and the constitution." The same applies to shareholders suits against Vesco—the courts will have the final word.

7. Finally, President Oduber told Vesco that "if your conscience is clear, you can remain tranquil in Costa Rica . . . I do not want your presence or that of your family and friends to be a permanent scandal that is frightening for you or that damages Costa Rica and my government. For this alone, I have given you some recommendations that can help both of us so that the waters can return to their normal level ..."

8. *Comment:* Although Oduber's letter to Vesco was an astute move aimed at proving to both international and domestic observers that he

intends to clean up government, the Embassy remains to be convinced that the letter was not meant more to calm the critics than to warn Vesco. [With] the exception of Oduber's recent decree to tighten up customs—a measure clearly aimed at Vesco—the new restrictions spelled out in the letter are those concerning Vesco's investments in the media and the ban on business dealings with members of his government. With regard to the media, Oduber raised the prospect of a new law which would prohibit foreign ownership of media enterprises and compel public disclosure of media shareholders through public registry of the shares (*acciones nominativas*). But Vesco's relationship to the media is principally that of a banker not a shareholder so he presumably would not be greatly affected by the new law. Precisely because Vesco's media investments are more oriented to lending money (for political profit) than to ventures for commercial gain, Oduber's restrictions on Vesco's involvement with the media are wide of the mark. With the apparent exception of Channel 11, where Vesco may have had a direct piece of the action, most Vesco money in the media (namely, *Excelsior*, *La Hora*, Radio City, Radio BB and Radio Columbia) has probably been through loans to Luis Burstin principally, and probably to Pepe Figueres, Gaston Kogan and Fernando Batalla who are partners in the *Excelsior/La Hora* operation. Vesco may have been a direct partner with the enterprising Cuban-Americans (U.S. citizens) who own Channel 11, and their sudden desperate financial situation (brought to Embassy's attention several days ago) may have been occasioned by his decision, under Oduber's pressure, to cut his direct involvement. The Cuban-Americans are probably expendable to Oduber whereas Burstin, Baston Kogan and especially Figueres are not so easily dismissed. Embassy still believes that Oduber feels his greatest challenge right now is principally to project image of not tolerating Vesco's excesses while not damaging his relations with Figueres. Oduber probably wants to keep Vesco's head down by curbing the fugitive financier's more flagrant abuses, and as he said in the letter "let the waters return to their normal level."

Lane

124. Telegram 2846 From the Embassy in Costa Rica to the Department of State¹

San José, July 25, 1974, 1755Z.

2846. For Kubisch from Mailliard. Subject: Cuban Sanctions

1. I went straight from the airport to see Facio last night accompanied by Chargé Lane and McNeil. Facio had taken the initiative to see us immediately. He sandwiched us in between reception and dinner for Gabriel Valdez.

2. We got down to business right away and I laid out our objections to any kind of OAS action (even the formation of a Committee of Inquiry) in the near future. We would have to fight all the way. The result would be a big [garble] in which the Rio Treaty would suffer, the OAS would suffer, and the only winner would be Castro. On the other hand, if he would delay until late in the year, say early December or late November, we would not object to a meeting then. I added that we basically shared the same goals, recognized the danger to the Rio Treaty, and wanted to work something out quietly with him. If he would wait, we would work with him, although I could not assure him how we would vote on the substance, which would depend on the situation.

3. Facio began by repeating that Costa Rica had no intention of resuming relations with Cuba, but he was convinced others were going to act unilaterally if some kind of OAS action were not initiated shortly. He, personally, was in no hurry, but his concern had to be to save the Rio Treaty, which had twice protected Costa Rica from aggression. He had been in communication with Venezuela in recent days (through his special envoy) and, just before our arrival, with Colombian Foreign Minister Vazquez by phone. Venezuela would vote for a Committee of Inquiry but would not cosponsor in order to keep its freedom of action, as he understood, to begin conversations with Cubans. (Given

¹ Summary: During a July 24 meeting with Facio, Mailliard explained U.S. objections to OAS action on Cuba and urged the Foreign Minister to delay any possible discussion of the subject in the regional forum until later in the year.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 779, Latin America, Costa Rica. Confidential; Immediate; Exdis. Repeated to Bogotá and Caracas. In telegram 2639 from San José, July 11, the Embassy noted Costa Rican concern over the possible breakdown of the hemispheric security framework as some countries abandoned OAS sanctions on Cuba. It also reported Facio's advocacy of an OAS meeting on Cuba's status in the hemisphere. (Ibid., RG 59, Central Foreign Policy File, D740185–0460) In telegrams 3247 and 3339 from San José, August 26 and 31, the Embassy reported that Facio would accommodate the U.S. desire for a delay of final OAS action on Cuba until November. (Ibid., D740236–1245, D740235–0852, D740241–0996) A September 16 memorandum of conversation records a Kissinger-Facio discussion on possible OAS action on Cuba. (Ibid., P820097–2068) All brackets are in the original except those indicating garbled text or text that remains classified.

President Perez's remarks to Ambassador McClintock, "freedom of action" could have other meanings.)

4. Vazquez had contacted Lopez Michelson in London who assented, so long as the Committee of Inquiry were proposed prior to his inauguration, otherwise he wanted freedom to move right away. Vazquez also informed Facio of the conversation with Amb Vaky [garble] this together, Facio felt he had to move very quickly or unilateral actions would make the whole thing meaningless.

5. I then told him in the most general terms that we had conflicting reports from Venezuela. I was going to Caracas and Ambassador Vaky would be trying to see Lopez Michelson before the inauguration to find out his views. Would he agree to hold off if we undertook to get commitments from Colombia and Venezuela to go along with a scenario in which they would wait for OAS action late in the year?

6. Facio immediately assented. He added that he did not want to embarrass the U.S., but as a matter of Costa Rican vital interests he had to do something to preserve the Rio Treaty. He would be willing to wait if they will wait. He asked me to inform him immediately of the results of our conversations with Venezuela since he might be going to Bogota Monday or Tuesday to talk to Lopez. I agreed and added I would still want to talk to him again if the results were negative to explore any possible alternatives. He again agreed provided events did not force his hand.

7. Facio also gave [garble] some helpful information on the procedures he envisages. We asked him about the phrase in his letter to Schacht saying that if the Committee of Inquiry judged that Cuba was no longer a threat to the peace and security of the hemisphere, then sanctions would be illegal. We said this could be embarrassing to a number of countries, and not just the U.S. and Costa Rica, who did not wish to renew relations. He said he was referring to the concept of sanctions, not to the sovereign right of [garble] State to determine whether it will have relations with another.

8. So far as the mechanisms were concerned, under the resolution of the ninth MFM instituting sanctions, the OAS Permanent Council is empowered only to lift them. However, an organ of consultation, either an FMF [MFM?] or the OAS Council acting provisionally could by two-thirds majority adopt something like the Venezuelan proposal of last year freeing nations to renew relations with Cuba if they wished (in effect making sanctions optional).

Comment: We have a slight reprieve. It largely depends now on Venezuela and Colombia. In my judgement Facio was most forthcoming, but made it clear he could not hold back if he becomes convinced that unilateral action by others is imminent. He clearly wants not to embarrass us but is determined to prevent further erosion of the

Rio Treaty. The whole picture becomes somewhat clearer having seen the latest Panamanian version of what is going on [*less than 1 line not declassified*].

I also note that Ambassador Vaky and Facio have made fundamentally similar assessments of the Colombian situation. Given these new reports, I suggest we begin to consider fallback positions.

Facio agreed to keep my visit quiet (he saw us alone). We leave for Caracas as scheduled.

Lane

125. Memorandum of Conversation¹

November 13, 1974.

SUBJECT

Conversation with Costa Rican Foreign Minister Facio

PARTICIPANTS

William D. Rogers, Assistant Secretary, ARA
Costa Rican Foreign Minister Facio

I talked with Foreign Minister Facio on the airplane on Wednesday between Quito and Panama.

1. He raised the Vesco issue. He said that he wanted particularly to get word to the *Washington Post* in response to the *Post's* criticism of the Costa Rican courts as inefficient and corrupt. I asked that he send me a personal letter with the information in it and we would consider how

¹ Summary: During a flight between Quito and Panama, Rogers and Facio discussed the Vesco extradition case and the meeting of OAS Foreign Ministers that had just concluded.

Source: National Archives, RG 59, Central Foreign Policy File, P830033–1221. Confidential. Drafted by Rogers. During the November 8–12 OAS Meeting of Consultation of Ministers of Foreign Affairs at Quito, a resolution to lift diplomatic sanctions on Cuba failed to win the two-thirds majority necessary for adoption. In a November 18 letter to Rogers, mistakenly dated September 18, Facio objected to a *Washington Post* article critical of the Costa Rican courts and noted the deficiencies of the U.S. request for Vesco's extradition. (Ibid., P820146–1135) In a November 25 letter to Lazar, Lane stated that it would be inappropriate for any U.S. official to carry a Costa Rican complaint to the *Washington Post*, noted that many observers believed that Facio was still connected to Vesco, and pointed out the danger of launching a second extradition attempt that might also fail as a result of the obstacles imposed by Costa Rica's extradition law. (Ibid., ARA/CEN/CR Files: Lot 76D290, Chron—Letters, Correspondence from Embassy, 1974)

that might best be introduced to the *Washington Post*. He originally thought that he himself should write such a letter and I thought that not the best way to do it. Perhaps our Chargé, or someone in Washington, could comment directly to the *Post*.

2. He emphasized that his law firm was no longer involved in the Vesco matter, and that he himself was no longer involved in any way with his law firm.

3. He strongly implied that we should take another crack at the extradition. He said that the matter was entirely up to the courts. If the courts granted the writ, there would be no possibility that Oduber would refuse to carry out the extradition on political grounds. He said that the government would be relieved if the matter were put back into the judicial process.

4. He discussed the MFM. He said that he was certain to take a great deal of blame for his inability to count, but that the real reason was that several countries which were committed to him had not followed through. He had no notion where to go next on the Cuban issue, but had arrived at the point where he recognized that the world had not come to an end. There was no suggestion of criticism of our position.

126. Telegram 4342 From the Embassy in Costa Rica to the Department of State¹

San José, November 14, 1974, 1542Z.

4342. Subject: President Oduber's Public Comments on Vesco. Ref: State 246409 and San Jose 4288.

¹ Summary: During a discussion regarding the Vesco case and Costa Rica's extradition laws, Oduber reportedly backed away from a recent public suggestion that the United States had been disrespectful of the Costa Rican judiciary by presenting a defective request for the extradition of Robert Vesco, adding that he would be glad to see Vesco leave Costa Rica.

Source: National Archives, RG 59, Central Foreign Policy File, D740329-0154. Confidential; Exdis. In telegram 4248 from San José, November 7, the Embassy reported an allegation by Oduber that the United States had intentionally presented a weak extradition request, thereby making a mockery of the Costa Rican judicial system. (Ibid., D740319-0611) In telegram 246409, November 8, the Department instructed Lane to stress to Oduber that the United States had made its request for Vesco's extradition in good faith. (Ibid., D740321-0254) In telegram 4288 from San José, November 8, the Embassy reported on Lane's attempt to meet with Oduber regarding the Vesco matter. (Ibid., D740322-0750) The *Washington Post* article was not further identified.

1. I had my meeting with President Oduber yesterday this afternoon November 13. The President was very relaxed and spoke freely of various matters which will be reported in separate tels.

2. I made all the points contained reftel. Oduber did not specifically retract any of his published statements but he did try to soften them and to suggest that the reporter may have partly confused his harsh comments about a *Washington Post* “editorial” of a couple of weeks ago which he said was very critical of Costa Rican courts and institutions (we think he may be alluding to the Greer article of October 15).

3. Oduber said specifically that he was confident that this Embassy under Ambassador Vaky had made a very sincere effort. (One interpretation of that is that he is still not so sure about Washington agencies.) He also stated that he had heard directly from the judge that our case was poorly done and not consonant with the treaty. I went through the material suggested in reftel and elaborated on it to some extent from my own experience, all of which Oduber seemed to find interesting, but I doubt that I changed his mind. He did seem, however, to want to back off of any suggestion that the USG played lightly with the Costa Rican judiciary or that we were anything less than straightforward with him personally.

4. The President said that he still plans to visit the United States at a future date, and would welcome another briefing from our legal experts on the state of play.

5. Oduber observed that he personally would be glad to see Vesco out of Costa Rica. He thought that Pepe Figueres might also be relieved if that happened, although Oduber is not sure of this. In any case Oduber said he has now studied more closely our Extradition Treaty and the various extradition laws—past, present and proposed—and thinks that we may have considerable difficulty extraditing Vesco under any of them. I took advantage of all of this to remind Oduber that we have proposed to negotiate a new extradition treaty which among other things would include narcotics offenses which are not now covered.

Lane

127. Telegram 278673 From the Department of State to the Embassy in Costa Rica¹

Washington, December 20, 1974, 0120Z.

278673. Subject: Vesco.

1. At earliest suitable opportunity Chargé is requested to review recent aspects of the Vesco case drawing on the following points:

2. It has been and continues to be our hope and intention to avoid letting the Vesco issue damage our overall excellent relations with Costa Rica. For this reason, we believe it would be useful to review our role in this matter, past and future, to remove any misunderstandings.

3. We have never impugned the probity of Costa Rican courts or their action in the Vesco extradition attempt. We had no hand in the Greer (October 14 *Washington Post*) article, and we understand informally that the questions raised about the Costa Rican courts were based on statements of Costa Ricans in Costa Rica. They did not come from the USG.

4. President Oduber should be clear that the Jackson letter was an initiative of the subcommittee, as are the subcommittee hearings, in which we played no part. We do not know whether the Senator intends to make the letter public. (We should try to head off any belief that the Jackson letter is part of an orchestrated campaign against him.)

5. We have taken great pains to proceed in a strictly legal and proper manner in this matter. We have supplied factual information on various aspects of this case to people in Costa Rica who requested it. We have not engaged in lobbying or pressure tactics. We have kept President Oduber fully informed at every point along the way of developments in the United States relating to the Vesco matter at his request and as a courtesy to him. Therefore, while we understand that Vesco

¹Summary: The Department instructed Lane to review aspects of the Vesco case with Oduber.

Source: National Archives, RG 59, Central Foreign Policy File, D740370-0290. Confidential; Immediate; Exdis. Drafted by Sullivan; cleared in draft by Lazar, Malmberg, and Feldman; and approved by Bowdler. The November 6 letter from Senator Henry Jackson to Oduber referred to in this telegram is *ibid.*, P800029-0171. In telegram 4864 from San José, December 24, Lane reported on his December 23 meeting with Oduber, in which the Costa Rican President agreed that it was important to prevent the Vesco issue from impairing bilateral relations but stated that "he could not deport Vesco simply on the basis of a demand 'from the street,'" adding that "the best solution, from his point of view, would be to see Vesco in a third country from which the U.S. could get him." (*Ibid.*, D740373-1004) The Department communicated their position in telegram 268662 to San José, December 6, the Department communicated its position regarding the Vesco case. (*Ibid.*, D740355-0407) The *Washington Post* article was not found and not further identified.

presents an internal political problem for Costa Rica, we do not understand the President's adverse comments on the United States in his recent letter to citizens group. Whatever the internal political climate of Costa Rica, we have played no role in the internal anti-Vesco movement, and are not otherwise interfering in internal Costa Rican affairs.

6. While we have attempted to avoid responding publicly to earlier statements by President Oduber concerning U.S. actions and motives in the Vesco case, statements by high level Costa Rican officials make it increasingly difficult for us to continue to do so. We may have to respond to set the record straight with our Congress and press. A case in point are statements suggesting that we were less than serious in our approach to the first extradition.

7. The GOCR should be very clear on the USG legal position:

A. Vesco has been indicted on three criminal charges.

B. He cannot be tried or convicted of a criminal offense unless he is physically present in the U.S. This derives from our concept of right to self-defense including confrontation of witnesses. (You may expand upon this based on State 268662 given Oduber's apparent acceptance of Vesco argument that he has never been convicted.)

C. The only way to get Vesco for trial, against his will, is through extradition. This possibility is being given serious consideration by the responsible law enforcement agencies. But these agencies have to consider the "Vesco" law which seriously complicates any new extradition requests. Some of the provisions of that law are inconsistent with international extradition practice and with our treaty.

(FYI: While we do wish to indicate to President Oduber that the Vesco law does pose serious difficulties for us—some of which were pointed out in our aide-mémoire of last June—we do not wish to comment definitively on whether we might seek extradition despite the Vesco law. *End FYI.*)

8. President Oduber should be clear that our interest in Vesco is based on serious and substantial evidence that he has defrauded investors of over dols. one hundred million through self-benefitting transactions, and on the pending criminal charges against Vesco.

9. Should the matter of the proposed new extradition law arise, or if it is otherwise convenient to do so, would appreciate your seeking clarification from Oduber of his message, transmitted through Inocente Alvarez, that the proposed new law would be worse than the existing "Vesco" law.

Kissinger

128. Telegram 49 From the Embassy in Costa Rica to the Department of State¹

San José, January 7, 1975, 1700Z.

49. Subject: 1975 Meat Import Program. Refs: (A) State 28297 (B) State 626 (C) San Jose 4919.

Begin Summary: Initial reactions indicate that Costa Rican officials are shocked by magnitude of proposed reduction of meat exports and contemplated U.S. voluntary restraint program. Costa Rica would suffer 20 percent loss as compared to 1974 shipments and 30 percent loss as compared to 1975 potential. Embassy anticipates that the GOCR will make a strong appeal for a more equitable share of U.S. meat imports under the voluntary restraint program. *End Summary.*

1. Embassy has not yet received reply to its note of January 2 informing GOCR of proposed voluntary restraints (VRS) on meat exports, but AgAtt was called in yesterday for preliminary discussion with Minister of Agriculture Garron, and two key advisors to Ministry of Economy came to Embassy at their request to seek further information on program from Chargé and AgAtt. Embassy has also been approached by Cattlemen's Federation and Meat Packers Association. Minister of Agriculture and other concerned GOCR officials met yesterday with cattle growers and meat packers and today Foreign Minister Facio, who wishes to take the lead in consultations with the U.S., is meeting with Ministers of Agriculture and Economy and key advisors, after which instructions are to be sent to Costa Rican Ambassador Silva.

2. General impression of level of proposed VRS for Costa Rica is surprise and astonishment. Proposed VRS of 43.2 million pounds represents approximate 20 percent reduction from expected 1974 exports to U.S. and would be nearly one-third under calculated 1975 export po-

¹ Summary: The Embassy reported that Costa Rican officials were shocked by news the United States was imposing limits on meat imports and that Costa Rican producers would be asked to reduce their shipments to the U.S. market under the terms of a proposed voluntary restraint agreement.

Source: National Archives, RG 59, Central Foreign Policy File, D750006-0690. Limited Official Use; Priority. Telegram 28297 to multiple recipients is dated February 7. (Ibid., D750045-0927) Telegram 626 to San José is dated January 7. (Ibid., D75006-0690) Telegram 4919 from San José is dated December 31, 1974. (Ibid., D750001-0317) In telegram 282971, December 28, 1974, the Department reported that limits on meat imports would have to be imposed in 1975 under the terms of a 1964 law and asked addressee posts to conclude voluntary restraint agreements establishing quotas, with Costa Rica's quota to be set at 43.2 million pounds. (Ibid., D740376-0575) In telegram 392 from San José, January 29, the Embassy reported that Costa Rican officials had made a strong case for more favorable treatment under the U.S. meat import program and noted that a Costa Rican delegation planned to travel to Washington to discuss the issue with U.S. authorities. (Ibid., D750033-0487)

tential. A reduction of beef exports of this magnitude will be a severe shock to local cattle industry and will also affect general level of exports and economy according to local officials (Embassy estimates beef export reduction at \$7 million). They add, that to offset shortfall, relative to export potential, domestic consumption would have to increase 10 lbs per person, too much to be absorbed on local market which only consumes about 25 lbs per capita annually.

3. Minister of Agriculture Garron is particularly disturbed by proposed level. He told AgAtt that country had been answering call for increased meat exports even at sacrifice of local grain production. He said that World Bank and other international lending institutions have helped to stimulate local livestock industry and if exports held to proposed levels, there will be serious repayments problem.

4. Costa Rica is also disappointed that U.S. VRS do not recognize its performance as a faithful supplier. Costa Rica had hoped that its 1974 showing of being one of few countries to increase its exports during period of declining prices would be recognized by U.S. Gain of 1.1 percent for region over 1972 not accepted by some as much recognition for region and its efforts to increase export to U.S. Costa Rican officials proud that their beef exports have shown steady growth and no large year-to-year fluctuations as is case with other countries. They also felt that this would be recognized by U.S.

5. *Action requested:* Several questions have already been asked of Embassy and others are anticipated. Department's guidance in responding to following would be appreciated: (a) What is open to consultations relating "to implementation and administration of 1975 program" (ref A, para 5)? Is the base period open to negotiations; a CY 1972–74 base would probably be more beneficial to Costa Rica and possibly also to Central America vis-à-vis Australia and New Zealand. What about 1973–75 base period as implied in law? What about estimated level of imports, could this be raised from current 1,150 million pounds to "trigger level" minus one or 1,180 million pounds? (b) Ministry of Agriculture official asked, what is avenue or mechanism for attempting to negotiate a larger VRS level? (c) Another official questioned consequences for Costa Rica if it opted not rpt not to participate in the VRS program like Canada, U.K., and Belize? We assume that if country with Costa Rica's magnitude of exports opted not to participate, absolute quota of 1,074 million pounds would be imposed, is this correct and how would shares be allocated? (d) How is remaining 79.1 percent divided and how does this compare with 1972 shares?

6. Embassy would appreciate additional information on negotiation procedures and game plan. Assume next step is to await GOCR response and indications of their willingness to sign VRS. How do we move if they request larger figure and hesitate to give assurances about

signing a VRS at this time? Also, what is relationship between our direct dealings with GOCR and continuing SCCN meeting? Are we correct in assuming that our bilateral discussion and SCCN negotiations are parallel?

7. Answers and guidance to above points urgently needed. Minister of Agriculture to meet Jan. 6 with cattlemen and packers, and Ministers of Foreign Relations, Economy and Agriculture to meet on January 7 to work out overall policy.

8. *Comment:* Officials who have raised subject with Embassy thus far seem to have had expectations that 1975 program would have incorporated volume for Costa Rica somewhat closer to recent annual export volumes and not such a large reduction. They admit that no numbers were discussed at December 19 SCCN meeting, but possibly U.S. willingness to hold discussions at least lent some feeling of confidence to them. Guidance statements included in ref B and in particular statements that "1975 import level . . . about 85 million lbs (eight percent) higher than estimated 1974 imports" and "the voluntary restraints we propose are close to our estimates of what Western Hemisphere suppliers might ship to U.S. during 1975" are likely to lead Costa Ricans to believe that they are being treated unfairly, vis-à-vis other suppliers, in being asked to absorb such a large reduction in exports as compared to 1974 shipments and 1975 potential.

129. Memorandum of Conversation¹

Washington, February 26, 1975, 2:30–3 p.m.

SUBJECT

Matters Pending in OAS; Cyprus Issue; Costa Rican Meat Exports to the United States

PARTICIPANTS

The Secretary
Mr. Wm. D. Rogers, Assistant Secretary, ARA
Terence A. Todman, Ambassador to Costa Rica
H.E. Gonzalo Facio, Foreign Minister of Costa Rica
H.E. Roberto Silva Vargas, Ambassador of Costa Rica
Mr. David Lazar, Director, Office of Central American Affairs

Foreign Minister Facio: “We are looking forward to Ambassador Todman’s arrival. I will go back to Costa Rica from New York on the 6th to be in San Jose for his arrival.

“We were sorry that the Buenos Aires meeting wasn’t held. We were opposed to the suspension of the dialogue with you.”

The Secretary: “Yes. From our point of view it was a pity. You were very helpful. As you know, we don’t need a dialogue, but we want to have it. But we can’t let the dialogue be used for purposes of blackmail.”

Foreign Minister Facio: “I have heard that you want to postpone the OAS General Assembly.”

The Secretary: “I am going to the Middle East. God knows how much time that will take. Then I want to take a trip to Latin America before the General Assembly.”

Foreign Minister Facio: “I have just come from lunch with the OAS Ambassadors. Contrary to what I had thought, most agreed to a post-

¹Summary: Kissinger and Facio discussed inter-American relations, matters pending in the OAS and the United Nations, and Costa Rica’s interest in a more favorable meat quota.

Source: National Archives, RG 59, Records of Henry Kissinger, Entry 5403, Lot 78D217, Box 10, Nodis Memcons—February 1975. Confidential; Exdis. Drafted by Lazar and approved by Gompert on May 11. The meeting was held in the Secretary’s office. After this meeting, Facio transmitted a memorandum laying out the Costa Rican case for a higher quota under the proposed U.S. voluntary restraint program for meat imports under a February 28 covering letter to Kissinger. (Ibid., Central Foreign Policy File, P810026–0629) In telegram 59665 to San José, March 17, the Department transmitted Kissinger’s reply to Facio’s letter, in which the Secretary stated that the U.S. Government was considering modifications to its original proposal for import restraints. (Ibid., D750093–0288) In telegram 61201, March 19, the Department announced adjustments to its meat quota proposals, including a slight increase of Costa Rica’s quota to 52.2 million pounds. (Ibid., D750095–0414)

ponement of the General Assembly meeting. I would say that there was a consensus on that. I will move forward the meeting in San Jose on the Central American and Caribbean transport proposal which I think is very important. As you know, we don't have a transportation company presently serving the area. So the 6th would be all right."

The Secretary: "So, the General Assembly meeting will start on the 8th of May."

Foreign Minister Facio: "Yes."

The Secretary: "I hope we can do away with the long opening speeches."

Assistant Secretary Rogers: "Yes. We're working on that. The Panamanians favor eliminating the general debate."

Foreign Minister Facio: "That's good. I agree with that."

Assistant Secretary Rogers: "There could be at least one session off the record."

The Secretary: "The Panamanian initiative is good. Let's strike the sessions on general debate and concentrate on the issues."

Foreign Minister Facio: "I agree, but sometimes it is important or even necessary to have statements for the record. Perhaps this could be done by submission of written statements."

"I have been up here dealing with the question of meat import quotas for Costa Rica."

The Secretary: "What is our position on meat quotas?"

Ambassador Todman: "Imports from Costa Rica last year were 60 million pounds. The proposed restraint level is 43. We hope to get this up."

The Secretary: "You realize that now that I have been in this job for a year and a half, they don't ask me what I want to do."

Foreign Minister Facio: "Our exports represent only .003 per cent of U.S. consumption, but to us this is a very important amount. On the other hand we understand your problem."

The Secretary: "Who makes the decision?"

Assistant Secretary Rogers: "There's a very heavy bureaucratic involvement. We're working on this with Tom Enders. Agriculture and other people also are involved."

The Secretary: "I don't think that with small countries we need to prove a point."

Ambassador Silva: "Maybe countries with less than 1 per cent of the total import requirements of the United States shouldn't need to operate under a quota."

Ambassador Todman: "There is the Australian problem."

The Secretary: "There must be someone here over whom I have authority who makes these decisions. Can't we do something about small suppliers? I just talked to Enders. We'll do better."

Foreign Minister Facio: "Since I am going to be President of the Security Council in March, I wanted to ask you about Cyprus."

The Secretary: "We want to keep the matter between the Turkish and Greek communities. We want to keep the Russians out, to put it crudely. The British and French will go along with us. The Chinese are willing to go along also; they share our objectives for their own reasons, but have to approach it in their own way."

Foreign Minister Facio: "The Chinese, who have the chair now, postponed action and left the problem for me. I have been asked for a meeting on Saturday. Maybe I can postpone it to Monday, but not beyond."

The Secretary: "Just take your lead from the principals."

Foreign Minister Facio: "I received a cable from the Greeks this morning. They want support."

The Secretary: "The Greeks and the Turks have a great ability to screw things up all by themselves. How would you say that in Spanish?"

Foreign Minister Facio: "What they need is time to negotiate this out for themselves."

The Secretary: "Yes. That's the best thing. I'll tell Ambassador Scali and Buffum to stay in close touch with you."

Foreign Minister Facio: "Regarding the coming election for the Secretary General of the OAS. Last year when Sapena Pastor was gaining support, we didn't want that. I pushed forward Gomez Berges, the Dominican, in order to stop Sapena. My real candidate has always been Orfila."

The Secretary: "I like him. He is a nice man. Why should he want the job?"

Assistant Secretary Rogers: "He knows the organization. He sincerely wants to help it. He also likes Washington. He has a farm in Virginia."

The Secretary: "Does a house go with the job?"

Assistant Secretary Rogers: "Yes."

Foreign Minister Facio: "Orfila knows the organization. He knows the operation. Maybe he can straighten out lots of things that need straightening out. The results of CECI seem to show that there is no real drive to change the organization."

The Secretary: "Our technical position is that we won't take a position for the time being."

Foreign Minister Facio: "I think you should take a position. Sometimes you are blamed for this but I think you should do it. Because if you don't you will be blamed for not caring."

The Secretary: "Who has the votes?"

Foreign Minister Facio: Argentina says it will back Sapena *only* on the first vote."

The Secretary: "Is Gomez Berges still in the field?"

Foreign Minister Facio: "Yes—he has nine votes. My plan is, I can talk to him in New York City on Monday and tell him to step out in favor of Orfila. Maybe I can tell him that he would take the second position."

The Secretary: "Hasn't that usually been a U.S. position?"

Assistant Secretary Rogers: "No, that's the third position—the management job."

Foreign Minister Facio: "The Secretary General should be elected unanimously."

The Secretary: "After the first ballot, we'll make our views known. Maybe even before that."

"Tell me about Cuba. Will it come up?"

Foreign Minister Facio: "We won't raise it, but it may. Since it is agreed to reduce the Rio Treaty itself to a majority vote, we can apply that principle to Cuba. The method of operation that I would suggest would be to call a meeting of the Organ of Consultation during the General Assembly session and in that meeting to vote to reduce the vote needed to remove existing Cuba sanctions from two-thirds to a majority."

The Secretary: "Would the actual vote on the sanctions question as it applies to Cuba also come up?"

Foreign Minister Facio: "No. We could throw that into the Permanent Council, this year or next year. They could vote. I won't take the initiative on this."

The Secretary: "Will someone else?"

Foreign Minister Facio: "I don't know."

Ambassador Silva: "Maybe Ecuador might."

The Secretary: "What about the 'new dialogue?' Should we continue it? If so, where?"

Foreign Minister Facio: "Yes. I should think it ought to be in the same place, Argentina. Maybe in Bariloche instead of Buenos Aires."

Ambassador Silva: "An idea was raised at the luncheon today. If the General Assembly is postponed until May, perhaps we should ask the Secretary to make a stop in Central America or the Caribbean on his trip to Latin America."

The Secretary: "Let me look into it. If I make one stop I'll offend 14 other countries."

Foreign Minister Facio: "We'd be very happy to receive you, but we won't insist that your stop be in Costa Rica."

The Secretary: "Let's leave open the question of where else I might go."

130. Telegram 1343 From the Embassy in Costa Rica to the Department of State¹

San José, April 3, 1975, 1900Z.

1343. Subject: Vesco Case.

1. During luncheon with President Oduber on April 1 conversation focussed for more than half-an-hour on Vesco.

2. Oduber said he was happy to be able to talk about this critical problem with me since there were so few persons who could be trusted completely, including his Foreign Minister, on matters concerning Vesco.

3. Oduber described the Vesco problem as one which has the potential of tearing the country apart politically. He claimed to have had many private fights with former President Figueres on this issue, but he said he is not willing to take these fights into the open since they would split the PLN Party, of which they are both members, and would have serious consequences for the future of the country.

4. Oduber stressed that he wants Vesco out of the country but only by legal means. Thus he has refused offers from other Latin American Presidents to spirit Vesco out. Vesco had made him very attractive financial and business offers, all of which he had refused, assuring Vesco that there was no need for him to make any deals since no action would be taken against him except on proper legal grounds.

¹ Summary: Ambassador Terence Todman discussed the Vesco case with Oduber. Source: National Archives, RG 59, Central Foreign Policy File, D750116–0784. Confidential; Limdis. In telegram 1495 from San José, April 15, the Embassy reported that Facio had belatedly delivered a response to a June 1974 U.S. note requesting clarification of the 1974 Costa Rican extradition law; the Costa Rican Foreign Minister expressed the view that the first U.S. request for Vesco's extradition was poorly formulated and suggested that the U.S. Government prepare and present a stronger case. (Ibid., D750131–1008)

5. When Oduber expressed a hope that the United States would proceed with another extradition attempt and I asked whether the "Vesco" law would not create insurmountable obstacles to success, Oduber said he had been assured by advisors that it would not. I recalled our June 1974 aide-mémoire which raised several points that suggested complications for us and to which we had never received a reply. Oduber promised to have his legal experts study the aide-mémoire and provide a detailed reply. He said he is now working on a revision of the extradition law and once studies are completed here, he would be prepared to have someone go to the United States to discuss the proposed revisions with appropriate U.S. Government officials to insure that any obstacles that might exist in the Vesco law would be removed in the new law.

6. Oduber said he intends to allow any civil suits against Vesco to be pursued so that any injured parties would be able to recover whatever assets rightfully belong to them. He mentioned that a Fund of Funds representative from Canada had written to him stating that the assets of Inter-American Capital Corporation in Costa Rica belong to Fund of Funds. Oduber said he would arrange a confrontation between the Fund of Funds representative and a Vesco representative this weekend in order to hear the full story and would then facilitate the matter going to the courts for a proper settlement. He was prepared to cooperate fully with any other attempts to recover funds which were illegally or fraudulently taken by Vesco.

7. Oduber expressed full awareness of the harm to Costa Rica's image abroad that is being done by Vesco's continued presence here. He said he is considering what steps might be taken, including possibly a personal trip to the United States to try to restore the untarnished image that Costa Rica had previously enjoyed.

8. Oduber expressed understanding for the investigations by Senator Jackson, whom he considers a good friend. He insisted, however, that the Senator had been misinformed on the matter of any arms being imported into Costa Rica by Vesco. He said he had considered traveling to the U.S. late last year on the pretext of going to the General Assembly, but really to have private meetings with Senators Jackson and Humphrey to talk about the Vesco matter. However, he had decided against the trip lest the administration misinterpret it as an attempt by him to go directly to the opposition party. President Oduber was pleased to learn of Senator Jackson's desire that the investigation not be conducted in any way that could harm U.S.-Costa Rican relations.

9. Oduber said that he would work very closely with me on Vesco issue to insure its resolution in a way satisfactory to the United States and not harmful to Costa Rica. He promised to study Assistant Secre-

tary Roger's letter of March 19 carefully and to inform me of any reactions.

10. Oduber said that Europeans and particularly Germans are so concerned about Costa Rica's sheltering of Vesco and McAlpin that some German politicians were reluctant to have their names associated with Costa Rica and some German assistance to Costa Rica had stopped for that reason.

11. My impression is that Oduber is indeed seriously concerned about the harm that Vesco's presence is doing to him politically and to Costa Rica internationally and he does wish to find a way out of this problem. Chances seem even that he will cooperate with us in getting an amended law which might increase our chances for a successful extradition attempt later.

12. In light of possibility Oduber more willing to cooperate now, recommend Department review again June 1974 aide-mémoire to ensure that it fully covers ground as it relates to Vesco.

Todman

131. Telegram 1745 From the Embassy in Costa Rica to the Department of State¹

San José, April 30, 1975, 2210Z.

1745. Subject: Reported Plot to Overthrow Oduber Government.
Ref: San Jose 773.

1. President Oduber called me to Casa Presidencial April 29 to give me following advance information on activities of former President Figueres which he thought could result in disturbances at any time.

¹ Summary: Oduber informed Todman that Figueres had reportedly grown disillusioned with the workings of Costa Rica's democratic system and had suggested to Facio that Oduber should resign or be removed from office. Oduber told Todman that Figueres's activities could result in disturbances.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, Box 3, Costa Rica—State Department Telegrams, To Secstate—Exdis. Secret; Priority; Exdis. Repeated to Managua and Panama City. Telegram 773 from San José is dated February 24. (National Archives, RG 59, Central Foreign Policy File, D750066–0343) In telegram 1862 from San José, May 8, the Embassy reported on a conversation in which Figueres told Todman that he favored an interruption in the democratic process in Costa Rica so that reforms could be carried out. (Ford Library, National Security Advisor, Presidential Country Files for Latin America, Box 3, Costa Rica—State Department Telegrams, To Secstate—Exdis)

2. Oduber said for some time now Figueres has been telling intimates that deteriorating situation in Costa Rica shows that democracy is not working and that the system needs to be changed. Figueres has contended that the fault might lie in the democratic system itself since recent developments in the United States were not at all favorable to the functioning of democracy. On the other hand, Figueres's observation of developments in countries like Romania and Yugoslavia suggested that tightly-controlled system works and perhaps efforts should be made to change Costa Rican Government along those lines.

3. Last week Figueres called Facio and presented similar thesis to him, adding that since rightwing elements planning coup in Costa Rica within next three months or so, it would be best for ruling Liberation Party to make preemptive move and bring about its own coup. Figueres suggested that best way to do this would be for Oduber to resign voluntarily. When Facio expressed doubts Oduber would do so, Figueres said that Liberation Party should bring him down. Oduber also quoted Figueres as saying that if Oduber does not give up power, he may not last long (physically).

4. Evening after Figueres/Facio meeting, Vesco met with Facio and stated he had heard of Figueres's opinion that government should be changed and wondered what were Facio's views. However, Vesco ostensibly received no encouragement from Facio. Oduber thinks that Vesco is interested in seeing his government overthrown and Figueres installed because Vesco has no hold on Oduber and does not feel that he can get the kind of protection that Figueres would give.

5. Oduber was sufficiently worried about extent of Figueres's activities that he informed General Torrijos during latter's visit April 24. Following long talk with Figueres, Torrijos told Oduber that Figueres appears somewhat senile and that patience should be exercised with him.

6. Oduber said there are reports that Dr. Burstin, editor of *Excelsior* and himself a power-hungry person, has been administering amphetamines to Figueres for some time with result that Figueres has alternate periods of highs and depressions. Oduber remarked on the fact that Figueres now wears a military uniform on many occasions. He said Figueres is obsessed by fact that he has been unable to make a success of any business enterprise and has lost some U.S. 10 million in various ventures over the last six to seven years, including about a million dollars which the Soviets are reliably reported to have given him, probably in order to buy recognition and establishment of the Embassy.

7. Oduber said he intends to remain calm and not take any action himself at this time. He will do everything possible to avoid any action which would tend to split the party and very likely harm the country.

However, he has asked the Minister of Public Security to watch the situation very carefully. He wanted me to know about this because he expects that given the number of people to whom Figueres has been speaking it may soon become widely known. Furthermore, Oduber had no way of knowing when or what Figueres might do to carry out some mad scheme. Oduber promised to keep me informed of any further developments on this matter.

8. Oduber said he was also thinking about informing Somoza since if there is any trouble, there is always possibility of neighboring countries becoming somehow involved. Therefore, it is best for them to know in advance.

9. *Comment:* During the seven weeks that I have been here, Figueres has taken public exception to a number of Oduber's policy statements. Thus, there is no lack of public awareness of their disagreement on a number of issues. It is also well known that the ruling Liberation Party is divided into pro-Oduber and pro-Figueres camps and that Figueres still insists on playing a major role in determining Costa Rican developments. Some Figueres statements have also been interpreted as clear indication that he is interested in running the country again and might be prepared to seek a constitutional amendment for that purpose. One former Figueres minister told me that the Figueres wing of the party is dissatisfied with Oduber's performance and the extent to which he is allowing a leftist cast to be introduced into government policies. He said that pressures would be brought to force Oduber to change or to bring about his downfall. Figueres's present moves might be part of a psychological campaign to pressure Oduber into making changes acceptable to the Figueres wing of the party. Maybe this is as far as things will go at this time. However, the situation is unsettled and, particularly in view of Oduber's reactions, will continue to bear close watching.

Todman

132. Telegram 116934 From the Department of State to the Embassy in Costa Rica¹

Washington, May 20, 1975, 0008Z.

116934. Subject: Continued Talk of a Coup. For Ambassador from Assistant Secretary Rogers.

1. I am disturbed by the contents of San Jose 1948 and previous messages on the possibility of the upset of constitutional government. This would be an unfortunate setback for Costa Rica and for the image of representative democracy in the Americas. I wonder if there is not something we could or should do to prevent this unfortunate occurrence.

2. I recognize that such an impact would not significantly affect any vital U.S. national interest. Likewise I would want to avoid any move that could be seen as blatant USG intrusion into internal developments in Costa Rica. Nevertheless, I do think it is important for us not to stand idly by.

3. Since the motivating force behind such a move is Pepe Figueres, I wonder how we might best dissuade him. I am fully aware of his venality, but I believe that vanity is also of considerable weight in his personality. Would an appeal to him as the country's elder statesman be of any use? A clear message to Pepe indicating that a disruption of constitutional government would erase the unique basis of Costa Rica's international prestige and leadership which has been so closely associated with his name and leadership over the past 27 years, might have some effect. It could also be pointed out that such an important event could seriously erode the remarkably warm and enduring relationship between the U.S. and Costa Rica which is also associated with his name. Or, we could take a firmer line and warn him that the USG would take a very dim view of any such move.

¹ Summary: The Department sought Todman's suggestions on how best to dissuade Figueres from taking steps that might disrupt constitutional government in Costa Rica.

Source: National Archives, RG 59, Central Foreign Policy File, D750176-0294. Secret; Immediate; Exdis. Drafted by Kilday and Ryan; cleared by Lazar; and approved by Ryan. In telegram 1948 from San José, May 14, the Embassy reported on Oduber's account of a conversation with Figueres in which the former President was said to have suggested that Oduber dissolve the legislature and rule by decree, threatening to act himself if Oduber did not take such steps. (Ibid., D750170-0633) In telegram 2071 from San José, May 21, Todman reported he had stressed to Figueres that any disruption of constitutional government in Costa Rica would do great damage to the country, and he recommended to Rogers that a respected friend of Figueres, such as Senator Hubert Humphrey, be sent to reinforce that message. (Ibid., D750178-0901)

4. This might be done either (a) by you on an unofficial basis, or (b) by one of the many people in the U.S. who have long-standing personal friendships with Pepe (e.g., Bob Woodward, Ben Stephansky, Ray Telles, Jack Vaughn, etc.).

5. Another approach might be to demonstrate strong support and appreciation of Oduber's position and role as the leader of one of the area's few true democracies. This could be done by a visit from a major U.S. political figure such as the Secretary or Senator Kennedy. This might also be combined and orchestrated with the earlier suggestion for a double-barreled effect.

6. I would like your reaction to these suggestions and particularly your judgment as to the efficacy and/or consequences of such an approach. I would also appreciate any other recommendations you might have concerning USG posture in this situation.

Ingersoll

133. Telegram 2226 From the Embassy in Costa Rica to the Department of State¹

San José, June 2, 1975, 2000Z.

2226. From Ambassador Todman for ARA/CEN Lazar only. Subject: Costa Rican Constitutional Crisis.

1. I regret that due to poor pouch schedule I must reply to your May 8 letter by cable (to be sent on Monday) so that you will have this before I arrive for consultations.

2. I have been preoccupied with the growing signs of tension and differences between Oduber and Figueres since I arrived in San Jose, and the telegrams reporting my recent conversations with the two only

¹ Summary: Responding to questions posed by the Department, the Embassy analyzed the relationship between Oduber and Figueres and provided suggestions for a U.S. strategy in the event that tensions between the two men led to open conflict or a coup attempt.

Source: National Archives, RG 59, Central Foreign Policy File, D750192–0778. Secret; Immediate; Stadis; Exdis. The May 8 letter from Lazar to Todman referred to in this telegram has not been found. In telegram 4716 from San José, November 6, 1975, the Embassy reported that public reaction to calls by Figueres for a period of rule by decree was predominantly negative and that the former President was backing away from his proposal for extra-constitutional political reform. (Ibid., D750386–0720) All brackets are in the original except “[6.]”, added for clarity.

add to my concern. The questions you pose in your letter of May 8 are the gut ones to answer in assessing correctly the relationships between the forces allied with Figueres on one hand and the Oduber government on the other. I am not satisfied that we have all the ingredient elements clearly enough in view to allow us to formulate operational answers with certainty and will probably never have. Nevertheless, some aspects do stand out for useful analysis.

3. In the first place, it does not look to me like we are dealing with a political phenomenon clearly anchored in either the extreme Right or the extreme Left, although I have no doubt that either or both would join in vigorously to exploit a deteriorating situation or in the event of an open fight. The major source of the discontent and frustration that is promoting differences between Figueres and Oduber is coming from the middle-right side of the political spectrum. This sector has traditionally been the mainstream in Costa Rican politics and is the sector in which Figueres has historically found his support. Even back in 1948, you will recall, Figueres mobilized his support from the business sector and the many small land-owning peasants (as opposed to the agricultural workers) when he overthrew Calderon Guardia for his collaboration with the Communists. The business sector and a majority portion of the middle and upper classes are now angry and afraid of the directions that they believe Oduber is either taking the country or is tolerating. Figueres's public and private responsiveness to their concerns and the fact that businessmen and large landowners are now seeking him out for political relief strongly indicate that he is still identified with these groups. Add to this a steadily growing and increasingly vocal and activist extreme Left influence in the unions and universities, plus Don Pepe's restlessness at not being able to influence the course of government as fully as he would like while realizing that his advancing age permits him little time to do what he has to do, and a formula that strikingly resembles Costa Rican politics after World War II is again taking form.

4. Pepe's restlessness is undoubtedly in large part stimulated by his closest associates who include Luis Burstin, Humberto Pacheco, Fernando Batalla, Gaston Kogan, Carlos Manuel Vincente and Chalo Facio, all of whom are and have been at the center of Figueres inner circle and distrustful of Daniel Oduber. All of their political or economic futures depend importantly upon Figueres staying in the center of the political arena. Facio and Burstin seem to have Figueres's ear more than the others; Facio because he needs Figueres in order to stay in government and pursue his Presidential ambitions and Burstin because the ex-President is the conduit through whom he exercises power.

5. Part of Figueres's willingness to ally himself with the conservative sectors described above relates to his own self-perception as a busi-

nessman, part comes from the satisfaction he gains from being sought out for leadership and part as noted above is due to his sense of frustration with not being positively able to influence the government, despite his personal influence over Oduber, now that the Oduber loyalists have taken over the government machinery. This is another way of saying that Figueres is frustrated with Daniel, because executive leadership has been unable or ineffective in controlling the bureaucracy. Figueres may exert influence over Oduber, but the government machinery installed by Oduber (the PLN) is quite another thing. Thus Pepe has been giving serious thought to the idea of a pre-emptive coup and/or a Constituent Assembly mechanism that could change the structure of government to make it more responsive to Oduber's (and Figueres's) leadership.

[6.] A key government Minister and intimate of Oduber underlined to the Embassy last week how important it is to Oduber that the USG not press too hard for measures that would facilitate Vesco's extradition. This minister openly wondered if the CIA could not somehow spirit Vesco out of the country in a way that would not complicate matters for Oduber. He went on to point out that Oduber could not afford to move aggressively against Vesco because Pepe has considerable information about Vesco's involvement with the PLN and key Costa Rican political leaders that Oduber is afraid Figueres could use against him. Reportedly, the President believes disclosure of this information would destroy the party and his government. As Figueres does not share Oduber's respect for the party he would not be reluctant to use the Vesco blackmail to damage Oduber.

7. There is no doubt that Oduber is feeling pressure from Figueres to interrupt the constitutional process and many observers have grave doubts that Oduber has the strength of character or can mobilize sufficient political force to thwart a challenge if Figueres really throws down the glove. Oduber's entire political career has been one of playing second to Figueres. He has always been the loyal party man who worked efficiently and effectively in the shadow of Figueres while advancing the Social Democratic doctrine upon which the rank and file PLN prides itself. Oduber and those around him have served to attract intellectuals to the PLN ranks, have carefully built an institutionalized party structure and have provided doctrinal flesh to the party's political bones. Oduber's political reputation grew and he was successful so long as Figueres was the undisputed and unchallenged leader and so long as Oduber could operate under the mantle of Figueres's charisma and undoubted mass appeal. (PLN and opposition leaders alike agree that Figueres would win in 1978 by more than 65 percent of the vote if he were to run again.) We should not delude ourselves into thinking that Figueres shares deeply the principles of the Social Democratic doc-

trine that Oduber's administration and bureaucracy have taken steps toward implementing.

8. I submit, Dave, that the relationship between the two men has not fundamentally changed from what it has always been; one where Oduber is the junior partner, although one with much enhanced power in his own right since gaining the Presidency. Oduber and his government, with the exception of Facio and a couple of others that Figueres imposed upon him, are clearly moving toward implementing the party's doctrine as spelled out in the Patio de Agua formulation. Figueres acquiesced in this doctrine as long as he had a free hand to set the course of government, but now perceives himself powerless to move the machinery and correct the course he believes is being taken. Oduber, never one to challenge Figueres frontally, and notwithstanding his Presidential power, still perceives himself in a relatively weak position politically against Figueres and is probably seeking chips that will help him to alter the relationship without personally taking the initiative. A strong word from the USG to Figueres thus might just serve Oduber's political purposes while importantly helping to preserve Costa Rica's traditional constitutional processes.

9. In a conflict situation with Figueres, Oduber has always mollified Don Pepe although the two are known to have had frequent differences, mainly over political philosophy. Now whether Oduber would hand over the Presidency upon demand from Figueres is the critical question. The betting in the Embassy is that Oduber would yield even though Figueres might have to bring considerable pressure, including indications of Torrijos's support and threats to expose Oduber's Vesco involvement to force him to it. The feeling is that he would not plunge the country into a civil war over differences with Figueres which he could not win if events were to unfold in a way that Oduber was incapable of halting. How the non-PLN opposition would align itself in the hypothetical event of open conflict between the two is probably fairly easy to predict given the current divisions in the opposition. The far Left would support Oduber and the preservation of the democratic process because the PLN is a known quantity of certain value to them. The conservative opposition, Chambers of Commerce, etc., would view their interests better served with Figueres although many would regret the failure of democratic processes, and the far right, fearful of Oduber's policies would also back Figueres.

10. Oduber certainly understands that the Vesco issue has done him and his government no good with the United States. He may suspect that the United States believes he has collaborated with Figueres to make Vesco's extradition more difficult. He also knows that he needs the good will of the United States for both domestic and external reasons. In order for Oduber to assure himself of USG sympathy and

unequivocal support, he probably believes that he needs to create an image of no identification with Vesco and simultaneously tag the Vesco connection exclusively to Figueres.

11. If, in fact, Oduber is looking around for help one cannot but wonder what kind of aid he expects from us that would do him any good. I think Oduber is sophisticated enough to know that the U.S. will not knowingly engage itself on either side in an internal political struggle within the rules between himself and Figueres. Despite frequent meetings between Oduber and Torrijos, I am sure Oduber knows that Torrijos is a staunch political and business friend of Figueres and both of them share a mutual admiration as well as compatible political ideas. Thus Oduber can probably expect, in the event Torrijos is forced to choose sides, no solace from the immediate South. Without manifest external support against Figueres and with debilitated internal political support, Oduber's relationship with Figueres is uneasy. I can only conclude that Oduber is deeply afraid of what may happen to him in a confrontation with Figueres and this fear is leading him to behave indiscreetly as reflected in his reported conversation with Torrijos.

12. A more serious concern to me is that Oduber, while showing some slight improvements, does not yet seem able to firmly direct his government and this, in turn, stimulates the frustrations of those who want more decisive action, naturally favorable to their special interests. It is a case where Oduber is trying to be on good terms with all and is ending up on good terms with none. Of course, this is precisely Figueres's complaint—that the government is unresponsive and undirected—and the greater the perception grows that this is the basic problem with the government, the stronger will be Figueres's argument for a Constituent Assembly or other action that he believes will correct the government's drift.

13. As I have said, I have no evidence that a civil war is imminent in Costa Rica despite all the genuine problems existing between the two leaders and the unquestioned social turmoil in some parts of the society. You know many of the stories about the private armies and armed groups on behalf of one person or another. The apparent disappearance from the government's arsenals of a large amount of weapons during the last months of the Figueres's administration, Jose Marti Figueres's reputed 1,000 men in training, Mario Charpentier's formation of an elite force, and the latest about the PLN making preparation to arm many of its youthful adherents—all these stories reflect the mood of real fear and hostility gripping some sectors. All this may well relate to the Oduber administration's urgent request for weapons, although if there is a connection I am convinced it is not for the purpose of making a preemptive coup, but to show strength that will give pause to anyone

or any group that might be nourishing ideas of overthrowing the government.

14. Should events move Figueres to exercise his powers the most likely device will be through the formation of a *constituente*, which can be cloaked with the legality of the constitution. If that happens and an "interruption" of constitutional government accompanies it, there would probably not be an overwhelmingly popular reaction in support of Oduber, although many would wring their hands that the President made it necessary for Figueres to step in to correct the country's ills and more would be upset with the loss of Costa Rica's reputation for possessing a solid, viable democratic structure. Costa Rica's international reputation would undoubtedly suffer as it is still highly regarded as one of the few functioning democracies in Latin America despite the tarnish introduced with Robert Vesco.

15. We have heard some reports recently that Facio has been estranged from Figueres over the divorce of their children. We place little credence in these reports as we tend to believe that the longstanding personal and business links between the two are strong and healthy. Facio is in the Oduber cabinet because Figueres put him there, not because Oduber wanted him, and Facio's Presidential aspirations depend mightily upon Figueres. There is also little doubt that Facio still has a hand in Vesco's legal and business affairs in Costa Rica. A part of Facio's role in government is probably to look after Figueres's interests which have frequently related to Vesco, as well as to keep Facio's political aspirations alive. In sum, Facio is still probably playing Figueres's game (but see septel on my latest talk with Facio). There is even a possibility that Figueres perceives Facio as a likely interim President emerging from a *constituente* in the event Oduber will not play along. Oduber has charged that Facio probably has been trying to play him and Figueres off against each other to advance Facio.

16. At another point in your letter you suggest that Oduber may be looking for an excuse to move preemptively against Figueres. This would greatly surprise me as I have indicated above. Such a move by Oduber runs contrary to my and the Embassy's assessment of Oduber's character and the psychological conditioning that he has undergone over the many years in Figueres's shadow. His style would rather be to maneuver, promise, intrigue or anything to keep taking a forceful initiative.

17. The Vesco factor in this is puzzling and intriguing, but I do not think Oduber will risk a confrontation over Vesco unless U.S. pressure is intolerable for him. There is a feeling in the Embassy that Oduber will seek to delay and eventually avoid placing himself in a position where he has to ante up on the Vesco issue until he has absolutely no other choices open to him. Personally, I think he will cooperate as long as and

to the extent that he can make sure that his hand does not show openly and that he can claim he had no choice. Despite Vesco's unpopularity, in a confrontation Oduber could not expect to attract enough popular support to sustain a direct challenge to Figueres. An early test on this point could come as early as the end of June if the legislative leadership has refused to allow an opposition motion to be considered that would raise the priority of the legislation. (The bill is now number 12 in a list of 52 items on the agenda. Last fall the bill was number 2 and the PLN leadership saw to it that the debate on the bill was so ensnared in parliamentary maneuvers that serious consideration of it never resulted.) Without approval of the opposition motion the Reform Bill will not likely reach debate until September or October and it may then receive the same treatment that it got last year. The extent to which Oduber permits his deputies to cooperate in moving the decision along to allow early debate or, failing that, how the leadership performs when the bill comes up normally, will provide a useful line on Oduber's tactics in challenging Figueres.

18. Let me try to respond to your thoughts dealing with contingency planning. The reaction of the Embassy oldtimers to an overt Figueres-inspired golpe is that the country would not divide in two parts for a civil war, although there would be a period of high tension and probably some violence, since Oduber would not lead an armed resistance. It is suggested that the more likely scenario would be a gradually intensified war of nerves against Oduber by Figueres and associates, the end of which would come through the formulation of a Constituent Assembly which would be agreed to by Oduber and would allow an interim or even continuing government, probably headed by Oduber. Figueres would assume a key role in running the government until certain structural changes in the governmental machinery and Congress are worked out. In other words, another 1949 period. I do not completely rule out such a development with Oduber claiming that it was the only way to avoid tearing the country and the party apart. However, I am not as convinced as others.

19. With regard to U.S. action in all this, let's first put Somoza right out of our minds. Better Figueres by golpe de estado than intervention by Somoza and the inevitably ensuing flap about a U.S. puppet having his strings pulled. Torrijos may turn out to be part of Figueres's war of nerves against Oduber. If we are going to make contingency plans, let's think in terms of mediators while bearing in mind that Figueres will be moving to change the democratic system of government precisely because he thinks it has worked neither here nor in the United States. He does respect our power, however.

20. Just a last footnote. Costa Rica has lived for 27 years as a model democratic system and its international reputation as a result has been

of the highest order. What is often forgotten is that Figueres wanted it that way because it suited him. Now that the affairs of state are getting away from him there are signs that he does not want it that way any longer. I am uncertain whether Oduber will be able to seriously dispute him if he insists and pressures for a change. If not, it would be a tragedy for us all.

Lane

134. Telegram 3354 From the Embassy in Costa Rica to the Department of State¹

San José, August 7, 1975, 2340Z.

3354. Subject: Oduber Letter to *La Nacion*. Refs: (A) San Jose 3325; (B) State 186401.

1. During call on President Oduber late afternoon August 6, I expressed surprise and concern at accusation made apparently against U.S. diplomats in his letter to *La Nacion* and asked for further information.

2. Oduber said his accusation was not directed against U.S. as such, but rather against Political Officer Peter Johnson, who recently left this country. Oduber said it was because of his strong feelings of friendship for the United States and his desire to maintain the best possible relations with us, that he had made his statement in a vague way referring to diplomats rather than naming names. He said these same considerations had earlier kept him from declaring Johnson persona non grata and insisting on his immediate removal from Costa Rica. He

¹ Summary: In a meeting with Todman, Oduber said that a statement accusing U.S. diplomats of intervening in Costa Rican internal affairs in connection with the Vesco case had been directed against recently departed Political Officer Peter Johnson and not against the United States Government.

Source: National Archives, RG 59, Central Foreign Policy File, D750273-0820. Confidential; Immediate; Stadis. In telegram 3325 from San José, August 6, the Embassy reported on Oduber's indirect accusation against U.S. diplomats, as carried in the local press on August 5. (Ibid., D750271-0558) In telegram 3388, August 11, San José reported that Acting Foreign Minister Roman had informed the Dean and Secretary of the Diplomatic Corps that Oduber's criticism of diplomats "was aimed only at well known and publicized case of a U.S. diplomat who was asked to leave the country several years ago," although there had in fact been no recent case in which a U.S. diplomat had been expelled. (Ibid., D750277-0483) Telegram 186401 to San José, August 6, is *ibid.*, D750271-1122.

had tried to avoid making any public statements about this matter, but in view of the strong attacks to which he was being unreasonably subjected, and now that Peter Johnson had left the country, he felt that he was obliged to defend himself.

3. Oduber said that at the time when the present extradition law was being discussed in the assembly, Peter Johnson had approached the acting President of that body and had threatened to cut off all U.S. assistance to Costa Rica if the law were approved. It was partly in reaction to this threat that the assembly voted for the law which the majority of the members normally would not have approved. Oduber added that during the same period, Johnson also engaged in serious political action within the National Assembly against his government. The President said that Rodolfo Pisa was given a trip to the U.S. last year primarily so that the SEC could have an opportunity to brief him. He stated further that Johnny Echevarria, another opposition Assembly Deputy with whom Johnson had frequent contacts, had arranged to pass funds to *La Republica* for use in a campaign against the Oduber government.

4. I told the President that these charges against a Foreign Service officer were of the most serious kind, particularly since they alleged actions completely contrary to U.S. policy and to accepted diplomatic practice. I reminded him that in a previous conversation he had agreed that Johnson was a very active, dynamic officer and that his extensive contacts with members of the assembly and other leading Costa Ricans might simply have been a reflection of excessive zeal. I explained in detail how and why selection of grantees are made, thus precluding the use of visits for the purposes suggested.

5. Oduber acknowledged having said that Johnson's actions may have been just from overzealousness, but said that on reflection and further checking it was clear that Johnson had gone beyond that and had worked actively to try to get action on the Vesco case. He said he raised this matter with Assistant Secretary Rogers but did not press it any further because of his complete confidence in the Assistant Secretary and the fact that I had arrived at the Post. Oduber said that he had documents to back up his statements and would be happy to let me see them. I said I would be interested in any evidence he had to substantiate the charges. He said he fully understood the purposes of the grantee program and agreed with it, but felt that in this case it may have been misused since Johnson exercised great influence over the activities of the Embassy before my arrival, and undoubtedly managed to get some of his preferred people in.

6. I thanked Oduber for the additional information and told him that after seeing the documents to which he had referred we would decide what further action was necessary on our part. I expressed appre-

ciation that he had not made the accusation against the U.S. any more direct. He said he hoped not to have to say any more publicly and that if pressed, he would simply say the reference was to someone who is no longer here.

7. He told me of the meeting which the acting Dean and Secretary of the Diplomatic Corps had with Vice Minister Roman, in absence of Foreign Minister Facio, earlier that day during which they had informally expressed concern over what could be misinterpreted as attack on diplomats in general. Roman had assured them that no such attack was intended, and had promised to take the matter up with Oduber. Oduber said he had told Roman to advise the others to just relax.

8. I asked the President what did he think were the prospects for the Vesco law being amended. He assured me that he wants to have the law amended and wants to have Vesco extradited from this country. He said he is waiting primarily for the U.S. Government comments on what amendments need to be made. He said he felt that as long as Vesco remained here he would create serious problems for the country and for any government. Vesco gets himself deeply involved in politics and deals with the opposition members as well as the government. The country cannot be at ease, therefore, as long as Vesco remains here. Oduber assured me that he had informed all top members of his administration that they were not to have any business dealings with Vesco or engage in any activities of a compromising nature.

9. With reference to the questions raised in the Department's telegram (which arrived after my meeting with Oduber), I have no reason to believe that Oduber's remarks were in any way connected with the Umana visit. This was borne out particularly by his comment that he is awaiting comments from the U.S. Government on what amendments need to be made to the extradition law. Also, I doubt greatly that there was any Vesco input into the Oduber letter. As Department aware, Oduber has been seething for some time over effectiveness of Johnson in reaching members of the opposition, and has been particularly stung by the various charges, many of which appear to have firm basis in fact. I suspect he may just have decided that since Johnson is no longer here to defend himself, this was an easy way to shift the blame for the government's actions or lack thereof on the Vesco matter.

10. In follow-up editorial replying to Oduber's speech, *La Nacion* has accused the President of vagueness and has been pressing him for specifics on the diplomats involved in this action. The best we can hope for in this case is that if Oduber does reply, he will couch his answer in terms of "diplomats who are no longer in this country." That may get this particular issue out of the way.

11. Meanwhile, believe it best for us to continue to do everything to accept Oduber's invitation that we inform him of changes we think are

necessary in extradition law. Whether or not he follows through with any action to amend the law according to lines we believe necessary, he would be hard pressed to accuse us of interfering since he knows that this was done at his invitation and with his full cooperation.

Todman

135. Telegram 237081 From the Department of State to the Embassy in Costa Rica¹

Washington, October 4, 1975, 0056Z.

237081. Subject: USG Intentions Regarding Vesco Extradition. Refs: A) San Jose 3909, B) San Jose 4096.

1. Recent publicity (ref B) should, as Embassy points out, have had effect of assuring those interested in Vesco matter that the USG has not lost interest. Things are, in fact, moving ahead. The grand jury is still meeting, although their deliberations are kept secret; Assistant Secretary Rogers recently reminded Foreign Minister Facio of USG interest in extradition matters. Within its appropriate scope of operations Department continues to cooperate fully with SEC and Justice.

2. A further extradition attempt will depend in part on an indictment (if obtained) from the current grand jury. It will also depend on the status of the “Vesco” extradition law.

3. The Embassy will have to use its own discretion, as it has laudably done to date, in handling the above. It should be kept in mind, however, that to some extent inquirers are asking the USG to solve their own internal political problem. This, of course, cannot be done.

Kissinger

¹ Summary: The Department instructed the Embassy to continue using its discretion in reassuring Costa Ricans of U.S. concern about the Vesco case, noting that the recent publicity on the issue had helped to demonstrate that the United States had not lost interest.

Source: National Archives, RG 59, Central Foreign Policy File, D750345–0453. Confidential; Limdis. Drafted by George Gowen in ARA/CEN/CR, cleared by Feldman, and approved by Lazar. In telegram 3909 from San José, September 11, the Embassy noted the belief of many prominent Costa Ricans that the United States had lost interest in the Vesco case. (Ibid., D750317–0420) In telegrams 4075 and 4096 from San José, September 25 and 26, the Embassy reported on renewed attention to the Vesco issue in the Costa Rican press. (Ibid., D750333–0604, D750337–0187)

136. **Telegram 4728 From the Embassy in Costa Rica to the Department of State¹**

San José, November 6, 1975, 2015Z.

4728. For EB and ARA—Asst. Secretary Rogers. Subject: Meat Shipment from Costa Rica.

1. Foreign Minister Facio called me in November 6 to make special plea for anything that U.S. can do to permit Costa Rica to continue exporting some meat for the balance of this year. Facio said Costa Rica has been informed that Mexico, Guatemala and El Salvador most unlikely to meet quotas and wondered if part of shortfall could not be given to Costa Rica. Whether or not that possible, he wondered whether Costa Rica could not be allowed on an exceptional basis to ship now part of its allocation for next year. He explained that because of recent drought conditions pastures are not capable of maintaining present cattle population and problem will be further aggravated with dry season about to begin, and Costa Rica does not have enough storage facilities here to hold any sizeable quantities of meat. Facio stressed that this is absolutely most serious problem that has faced Costa Rica for some time, that the President, the entire government, and the people are very greatly concerned and that he hopes the U.S. will be able to find some way to be of assistance.

2. I promised to pass on his request immediately to the Department and inform him of the reply.

3. Situation that Costa Rica faces is indeed extremely serious. In view of great assistance that Costa Rica has been to USG so many important international questions, believe some special effort should be made to help out in this case.

4. Would appreciate priority reply.

Todman

¹ Summary: Facio requested a reassignment of unused meat quotas to Costa Rica or permission for Costa Rica to ship part of its U.S. meat import allocation for 1976 ahead of schedule.

Source: National Archives, RG 59, Central Foreign Policy File, D750386-0621. Limited Official Use; Priority. In telegram 272783, November 18, the Department replied that it was not possible to grant either Costa Rican request. (Ibid., D750401-0764) In telegram 282526 to all American Republic diplomatic posts, December 1, Rogers specifically cited the Costa Ricans' "anxiety for a miniscule increase in their meat quota" as example of the kind of issue on which Kissinger was interested in taking action in order to improve bilateral relations with Latin American countries. (Ibid., D750416-0746) In telegram 5069 from San José, December 2, the Embassy replied that the meat question remained urgent and that "whether 'miniscule' or not, the meat restraint level is of great importance to Costa Rica and they have specifically requested our help." (Ibid., D750418-0901)

137. Telegram 4789 From the Embassy in Costa Rica to the Department of State¹

San José, November 11, 1975, 2047Z.

4789. Subject: Vesco-Costa Rica Plans to Abrogate Vesco Law? Ref: San Jose 4757.

1. During meeting with me November 10, President Oduber said he is considering presenting to the Legislative Assembly a draft proposal which would abrogate the present “Vesco” law and provide that in the future extradition would be governed by bilateral treaties in cases where they exist or by traditional Latin American law known as the “Codigo-Bustamante” in cases where there is no treaty. He said he would like to know the reaction of the USG to this approach.

2. I asked the President in what timeframe was he thinking for action and he replied some time early next year, perhaps January or February.

3. I promised to report this to the Department and to inform him of any reply I might receive.

4. *Comment:* It is interesting that Oduber’s stated position is far less firm than that which was presented to us by Facio and Carro and also the timeframe is farther removed. Oduber continues to give the impression of wanting to get rid of the problem without getting himself too much exposed in the process.

5. Would appreciate any comments Department believes I might appropriately make to Oduber regarding this new proposal. The comments, of course, will be given only orally.

Todman

¹ Summary: The Embassy reported Oduber was considering proposing a bill to repeal the 1974 law that protected Vesco from extradition.

Source: National Archives, RG 59, Central Foreign Policy File, D750392–0996. Confidential; Limdis. Telegram 4757 from San José is dated November 7. (Ibid., D750388–0463) In telegram 273138, November 18, the Department stated that either the restoration of pre-1974 Costa Rican legislation on extradition or a repeal of all such legislation in favor of strict reliance on the U.S.-Costa Rican treaty on extradition would be preferable to the existing situation but that the treaty was out of date and should be renegotiated in any case. (Ibid., D750402–0105)

138. Telegram 100 From the Embassy in Costa Rica to the Department of State¹

San José, January 9, 1976, 1335Z.

100. Subject: Vesco—Plans to Abrogate Vesco Law. Ref: State 273138.

1. During conversation with President Oduber January 7, I asked him what were latest developments regarding abrogation of Vesco law on extradition. Oduber replied that nothing further was happening or planned. He said he had been advised by Attorney General that if Costa Rica were to abrogate all domestic legislation and rely only on bilateral treaty, it would become a haven for fugitives from every country with which Costa Rica does not have a treaty. It was decided therefore not to abrogate the law.

2. I remarked there was of course alternative of abrogating present law and returning to 1971 law. Oduber said he did not see how that would help us since we had not been able to succeed in extradition attempt made under 1971 law. He thought it best for us to complete preparation of our case and when we were completely ready to present it, then to get in touch with him to determine exactly what would be the best way to proceed for a successful extradition attempt.

3. I said my understanding was that failure of 1973 extradition attempt was not due to the 1971 law. It seemed to me also that in preparing new extradition attempt it would be important to know terms of law involved. I promised, however, to communicate Oduber's views to Department and inform him of any reaction.

4. Oduber said he is interested in getting Vesco out of Costa Rica. Main obstacle in past had been former President Figueres, but Figueres now seems to be not as concerned with protecting Vesco. Therefore, Oduber feels more able to proceed now without risking a major confrontation with Figueres.

Todman

¹ Summary: President Oduber informed Ambassador Todman that he no longer planned to propose repealing the 1974 extradition law.

Source: National Archives, RG 59, Central Foreign Policy File, D760008-0595. Confidential; Limdis; Priority. Telegram 273138 to San José is dated November 18, 1975. (Ibid., D750402-0105)

139. Telegram 648 From the Embassy in Costa Rica to the Department of State¹

San José, February 9, 1976, 2050Z.

648. Subject: Secretary's Visit: Subjects for Discussion.

1. Following is list in priority order of topics most likely to be raised in discussions by Costa Ricans during Secretary's visit. A list of press questions and answers being sent septel.

A. Panama Canal Negotiations. Both President Oduber and FonMin Facio follow developments affecting Panama with particular interest and are in regular contact with Torrijos. They would welcome Secretary's latest appraisal of progress, will proffer insights on Panamanian objectives, and will have valuable opinions to express.

B. Cuba/Angola. Facio has spoken out forcefully against Cuban intervention in Angola. Oduber has expressed concern as well. Visit would provide opportunity to reinforce this attitude.

C. U.S./Latin American Relations. Visit offers opportunity to allay Costa Rica's concerns about possible adverse effects of current U.S. executive/legislative confrontation on our ability to act in timely and decisive manner on matters of concern to Latin America. In light of Angola, Costa Ricans are most concerned.

D. OAS Reform and Location of Headquarters. GOCR has offered to be helpful in moderating OAS reform efforts along lines advocated by U.S. GOCR has also offered to have OAS headquarters site in San Jose and may seek U.S. support for this move.

E. Inter-Caribbean Cooperation. Oduber cherishes hope of joining forces with Colombia and Venezuela to exercise influence within a grouping of all countries bordering on the Caribbean, including the islands. He is likely to present this idea and seek USG understanding and support.

F. Broad International Issues. Oduber and Facio have taken considerable interest in major world issues such as status of détente,

¹Summary: The Embassy reviewed key issues in U.S.-Costa Rican relations and other topics of mutual interest that were expected to arise during Kissinger's late-February visit to the country.

Source: National Archives, RG 59, Central Foreign Policy File, D760049–0286. Confidential; Immediate. All brackets are in the original except "[AFL-CIO?]", added for clarity. A memorandum of conversation records Kissinger's February 23 discussions with Oduber, which focused primarily on regional and trade issues. (Ibid., P820117–0768) In telegram 1368 from San José, March 17, the Embassy reported on the consequences of Kissinger's talks with Costa Rican officials, noting that local reaction to the Secretary's stop in the country was generally favorable and would be helpful in maintaining healthy bilateral ties. (Ibid., D760101–0042)

Middle East, Korea, and Cyprus, and would welcome Secretary's insights on them.

G. Communist Inroads. GOCR is increasingly concerned over leftist inroads in local labor and universities. A program is being developed with AIFLD [AFL-CIO?] to strengthen the democratic labor movement. The Costa Ricans may request USG to resume a university student scholarship program.

H. Inter-American Foundation grants to leftist newspaper *Pueblo* and social promotion school at National University. President Oduber and Vice President Castillo continue to be very concerned about this matter. Oduber recently raised it with visiting Congressmen Wolff and Gilman.

I. GSP. GOCR may voice ritualistic opposition to exclusion of Venezuela and Ecuador from GSP. More seriously, it may criticize failure to include many items requested by Costa Rica as well as the competitive need formula which excludes Costa Rican sugar and chayotes.

J. Bilateral Commodity Items: Meat, Textiles and Mushrooms. GOCR is concerned about U.S. protectionism. It has requested higher restraint level for meat and may raise the issue again on this occasion.

K. State of Central American Integration. President and FonMin will probably offer their views on status and prospects which they consider to be less than brilliant.

L. Preoccupation Over Costa Rican Image in U.S. GOCR believes it has been unfairly presented in U.S. press largely because of the Vesco issue. It believes the SEC, the U.S. Attorney's Office and the *Wall Street Journal* are involved in this negative presentation.

2. Topics which we might raise.

A. We should express appreciation for GOCR support on major international problems such as Zionism, Korean, and Puerto Rican resolutions in UN and generally constructive posture in UN and OAS.

B. We might praise GOCR posture on human rights.

C. We might ask about prospects for Central American integration if Costa Rica does not raise it.

D. Assurances of sympathetic treatment on meat would be welcome even if Costa Rica does not raise the issue.

E. Vesco. To avoid misreading of our seriousness about Vesco, it is important that this issue be raised. The seriousness of USG resolve should be emphasized. Specifically, we should express our concern about the present extradition law as an obstacle.

Todman

140. Telegram 1112 From the Embassy in Costa Rica to the Department of State¹

San José, March 3, 1976, 2302Z.

1112. Subject: Vesco: Extradition. Ref: San Jose 1013.

1. During meeting with President Oduber March 1, I raised with him subject previously discussed with Foreign Minister Facio about U.S. seriousness in proceeding with case against Vesco (reftel). Oduber said Costa Rica would have no objections if we quote get that man out of here. End quote.

2. I told Oduber that as I had mentioned to him on previous occasions, the quote Vesco law end quote would still be an obstacle to the successful pursuit of an extradition case. Oduber said he understood that but getting the law amended would be a real problem for him.

3. I remarked that in those circumstances, the best hope would be an updated treaty but this could be a long process since treaty, once negotiated, would have to be approved by Costa Rican legislative assembly as well as the U.S. Senate. Oduber said he felt certain he could get legislative approval for a new treaty and in any case, much more readily than he could get the quote Vesco law end quote amended. He added that furthermore the treaty would take precedence over any law and therefore best approach would be to get into the treaty provisions that would overcome obstacles in the law. He suggested that we proceed with amending the treaty. I said I would be in touch with the Foreign Ministry immediately to follow up on approaches made previously to get work started on a new treaty. Oduber offered to cooperate in any way he appropriately could.

4. *Comment:* This is first occasion on which Oduber did not hold out hope of amending quote Vesco law end quote and thus represents a major change from his earlier position. In circumstances, it seems best that we begin to prepare the best extradition case that can be made under the present law, being prepared to challenge constitutionality of that law if necessary. Meanwhile, Embassy will continue to press for Costa Rican Government's replies to draft extradition treaty which was presented two years ago.

¹ Summary: Oduber and Todman discussed the Vesco case and the possibility of negotiating a new bilateral extradition treaty.

Source: National Archives, RG 59, Central Foreign Policy File, D760083–0445. Confidential. In telegram 1013 from San José, February 27, the Embassy reported on a February 26 conversation in which Facio stated that he saw no reason why the United States should not proceed with a request for Vesco's extradition. (Ibid., D760075–1095) In telegram 4914 from San José, November 20, 1975, the Embassy reported on Costa Rican issues regarding the extradition bill and a U.S. treaty draft. (Ibid., D750404–1149)

5. It is requested that the Department at the same time reexamine our draft to see whether it adequately protects us on the procedural side from the quote Vesco law end quote which will likely prevail on any topics not covered in our treaty. The Department will recall that Facio himself told me that he thought our draft treaty was weak on procedure (San Jose 4914).

6. Embassy realizes that negotiating a new treaty and getting it ratified, both in the United States and Costa Rica, could be a long process. But maybe if we get started now, a treaty might still be approved before Vesco has completed his five-year residence requirement for Costa Rican citizenship.

Todman

141. Telegram 1643 From the Embassy in Costa Rica to the Department of State¹

San José, April 2, 1976, 2111Z.

1643. Subject: Extradition: Robert L. Vesco. Refs: (A) State 58366; (B) State 60707.

1. *Begin summary:* We cannot count on improved political climate to affect possibilities for a successful extradition request, nor on repeal or amendment of 1974 "Vesco" extradition law. As Vesco is eligible to become a Costa Rican citizen in 1977, Embassy recommends that after informing Facio and Oduber of our intention, U.S. proceed with a high priority effort as soon as possible to extradite Vesco if USG and Costa Rican counsel judge that we have any chance to win or if this will

¹ Summary: The Embassy reviewed the local political context of the Vesco case and recommended a two-track effort involving a new extradition request and an effort to negotiate a new extradition treaty.

Source: National Archives, RG 59, Central Foreign Policy File, D760125-0554. Confidential; Priority; Stadis; Exdis. In telegram 58366, March 10, the Department reviewed the most recent indictment against Vesco and outlined options for future action on the case. (Ibid., D760091-0418) In telegram 60707 to San José, March 12, the Department requested the Embassy's views on the political issues affecting extradition and its recommendations on how best to proceed. (Ibid., D760094-0637) The Solorzano memorandum dated March 23, 1973, was not found. In telegram 1495 from San José, April 15, 1975, the Embassy reported the Costa Rican position regarding the extradition law. (Ibid., D750131-1008) The Umana study dated September 1975 is summarized in telegram 4702 from San José, November 5. (Ibid., D750386-0263) The April 5 Foreign Office note was not found. Airgram 18 from San José is dated March 23. (Ibid., P760043-2083)

permit us to challenge the 1974 law. There should be concurrent efforts to get a new extradition treaty provided that does not interfere with the preparation and presentation of our case. Developing of strategy for next phase of Vesco case is severely hampered by our continuing inability to consult competent Costa Rican legal counsel. *End summary.*

2. Embassy appreciates comprehensive and useful synthesis of the indictment against Vesco, U.S. statutes involved, and problems of extradition and the “Vesco law” provided in reftel (A). This ordered presentation indispensable as we plan for next phase of case.

3. Before discussing points raised reftels, Embassy wishes stress that our comments and analysis, including even some pertaining to interaction of legal situation with current political climate and roles of certain Costa Ricans, are submitted subject to consultation with competent Costa Rican legal counsel. As Department knows, Embassy does not have recourse to counsel concerning extradition treaty, 1974 “Vesco law” or procedures, in absence of which Embassy is unable to be as helpful as is needed and desired.

4. Extradition and the “Vesco law”—problems and comments of Costa Ricans.

A. Embassy unable provide much more insight than Department has already. However, we consider it important to bear in mind that Costa Rican executive branch views regarding such important questions as precedence of treaty over law, “jurisdiction” versus “territory,” and how much documentation will be necessary, will not be the controlling ones. They represent opinion of executive branch—not the judiciary. We cannot be sure that this advice is really the best, is disinterested, or is free of Vesco influence. Independent local legal judgment is needed. Finally, only an extradition attempt in which we can count on assistance of the best Costa Rican legal team available will answer those and other questions.

B. The Solorzano memorandum of March 23, 1973, should be considered for what it is and was: an informal memorandum from the then-acting Foreign Minister—a Figueres henchman. It is significant that no later GOCR document makes reference to it. (It would not surprise us if the document is not even part of the Foreign Ministry’s archives.)

C. Contrary to comment in para six reftel (A), the Foreign Ministry note of April, 1975, was a formal GOCR position; it did not represent the views of the Foreign Ministry only. Foreign Minister Facio made this point to Ambassador on April 15, 1975, (reported in San Jose 1495). President Oduber reaffirmed it in response to Ambassador’s question on May 13, 1975 (San Jose 1495, paragraph five).

D. Embassy is suspicious of comments contained in study by Attorney General’s office which was forwarded to Department in Sep-

tember, 1975 (the Umana study). As Department aware, Attorney General Tossi is beholden to Figueres, has never shown himself to be sympathetic to the U.S., and sabotaged potentially successful effort to get "Vesco law" amended in fall of 1975. In sum, we do not believe Attorney General's office is to be fully trusted in any assessment of Costa Rican law or practice or treaty interpretation relating to Vesco matter.

E. In Embassy view most credible GOCR study of the law or treaty is probably the April, 1975, Foreign Office note given to Ambassador by Facio although even that is far from satisfying since it leaves the most important questions unanswered.

5. Political issues affecting extradition.

A. There seems to be little hope for repeal or change of 1974 "Vesco" extradition law although announcement of such intentions may continue to be made. Thus Facio told Ambassador on March 24 that Oduber is again considering having the law repealed, although Oduber told Ambassador only two weeks before that GOCR could not move to change the law for political reasons. Without the support of the government party, opposition forces in the assembly do not have the votes to repeal or to amend. If the "change of political atmosphere" referred to at end of paragraph four reftel (B) contemplates a possible change in the law, it should be discounted.

B. Similarly, although Vesco is likely to become an issue in the Presidential political campaign, it is impossible to predict the speed or manner in which this will develop, thus the USG cannot and should not count on any change in political atmosphere in the campaign to affect significantly our chances to extradite Vesco under the existing rules of the game. Unless there is some truly spectacular revelation of Vesco-related corruption or illegal activity (such as gun-running or narcotics trafficking), the existing political climate regarding Vesco is likely to remain unchanged, with his opponents gradually resigning themselves to having to live with him here.

C. We recognized that any extradition request can cause temporary problems or strains to develop in our relations with the GOCR. The task of our diplomacy will be to keep those strains under control, and to prevent them from lasting or affecting relations across the board. We cannot run away from the problem or fail to deal with it simply because we may disagree with some influential Costa Ricans on it. A decision to proceed with an attempt would not come as a surprise to the Costa Ricans since this possibility has been referred to repeatedly by the Embassy. Filing of an extradition request would not give the GOCR any more grounds for inaction than it now has and there is no reason why failure to succeed need necessarily engender recriminations or more lasting problems. The matter is difficult. But difficult matters must also be dealt with.

D. It can be expected that if we make another extradition attempt and fail, doubts will again be expressed about our good faith and competence. However, if we were to proceed with a good case and the assistance of the best and most respected Costa Rican legal team we could find, and if we could point clearly to the law as the obstacle to a successful extradition, we should be able to stand on that record.

E. On balance, not proceeding with another extradition attempt because we foresee failure due to the existence of the 1974 law may carry more risk to bilateral relations than proceeding and failing. To let the matter die quietly without any statement on our part would undoubtedly please Oduber and some members of his party and government. However, such silence and inaction would lend credence to the view that the USG never was really serious about Vesco; that he was being politically persecuted; that we do not want him back in the U.S. during an election year. In addition, U.S. justice would not be served, since the effort would not even have been made. Finally, we would not have explained our failure to make an effort to promote our interests, to see Vesco's corrupting influence in Costa Rica, and to try to change Costa Rica's image as a safehaven for fugitives from U.S. justice. To limit such damage and make the public record unequivocally clear, there would have to be an announcement (to be made in Washington) that we are not proceeding with another extradition attempt because of the impossibility of succeeding in the face of the "Vesco law." Such an announcement would displease the Oduber government, please the opposition during an election period, and might pose a 1978 campaign issue of U.S./GOCR disagreement. This could well create more problems for us than would proceeding and failing.

6. Consultation with GOCCR. In view of frequent discussions we have had with the Costa Rican Government, especially Oduber and Facio, on the Vesco issue and considering our desire to maintain close contacts and dealings of confidence with them on many matters, Embassy believes we should consult with them in general terms at the outset just before we present extradition case. However, we should be selective in deciding what, if any, part of their advice to follow, since there are good grounds for misgivings about bona fides of such advice. We certainly should not put ourselves and our case in GOCCR hands; should we be criticized in the post mortem for not having done so, so be it. It is another matter to have to run.

7. Options. Of the options presented in State 58366, Embassy favors amended option B; that is, to present broad elements of a fully prepared case to Oduber and Facio, just before going ahead, informing them that we will be proceeding, that we believe we have a winning case under the treaty and that we are concerned about "Vesco law" but have decided to pursue our request because of GOCCR assurances. We

recommend that Facio be requested to testify to court as to precedence of treaty over law. Regarding option A, we do not see a need for provisional arrest nor are we aware of any time constraint on the Foreign Ministry for transmitting our request to court, but we defer to competent legal opinion on those points. Based on experience last time, Foreign Ministry can present our initial request directly to the court. Ambassador then presents case and any subsequent briefs directly to court with assistance of private local counsel and as desired, of GOCR legal officers. Procedure this time might be affected by new law and/or advice of our lawyer.

8. A New Treaty. Embassy does not see any overriding substantive or tactical conflict between option B, proceeding with an extradition request, and simultaneously option C, moving to get a new treaty in force. Instead we see a two-track effort which means that if we can get a new treaty before our case is ready, we will have a better chance thereunder; if not, we will continue under the present treaty (there will be no choice at any rate). We do not see why renegotiation should imply that "Vesco law" applies to USG/GOCR extradition relations, nor do we know of any pressure Oduber is now under which renegotiation would take off him for foreseeable future, as long as there is a simultaneous extradition request. In Embassy's view there is nothing to lose and a slight possibility of gain by pressing forward vigorously with the negotiation of a new treaty. Oduber has already said he would instruct Foreign Ministry to cooperate and some moves in this direction can be expected. Much bigger problem lies in getting cooperation from antagonistic Attorney General.

9. *Conclusion:* Embassy recommends that:

A. Local legal counsel should be retained immediately to study the law, plan strategy, assess our chances, and advise the USG as necessary. USG should accept that first-class effort required to extradite Vesco will be expensive. We should engage the best local attorney or attorneys we can get, and we may want to detail a U.S. attorney here during the effort. Embassy recommends that commitment be made now to provide full funding for this endeavor.

B. USG should prepare and press forward as soon as possible with an extradition case if chances for success are reasonably good or if this will permit us to challenge the constitutionality of the 1974 law.

C. Should U.S. lawyers and expert Costa Rican counsel conclude that the 1974 law makes a successful extradition of Vesco under the existing treaty impossible, and decision is made not to proceed, then the USG should make it known publicly (from Washington) that no attempt to extradite Vesco is possible because of the law despite the bilateral problems this might cause.

D. Simultaneous with preparation of an extradition request, the USG should attempt to proceed rapidly with the negotiation of a new extradition treaty, but in no case should delay an extradition request on this account. A key U.S. objective in this negotiation will be to cover the loopholes between the present treaty and the 1974 law.

10. Results of Country Team's long and careful consideration of Vesco issue is presented fully in recently-submitted CASP (San Jose A-18 dated March 22). Embassy recommends that CASP be reviewed together with this telegram.

Todman

142. Telegram 2258 From the Embassy in Costa Rica to the Department of State¹

San José, May 6, 1976, 2305Z.

2258. Subject: Reported Arrest of AmCit Concerned with Vesco Case.

1. *Summary*: Presumed American citizen James Wilkins is being held in prison here. He claims to be an employee of U.S. Attorney Elliot Sagor. Consul has not yet been able to see him. *End summary*.

2. Consul received two notes May 6 from presumed AmCit James Wilkins which assert he has been held in San Jose prison for seven days. He claims that he was sent to San Jose by Assistant U.S. Attorney Elliot Sagor to gather information on Robert Vesco, and says that he is afraid that if he does not sign a false confession he will be killed. He requests

¹ Summary: The Embassy reported the arrest by Costa Rican authorities of James Wilkins, who claimed to have been hired to gather information on Vesco by the U.S. Attorney in charge of the case against him.

Source: National Archives, RG 59, Central Foreign Policy File, D76015–0911. Secret; Niact; Immediate; Exdis; Stadis. All brackets are in the original except those indicating text omitted by the editors. In telegram 2301 from San José, May 8, the Embassy reported that it had secretly gained access to portions of Wilkins's alleged statement, which apparently indicated that Wilkins had come to Costa Rica to kidnap or murder Vesco. (Ibid., D760179–0217) In telegram 2320 from San José, May 10, the Embassy reported that during a meeting with the Costa Rican Minister of Public Security, a consul expressed concern the Embassy had not been informed of Wilkins's arrest. (Ibid., D760180–0438) In telegram 2342 from San José, May 11, the Embassy reported that Wilkins stated to a consul that he had traveled to Costa Rica at the behest of U.S. prosecutors to gather information on Vesco, but that his statement to the Costa Rican authorities was false and had been signed under threat of death or a long prison term. (Ibid., D760182–0243)

Embassy to notify Mr. Sagor and also his own father in Tampa, Florida at [Personal information omitted].

3. These messages were apparently smuggled out of the prison at Wilkins's request.

4. Consul proceeded immediately to call on senior officials of Ministry of Public Security and to visit the prison, but he was not allowed to see Wilkins. Officials were clearly annoyed that consul had learned of case and tried to discourage him from pursuing it. They said that investigation is still proceeding, that Wilkins may not even be an American citizen, and that he may be deported by this weekend. They suggested that case is being held closely at highest levels of GOCR.

5. Ambassador received last week by pouch a "personal and confidential" letter dated April 21 from Elliot Sagor which stated that "several months ago an American citizen was offered a job by the people in whom we are interested. We have advanced this person money to return to Costa Rica. If he gets the job, he will be reporting back to us concerning foreign travel. He will be on his own down there, and will not require any support from the Embassy."

6. It seems probable that Wilkins is the individual alluded to by Sagor. The questionable wisdom of engaging him in the first place, and the possible adverse implications for the whole course of our Vesco case here, will have to be considered at an early date. The immediate questions, however, are the handling of this protection case and the USG response in the face of possible renewed allegations (from the GOCR and/or the press) that there has been attempted harassment of Vesco if not improper intervention in Costa Rican internal affairs by a U.S. Agency.

7. If approached by such a charge or query, the Embassy plans to take the position that it knows nothing about Wilkins's alleged association with any U.S. Agency. We will attempt to treat this as a straight consular protection case. This will entail new efforts by consul on Friday May 7 to see Wilkins.

8. Would appreciate immediate confirmation that Wilkins is U.S. citizen and any other guidance Department may wish to provide. Department may wish to contact Wilkins's father as he requested.

143. Telegram 110970 From the Department of State to the Mission to the United Nations¹

Washington, May 11, 1976, 2200Z.

110970. Following repeat State 110970 action San Jose dtd 7 May. Qte. For Ambassador only. Subj: Vesco Case: Wilkins Arrest. Refs: San Jose 2258, State 110869.

1. We have had lengthy discussion with Elliot Sagor who provided following information of which Department was totally unaware previously. We are transmitting this for your background knowledge. According to Sagor, James Wilkins approached the U.S. Attorney's Office to tell them that he had been offered a job with Robert Vesco in Costa Rica. Sagor says that Wilkins told him that he was willing to go to Costa Rica to accept the position and would report back on any information he developed relating to Vesco's activities. Sagor said that Wilkins claimed to have family in Liberia, an aunt and uncle on his mother's side named Catherine and Fred Worth, and to have travelled frequently to Costa Rica.

2. Sagor advises that he was interested in developing information about Vesco's travel plans since it might be possible to legally effect his return to the U.S. from third countries if his whereabouts in such a country were known in time. Sagor was also interested in any information Wilkins might develop on rumored involvement of Vesco in narcotics operations in the Bahamas. Accordingly, Sagor decided to take Wilkins up on his offer. Sagor says that he stressed to Wilkins that latter was acting on his own volition and was responsible for his own activities. Sagor did agree to fund Wilkins travel to Costa Rica. This was done by issuing a witness voucher for travel funds. Wilkins was given the cash but no receipt. Rationale was that Wilkins was a potential witness to Vesco related activities of interest to USG investigation.

¹ Summary: The Department informed the Embassy in Costa Rica that U.S. Attorney Elliot Sagor had funded James Wilkins's travel and had accepted Wilkins's offer of any information that he might gather on Vesco's whereabouts and activities.

Source: National Archives, RG 59, Central Foreign Policy File, D760182–0116. Secret; Immediate; Limdis; Stadis. This telegram repeated a telegram of the same number, not found, sent by the Department to San José on May 7. Telegram 2258 from San José is dated May 6. (Ibid., D760175–0911) Telegram 110869 to New York is dated May 11. (Ibid., D760182–0074) In telegram 2483 from San José, May 18, the Embassy reported that Oduber had promised an immediate resolution to Wilkins's case, and that the Minister of Public Security had informed the Embassy that Wilkins would be sent back to the United States on May 19. (Ibid., D760192–1134) In telegram 2499 from San José, May 19, Todman recommended that Wilkins be asked to make a sworn statement on the circumstances of his detention and interrogation in Costa Rica in order to document the apparent violation of his rights and to deter possible "ill-considered use of Wilkins's forced confession" by either the Costa Rican Government or Vesco. (Ibid., D760194–0276)

3. Wilkins copied down a code which was to be used in conversations with U.S. Attorney's Office and may still be in possession of that code. He telephoned that office on at least three occasions from Costa Rica. On one such occasion, Sagor stated that Wilkins asked for and was denied money from the U.S. Attorney's Office. Sagor suspects that Wilkins may have been bought off, if not set up in the first instance, by Vesco but hesitates to compromise him in any way should he be acting in good faith. In view of first possibility, Sagor cautions discretion in dealing with Wilkins.

4. With regard to guidance requested in reftel, we suggest that if you are questioned by either the GOCR or the press that you limit your response at this time, unless further events or information counsel otherwise, to stating only that you have heard about the Wilkins case and that you are checking into it. Please advise us of any further developments as soon as possible. Sisco. Unqte.

Kissinger

144. Airgram A-38 From the Embassy in Costa Rica to the Department of State¹

San José, May 11, 1976.

SUBJECT

The Vesco Connection in Costa Rican Media: *Excelsior* and *La Nacion* Battle It Out

Summary

Costa Rica's leading opposition newspaper, *La Nacion*, is accusing publicly its pro-government rival, *Excelsior*, of being financed by U.S. fugitive financier Robert L. Vesco.

¹ Summary: The Embassy reported on Vesco's alleged control over some Costa Rican media outlets, noting that "rantings about terrorism and political assassination" in one reputedly Vesco-linked newspaper might have been intended to create a propitious environment for a Figueres-led coup.

Source: National Archives, RG 59, Central Foreign Policy File, P760072-0149. Confidential. Repeated to Guatemala City, Managua, Panama City, San Salvador, and Tegucigalpa. Drafted by Political Officer John Maisto on May 10 and approved by Lane. In telegram 2417 from San José, May 14, the Embassy commented on the unsettled state of Costa Rican politics, noting the renewed circulation of rumors that Figueres might attempt a coup. (Ibid., D760187-1035)

Excelsior has not denied the charge; instead, it has attacked *La Nación* broadside for its past political and journalistic faults and for taking positions always in favor of Costa Rica's monied classes. *Excelsior's* attacks have charged the Costa Rican political atmosphere, and may tie in with rumors of Vesco's imminent departure from Costa Rica. The attacks may also be indicative of Jose Figueres's economic and political difficulties.

The role of U.S. fugitive financier Robert L. Vesco in Costa Rican media is once again the subject of bitterly acrimonious public debate between Costa Rica's oldest, largest circulating, most prestigious newspaper, *La Nación*, and the country's newest (16 months old), fastest growing, pro-government (and pro-Figueres) daily, *Excelsior*. Many political observers consider these most recent manifestations of the ongoing controversy symptomatic of new relationships and new realities involving Vesco's presence here, *Excelsior's* economic health, and, possibly, the political fortunes of Figueres.

La Nación Charges Vesco Finances Excelsior

Opposition, business-oriented *La Nación* is restoking the Vesco fires for both political and journalistic reasons. The subject of Vesco riles the government and Jose Figueres at the time when the ex-President is attempting to make a political comeback. Vesco is also synonymous with charges of corruption in the Oduber government. On the professional side, the newspaper is busy digging up facts about Vesco activities in Costa Rica. It has recently compiled a listing of media activities in San Jose in which Vesco has either control or a major share. This list, not yet in the public domain, includes:

—Radio Stations:	Radio City, S.A.	—	₡ 670,000	
	Radio Omega	—	₡ 611,000	
	Radio Colombia	—	₡ 2,200,000	
—Radio Program "A Toda Marcha"		—	₡ 61,000	
—Television:	Channel 11			\$155,000
—Publicity Firms:	Publinal, S.A.	₡	10,000	
	Electronic C.	₡	552,000	

The holding company for all of the above is Hondas Musicales, S.A. Carlos Manuel Vicente, PLN deputy and Figueres crony, is listed as owner. (Taken from Registro Mercantil 123155, Folio 127–147.)

Additionally, the ongoing (but still unresolved) question of a Costa Rican press law to limit investment in Costa Rican media to Costa Rican citizens is discussed by *La Nación*—whenever the matter comes up—in terms of Vesco. *La Nación* maintains publicly that the proposed law will not impede foreigners from controlling or exerting influence in the media, and that such control and influence already

exist—and are growing. Guido Fernandez, *La Nacion's* feisty director, spoke publicly of the Vesco role at the recent SIP meeting in Aruba, and at a meeting of the Federation of the Central American Chambers of Commerce in Panama. Fernandez named *Excelsior* as the example of Vesco's most important media investment.

After his return from Aruba in mid-April, Fernandez hammered away at Vesco and *Excelsior*. In a particularly stinging editorial on April 30, *La Nacion* stated baldly:

"... the company (*Excelsior*) was born thanks to the financing of Robert L. Vesco in an amount disproportionate to the capital of the Costa Rican owners; and the truth is that it continues to depend on this assistance in a constant and growing fashion, to the point that it can be said that the newspaper, in practice, is Vesco's. A Vesco representative, to be sure, looks after these interests in the newspaper."

La Nacion says privately that it can back this strong language up with facts and figures; it has in its possession a copy of an internal Vesco organization memorandum in which *Excelsior's* operating deficit this year is projected to be about ₡4 million (about \$500,000) and in which Vesco makes the decision to parcel out ₡300,000 (about \$40,000) per month to keep the newspaper afloat.

Excelsior's Response: No Direct Denials, and a Political Barrage

Excelsior has responded to *La Nacion* with strong full-column editorials. The editorials include reviews of *La Nacion's* past anti-popular (read: anti-PLN) positions, its right-of-center politics, the sins of its founders, alleged distortions of the news, and an alleged campaign to cut off business advertising; they have continued 8 days. On May 1, in an editorial entitled "Once and for All," it charged that *La Nacion's* objectives were to besmirch *Excelsior* because of *Excelsior's* growing competition, to regain the virtual monopoly *La Nacion* had in Costa Rican press from 1948 until *Excelsior* appeared, and to serve the vile interests of Costa Rica's business community. The editorial did not face up to the charge that Vesco finances *Excelsior*; it stated that *Excelsior* has many creditors, and alleges that "oligarchic groups" once told Vesco they would not combat him if he "detained" the founding of *Excelsior*.

Since May 1, *Excelsior's* editorials are strident, shrill, highly political, and alarmist. On May 4, *Excelsior* speculated in its editorial that because *La Nacion's* anti-government, anti-PLN, anti-Figueres stance was losing the paper readership, favor with the general public, and influence and power with the traditional political opposition in Costa Rica, *La Nacion* might resort to violence. *Excelsior* said: "Simply as an example, it might occur to them (the *La Nacion* people) to finance a group to physically eliminate President Oduber, or to draw up, say, a list of 150 people who have to be eliminated simultaneously 'to clean up the

country once and for all' . . ." *Excelsior* continued: ". . . the candidates for elimination might have their list . . . we can imagine these lists: it would not be rare if some were headed by the President, others by the owners of *La Nacion*. All of this is speculation of course. But in speculation, everything is possible."

Rumors about Vesco Departure from Costa Rica

Concurrent with the public flap between *La Nacion* and *Excelsior*, San José is rife with rumors that Vesco is preparing to depart Costa Rica, either temporarily or permanently, due to:

—fear of a new U.S. extradition attempt as a result of the January, 1976 indictments.

—fear that his safe haven status in Costa Rica is not as sure as it has been over the past few years.

—concern that Vesco's presence in Costa Rica during an election period will be counterproductive to the activities of Vesco's political friends, and will focus the corruption issue on Vesco.

According to one opposition thesis, if Vesco leaves Costa Rica, the possibility exists that his support for *Excelsior* will halt. Thus, it is surmised, *Excelsior* is fighting for its survival—as much to prove its worth to Vesco as to defend itself convincingly from attacks that it is Vesco's.

The Figueres Political Component

If *Excelsior* is as dependent on Vesco money in 1976 as it was when the paper was founded in 1974 (the proof is strong that it is), there are probably others in Costa Rica in a similar situation.

The strongest possibility is Jose Figueres, who, reports from the most reliable sources have it, is broke. (On May 8, *La Nacion* and *La Republica* reported that the Bahamas Commonwealth Bank, now in receivership, is calling a \$1 million loan made in 1972—when Vesco controlled it—to Figueres's company, San Cristobal. Nothing of the principal or interest of this loan has ever been paid.)

Because Figueres is broke, sources speculate, he is politically dangerous. Accordingly, Figueres's coup rumors are being heard again (see separate reporting); they are tied to the Figueres effort to change the Constitution to permit the re-election of ex-Presidents—and a Figueres candidacy—in 1978. *Excelsior's* rantings about terrorism and political assassination are reminiscent of past scenarios that some Figueristas have concocted in which Figueres might be expected to step in and act decisively if the situation warrants. (One of *Excelsior's* recent editorials entitled, "Who Will Save Them?" asks rhetorically, in the case of an extreme leftist threat and the necessity for one-man to come to the country's rescue, if that man (Figueres) will pull the chestnuts of the likes of *La Nacion* people out of the fire.)

Comment

Excelsior's editorials have contributed in an important way to the ugly political atmosphere that is building in Costa Rica. Old and bitter political rivalries between PLN and anti-PLN and pro- and anti-Figueroes forces are being dusted off; the basest in recent Costa Rican political history is being catered to. *Excelsior's* vehemence and in some instances hysteria against its traditional rivals at *La Nacion* points to the need that Figueres supporters have always felt to have their own media voice; some are even able to convince themselves that the Vesco role in *Excelsior* can be overlooked if that objective is achieved. At the same time, however, and most importantly, the strong *Excelsior* offensive is really the only defense the paper has against *La Nacion's* charges, which (as *Excelsior* has already hinted it knows), are based on *La Nacion's* possession of incriminating documents about who owns and controls *Excelsior*.

Todman

145. Memorandum of Conversation¹

Washington, May 28, 1976, 4 p.m.

SUBJECT

Secretary's Meeting with Costa Rican Foreign Minister Facio

PARTICIPANTS

The Secretary
Mr. Katz
Mr. Rogers
Mr. Bova (Notetaker)
Foreign Minister Facio
Ambassador Silva

[Omitted here is discussion of Facio's trip from London, the upcoming Santiago meeting of the OAS General Assembly, and Kissinger's February visit to Costa Rica.]

The Secretary: What problems do we have? Meat exports, no?

Foreign Minister Facio: Yes, the meat quota. I know that Bill and Mr. Katz have been working very hard on this. But I certainly have a problem at home. I understand how Australia, especially, has reacted. Some people in Costa Rica, however, still don't understand the geopolitical considerations. I know that Australia has about 70% of the U.S. meat import market. Our part is very little. Costa Rican exports amount to about .003% of U.S. meat consumption.

The Secretary: How much is involved?

¹ Summary: Kissinger and Facio discussed Costa Rica's desire for an adjustment to the quota imposed on its meat exports to the United States.

Source: National Archives, RG 59, Central Foreign Policy File, P820117–2496. Confidential; Nodis. Drafted by Bova on May 28 and approved by Haley Collums in S on July 1. All brackets are in the original except those indicating text omitted by the editors. The meeting was held in the Secretary's office. In telegram 106745 to San José, May 2, Rogers transmitted a letter to Facio regretting the Department's inability to persuade Australia and New Zealand to accept the reallocation of unused Latin American meat quotas, which would have benefitted Costa Rica. (Ibid., D760168–0867) In telegram 2183 from San José, May 4, the Embassy reported Facio's announcement that Costa Rica would not sign the "unjust" voluntary restraint agreement and would seek better terms. (Ibid., D760172–0913) In telegram 126396/Tosec 130179, May 22, the Department reminded Kissinger of Costa Rica's desire for adjustments to the voluntary restraint program and suggested that he should convince the Costa Ricans that he considered it a serious problem. (Ibid., D760199–0528) In telegram 2582 from San José, May 24, the Embassy observed that Facio and Oduber believed that Kissinger had made a commitment during his February visit to Costa Rica to try to arrange a higher meat quota for their country. (Ibid., D760201–0718)

Mr. Katz: The problem isn't numbers, as such. We are under a legislative ceiling and under current circumstances the President cannot waive that ceiling.

The Secretary: What circumstances? The election?

Mr. Katz: Yes, but not just that. Last year the President did not waive the quota either. We have the consumers on one side and the cattlemen on the other. The cattle industry has been depressed for the last few years. We can't go over the trigger point. We are also having a problem working out an agreement which is acceptable to twelve different countries. We have to be aware of maintaining historical relationships. We broke the pattern last year to assist Costa Rica and other countries by changing the allocation formula. If we were to have to impose quotas, this means a reduction of 10% for all exporting countries. It would hurt Costa Rica even more than the current situation. We have very little flexibility. With regard to changing the reallocation formula, our problem with Australia stems from the reallocation provision in the Sugar Act which gives priority to the Latin producers. Australia refused to accept a similar provision for meat exports.

The Secretary: What do you mean by refusal?

Mr. Katz: They said they would not sign an agreement if that provision was in it.

The Secretary: They said go ahead, we dare you to cut us by 10%?

Mr. Katz: We made a strenuous effort to negotiate a major reallocation formula, but the Australians would not accept it.

The Secretary: How much is Costa Rica asking for?

Mr. Katz and Foreign Minister Facio: Ten million pounds.

The Secretary: How much does Australia export?

Mr. Katz: Over five hundred million pounds.

The Secretary: Would the ten million we give to Costa Rica come out of Australia's hide?

Foreign Minister Facio: Not necessarily.

Ambassador Silva: It could come from the cushion.

Mr. Katz: It would come out of everybody's hide. The cushion is needed. We went over the level allocated last year. It is very difficult to manage this program. Last year Australia gave up some of its share to Costa Rica.

Foreign Minister Facio: Australia has other markets for its meat. It exports to the socialist countries and to Japan. We are excluded by the Lome Convention from exporting to Europe.

Mr. Katz: We have spoken to the Europeans about your exporting there.

Foreign Minister Facio: Yes, but there is a very high tariff. It is difficult to compete there.

The Secretary: When do we have to have an answer?

Mr. Katz: Last December. We are late now. Three countries have signed the agreements and we have an agreement in principle with all the other countries.

Foreign Minister Facio: The other countries don't have our problem, the production. We have been encouraged to diversify by foreign loans. We made a small deal with Israel for meat exports, but this is for a minimal supply. We tried to make a deal with Jamaica but when Australia found out about it, the Australians offered subsidized meat to the Jamaicans. The Australians are our persecutors.

Mr. Katz: The Australians were exporting into Costa Rica.

Foreign Minister Facio: We heard about this attempt to export some pre-cooked meat, but we won't permit that. We will ban the importation of any meat for reexport. In the case of pre-cooked meat, we could do that with our own processes.

Mr. Katz: About the idea of exporting processed meat as an alternative? Have you explored this?

Foreign Minister Facio: Yes, We have. There are great cost disadvantages, and if we were to go to all the expense, we would still not be all that certain that you would not charge that meat to our quota.

The Secretary: Would we do that?

Mr. Katz: No, it would come in under a different tariff category. Obviously, if they were to export hundreds of millions of pounds in this way there would be a problem.

Ambassador Silva: I understand there is a tariff category for meat worth less than 30 cents a pound, but this would not seem feasible.

The Secretary: Is that the limit, 30 cents a pound?

Mr. Katz: No, there are several different categories. The restraint program includes fresh or frozen meat. If the meat is cooked and prepared it is not subject to quota.

Foreign Minister Facio: We may explore that possibility. It will still be very difficult to explain to the Costa Rican people that we are back to the same restraint level as last year. We expected we would be able to increase our level, at least through the reallocation of Central American shortfalls.

The Secretary: How about that?

Mr. Katz: That is what we couldn't negotiate with the Australians. It is academic anyway as we do not believe there will be any shortfalls this year.

The Secretary: Then why didn't Australia agree?

Mr. Katz: It felt that this would discriminate against them. They are unhappy with a similar provision in the Sugar Act.

The Secretary: What if we just said we are going to do it?

Mr. Katz: Then Australia won't sign the restraint agreement; and this will trigger quotas.

The Secretary: (smiling) That is a horrible thing to say.

Foreign Minister Facio: If we didn't sign, that might trigger quotas. How would Australia react to that?

Mr. Katz: If Costa Rica doesn't sign, quotas probably would be triggered.

The Secretary: The Australians are playing chicken with us. What if we just told them this is what we are going to do?

Mr. Katz: We can't force them to sign the agreement. We may just have to go to quotas. This would hurt Costa Rica.

The Secretary: Supposing Australia refuses to sign the agreement. Does that mean that we would have to impose a quota on Costa Rica as well?

Mr. Katz: We would have to impose quotas on all the exporting countries. If one major country refuses to sign the agreement, this could trigger quotas for all countries.

Ambassador Silva: Why can't we have a gentlemen's agreement? Say, for example, we decide in July or you decide in July to allocate seven or ten million pounds to Costa Rica. Do you have to explain to the Australians why you have done this?

Foreign Minister Facio: That wouldn't be reducing their quota. It would just be giving something to us.

Mr. Katz: About 40% of Australia's exports to the U.S. are meat. The question of meat exports poses a major political problem for them. It was a campaign issue last December for their new ruling party. The new party criticized the Liberal Party for having given up an additional share to the Central American countries last year. This was another reason why they refused to negotiate any concessions this year. We pressed them very hard on maintaining the share formula and including a regional shortfall reallocation provision. We threatened to go to quotas if they did not accept this. They said they wouldn't sign such an agreement. The Department has been criticized by the U.S. cattlemen for delaying because of this attempt to negotiate with Australia. The Australians and the cattlemen have gone to the press.

The Secretary: How about the idea that has just been mentioned here? We could sign the agreements and then give some small amount to Costa Rica.

Mr. Katz: That would be breaching our agreements with other countries. According to the agreements, any shortfall would be distributed in a pro rata manner.

Foreign Minister Facio: We are not speaking of shortfalls, but of a small increase.

Mr. Katz: That would put us over the trigger point.

The Secretary: Suppose it doesn't?

Foreign Minister Facio: You won't go over with 7 million pounds.

Mr. Katz: We need the cushion because of other leakages. Panama is an example.

The Secretary: Of course, if Reagan becomes President there will be no problem. We could give the Costa Ricans the Panamanian quota. (laughter)

Mr. Katz: We may be better off just going to quotas.

Foreign Minister Facio: Panama's production is not so good.

Mr. Rogers: They are already at the restraint level.

Mr. Katz: They are already over their level. Last year we went over the restraint level. We must have a little leeway this year.

Ambassador Silva: One reason there is no increase for us this year is this year Canada was allocated 70 million pounds, whereas last year they exported 20 million pounds. The Canadian allotment took up all of the increase.

Mr. Katz: This is just going back to historic levels with Canada.

The Secretary: When was the decision on country allocations made?

Mr. Katz: The allocation formula was taken from last year's share formula.

The Secretary: Plus a multiple percentage of what was done in the period of President Monroe.

(laughter)

Ambassador Silva: Our program is very small. Australia and New Zealand account for approximately 9 hundred million pounds of meat exports to the U.S.

The Secretary: How much is your allocation?

Ambassador Silva: About 54 million pounds.

The Secretary: Certainly I can't do anything at this meeting. My advisors will only tell me that we have been handling things this way since Jefferson.

Mr. Katz: The program has been in effect only since 1968.

The Secretary: I would like to do something. I will study this question with a view to seeing if we can figure something out. Probably we will not be able to. I have received unanimous advice that we cannot do anything about this. I personally would like to set up something better

for our special friends. Of course, Australia is also a good friend. Isn't there a son of a bitch in the group?

(laughter)

Mr. Katz: The EEC—We have instituted countervailing duties against Ireland.

The Secretary: Do you think I have a special affinity for the Irish? A national or religious affinity? Of course my wife is Irish.

Mr. Katz: Well, there you are.

The Secretary: Let me take a look at it. How much do you want, ten million pounds? (Others nod agreement) Probably nothing can be done, but I will tell you in Santiago.

Mr. Rogers: We are making up for this with other things.

The Secretary: The trouble with Facio is that he supports us on everything. You have been a very good friend.

Foreign Minister Facio: I will continue to be a good friend. I don't believe that one should behave badly just to get something. Our positions on the OAS are in agreement. I have discussed this matter with Bill.

[Omitted here is discussion of OAS matters.]

The Secretary: I will take another look at the meat problem, but it looks like it can't be solved.

[Omitted here is discussion relating to Belize and Panama.]

146. Telegram 3532 From the Embassy in Costa Rica to the Department of State¹

San José, July 20, 1976, 1650Z.

3532. Subject: 1976 Meat Agreement. Ref: State 175529.

1. In accordance with instructions, drawing on paragraphs one and two reftel, on July 19 I again requested Foreign Minister Facio to sign the voluntary restraint agreement on meat.

2. Facio smilingly wondered out loud what did the “voluntary” refer to and promised to consider the matter further, discuss it with President Oduber, and inform me of his decision within the next few days following the ongoing UNESCO conference, of which he is president.

3. *Comment:* Regarding para four reftel, in view of Facio’s insistence that he discussed the question of the level of Costa Rican meat exports to the U.S. with Secretary of State Kissinger privately in Santiago, I urge that this matter be raised directly and personally with Secretary Kissinger before a final decision is taken, particularly if such decision would involve any action that would be considered as punitive or retaliatory against Costa Rica.

Todman

¹ Summary: Todman repeated to Facio a U.S. request for approval of a voluntary restraint agreement setting limits on Costa Rican exports of meat to the United States.

Source: National Archives, RG 59, Central Foreign Policy File, D760279–0208. Limited Official Use; Priority. In telegram 175529 to San José, July 15, the Department reported that Costa Rica was the only voluntary restraint agreement participant that had not signed an agreement for 1976 and asked the Embassy to stress the need for prompt action to avoid the imposition of more extensive restrictions. (Ibid., D760273–0866) In telegram 3826 from San José, August 6, the Embassy reported that the Costa Rican Government had decided to approve the voluntary restraint agreement but that Facio would approach Kissinger to express the hope that a way might be found to arrange a higher meat export level for Costa Rica. (Ibid., D760303–1288)

147. Telegram 4487 From the Embassy in Costa Rica to the Embassy in Honduras¹

San José, September 16, 1976, 2222Z.

4487. For Assistant Secretary Shlaudeman from Ambassador. Subject: Suggested Handling of Meat Issue During September 19–20 Visit.

1. You will be aware from our previous reporting that there is deep disappointment here over USG inability to find way to accommodate GOCR request for higher level of meat exports this year. Ambassador Yeutter's very candid firm and authoritative statement, during his recent visit here, to effect that there will be no increase this year was a shock to GOCR and Costa Rican public, particularly because GOCR had continued to believe there was a commitment by the Secretary to provide an increase. I think Ambassador Yeutter's statement has effectively killed all hope here, but there is a deep feeling of bitterness over what is perceived as USG failure to deliver on its promises.

2. Under the circumstances, in amplification of Qs and As we sent earlier, I recommend that you respond to any press or official GOCR queries re "the Kissinger commitment" with a statement that leaves no doubt about the time and attention the Secretary devoted to this question. I would advise against acknowledging to press that there was in fact a commitment by the Secretary. However I think it would be helpful to make clear that the Secretary was sympathetic to Costa Rica's problem and explored every angle to see whether an increase might be granted within the framework of our legislation and the global meat import program. The same point might be made to Oduber and to Facio, if they raise the subject, and it would be helpful to state our regret that we could not deliver an increase.

3. I would strongly recommend against mentioning the possibility of a sub-regional quota for Central America next year. While such action will undoubtedly be welcomed when it takes place, to mention it

¹ Summary: In a telegram to Assistant Secretary Shlaudeman, the Embassy suggested a strategy for handling the issue of meat quotas during upcoming meetings with Costa Rican officials.

Source: National Archives, RG 59, Central Foreign Policy File, D760350–0225. Limited Official Use; Immediate. Repeated to the Department of State. Shlaudeman, then in Honduras, was scheduled to arrive in Costa Rica for a September 19–20 visit. In telegram 4281 from San José, September 1, the Embassy reported that U.S. officials had informed their Costa Rican counterparts that the United States was in the process of issuing regulations to prevent further imports of Costa Rican meat upon the fulfillment of the country's 1976 quota. (Ibid., D760332–0765) In telegram 4340 from San José, September 3, Todman commented on the September 1 consultations, noting that the "civilized demeanor of the Costa Rican participants" masked deep local unhappiness with U.S. handling of the meat issue. (Ibid., D760336–0471)

now would be taken as an effort to fulfill a promise with another promise, and would bring even greater disappointment should regional quota not materialize.

Todman

148. Telegram 4663 From the Embassy in Costa Rica to the Department of State¹

San José, September 27, 1976, 1440Z.

4663. Subject: Change in Vesco Law on Horizon.

1. *Summary:* Mainly because the Vesco issue embarrasses the Oduber government and the PLN as the Presidential campaign approaches, the atmosphere is more propitious now than it has been for a year and a half for the Costa Rican Assembly to change the 1974 “Vesco” extradition law. Whether there would be a new law and what it would be are now being debated in the legislature. Some elements of the government and PLN may have in mind an strategy that would relieve them of the onus of the law while at the same time not exposing Vesco to any real risk. Such a strategy would impact negatively on the U.S. while making it possible for the GOCR and PLN to defend themselves against charges of protecting Vesco. These developments make it important that we be prepared to move expeditiously and on short notice with a well prepared extradition request. *End summary.*

2. Costa Rica’s National Assembly is debating changing the 1974 extradition law (“the Vesco law”). As result of a rules procedure vote September 14, the extradition law will receive first priority before all other new business (except emergency matters) in the current session of the assembly. This decision, according to knowledgeable legislative

¹ Summary: The Embassy reported that the Costa Rican legislature was considering proposals to amend or repeal the 1974 extradition law that served to protect Robert Vesco.

Source: National Archives, RG 59, Central Foreign Policy File, D760364–0579. Confidential. In telegram 5195 from San José, October 29, the Embassy reported that a new extradition law to replace the 1974 legislation had passed on its first reading and was expected to receive definitive legislative approval during the week of November 1. (Ibid., D760404–0757) In telegram 5362 from San José, November 9, the Embassy commented on the newly passed extradition law, concluding that the “major legislative stumbling blocks to a successful Vesco legislation have been eliminated.” (Ibid., D760418–0230) According to telegram 5399 from San José, November 11, Oduber signed the new extradition law on November 9. (Ibid., D760420–1136)

sources, has the support of the government and PLN. If this is so, it is the strongest indication ever that this time there will be action on the Vesco law.

3. There are two draft bills being discussed. They are:

A) The majority proposal, favored by government PLN deputies, which encompasses a new extradition law that eliminates some of the more egregious elements of the 1974 law that favor Vesco.

B) The minority proposal, calling simply for a return to the 1971 extradition law, which stated explicitly that extradition treaties, when they exist, govern all extradition matters.

4. Yet another possibility that has been mentioned in PLN is simple repeal of the Vesco law, leaving extradition matters to bilateral treaties where they exist, and to general legislation covering foreigners where treaties do not exist.

5. Opposition deputies, working with PLN Deputy Miguel Corrales Bolanos, the prime mover of the effort, have introduced a large number of motions that eliminate those parts of the majority proposal that favor Vesco. Embassy understands that if all these changes are accepted, Opposition deputies will join forces with Government Party to favor the new law.

6. *Comment:* The atmosphere for a change in the Vesco law, passed in the final days of the Figueres administration, is more propitious now than it has been in the past year and a half. Opposition leaders are encouraged. They claim that PLN leaders have assured them of government and party seriousness. However, they point out that the final proof of this determination will be in just what changes in majority draft law will be worked out, or if PLN will accept simple repeal with no new law.

7. There are political reasons that can be adduced to why different elements in the PLN and the government may want to move against the Vesco Law at this time:

A) The PLN and the Oduber government must deflate corruption as a political issue in the upcoming political campaign. The internal PLN candidate selection process has begun; the Presidential campaign begins in 1977. Corruption will be a prime issue; the Vesco law is one of the most visible proofs of government/party corruption. In particular, the Vesco law is a shackle to Luis Alberto Monge, the PLN pre-candidate who commands a good deal of support from the younger generation of PLN leaders in the National Assembly. Monge's campaign is being waged on his own personal honesty and incorruptibility; he publicly states that he has no Vesco ties. The continuation of a Vesco law on the books—permitted by the PLN legislative contingent in which Monge enjoys considerable political support—could hurt his

chances both in the PLN primary election, and in the campaign if he is the candidate. Removal of the law then, has now become a political necessity for the PLN. This same general reasoning, i.e. that the law is an embarrassment to the party during an election year, also affects the candidacy of the other PLN hopefuls, including For. Min. Gonzalo Facio.

B) Oduber does not fear Figueres politically as much as he did. Oduber now feels primacy in the Government Party after Figueres was thwarted by the PLN in the ex-President's attempt to change the Constitution to permit him to run for President. The Vesco issue has always been one on which Oduber has trodden softly in part at least for fear of alienating Figueres and provoking a deep split in the PLN. (See 1976 Costa Rica CASP.) With Figueres's recent political defeat, and his support of a candidate in the party (Facio) the fear of a Figueres formal split is greatly reduced. One factor affecting this is whether Figueres and Vesco have really split as reported. A more important consideration is whether or not there is an Oduber/Vesco relationship, and if there is, whether Oduber can afford to or would now be willing to act to the prejudice of Vesco.

C) Costa Ricans are disgusted with the image Vesco brings to the country. Costa Rican leaders are painfully aware that Vesco's continued presence and the existence of the Vesco law bring disgrace to the country. This is especially so when Vesco makes sensational public declarations and when sordid Vesco-connected activities are revealed (e.g., recent press accounts concerning connection of Vesco name to Duke Hall murder case; Vesco's avoiding taxes on high-powered launches; presence of foreign body guards in Vesco's retinue). PLN members of the legislature have voiced such opinion to EmbOffs in recent weeks.

8. It is highly possible that at least some elements of the government/PLN have in mind a strategy that would relieve them of the onus of the Vesco law while at the same time not exposing Vesco to any real risk, this would hold especially if there is an Oduber/Vesco link. The strategy would involve amending the law to remove those features which are blatantly pro-Vesco but doing so only shortly before the date on which Vesco becomes eligible for Costa Rican citizenship. That short period (weeks, months) presumably would be insufficient for the USG to file an effective extradition request or take any action that might effectively delay the process of granting Costa Rican citizenship to Vesco.

9. A variation to the above would have Vesco departing the country, clandestinely, if necessary, upon amendment of the law and returning at a time when, with good legal assistance, he might successfully file for Costa Rican citizenship.

10. Such a strategy would, of course, impact negatively on the U.S. while making it possible for the GOCR/PLN to defend themselves

against charges of protecting Vesco. In the circumstances it is important that we be prepared to move expeditiously and on short notice with a well-prepared extradition request. Failing this it would not be possible to persuade anybody here that the USG has been at all serious in this matter at any time.

Todman

149. Telegram 5838 From the Embassy in Costa Rica to the Department of State¹

San José, December 13, 1976, 1725Z.

5838. Subject: 1977 Meat Program: Costa Rican Reactions.

1. Costa Rican delegation has just returned hurt and bitter over outcome of just concluded meat "negotiations." Members of the delegation expressed special resentment over fact that after Latins had successfully argued for increase of additional 10 million pounds, that amount was then distributed with the major portion going to Australia and New Zealand. They insist that politics obviously enters into distribution as evidenced by doubling of Panama's allocation. Costa Ricans feel that they were taken advantage of and treated unfairly primarily because U.S. knows that they have no alternative but to sign the program as presented.

2. I suspect that this Costa Rican reaction to what they consider lack of regard for their interests will be turned against us some time when we are seeking their support for an issue important to us but of little significance to them.

Todman

¹ Summary: The Embassy reported the bitter reaction of Costa Rican officials to U.S. meat importation quotas for 1977.

Source: National Archives, RG 59, Central Foreign Policy File, D760459-0089. Limited Official Use; Immediate. Repeated to Santo Domingo, San Salvador, Guatemala City, Panama City, Port-au-Prince, Tegucigalpa, and Managua. In telegram 5862 from San José, December 14, the Embassy reported that Oduber was disappointed with the quota assigned to Costa Rica but felt that he had no choice but to sign the proposed voluntary restraint agreement. (Ibid., D760460-0524)

El Salvador and Honduras

150. Telegram 38780 From the Department of State to the Embassies in Honduras and El Salvador¹

Washington, March 2, 1973, 2112Z.

38780. Subject: Honduras/El Salvador Dispute. Ref: (A) Tegucigalpa 761; (B) San Salvador 783.

1.) Dept. agrees with Embassy San Salvador that there is little to be gained, either procedurally or substantively, from the USG now offering to serve as a channel of communications between Foreign Ministers Batres and Borgonovo. The issue stalling negotiations, the acceptability of arbitration, can only be resolved by the parties themselves. Moreover, channels of communication, both direct and through GOG FonMin Arenales, already exist.

2.) For Tegucigalpa. Ambassador Ryan believes, and we agree, that somewhat offhand tone employed by FonMin in discussing this subject was such that you need not respond directly at this time. If Batres should raise this again, however, please convey informally our view that USG involvement or participation in the negotiations with El Salvador, even in the role of a communicator, would not be appropriate or useful. Progress achieved to date appears to us to have resulted mainly from establishment of direct communications between two countries through the good offices of GOG. It appears to us that this channel is the one most likely to produce the kind of lasting settlement desired by both sides.

3.) For San Salvador. In view of above, we see no reason for you to discuss this with FonMin Borgonovo. Likewise, we believe any initiative concerning possible involvement of OAS in settlement process should come from the parties involved.

¹ Summary: The Department instructed the Embassies in Honduras and El Salvador to avoid becoming intermediaries in the border dispute between the two countries.

Source: National Archives, RG 59, Central Files 1970-1973, POL EL SAL-HOND. Confidential; Priority. Drafted by El Salvador Country Officer Alexander Sleght on March 1; cleared by Hurwitch, Pezzullo, and Political Adviser T. Frank Crigler in USOAS. Repeated to Guatemala City, Managua, San José, and USCINCSO. In telegram 761 from Tegucigalpa, February 27, the Embassy reported that Foreign Minister César Batres had informally asked the U.S. Government to ascertain whether or not the Salvadoran Government intended to respond to peace initiatives put forward at a recent meeting in Guatemala. (Ibid.) In telegram 783 from San Salvador, February 28, the Embassy stated that it saw no benefit to becoming involved in the El Salvador-Honduras dispute as a channel of communication between the two governments. (Ibid.)

151. Telegram 168092 From the Department of State to the Embassy in Honduras¹

Washington, August 23, 1973, 2107Z.

168092. Subject: Sugar Purchase.

1. Lazar called Ambassador Galvez morning August 23 and stated we had just received news of Bennaton's announcement re Cuban sugar purchase. Lazar told Galvez this had caused quite a stir and we were wondering, if true, whether Batres had known about it during August 22 conversation with Shlaudeman. He pointed out to Galvez that if Batres had known, and given fact that this would seem to be a clear-cut violation of OAS sanctions, this raised serious questions regarding significance and seriousness of Batres's apparently firm comments to Shlaudeman about the need to follow a strictly legal approach on the Venezuelan initiative. Galvez stated he was unaware of transaction but would query Batres and call back.

2. Galvez called back several hours later, having put Batres on train for New York. He said that Batres did not consider this to be an important matter, that GOH intended to downplay it and hoped we would treat it in like manner. Galvez reported Batres as saying that GOH had shopped for sugar, and that Cuba had offered best price by 5 to 15 percent. He also said they could have arranged transaction through a third party to disguise it, but had decided not to do so both because they didn't think it was anything to disguise and because it would have involved additional expenses.

3. Regarding legality of transaction under OAS sanctions resolution Batres takes position that resolution permits supplying foodstuffs, medicines, and other humanitarian assistance to Cuba and therefore *mutatis mutandis* must allow for purchases of foodstuffs from Cuba in cases of serious shortages such as present drought-caused shortage of

¹ Summary: Responding to a Honduran purchase of Cuban sugar, Director of Central American Affairs Lazar met with the Honduran Ambassador and sought assurances that his government would follow through on its commitment to oppose a Venezuelan initiative to lift OAS sanctions against Cuba.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Immediate. Drafted and approved by Lazar on August 23. Repeated to San Salvador, Guatemala City, San José, and Managua. The Venezuelan initiative on Cuba is described in Document 275. In telegram 167208 to Tegucigalpa, August 22, the Department stated that Batres had told Shlaudeman that his government opposed the Venezuelan initiative but had not mentioned the Honduran purchase of Cuban sugar. (Ibid.) In telegram 168889 to Tegucigalpa, August 24, the Department instructed the Embassy to urge López to reverse the transaction, warning that it could affect the Honduran U.S. sugar quota. (Ibid.) In telegram 3472 from Tegucigalpa, September 11, the Embassy reported that Lazar told Batres the purchase "might well create problems in future between two governments in ways difficult to control." (Ibid.)

sugar in Honduras. Batres emphasized this transaction had no effect on GOH position on the Venezuelan initiative which was exactly as he had set it out in August 22 conversation. He stated that this was a one-time transaction and that there were no plans to establish commercial relations with Cuba. Batres pointed out that the prices of some basic food-stuffs in Honduras are rising (he singled out wheat and bread) and it was politically important to keep the price of sugar down.

4. Lazar pointed out that it was all well and good for Batres to say that GOH did not consider this an important issue but that we weren't sure that reaction within USG would be all that low-level and that initial reaction was one of surprise and concern.

Rogers

152. Telegram 209707 From the Department of State to the Embassy in El Salvador¹

Washington, October 24, 1973, 1613Z.

209707. Subject: Meeting Between Alfredo Ortiz Mancia and Deputy Assistant Secretary Bowdler.

1. Mr. Ortiz opened the meeting by explaining that he had travelled to Washington at President Molina's request to check out the Salvadorean impression that there was a coolness within the Department toward El Salvador perhaps arising out of the 1969 war with Honduras.

¹ Summary: During a meeting with Deputy Assistant Secretary Bowdler, Salvadoran emissary Alfredo Ortiz Mancia said that an impression existed within the Government of El Salvador that relations with the United States had cooled. Bowdler assured him that this was not the case and that the U.S. Government maintained a policy of evenhandedness in its relations with El Salvador and Honduras.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Priority. Drafted by Lazar and approved by Bowdler. In an October 23 briefing memorandum, Lazar assured Bowdler that the U.S. Government had not leaked news of Israeli aircraft sales to El Salvador in an effort to influence negotiations between El Salvador and Honduras and had "deliberately refrained from taking sides," scrupulously following a policy of "evenhandedness" in the provision of military equipment to both countries. (Ibid., ARA/CEN Files: Lot 75D469, El Salvador—Political 1973) According to telegram 233087 to San Salvador and Tegucigalpa, November 28, during a November 27 meeting with Bowdler, Ortiz Mancia asked the U.S. Government to help bring about a settlement of the border dispute. Bowdler replied that "any solution, to be effective, will have to be arrived at by agreement between the two countries and cannot be imposed upon them by any third party." (Ibid., Central Foreign Policy File, [no film number])

In support of this impression he mentioned the leak of the Israeli arms deal which persons in El Salvador think came from the State Department. He also indicated that the GOES was not receiving the same type of military assistance, both in matériel and training, as other neighboring countries. Ortiz described Honduras's hardening position in the Mexico City negotiations and strongly suggested that these talks would end in no agreement. What worries the Salvadorans, he added, was that if these negotiations fail, there will be a temptation on the part of revanchist elements in Honduras to put the blame on El Salvador and even take some military action in retaliation for the Salvadoran invasion in 1969. Ortiz claimed that because of the lack of military assistance from the United States, Salvador would be hard pressed to defend itself, particularly from aerial attack, because of the weakness of its air force.

2. Ambassador Bowdler, after expressing his great appreciation for the personal gesture of confidence on the part of President Molina in sending Ortiz to Washington, emphasized that there was no coolness within the State Department towards El Salvador. Quite the contrary, he said that our relations with and feelings toward El Salvador were as close and cooperative as they had ever been.

3. Ambassador Bowdler explained that the leak on the Israeli arms deal was totally unauthorized and had not come from the Department of State. A reading of the news story suggests that the person who furnished the information seemed to have Israeli arms deals primarily in mind. He pointed out that the mention of El Salvador seemed to be incidental to the principal point of the story as were similar references to Mexico and Nicaragua. Mr. Ortiz stated that he was very glad to receive the explanation because of the impression that the story had come out of the State Department.

4. Ambassador Bowdler then explained at some length our policy of evenhandedness with respect to El Salvador and Honduras on supplying military equipment and training. He emphasized that we had been scrupulous in offering to each country, on identical terms, whatever had been offered to the other. Ambassador Bowdler and CEN Director Lazar explained in some detail the background of the A-37 offer. Here, again, we found Ortiz surprisingly uninformed for a Presidential emissary. For example, he was under the impression that the Hondurans had already received their A-37s. We assured him this was not the case and advised him of the difficulties that had been overcome here in order to attempt to tailor the Salvadoran A-37 package to the expressed wishes of the Salvadorans. We told him that we thought one problem the Salvadorans might have had was our inability to promise them that credit would be available to cover the aircraft sale. We explained to Ortiz that we could only have offered credit pursuant to con-

gressional authorization and that there was no such authorization when the negotiation was being discussed. We told him that the offer of the A-37s had probably expired but that we would look into the possibility of reviving it if the GOES was still interested.

5. Ortiz expressed the personal opinion that direct personal contact between President Molina and General Lopez promoted by General Arana would be much more likely to lead to a solution than meetings such as those going on in Mexico. He felt that direct interpersonal relations away from the glare of publicity had advantages over formal negotiating sessions which needed to end with a joint press release acceptable to public opinion on both sides. He stated that the frontier issue would require mutual concessions and harkened back to the Antigua meetings which apparently had almost reached agreement based in part on Honduras's willingness to exchange some territory on its side of the border for some of the disputed areas. Ortiz ended with a request that the U.S. take a hand in facilitating settlement in some way. Ambassador Bowdler pointed out that the Mexican negotiations could be very useful in defining areas of agreement and disagreement. Perhaps at the Presidential level the points at issue could be resolved, thereby achieving the type of settlement that would benefit everyone.

Kissinger

153. Telegram 4627 From the Embassy in El Salvador to the Department of State¹

San Salvador, December 14, 1973, 0030Z.

4627. Subject: Conversation with President Molina About Honduras/El Salvador Problems and Other Matters.

[1.] *Summary*: Molina hoped Honduras can be prevailed upon, with our help, to extend negotiations past Salvadoran elections next March. Presidents may meet early next week to seek substantive as

¹ Summary: During a conversation with President Molina on the dispute with Honduras, Director of Central American Affairs Lazar and Chargé Moskowitz expressed their interest in being helpful but noted that the two governments would need to settle their differences by themselves.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Immediate; Limdis. Repeated to Guatemala, Managua, Mexico, San José, Tegucigalpa, and USCINCSO. All brackets are in the original except "[1.]", added for clarity.

well as procedural solutions. He reciprocated our expression of friendship and goodwill and rationalized his purchase of combat aircraft from Israel while registering mild concern over possible additional U.S. sales to Honduras. He briefly reviewed the development and reform aspirations of his centrist, nationalist and capitalist regime. We expressed our interest in being helpful to maintain the best possible atmosphere conducive to the two disputants settling their problems by themselves.

2. This morning (Dec 13) Lazar and I called on President Molina who had with him FonMin Borgonovo and Dr. Ortiz Mancía. Lazar opened conversation with reiteration of expression of unaltered and constant friendship and goodwill of USG toward GOES and Salvadoran people.

3. Pres. Molina immediately broached Honduras/El Salvador problem as follows:

(A) Both he and Hópez Arellano were sincerely seeking a solution to the problem. He considered López to be sensible and well-intentioned and he recognized that López had certain domestic problems, including military factionalism, which encumbered his ability to reach compromise on the border question. GOES was concerned that internal Honduran pressures might force GOH into breaking off negotiations on December 15. GOES desired to keep the door open beyond that date out of concern that a rupture would gravely deteriorate situation between the two countries and constitute a severe setback to possibility of solution of the problem. They were bothered by signs such as the recent Honduran complaint to OAS Committee about alleged border incidents but again tended to attribute this to López's internal problems.

(B) The negotiations in Mexico were at a standstill at the moment since the Hondurans were insisting on resumption of the discussion of the specifics of a border settlement; and the Salvadorans were insisting on the establishment of an agenda for the final week of talks in accordance with prescribed procedures. Neither side had raised the subject of a possible final declaration to sum up the negotiations and provide a basis for their continuation in the future. In order to get the two sides to reach an accommodation on further negotiations, the Mexican Foreign Office had scheduled a luncheon today to enable the negotiators to explore possibilities.

(C) Generals Somoza and Arana have not been able to arrange a meeting for themselves with Molina and López Arellano primarily because of Arana's postoperative condition. However Gen. Somoza would be passing through San Salvador at noon today on his way to Mexico and Molina would explore with him the possibility of an early meeting of chiefs of state to focus on the problem as soon as Arana's

condition permitted. He thought this might be possibly early next week.

(D) The immediate problem to be solved was that of preventing the negotiations from terminating definitively Dec 15. The GOES preferred to have the negotiations suspended and resumed after the Easter holiday because it felt that the atmosphere would not be conducive to positive achievements during the early months of 1974 when the election campaign would be taking place in El Salvador. If suspension were not acceptable to the Hondurans, the GOES was amenable to some sort of an arrangement to commit both sides to extend the talks beyond Dec 15 and keep them going past the March 1974 election. He expressed the hope that the United States would prevail on the Hondurans to continue negotiations beyond Dec 15 through either a suspension or continuation to enable both sides to conclude them after Easter 1974.

4. Pres. Molina also raised the subject of combat aircraft acquisition and again explained his motives for procurement from Israel in the same terms that he had previously revealed to me on November 29. He again cited his meeting with the other Central American leaders in Chiquimula in which he had explained to them why he was procuring from Israel and had given them assurances that no threat was intended to any of his neighbors. He alleged that they all agreed that each government must decide for itself what it needed to meet its security responsibilities. He mentioned that Lopez, particularly, had understood this and had expressed his intention to acquire additional A–37s from the U.S. He expressed his awareness of U.S. interest in a balanced and coordinated combat aircraft acquisition program in Central America and regretted that our inability to accommodate Salvador's needs caused him to go to Israel for airplanes. He evinced some concern over the possibility of additional U.S. combat aircraft sales to Honduras.

5. Pres. Molina broadly sketched his concepts about the development needs of El Salvador. He cited the numerous serious social and economic problems plaguing the country and stated his determination to move ahead in efforts to resolve these problems in a multi-year reform and development program. He said that it was essential to undertake this task of fundamental change of conditions to prevent a major political eruption. He characterized his regime as centrist in political philosophy, nationalist in a positive sense (i.e., domestic rather than foreign solutions to problems) and progressively capitalist in economic orientation. He had praise for the younger leaders of the business world whom he considered to have the outlook to move the nation toward economic development with social justice.

6. Pres. Molina reciprocated our assurances of goodwill and friendship and stated his personal desire to maintain best possible liaison between his government and ours. He stated that he had felt a

slight "coldness" in the past but that this had been overcome well before Ambassador Catto's departure.

7. In answer to specific points above, we made following replies:

(A) With respect to Honduras/El Salvador problem we emphasized our belief that the only solution was an agreement freely arrived at between the two sides; that no solution imposed on either or both of the parties would be workable. We also pointed out that we enjoyed warm relations with both countries and did not wish to take sides between them. We expressed our willingness and indeed desire to be of assistance in working out a solution to this problem within the constraints expressed above, and pointed out that we had served informally as a channel of communications between the two, particularly in discounting rumors, and were willing to continue to do so. Molina accepted this. We expressed our opinion that both sides were negotiating in good faith but that neither side believed the other was; we added that this seemed to be clouding the Mexican talks and interfering with the dialogue that should be taking place. We stated that we were pleased to hear that contacts were continuing on the border and at a high level between Molina and Lopez. Finally we urged that any decision on what to do about the Mexican negotiations consider the overriding importance of maintaining an air of calm and continuity and not give the appearance of a breakdown in the talks or a stalemate in negotiations. Leaving the meeting we asked Borgonovo whether any decision had been made on the issuance of a press statement from Mexico. He said this matter probably would be discussed today.

(B) With respect to combat aircraft, we reiterated our policy of evenhandedness. We stated we could not unilaterally assure a balance of forces in Central America; that each country had a right to determine its own needs and buy wherever it chose. However we intended to continue to make parallel, scrupulously equal offers to both Honduras and El Salvador and keep each side advised of what we were offering the other. We stated we had not offered any additional A-37s to Honduras.

(C) We expressed our strong desire to continue to cooperate with El Salvador's development plans both directly through aid and indirectly through BID and IBRD.

(D) We urged Molina to work closely with the Embassy particularly in heading off any problems that might arise. He reciprocated the offer and said he was always available to us.

8. *Comment:* The meeting was cordial although Molina probably was disappointed. We suspect he was hoping for a more forthcoming response to his request, through Ortiz Mancía, for U.S. pressure on Honduras. We believe that any use by Honduras as a pressure point of Molina's strongly felt need for a delay until after elections would be

counter-productive, perhaps strongly so. On the other hand Lopez could make very good use of this by acceding to Molina's wishes, perhaps at the next Chiefs of State meeting, as a token of good faith and understanding of Molina's political problems. This would help to improve the negotiating climate which appears to have deteriorated. If Dept and Embassy Tegucigalpa agree this could be passed to Somoza, with request that he pass the suggestion on to Lopez though not, of course, mentioning that it comes from U.S. The form of any postponement obviously also would be important and should be geared to avoid the appearance of a breakdown or stalemate.

Moskowitz

154. Telegram 37 From the Embassy in El Salvador to the Department of State¹

San Salvador, January 4, 1974, 1710Z.

37. Subj: The Molina Government: Some Thoughts for 1974 on Prospects and U.S. Interests. USCINCSO for POLAD.

1. In its first year and a half in office, the Molina government has proven to be basically similar in philosophy to the two preceding regimes of the PCN: Middle class, mildly reformist, anti-radical, flexible and pragmatic. Molina himself has been more authoritative and decisive than many had expected; however, his rhetoric has outdistanced his achievements to date, which is not surprising given the scope of the problems faced by El Salvador and the limited resources at hand.

2. In 1974, the administration's policies and programs will continue to be influenced by its perception of the Salvadoran reality, and a paramount objective will be the maintenance of the stability of the regime itself; thus, maintaining cordial relations between the government and the Armed Forces will remain a consideration of major importance. Efforts will continue to develop a broader political consensus for the government, especially in the countryside. Economic and social development issues will represent major challenges but efforts in these fields

¹ Summary: The Embassy reviewed the record of Salvadoran President Molina after a year and a half in office and noted that the U.S. role in El Salvador would remain small in 1974, given the lack of major U.S. interests in the country.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to Tegucigalpa, Managua, San José, and USCINCSO.

will be tempered by the political considerations noted above and radical reform programs are unlikely. On the international scene, El Salvador's relations with the rest of Central America will be of major importance with the Honduras/Salvador dispute continuing to be key to the issue. The failure of any future negotiations could conceivably produce a domestic backlash against Honduras that would make eventual settlement even more remote and perhaps, even adversely affect El Salvador's relations with its other neighbors.

3. The role for the U.S. in the Salvadoran scheme of things will remain limited in 1974, given the lack of major U.S. interests, the modest level of U.S. assistance programs and the nature of the issues that the GOES will face. Recalling the somewhat uneven state of the U.S./Salvadoran relations that marked the outset of the Molina regime, occasional reassurances of the friendly ties that exist between the two governments would seem prudent as would the continuation of a modest assistance program to demonstrate U.S. goodwill. On domestic political questions, there is little that the U.S. can, need or should do so long as the GOES does not resort to flagrant repression of the legitimate opposition during or after the scheduled legislative/municipal election process. The U.S. ability to advance a settlement of the Honduras/Salvador dispute will also remain limited although the U.S. can contribute somewhat to regional stability, as it has, by encouraging peaceful settlement of disputes and by serving as an informal channel of communication to clarify intentions and actions of one side toward the other.

4. A more detailed analysis of the prospects for 1974 is found in Embassy's A-1 of Jan 4, 1974.

Moskowitz

155. Telegram 3967 From the Embassy in Honduras to the Department of State¹

Tegucigalpa, September 20, 1974, 2320Z.

3967. Subject: FonMin Batres's Comments on Cuba.

1. Last night (September 19th) I received telephone call from FonMin Batres apparently resulting from a conversation which I had with Deputy FonMin Pineda over information we had that Cuban "commercial representative" was in country and had contacted [garble] officials. I expressed to FonMin Batres our continued concern over unilateral commercial transactions between Rio Treaty signatories and Government of Cuba. Batres took a very defensive stance indicating that Cuban representative is here merely on an exploratory mission and that he had not been invited by GOH directly. He said request for visa had come from GOH Embassy in Mexico and that visa had been approved merely to provide Honduras with continued contact with possible client in the event of future lifting of Cuban sanctions. Batres pointed out that it seemed to GOH that lifting of sanctions was now a foregone conclusion and they wanted to maintain this possibility of commercial interchange, particularly in view of "grave economic situation now facing GOH."

2. I stated my concern to FonMin Batres recalling particularly the flap resulting from the 1973 Cuban sugar deal. He agreed that GOH had come under considerable criticism from private sector and rightist groups, but again attempted to justify measure as being purely economic and in the "best national interests." Batres then went on to offer gratuitously the comment that GOH now felt compelled by Hurricane Fifi to keep its options open with regard to the possibilities of individual trade missions with "any available credit." I expressed to him our concern again and reminded him that all nations tend to face economic ups and downs and that we would not feel that such a situation should be a signal for a departure from established treaties and cov-

¹ Summary: The Embassy reported that it discussed its concern over the presence of a Cuban commercial representative in Honduras with Foreign Minister Batres, who insisted that his government only wished to keep its options open in the event OAS sanctions on Cuba were lifted.

Source: National Archives, RG 59, Central Foreign Policy File, D740265–0584. Secret; Immediate. In an October 10 Intelligence Note, the Bureau of Intelligence and Research observed that an "unexpected result of Hurricane Fifi," which devastated Honduras in September, could be to push the country "into early reestablishment of commercial and possibly diplomatic relations with Cuba," and that the Honduran Government's actions might well depend "on the extent and kinds of disaster assistance, international financing, and credit opportunities offered to Honduras in the wake of Fifi." (Ibid., P740134–1079) All brackets are in the original except those indicating garbled text.

enants. I reminded him of our continued respect for Honduras as a nation which consistently has stood by its obligations under inter-American treaties. Batres countered that this naturally a continued source of pride to the people of Honduras but stressed again that he hoped the GOH would not find itself faced by "economic realities" which would transcend all other considerations.

3. *Comment:* Batres seemed at first to be a bit sheepish about the information with which I seemed to be confronting him. He later tended to turn to an apologetic stance. However, I feel I am reading into his overall position a forewarning that if Honduras's economic position does not improve soon, the GOH may find it necessary to turn to Cuba which at the moment seems to be a ready customer for the reportedly large quantities of unsold Honduran lumber.

Sanchez

156. Memorandum From Stephen Low of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Scowcroft)¹

Washington, January 7, 1975.

SUBJECT

Sale of F-86 Aircraft

After thorough search I have been unable to discover any information indicating that State has taken a negative position on sale of F-86 aircraft to Ecuador. Furthermore, it seems unlikely that Ecuador would be interested in such aircraft in view of its well known and often stated lack of interest in buying used equipment since it has the money to buy new.

¹ Summary: Low briefed Scowcroft on Honduran interest in purchasing combat aircraft, noting that a 1973 U.S. Government decision to block the sale was being reconsidered.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, Box 4, Honduras—Political, Military. Confidential. Sent for action. On January 13, Scowcroft marked the memorandum to indicate his interest in the Honduran F-86 case and to request that Low follow it. In a January 15 memorandum to Scowcroft, Low reported that Bowdler and Lazar generally agreed that the sale should be allowed to proceed but hoped to use the licenses "as leverage with the Hondurans to get talks between them and El Salvador started again." (Ibid.)

It is possible that a confusion may have arisen between Ecuador and Honduras. The latter has for some time been interested in purchasing a package of ten F–86s from the Yugoslavs. Aerotrade, a Miami arms dealer, has applied to Munitions Control in State for a license to conduct the transaction. A similar request for a license submitted by another dealer in 1973 was denied by State Munitions Control on the grounds that the F–86 was not “appropriate” for Honduras (or Central America). That decision was subsequently reviewed and upheld. Central to that determination was the Honduras-El Salvador dispute and the lack of progress in resolving that dispute. Additionally, no Central American country had planes with an air-to-air capability.

Following our policy of evenhandedness toward Honduras and El Salvador, the U.S. subsequently offered the A–37 to both countries; Honduras accepted and will soon be receiving six A–37 aircraft. El Salvador was not interested. In the interim, however, El Salvador has purchased from Israel eighteen French-built Oregon planes which have an air-to-air capability.

In spite of this, there is continuing sentiment against licensing the transaction on the grounds that the Honduran Government would be spending about \$1.2 million on military equipment at a time when it is seeking and receiving large amounts of economic assistance for its reconstruction effort following the hurricane destruction. Honduran-Salvadoran peace talks are moving very slowly.

Now that Salvadorans have equivalent airplanes, it seems to me we’re on difficult grounds denying the F–86s to the Hondurans. If it is the Honduras problem which you had in mind, let me know and I will follow it with State, indicating our interest in an input before any final decision is made.

157. Airgram A-21 From the Embassy in El Salvador to the Department of State¹

San Salvador, March 1, 1975.

SUBJECT

Human Rights Observance—El Salvador. [Ref:] State 12320, State 14917.

Summary: The Embassy continues to judge that the GOES does not engage in consistent, substantial or continual violation of human rights as we interpret the terms of the refels. There is no evidence of massive political detentions, torture or other abuses of prisoners, or utilization of the legal system for political repression. There have been random incidents, perpetrated by GOES agents, which indicate a willingness at times to condone repression and violations of certain rights. It is difficult to judge the extent of this pattern given the state of Salvadoran journalism, the general propensity of the culture for violence, and the incapacity of the judicial system to determine facts. The difficulty is compounded by the generally underdeveloped state of the institutions that would normally safeguard the individual from government mistreatment. The available evidence points to the conclusion that the GOES has an imperfect commitment to protecting the human rights of its citizens. Disregard of constitutional provisions, a willingness to resort to fraudulent elections to maintain itself in power, and occasional harsh treatment of certain have-not sectors (especially the *campesinos*), all contribute to an image among many of its citizens of a government that feels its political self-perpetuation has a higher priority than certain legal, but occasionally bothersome, guarantees. *End summary.*

[Omitted here is the body of the airgram.]

¹ Summary: While acknowledging that incidents of repression had taken place, the Embassy reported its judgment that the Salvadoran Government did not engage in "consistent, substantial or continual violations of human rights."

Source: National Archives, RG 59, Central Foreign Policy File, P750041-0821. Confidential. Drafted by Political Officer William G. Walker, cleared in draft by Political Officer Bruce Beardsley and AID Director Edwin Anderson, and approved by Moskowitz. Forwarded to Guatemala City, San José, Managua, Tegucigalpa, and USCINCSO. All brackets are in the original except those indicating text omitted by the editors and "[Ref:]", added for clarity. Telegram 12320 to all diplomatic posts is dated January 1. (Ibid., D750020-0520) Telegram 14917 to all diplomatic posts is dated January 22. (Ibid., D750025-0090) In airgram A-17 from Tegucigalpa, February 14, the Embassy reported that it had no indication that the Honduran military regime violated human rights. (Ibid., P750038-0400)

158. Telegram 54268 From the Department of State to the Embassy in Honduras¹

Washington, March 11, 1975, 1933Z.

54268. Subject: Aerotrade and Transfer of F–86 Aircraft. Ref: State 50918.

1. Aerotrade officials met February 19 with George Vest, Director, PM, and David Lazar of CEN to inquire regarding status of their licensing application for transfer of F–86s to Honduras. DeptOffs stated that Department did not feel application could be approved at the present time, given continued lack of tangible progress on peace talks between Honduras and El Salvador, but that we were hopeful of developments within reasonably near future which would permit Dept. to approve application. Aerotrade reps. agreed to be patient a while longer but promised to call and check status again in two weeks.

2. DeptOffs did not, of course, refer to incentive aspects of our dealings with GOH on this matter but referred only to feared destabilizing effect on any settlement negotiations or continuing GOH–GOES contacts that might result from F–86 purchase at this time.

3. Following are major elements of present situation as we see it from here.

(A) There is increasing pressure on USG from Aerotrade to make a final decision on their license application. Aerotrade officials have agreed to wait a while longer on the basis of our statement that a final decision now would necessarily be negative. However, given the length of time they already have waited for USG decision, we anticipate growing impatience on their part.

(B) The continuing absence of a positive decision on our part will tend to shape events and reactions in the same way as would a negative decision. The anxiety of the Yugoslavs, relayed to Dept. through DOD/ISA, to dispose of the aircraft makes it almost certain that further delay in approval of the transfer to Honduras will lead them to attempt to

¹Summary: The Department reported it was inclined to approve the transfer of combat aircraft to Honduras, noting that withholding a license for the transaction had not helped to bring about a settlement of the dispute between Honduras and El Salvador.

Source: National Archives, RG 59, Central Foreign Policy File, D750085–0400. Confidential; Priority; Exdis. Drafted by Lazar, cleared by Vest and Ellsworth, and approved by Bowdler. Repeated to San Salvador. In telegram 954 from Tegucigalpa, March 12, the Embassy concurred in the approval of the transfer and suggested the U.S. Government inform the Salvadoran Government of the decision in a low-key manner. (Ibid., D750086–0880) In a March 21 memorandum, Low informed Scowcroft that the Department of State had approved the transaction. (Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, Box 4, Honduras—Political, Military)

find other buyers. At the same time, Lopez can probably be expected to intensify his reported efforts to locate non-U.S. origin aircraft of same generation as F-86s. In either case, the possibility is that HAF will end up with non-U.S. origin aircraft. The consequence of this would be some weakening in our relationship with Lopez himself and some erosion of our military advisory relationship with the HAF.

(C) Post-Jalapa developments suggest that there is no point at this time in making another effort to use Lopez's desires for F-86 aircraft to move him towards settlement with El Salvador. Thus, if we were to approve F-86 transfer now, it would be in the absence of even a modicum of progress. We recognize that to proceed on the F-86s could weaken our credibility with Lopez.

4. After due consideration of pluses and minuses outlined above, we are inclined to approve Aerotrade license application upon receipt of official request by Government of Yugoslavia for USG concurrence in transfer of F-86s to Honduras through Aerotrade. This, of course, assumes satisfactory resolution of question raised in reftel. Our reasoning is that (a) there are no real military balance considerations involved; (b) continued deferral of decision will not lead Lopez towards settlement with El Salvador; (c) maintenance of political and military relationship which should flow from approval of application, outweighs in importance related minor damage to our credibility; and (d) to refuse license application or to continue deferral of decision without serious substantive reason would be a disservice to legitimate commercial interests of Aerotrade.

5. Assuming you concur with decision to approve aircraft transfer, we invite also your thoughts and recommendations as to notification of sale to GOES. Obvious disadvantage attaching to unilateral notification by either USG or GOH leads us to conclude that we should attempt to arrange simultaneous notification of GOES by both GOH and USG. Comments Embassy San Salvador also invited.

Ingersoll

159. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, March 28, 1975.

Honduras: United Brands

You should be aware that the SEC has discovered that Eli Black of United Brands (formerly United Fruit) promised a \$2.5 million bribe to the President of Honduras for his settlement of the company's tax problem and an extension of its concession—this, just before Eli Black jumped out of the window. \$1.25 million has been paid to a Swiss account. The SEC is insisting on disclosure in the company's forthcoming financial statement.

We are organizing ourselves for the crunch, when and if this becomes public.

Carl Maw is advised, but otherwise the information is closely held—so far.

Attachment

Paper Prepared by the Assistant Secretary of State for Inter-American Affairs (Rogers)²

Undated.

UNITED BRANDS PAYMENT TO HONDURAN OFFICIALS

The 1974 payment of a \$1,250,000 bribe by United Brands to officials of the Government of Honduras (probably the Chief of State) in connection with a tax dispute broke this afternoon.

¹ Summary: Rogers informed Kissinger that United Brands had paid a \$1.25 million bribe to the Honduran Chief of State, noting that this revelation would likely bring down the Honduran Government and damage the image of U.S. corporations overseas.

Source: National Archives, RG 59, Central Foreign Policy File, P760175–0717. Confidential; Eyes Only. Drafted by Rogers on March 28. In telegram 1204 from Tegucigalpa, April 1, Ambassador Sánchez stated the repercussions of the bribery revelations were “likely to be serious and damaging to company, GOH and USG.” (Ford Library, National Security Adviser, Presidential Country Files for Latin America, Honduras—State Department Telegrams, To Secstate—Nodis) In telegram 1584 from Tegucigalpa, April 22, the Embassy reported on the Honduran military leadership's removal of López as Chief of State; he was succeeded by Col. Juan Alberto Melgar. (National Archives, RG 59, Central Foreign Policy File, D750140–0912)

² Source: *Ibid.*, P760175–0718. Confidential; Nodis. Drafted by Rogers.

The SEC uncovered the payment in the course of its review of the company's operations following the suicide of its Chief Executive Officer, Eli Black, in January. The company pleaded with the SEC to allow it to keep the matter confidential. However, the *Wall Street Journal* got wind of the story and is preparing to publish it today (Wednesday). Upon learning that the *Wall Street Journal* has the story, United Brands has decided to put the facts out in a press release Tuesday—and the SEC will accordingly suspend trading in the stock today.

This will probably destroy the Chief of State of Honduras, and trigger a strong reaction against United Brands in Honduras and in other countries where it operates. And the revelations will hardly help the general image of American multinational corporations abroad.

United Brands asked us to intercede with the SEC to keep the information confidential. We refused. United Brands also asked us to approach the GOH. We refused this too.

—United Brands is a U.S. company growing bananas in Honduras and other Latin countries.

—Its President, Eli Black, bribed the President of Honduras to settle a tax dispute a year ago, before he, Black, jumped out of the window.

—The story is in the *Wall Street Journal*. The SEC will suspend trading in the stock, and the President of the country will probably have to resign.

—The Department just learned of the bribe. It refused to help cover it up.

160. Airgram A–108 From the Embassy in El Salvador to the Department of State¹

San Salvador, August 5, 1975.

SUBJECT

The Coming Political Difficulties in El Salvador and the U.S. Response.

This airgram attempts to provide a synthesizing interpretation of our reporting of the past year on the declining strength of the National Conciliation Party (PCN) and of the government itself. It tries to place this development within the larger context of impending political difficulties in El Salvador which, if not satisfactorily resolved in the next several years, suggest an eventual prospect of revolutionary upheaval at some unpredictable point in time.

The PCN and the GOES Headed for Political Problems

As it presently is structured and functions, the Salvadoran government faces the unenviable and inherently contradictory task of meeting popular aspirations for improved living conditions while maintaining the order and stability expected by vested economic interests, many of whom equate the most modest change in the status quo with socialism or communism. Like their military-led predecessors back to 1932, the PCN governments of Col. Julio Adalberto Rivera (1962–67), Gen. Fidel Sanchez Hernandez (1967–72) and Col. Arturo Armando Molina (1972–) have promised to enact evolutionary social and economic reforms in order to avert a revolutionary upheaval. They have also tried to use the civilian-run PCN and its paramilitary arm, ORDEN, to mobilize, under the banner of reform and nationalism, sufficient *campesino* support to overcome the opposition's electoral advantage among urban dwellers.

El Salvador's small territory, burgeoning population, and grossly inequitable distribution of society's benefits lend a special urgency to the need for basic, structural reform in the economic and social systems. This is especially true in the countryside, where 70 percent of

¹ Summary: The Embassy analyzed signs the Salvadoran Government was weakening and noted the possibility of revolutionary upheaval in the coming years, adding that the ability of the U.S. Government to affect the course of events in El Salvador was limited.

Source: National Archives, RG 59, Central Foreign Policy File, P750130–1478. Confidential. Drafted by Political Officer Charles Blum on July 21; cleared in draft by Political Officers William Walker and Bruce Beardsley, Economic Officer Ruth Winstanley, and AID Director Edwin Anderson; and approved by Moskowitz. Forwarded to Guatemala City, Managua, San José, Tegucigalpa, and USCINCSO. Airgram 82 from San Salvador is dated June 12. (Ibid., P750101–0354)

the population lives. As Molina never tires of repeating: "There is still time, but not much." These factors make El Salvador a special case, the frontier of the demographic crisis. The PCN system has not expanded the economic and social services pie rapidly enough, however, and population is winning the race against development. Since the early 1960s, real income has fallen for El Salvador's poorest and the gap between rich and poor widened; there are fewer opportunities for employment and reduced access to land; and per capita caloric intake has fallen and malnutrition become endemic in the countryside. Thus, what President Oscar Osorio (1950-1956) promised—agrarian reform, social security, urban housing and industrialization—Molina is still trying to deliver a generation later (see A-82).

The natural tendency among government critics is to attribute the failures of the present administration to the personal shortcomings of Molina and his advisers, whom they accuse of timidity, incompetence, corruption and repression. There is at least an element of truth in all those charges. The Molina administration was, after all, conceived in fraud and nearly stillborn during the March, 1972, coup attempt. The chosen successor of a weak president, Molina was accepted not so much for his positive qualities but because he was considered neither an offensive, nor threatening alternative for important pro-government factions, both civilian and military. Handicapped by a lack of political finesse and charisma, he has failed to generate a popular following of his own. He and his fellow PCN leaders tend to be uncompromising with their political adversaries and are unwilling to carry on a dialog with their critics whom they consider to be demagogic to an extreme. For the foregoing and other reasons, these critics have concluded that the Molina administration is insincere about and/or incapable of undertaking basic structural reform. It would be fairer and from our point of view more helpful, to recognize that Molina's failings have only accentuated the more fundamental difficulties of the system itself. He is but a product of the system and, in a sense, its latest victim.

We must understand that, in addition to the restraints imposed by the magnitude of the problems and the poor human and material resources available to solve them, the very inner contradictions of the political system have prevented PRUD and PCN governments since 1950 from satisfying the growing demands of El Salvador's rapidly growing population. They have quite predictably failed to reconcile the unrecconcilable. For example, the relatively few large landowners want to keep their land intact while a growing number of landless *campesinos* want to get land, even a small parcel, for themselves; and in the process of trying to please both, the reformist governments have satisfied neither. Moreover, there are signs that both the more traditional oligarchs and the *campesinos* are becoming impatient with the arrangement. The

oligarchs tend to avoid direct participation in politics and government and have relied on their ability to coopt reform-minded military officers and government bureaucrats so that reforms, if they are unavoidable, are kept minimal and do not infringe on the oligarchy's vital interests. Thus, they were able to dull the zeal of Osorio and Rivera—two of the more reformist presidents. Nevertheless, shaken by a number of economic measures taken by the Molina administration (wage increases, price controls, coffee sales policy, the "Agrarian Transformation" law, etc.) and a spate of unsolved robberies and kidnappings, some oligarchs are coming to doubt the ability or the willingness of the PCN leadership to protect their interests.

If the oligarchy is concerned because it believes the government wants them to relinquish too much to try to improve the lot of the poor, the *campesino* is disappointed because the GOES has done too little. In recent elections, he has begun to abandon the PCN, causing the government to resort to fraud to guarantee its majority. The future promises even greater fraud, since the *campesino*, informed of outside events by his transistor radio and the Church, is beginning to expect more from the government and to denounce openly the violent, arbitrary ways of the security forces, especially the National Guard. Moreover, the very promises of reform which the PCN governments have used to gain electoral support have stimulated greater expectations not only for better economic and social conditions but also for a greater voice in the political process, as witnesses the new attitude of the *Union Comunal Salvadoreña* (UCS).

Another basic contradiction plaguing the political system is the role of the military. (This paragraph owes an obvious debt to DATT's IR-6-829-0014-74 of March 25, 1974, which deserves periodic re-reading.) Traditionally, the military has served as the guarantor of stability and its leaders regarded rapid change with caution and concern, much as the oligarchy would. This role has been reinforced by the habits of conformity produced by the military iron, unquestioning discipline and self-isolation. The military officer generally regards his society as a hostile environment and takes refuge among his brothers of the "military institution." He shies away from contact with perceived enemies of the institution—*campesinos*, trade unionists, clergy, etc.—and regards them as "Communists," thereby contributing to his seige mentality. He views oligarchs with a mixture of envy and disdain. He regards civilian politicians, even those of the government party, with distaste.

Yet the present system requires that after 20 years of relative isolation and insulation from his society, a military officer undertake in five years to transform it. The military president is expected to become not only the chief administrator of the nation but also its political leader.

Upon his nomination, he must suddenly begin to lead and reconcile the very groups he has spent a lifetime avoiding. This is changing, albeit slowly; Molina especially has made an effort to bring bright younger officers—most of whom have completed at least some university training in law, economics or business administration—into key positions in the public administration. Nevertheless, senior military education gives only the most superficial attention to the military's emerging role as reformer and tends to reinforce traditional role perceptions. Thus, within the military officer corps there is considerable confusion and dissensus over this dilemma. Amateur navigators on the uncharted waters of economic and social reform, they are not sure how they got where they are or what to do next.

Thus, the government is plagued by a sort of Salvadoran "Catch-22." On the one hand, it cannot win elections without resorting to ever greater fraud—and thereby running a greater risk of adverse popular reaction—unless it can produce basic changes in the economic and social systems. On the other hand, it cannot achieve such structural changes under the present rules of the game. Thus, it can neither win elections fairly nor govern effectively and is doomed to unpopularity and weakness. Whether the present governmental system is running out of energy and imagination (as some critics have charged) remains to be seen. However some observers have been prompted to recall that El Salvador has experienced a cyclical pattern of coups in approximately 15-year intervals since 1931 (i.e., 1944 and 1960).

What Comes Next?

In as violent and volatile a country as El Salvador, any prediction is apt to prove embarrassing in retrospect. Nevertheless, we should expect some kind of change—and perhaps of a dramatic nature—during the next 32 months, a period in which the country is faced with three national elections. The change would most likely, but not necessarily, be occasioned by a coup. A few observers would argue that President Molina has the unqualified backing of the military and is, therefore, immune to a coup. However, we detect signs of real unhappiness of some military officers with Molina, but as of yet the discontent has not become unbounded nor have discontented elements coalesced around an individual officer, group of officers or ideology. Economic conditions, especially as influenced by volatile international commodity markets, also have a direct impact on political stability. The recent frost in Brazil will probably convert El Salvador's disastrous coffee policy of 1973–74, which produced large unsold stocks, into an unwitting stroke of genius. If so, one of Molina's most influential and persistent group of critics—the coffee interests—may be temporarily assuaged and less eager to risk the potentially unsettling results of a coup to remove Molina.

A rather broad spectrum of scenarios is possible. It is conceivable, for example, that the PCN could somehow get through the 1976 legislative/municipal elections intact and find an attractive presidential candidate for 1977. (Agriculture Minister Lt. Col. Roberto Escobar Garcia seems to have the right mix of characteristics—a military background, experience in public administration, a basic understanding of agricultural problems, intelligence and an effective campaign style.) Or a coup might forestall elections and produce a new constitution, new symbols and a new official party without any basic revision of the rules of the game. Given favorable economic conditions, either outcome might provide a welcome transfusion of energy, imagination and good-will, but neither would necessarily resolve the basic contradictions of the present system. Another possibility is that a rightwing coup, financed by the oligarchy and designed to put an end to the reformist tradition, might occur. This would be a step backward and, while it might provide a few years' stability through repression, it would also not resolve the basic contradictions of the system. At the other end of the spectrum, Molina—or a successor government resulting from an election or a coup—might succeed in incorporating the *campesino* in political system so that he participates meaningfully in determining his fate. This is essentially what the UCS hopes to achieve. With an organized *campesino* movement supporting the government as a countervailing power to the oligarchy, we could expect an effort to carry out more rapid and sweeping reform. Similarly, it is conceivable that the Christian Democrats may approach a leading military officer to offer him the PDC Presidential nomination—and therefore an excellent chance to win a majority of the votes cast—in 1977. At present, it does not seem likely that the PDC would even consider this nor that any opposition victory at the polls would be respected by the PCN-controlled election officials, but if the PCN chooses a more conservative Presidential candidate, a military candidate might become an attractive alternative for the opposition.

There is, therefore, the potential for modifying the political system so that it may become a more effective agent of economic and social change. But there is no guarantee that this potential will be realized.² In the event it is not, time may run out for El Salvador to find a non-violent solution to its problems. At this point, we do not foresee a revo-

² Under foreseeable circumstances, even an honest vote count and possible opposition political victory would be no guarantee of peaceful transition and transformation since it appears improbable that the vested economic interests and traditional military leadership would long tolerate government by the political alliance of Christian Democrats and their more leftist partners (a likely combination). A reactionary coup would be almost inevitable. An alliance between the governing PCN and PDC does not appear in prospect at this juncture. [Footnote in the original.]

lutionary upheaval like that of 1932 within the next several years and are loathe to predict, as some do, that it is inevitable. However, the potential for such an upheaval does exist and is liable to increase if the impending political difficulties described above are not dealt with adequately. The fear of a 1932-like revolution, possibly of even bloodier and more far-reaching proportions given the increased deprived population today is increasingly invoked by government and opposition leaders alike as a justification for more rapid and broader reform. There are a number of danger signs which bear watching: there are some 100,000 families with no access to land, a sharp increase over just three or four years ago, attributable in part, though unintentionally, to the 1974 Land Rent Law; economic recession is aggravating the already staggering structural unemployment problem; the repressive measures of the security forces are breeding disrespect for authority; and Church and opposition leaders have heightened their criticism of the government, particularly in the countryside.

The U.S. Response

The U.S. has no vital strategic or economic interests in El Salvador. In global or even Latin American terms, it is a small, insignificant country. Our interest here is essentially preventive—we wish to see El Salvador and all of Central America remain quiet, peaceful and stable so that we can devote our attention to other, more vital areas of the world. In the Salvadoran context, our interest in stability implies support for basic, structural change going beyond the palliatives that PCN governments have been able to offer since 1962. We clearly wish to do what we can to avoid a violent upheaval and some of the unattractive policy options it would pose (basically, intervention vs. standing by and watching). Our interests in El Salvador do not justify the commitment of resources much above the present level. Moreover, there is little we could do to determine the course of events. Furthermore, the problems are Salvadoran problems, not U.S., and their solutions—if there are any—must be Salvadoran, too. Our primary concern at this point is to be aware of the potential for crisis and, by dealing with both “ins” and “outs”, to be able to detect where El Salvador might be headed. At the same time, we might consider a number of low-cost uses of our influence—which while not decisive, is consequential—to encourage the government to open up the political system and intensify the pace of reform.

A. *The Mission* (1) could continue to make it clear to the government, the military and the opposition that the USG does not oppose, and in fact welcomes, intensification of the government's reform program. In so doing, we must be careful, however, to avoid identifying ourselves with the overtly political and demagogic variety of reform measures.

(2) could examine methods of effectively communicating to the GOES our view that electoral fraud is a self-defeating practice; and to the principal democratically-oriented opposition parties that alliances and identification with extremist political elements also is self-defeating.

(3) could seek more effectively to convey to Salvadoran officials the high importance the USG attaches to respect for human rights, recognizing that this is as delicate a matter as (2) above.

(4) should maintain and strengthen our dialog with opposition political groups, the clergy, the *campesinos*, the labor unions, and other groups who are pressing for change since the political system may be headed for a major modification. This does not necessarily imply that our present generally good relations with the government, the PCN and the military will suffer.

(5) should expand the dialog between all substantive officers of the Embassy and Salvadoran military officers, especially those below the rank of colonel. This is both feasible and potentially productive in a mutual sense. USIS should be able to use its existing programs to facilitate this kind of contact.

B. *Washington Agencies*: might consider devising programs to upgrade the administrative and technical skills of the military. We could provide a number of scholarships to train a few officers in public administration, economics or business administration, skills that would improve the officer's chances to perform well in the public administration, positions that a good number will enter in any of the future scenarios. If, as we suspect, it is inevitable that this and future governments will use officers as cabinet ministers, subsecretaries and directors of autonomous agencies, would it not make sense for some of the USG training dollars to go to improve some of their technical and administrative skills rather than to improve their purely military capabilities?

In conclusion, the U.S. cannot serve as *deus ex machina* that could or should miraculously pluck El Salvador from its predicament. The USG does need to be aware of what is happening here and of what consequences it may have on overall U.S. interests in today's interdependent world. We cannot pursue what Secretary Kissinger calls "just international arrangements for all mankind" without listening and appropriately responding to the elements fostering change in countries such as El Salvador.

Moskowitz

161. Memorandum of Conversation¹

San José, February 24, 1976, 10:15–10:40 a.m.

PARTICIPANTS

Mauricio Borgonovo Pohl, Minister of Foreign Relations of El Salvador
 Amb. Dr. Francisco Bertrand Galinda, Ambassador to the U.S.

Henry A. Kissinger, Secretary of State
 Amb. James F. Campbell, U.S. Ambassador to El Salvador
 Peter W. Rodman, NSC Staff
 Neil Seidenman, OPR/LS (interpreter)

[Omitted here is discussion of OAS reform and possible arrangements for Salvadoran access to the U.S. market.]

Borgonovo: I don't know if you are interested in the conflict between Salvador and Honduras.

Kissinger: I'm under strict instructions not to raise it. But you can raise it. [Laughter] Anything that arises from soccer I'm interested in.

Borgonovo: It's not from soccer as you know. We are two countries close to each other by family relations. With our pressure of population we in El Salvador were more eager to work. People migrated in Honduras, and because of ability they did better than people that were of the same level. Then they started to expel people from Honduras. Then the soccer games came, but this was only an accident more than anything else. In fact, that conflict broke out and people stayed there. It's a family fight of resentment. On both sides.

The border problem is about 3–400 years old. It was brought out after the conflict broke out.

Kissinger: Was there a flare-up in 1969?

Borgonovo: Right, that is it. There is a very powerful group which dedicated itself to limits [boundaries] with other countries, in the study of law. There is a group that concerns itself with limits [boundaries] with others.

Our smallness is such that to take one square mile is like taking one eye. To ask us to settle with Honduras by ceding to their demands is asking a lot.

¹ Summary: Kissinger and Salvadoran Foreign Minister Borgonovo discussed the border dispute between El Salvador and Honduras.

Source: National Archives, RG 59, Central Foreign Policy File, P820117–0795. Secret; Nodis. The meeting was held in Borgonovo's suite at the Cariari Hotel. Kissinger met with Central American Foreign Ministers during a stop in San José at the conclusion of a February 16–24 Latin American tour. All brackets are in the original except those indicating text omitted by the editors.

We feel that at this moment what we have is ours. But they have papers.

Kissinger: What they claimed in 1969. . . .

Borgonovo: We have had since 1884. They say they want 250 square miles but we should settle for 25 square miles.

Kissinger: You don't want to give them anything?

Borgonovo: No.

Kissinger: But you don't want any of theirs.

Borgonovo: No.

Kissinger: You want the Demarcation Line of 1969?

Borgonovo: Yes, which is the line of 1884.

We don't think any outside help is needed.

Kissinger: We're not going to get involved. We're not going to bring pressure. The only possibility is I like the scenery so much that I may want to shuttle. [Laughter]

Seriously, you can set your mind at ease. We only hope that both sides will show restraint and not use military force.

Are you thinking of giving up some?

Borgonovo: No, we're thinking of procedures. To find where the line is. No one will give up anything. Just to find where it is.

Kissinger: I understand.

Amb. Campbell: You're in bilateral consultations, your two Presidents.

Borgonovo: Yes. They met yesterday and said they want to settle it. So we [Foreign Ministers] have to find a procedure.

Kissinger: You'll agree on a procedure to establish a demarcation line, whatever it is.

Borgonovo: Right. Eventually.

Kissinger: Once you find it out, that's it. It's not a change.

Borgonovo: Right.

Kissinger: That's an ingenious procedure. We'll stay out of it. If at any point you think we can be helpful, let us know.

Our Ambassador is a disciplined fellow and not a missionary.

Amb. Campbell: I'm a facilitator.

Kissinger: That's what we should do.

Borgonovo: We have public opinion.

Kissinger: You can't appear to yield and they can't appear to yield their claim. You want procedures where no one seems to yield.

Borgonovo: Where there are no losers.

Rogers: We'll be asked if it was raised.

Kissinger: We can say we didn't discuss it.

162. Memorandum of Conversation¹

San José, Costa Rica, February 24, 1976, 10:45–11:10 a.m.

PARTICIPANTS

Roberto Perdomo Paredes, Secretary of State for Foreign Affairs, Honduras
 Vincente Diaz Reyes, Secretary of State for Economy and Commerce
 Arturo Corleto, Executive Secretary, Planning Council
 Head of the Honduran Central Bank

Secretary of State Kissinger
 Phillip V. Sanchez, U.S. Ambassador to Honduras
 William D. Rogers, Assistant Secretary of State for Inter-American Affairs
 Peter W. Rodman, NSC Staff
 Neil Seidenman, OPR/LS (Interpreter)

Kissinger: I appreciate that you took the trouble to come here for a brief meeting and for lunch.

Perdomo: It is also very gratifying to us.

Kissinger: I think it is my first opportunity to meet with you.

Perdomo: We met once before at the OAS.

Kissinger: Yes. It is my first opportunity to meet you as Foreign Minister.

Perdomo: Exactly. I have read what you have written and I agree with you that there is certain hemispheric problem. And I am pleased with the way you addressed it.

Kissinger: I am planning a trip to the OAS in Santiago to strengthen our ties with the other countries. I am returning to the United States with a desire to strengthen our commitment this year.

Perdomo: Relations between the United States and Honduras are at a very high level of cordiality and friendship and this negotiation [in Panama] represents a great improvement in the attitude of United States. This is a very important element.

There are some detailed problems. Our position on the OAS, for example, and other problems of interest in the hemisphere. The Ambassador [Sanchez] has made a great contribution to the improvement of relations. Because he really understands Latin America.

¹Summary: Kissinger and Honduran Foreign Minister Perdomo discussed the border dispute between Honduras and El Salvador.

Source: National Archives, RG 59, Central Foreign Policy File, P820117–0801. Secret; Nodis. All brackets are in the original except those indicating text omitted by the editors. The meeting was held in Perdomo's suite at the Cariari Hotel. Kissinger met with Central American Foreign Ministers during a stop in San José at the conclusion of a February 16–24 Latin American tour.

I want to say how grateful we are for the assistance you have given in our disasters.

Kissinger: We are very saddened by it and we are glad to help. You are not affected by the earthquake in Guatemala?

Perdomo: The earthquake had some affect on us.

Kissinger: But we attach importance to our friendly relations with your country and we appreciate the cordiality that has marked it.

Your conflict with Salvador we consider a matter between you. If either side—or both sides—want us to be helpful, we are prepared to listen. But it is a long-standing problem, with a long tradition. Whatever you read in the papers, we are not here to interject ourselves.

With respect to the OAS, did Mailliard visit Honduras?

Sanchez: Yes.

Kissinger: So you know our view.

Perdomo: I want to say one thing to clarify a point. There has never existed a settled juridical boundary. There have been lines that states have respected, but no settled border. This is a more complicated problem. We are trying very hard to figure out a definite border, playing down the magnitude of the problem. It will take two to agree, and it will take a while.

Kissinger: My impression from your colleague from Salvador was that you were going to find some procedure to demarcate the line so that neither side loses. It seems to me a statesmanlike way to solve it.

Perdomo: Yes. That is the intention of both of us.

Kissinger: It seems a very statesmanlike way of proceeding.

I suppose you both have difficult public opinion to deal with.

Perdomo: Yes. We even had a meeting yesterday at the Ministerial level. And we are going to speed up the process. Which has been going on for six years, since our last fight. There have been lots of informal contacts.

Kissinger: If we can do anything to facilitate the process, and if you and Salvador can agree, we will be glad to help. But we do not lack problems now, so we are not looking around for new ones. [Laughter]

Perdomo: Yes. We have confidence that the direct efforts of the parties will lead to a solution.

Kissinger: That would be the best solution.

Perdomo: We would like to keep you abreast of things.

Kissinger: We would be grateful.

[Omitted here is discussion of possible P.L.–480 food aid to Honduras.]

Perdomo: You should come down to Honduras. Our relations are fine.

Kissinger: If the press asks about your dispute . . . Rogers is going to brief the press. Nobody will believe we never discussed it. I think what we should say is: We heard the views of both sides. The United States is not pressing both sides to reach a conclusion. We have the impression that the negotiations are proceeding. If both sides ask us to be helpful, we will consider it, but it is not an issue on which the United States will bring pressure.

If we say we did not discuss it, it will be too mysterious. It will convince them something is going on.

[The meeting ended.]

163. Telegram 2302 From the Embassy in El Salvador to the Department of State¹

San Salvador, May 19, 1976, 2000Z.

2302. Subj: President Molina Struggles for Survival as Consequence of Arrest of His Army Chief of Staff. Ref: San Salvador 2301.

1. *Summary.* President Molina telephoned me late last night to ask me to convey to highest USG officials his chagrin over the arrest of Col. Rodriguez in New York and his dismay that the USGov had not brought this matter to his attention at some earlier stage. He was also greatly disturbed by the sensationalist U.S. media treatment. In his view, the close, cordial and cooperative USG–GOES relationship merited greater trust, confidence and discretion than we had exhibited in dealing with this matter. He was alarmed about the repercussion of the incident on the extremely delicate internal political situation, particularly its distressing impact on the Salvadoran military institution and

¹ Summary: The Embassy reported on a political crisis faced by President Molina after Salvadoran Army Chief of Staff, Manuel Alfonso Rodríguez, was arrested in New York on charges of conspiracy to sell firearms to criminal figures in the United States.

Source: National Archives, RG 59, Central Foreign Policy File, D760194–0532. Secret; Immediate. Repeated to Guatemala, Managua, San José, Tegucigalpa, and US-CINCSO. In telegram 2303 from San Salvador, May 20, the Embassy added the following passage to be inserted in paragraph 3 of telegram 2302: “(C) The difficult negotiations with Honduras. These may be prejudiced by the Rodríguez case. The U.S. press is already suggesting that this is so and fanning the fires of mistrust; and this is being echoed by the Central American media.” (Ibid., D760195–1059) In telegram 2301 from San Salvador, May 18, the Embassy reported that Rodríguez’s arrest for “conspiring to sell ten thousand machine guns to the American underworld hit San Salvador, the GOES, and the military officers corps with dramatic and perhaps devastating effect.” (Ibid., D760192–1045)

its destabilizing effect on his administration. He was also concerned that it would serve to undermine the negotiations to normalize relationships with Honduras. His views served to confirm our previous assessment that Molina is confronting the greatest crisis of his administration and the uncertainty of whether he will be able to survive. *End summary.*

2. President Molina telephoned me around 11:00 p.m. last night to share his views on the crisis which has resulted from the arrest in New York of his Armed Forces Chief of Staff Col. M.A. Rodriguez and to ask me to convey to the highest appropriate Departmental authority his chagrin over the incident and his dismay over two aspects of it:

A) That we, as a friendly government, had not brought Rodriguez's complicity to his attention at some earlier point in the investigation of the alleged conspiracy. He was disturbed that we had not taken him into our confidence and that we had not raised it with him when we were first aware that a questionable export license application had been filed.

B) The sensationalist treatment in the U.S. media, apparently with USG collaboration, e.g., the U.S. Attorney's unusual Sunday morning press conference. He also mentioned the harmful impact of U.S. television coverage which he said depicted Rodriguez as the worst type of criminal delinquent.

3. Molina wanted us to know that he very much regretted that one of his highest military officers had become embroiled in scandalous affair, but that he equally regretted the way it had transpired in the hands of USG officials. His reaction was colored by his feeling that he and his administration had always dealt with the USG and its officials as friend-to-friend, closely, frankly and in full trust and confidence. He personally maintained the highest regard and friendship for the U.S. as leader of the democratic world and advocated collaboration with us on wide range interests. As such, he would have expected us to have exercised greater restraint, discretion and responsibility in dealing with the case. It was not his intention or desire to protect Rodriguez or absolve him if he was guilty. He will have to take his just deserts. As his friend and military classmate and colleague of many years, Molina was greatly pained by it all. He will be going through the ordeal on receiving Rodriguez's wife and son May 19. But this is a minor consideration and his overriding concern about this incident is its repercussions on:

A) The very delicate internal political situation. The military institution is very upset by this great blow to its morale and prestige at a moment when it is already exercised over the competition to select a 1977 Presidential candidate and seized with the issue of determining its

position on the initiation of the first project in the controversial Agrarian Transformation Program (ISTA).

B) The political opposition is moving swiftly to exploit the Rodriguez case fully through propaganda and otherwise to further destabilize the situation by depicting the regime in the worst light.

4. Molina considers that his position as national leader and his task of having to explain the Rodriguez case to his own military have been made difficult and complicated by the troublesome aspects cited in paragraph 2. The severe crisis he has to confront with its uncertain outcome carries the potential of dire consequences that he thought would serve neither Salvadoran nor U.S. best interests.

5. I explained to Molina that the Department had received the license application only a few days prior to the May 15 arrest, that it couldn't have received more than preliminary, working level attention and certainly had not moved to higher levels of authority. Further, I assured him that the Department had not been aware of the conspiracy or police action and was not apprised until after the arrest occurred and it received notification from the Justice Department on the afternoon of May 16. With regard to the Honduras negotiations, I told Molina that following the Ryan-Bertrand conversation on May 17, the Department had instructed Embassy Tegucigalpa to lend its good offices in reassuring the GOH that Rodriguez's alleged involvement in the fraudulent arms transaction was unrelated to the normalization negotiations and did not represent bad faith on the part of the GOES in those negotiations. I promised to telephone Amb. Ryan on May 18 to pass on his views.

6. *Comment.* The circumstances, mood and substance of what Molina conveyed to me serves to confirm the assessment in San Salvador 2301. It was apparent from his remarks that the impact of this incident has been severe and the consequences dire. That Molina is confronting the gravest crisis of his administration was evident in his words as was his uncertainty as to the outcome. Furthermore, this incident has engendered considerable perplexity about and resentment toward the USG among some Salvadoran military officers as was evident in Molina's words and confirmed to us by our contacts with the Salvadoran Armed Forces.

Moskowitz

164. Telegram 5586 From the Embassy in El Salvador to the Department of State¹

San Salvador, December 8, 1976, 2145Z.

5586. Subject: Possible Assassination of AmCit Ronald James Richardson. Ref: State 292197.

1. I called on President Molina 11:30 a.m. today (8 December) and informed him of the possible death of Ronald James Richardson, American citizen, at the hands of Salvadoran Government personnel. I mentioned specifically the involvement in the case of Salvadoran immigration service (Dirección General de Migración) and Col Chacon personally. Also present were FonMin Mauricio Borgonovo Pohl, Defense Minister Federico Castillo Yanes and the DCM. The President listened attentively as I related chronology of events. He directed the Minister of Defense in my presence to initiate and conduct a thorough investigation and to call on the Minister of the Interior who has jurisdiction over the GOES Immigration Service to collaborate. In addition to promising full investigation, the President emphasized the policy of his government respecting human rights and judicial process while admitting possibility excess of zeal at times on the part of subordinate officials.

2. We decided alert the President in advance to the subject of the meeting by having Political Officer call yesterday (December 7) on Secretary of Foreign Affairs Ricardo Castaneda who admitted informally death of subject at hands security forces could have occurred. President was obviously ready with his reaction and presence of appropriate officials had been arranged. I had also personally asked FonMin to be present.

3. [*less than 1 line not declassified*] I cited sources qte outside government unqte as having confirmed to Embassy that Richardson had

¹ Summary: The Embassy reported that it had asked Molina for further information on the possible death of a detained U.S. citizen at the hands of Salvadoran Government personnel.

Source: Department of State, INR/IL Historical Files, San Salvador 1963–1979, Roger Channel. Secret; Priority. Repeated to Guatemala, Managua, Mexico, Panama, and San José. All brackets are in the original except those indicating text that remains classified. Telegram 292197 was not found. In telegram 263443 to San Salvador, October 23, the Department transmitted a report indicating that Richardson had been “eliminated” by the Salvadoran security services after his arrest because they “did not know what to do with him.” (Ibid.) In telegram 4970 from San Salvador, October 27, the Embassy summarized the information it had on Richardson’s case, noting that he had entered El Salvador on August 25 and had been detained after reportedly offering his services to the Salvadoran Government as a mercenary; Salvadoran officials later claimed that he had been deported to Guatemala. (Ibid.)

been killed. Neither Castaneda nor the President had question or comment about sources.

4. I emphasized to President my and the U.S. Government's wish that matter be cleared up and appropriate actions taken before possible public disclosure and inquiry into the case occurred.

Lozano

Guatemala and Belize

165. Telegram 374 From the Embassy in Guatemala to the Department of State¹

Guatemala City, January 24, 1973, 1245Z.

374. Subject: Guatemala at Year End—Assessment and Prognostication. Ref: Guatemala 109, Jan 1972.

Summary: The Arana regime after 2½ years in office is fully in control and likely to remain so throughout coming year. Past year was one of improved stability and security, a return to legitimate political activity, healthy economic growth, and reasonable progress in economic development. We see 1973 as year of increased political activity building up to March 1, 1974 general elections, good economic performance and accelerated action on economic development front. However, we do not think that in a year just prior to elections Arana government will risk alienating its supporters by pushing for badly needed social reforms. Biggest imponderable is whether opposition parties will be able to unite behind an attractive slate for general elections. If they do, and if slate appears to be outdistancing government's candidates who have already been chosen, government may indulge in harassing tactics. Doing so would increase level of violence and cause deterioration in security situation which otherwise would probably remain about as it was in 1972. *End summary.*

1. After two and a half years in office, Arana regime is more solidly ensconced than ever and President Arana himself has reached peak of his personal power and influence. As we foresaw a year ago (reftel) security situation has become somewhat improved, the once feared complete political polarization did not take place, nation enjoyed healthy economic growth, government coalition won off-year elections, and administration got its ambitious five-year development program moving although at a slower pace than targets called for.

¹Summary: In its annual country analysis, the Embassy asserted that President Carlos Arana Osorio had successfully improved Guatemala's political and economic stability, while selecting a successor, Minister of Defense General Kjell Laugerud García. If the country's opposition parties could select a candidate representing a strong enough political threat to Arana's MLN-PID alliance, the government might engage in political harassment, leading to increased levels of political violence.

Source: National Archives, RG 59, Central Files 1970-73, POL GUAT. Confidential. Repeated to San José, San Salvador, Tegucigalpa, USCINCSO, and Managua. In airgram A-8 from Guatemala City, January 12, the Embassy observed, "Laugerud enjoys the close friendship, confidence and admiration of President Arana which is why he got the nomination." (Ibid., POL 6 GUAT)

2. Nineteen seventy-three, a campaign year, promises to be more turbulent, although we believe that President Arana will continue to maintain full control of situation. When long-awaited showdown between President and President of Congress Mario Sandoval over selection of government coalition's candidate for President in March 1974 elections came on January 9, President Arana, who had carefully prepared his ground, won hands down with selection of Minister of Defense General Laugerud. Sandoval accepted both decision (albeit reluctantly) and Vice Presidential nomination as we thought he would. With President's full public support, backing of PID and MLN, and a substantial increase in rate of implementation of development program, Laugerud should be a strong Presidential contender. His chances will be even further improved if government coalition is able to attract significant elements of PR to its ranks. We remain doubtful this will happen, but do not rule out possibility. Attitude of Clemente Marroquin Rojas, who controls two of nine daily newspapers here, will be an important factor. Marroquin supported President Arana in 1970 and had hoped for MLN nomination this time around. His support for Laugerud may not mean much, but his opposition could be troublesome.

3. Most important political question remaining in this electoral year is whether opposition will be able to unite solidly and wholeheartedly behind a single slate. If it does, that slate will have a good chance of winning a free election, given inclination of the Guatemalan voter to prefer "outs" rather than "ins." Most opposition leaders recognize this and are working for a coalition. But each of three principal parties (PR, FURD, and Christian Democrats) want to name their own candidate. Despite present lack of unity we believe there is a fair possibility left will get together.

4. As things stand now we believe that government will work hard to sell Laugerud-Sandoval slate with rather substantial resources at its disposal and will permit a relatively free play of electoral forces as long as it believes that it has a good chance of winning. Should it become convinced that opposition is gaining upper hand, we anticipate that it will harass and restrict them, and, should this occur, there could be a quick return to tense situation existing in 1970 with a new possibility for serious political polarization and increase in level of violence.

5. On economic front we expect real growth to hold around same six percent rate achieved in 1972. Such good performance again would be attributable primarily to high world market prices for Guatemala's commodity exports. Contributing to this growth surge, but of lesser immediate importance, will be acceleration of public sector investment programs. Less vibrant private sector investment activity, however, will hold growth to its potential. Although private agricultural investment is accelerating in response to commodity situation, the still uncer-

tain outlook for Common Market continues to be a factor discouraging industrial investment. Industrial output, as opposed to industrial investment, will probably continue along moderate 6–7 pc growth path of recent years. Although Nicaraguan crisis may reduce size of that market (at least until reconstruction activities hit their stride), resumption of trade with Honduras under a bilateral arrangement should offset such transitory losses. Given adverse effect on lower class incomes of drought (which reportedly has reduced corn and bean production by up to one-third) and given concentration of commodity export earnings in relatively few hands, Guatemalan industry and commerce cannot expect a strong upsurge in local demand. The outlook, thus, is for an acceptable overall growth rate, but one which results primarily from exogenous price factors bearing on commercial agriculture and which leaves industry and commerce below their historical trend lines and which fails to greatly increase private consumption. Drought mentioned above will cause serious grain shortages in coming months, but we believe government will meet these shortages by imports.

6. With stronger high-level commitment to development in 1972, government made substantial progress toward meeting goals of five-year plan although lag experienced in 1970–71 tooling-up period was not entirely overtaken. It attained good results in education, health, rural electrification, penetration and rural roads, and cooperatives. Latter made a significant impact on rural population. Ministry of Agriculture program in which we are most interested—that aimed at reaching smallest farmers with credit and technical help—made substantial “design” progress in 1970–72, but was disappointing in terms of accomplishment. It remains behind schedule in its assistance to main target group but 1973 projections indicate that it will catch up in 1973 and be ahead of schedule before end of year. Agricultural commercialization is another area where projections have not been reached. Overall, however, we believe that government’s performance in development was creditable in 1972 and that implementation will improve significantly in 1973. One important factor is that the government will want to have as good a record as possible to present to voters in March of 1974.

7. Factors of constraint that retard achievement of goals are (A) unwillingness of Arana government to consider basic reform legislation and (B) endemic reluctance of many of President Arana’s supporters to embrace “development” as fully as he has done. While President and his ministers have generally gained a vision of development requirements of country and understand need for basic change and the role of government in bringing about such change, they have been unwilling to enjoin their supporters of center-right coalition to face up to impera-

tives of reform and consequences of development. This is most manifest in their reluctance to pay for costs of development through taxation and to push for better wages particularly in countryside. While there is little serious opposition to enforcement of existing taxes, need for new taxes is not gaining recognition as fast as development program needs money. We have serious doubts that President will risk alienating his conservative supporters by pushing to raise taxes or improve wages in election year. Reform-minded members of his cabinet are saying that this will be task of next government. In this we agree. This administration for the first time in 25 years has set in motion a program of growth and change that is not likely to be stopped and which will soon have placed squarely before the nation's decision makers issue of their willingness to pay for program. Most are willing to borrow at home and abroad to pay, some to point beyond prudence. Few in the current power structure are at present ready face up to the essential course of substantially raising taxes. This will soon become an unavoidable issue in Guatemala. We do not yet hazard a prediction as to its resolution.

8. As noted previously, security situation improved somewhat during year. Level of politically inspired violence in 1972 as measured by Embassy's admittedly imperfect barometer fell by about a third from 1972 to an average of about 60 plus incidents a month. We would expect it to stay in about same range in 1973 unless government begins to use violence to harass opposition.

9. Disappearance of top Communist leadership in September although traumatic for PGT probably did not permanently damage PGT organization, and we would not be at all surprised to see terrorist actions by PGT/PAR and/or FAR against both high GOG officials and diplomatic personnel, especially as year draws to a close. However, we do not think Communist terrorist organizations will be able to build back to 1970 levels. Capabilities of uniformed police have improved over previous years, and if used properly they can be counted on to help stabilize security situation. In a word, security is not likely to deteriorate significantly unless government steps up its use of violence.

10. With successful resolutions of purchase of Empresa Electrica by government and sale of United Fruit Holdings to Del Monte with GOG approval, principal remaining GOG-U.S. company problems concern Exmibal (financing), Pan Am (operating contract), and IRCA (compensation for disputed items under mortgage foreclosure). We also see a growing problem in relationship between GOG and U.S.-owned petroleum refineries who claim to find themselves in an increasingly tighter cost/price squeeze resulting from government's refusal to allow increases in retail prices. (Guatemala is only LA country which has not allowed such increases in recent years.)

11. We will continue to use discreet influence where advisable to promote GOG-company negotiations toward mutually satisfactory agreements. We are hopeful that Exmibal will be able to obtain necessary financing and start construction of nickel processing plant during 1973. We believe that there is a good chance that the GOG will continue to allow Pan Am to continue operating at current levels under reasonably satisfactory conditions. It will probably do this through temporary extensions of existing permits rather than negotiating an entirely new operating contract. We are less sanguine about settlement of IRCA bonds and petroleum price problems.

12. Level of tension over Belize is considerably reduced from what it was early last year and we do not believe an increase is likely as long as Guatemalans do not come to believe Great Britain is about to grant unilateral independence. There is some chance that talks between Guatemala and Britain may resume, although we believe that GOG will try to stall any final solution until after March 1974 election.

13. In sum, we see 1973 as a year of increased political activity, building up to 1974 general election, good economic performance, and relatively creditable progress on economic development front. Biggest imponderable is whether opposition parties will be able to unite behind an attractive slate. If they do and if slate appears to be outdistancing government's candidates, we fear that government may indulge in tactics which will increase level of violence and revise level of political stability achieved during past year. Such a situation would play into the hands of violent opposition.

Bowdler

166. Telegram 1408 From the Embassy in Guatemala to the Department of State¹

Guatemala City, March 27, 1973, 2200Z.

1408. Subject: FonMin Arenales Will Not Meet With British Representative. Ref: Guatemala 1098.

1. During conversation this morning FonMin Arenales told me he did not repeat not intend meet with British Representative in Washington during OASGA for informal discussion Belize problem. Arenales said that since Commonwealth Caribbean countries had chosen to speak out in favor of Belize during Panama UNSC, making it necessary for Guatemala observer to reply, time was not now propitious for such informal meeting. Arenales said British agreed with his position and he now hoped informal discussions could take place in July.

2. Arenales said GOG continues to hope Belize problem will remain dormant during pre-electoral period and that GOG will not be forced to speak out publicly on subject, as any public statements would have to be tough and inflexible. He is still worried that any meeting with British would leak and that opposition here would attempt make political capital out of Belize question.

3. Change of name earlier this month from "British Honduras" to "Belize" caused no ripples here, although press routinely reported it. Arenales said that during press conference he prompted question on name change and explained to reporters that "Guatemala could hardly complain about the change since it had always called this piece of its territory Belize."

Bowdler

¹ Summary: During a conversation with Ambassador Bowdler, Foreign Minister Arenales indicated that he did not plan to discuss the Belize problem with British representatives during the OAS General Assembly and expressed the hope that the issue would remain dormant prior to the 1974 elections.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to London and Belize City. Telegram 1098 from Guatemala City was not found. In telegram 146 from Belize City, March 22, the Consulate had reported that the British Honduras House of Representatives had voted to change the colony's name to Belize. (National Archives, RG 59, Central Foreign Policy File, [no film number]) In its FY 74-75 CASP, sent as an attachment to airgram A-12 from Belize City, March 30, the Consulate characterized the basic U.S. interest as preventing disruptions that might result from British Honduras's attainment of independence. (Ibid., Central Files 1970-73, POL-BR HOND-US) In a memorandum to Jova, December 7, 1972, Pezzullo warned that British failure to reach an agreement with the Guatemalans might cause a split in the OAS on the issue of British observer status. (Ibid., ARA/CEN Files, Lot 76D139, Chron Memorandum BH-1973) In telegram 63782 to American Republic posts, April 6, 1973, the Department reported that procedural arguments by Guatemala, Argentina, and Venezuela prevented the proposed British observer status from making it onto the OAS agenda. (Ibid., Central Foreign Policy File, [no film number])

167. Telegram 2568 From the Embassy in Guatemala to the Department of State¹

Guatemala City, May 29, 1973, 2245Z.

2568. Subject: Land Dispute in Jalapa/El Progreso Mountain Area Leaves 17 Dead.

Summary: A long smoldering land dispute between campesinos in a remote mountain area along the border between the Departments of Jalapa and El Progreso resulted in a clash between one of the contending campesino groups and a unit of ten military policemen (MPMA). Conflict which took place on May 26 resulted in death of 6 PMAs and 11 campesinos. Army units under leadership of Chief of Staff moved in quickly, saw that further violence unlikely and have largely withdrawn. Area now calm. While dispute not politically motivated, it does have political implications. *End summary.*

1. A long-smoldering land dispute between campesinos in remote mountain area along border between Departments of Jalapa and El Progreso resulted in armed conflict between one of the contending campesino groups and a detachment of military police (PMA) sent to bring order to situation.

2. Background and details of conflict, which took place May 26, are, and are likely to remain, somewhat obscure. Best we can tell at this point, dispute seems to involve about 700 acres of largely unproductive communal mountain land which has been used by campesinos from El Progreso during recent years, while Jalapa campesinos claimed land was traditionally and rightfully theirs. After series of threats and harassments including burnouts by Jalapa group seeking gain repossession, army sent a detachment of 10 military policemen led by a sergeant to the area to calm things down.

3. Conflict reportedly broke out when sergeant was attempting to speak to group of belligerent campesinos who attacked him and his men while he was trying to speak. Ensuing fight resulted in 6 military policemen and 11 campesinos killed and an as yet undetermined number wounded.

¹ Summary: In a report on the violent outcome of a land dispute, the Embassy noted that although the incident was not politically motivated, it did have political implications. According to the Embassy, comments on the incident by Chief of Staff Colonel Efraín Ríos Montt reflected the Army's uneasiness at having to deal with socioeconomic problems that civilian officials had failed to resolve.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Limited Official Use. Repeated to CINCSO, Managua, Panama, San José, San Salvador, and Tegucigalpa.

4. Army responded to situation by sending in detachments from Zacapa, Jutiapa and helicopter support team from the capital. Troops, which were overall command of Chief of Staff General Rios Montt, found area calm, saw no signs that further violence likely, and they have largely departed.

5. Chief of Staff Rios Montt told Defense Attaché today that roots of problem lie in "archaic land tenure laws" which badly need reforming. He also lamented that army reaction to incident was greater than needed because of erroneous information received re magnitude of problem. He said there were stories of "hundreds" and even "thousands" of armed campesinos in area, stories which had no validity. He personally investigated via helicopter every report of "armed columns" and found them all to be false. He also lamented fact that press claimed up to army 900 troops involved, when actual figure was less than 200.

6. *Comment:* While the current violent eruption of long standing land dispute not politically motivated, it does have political implications which we will be watching closely. For one thing, Rios Montt's private comments reflect army's uneasiness at being called upon to put lid on in situations which it believes stem from failure of civilian officials to come to grips with social economic problems which cause these confrontations to arise. We note that basic problem here stems from situation where large and growing number of campesinos are seeking, with marginal success, to scratch a living from the mountain tops, while fertile valley lands are controlled by a relative few in a land tenure system which invites trouble.

Bowdler

168. Airgram A–24 From the Consulate General in Belize to the Department of State¹

Belize City, July 5, 1973.

SUBJECT

Price May Take Belize Question to UN

In a conversation with the Governor of Belize, H.E. Richard Posnett, on June 28, 1973, at which our desk officer was present, the Governor indicated that Premier Price might decide to take the issue of Belize to the United Nations in an effort to achieve independence with some guarantee of survival in the dispute with Guatemala.

As brief background, Premier Price has long campaigned for independence. The British refuse to give a defense guarantee along with independence, which they would happily give at any time, and they are anxious to extract themselves from the Caribbean. Premier Price would like the U.S. to do more in this respect. He knows that this is not possible, although he keeps asking. The dispute with Guatemala remains on dead center. Premier Price is, therefore, groping for any means to obtain independence without being threatened by the Guatemalans. This becomes more important in local politics, as an election is due before the end of 1974. Price evidently feels that some progress has to be made to protect his own image before the voters (although many seem content with the status quo).

According to Governor Posnett, Price is contemplating bringing the Belize issue up in the United Nations. The basis would be that Belize is being prevented from self-determination by the Guatemalans. If successful in the overall exercise, Price would hope to achieve a UN endorsement of Belizean independence which would serve to deter Guatemala from any aggressive action following independence.

Governor Posnett speculated somewhat humorously that if the UK, as a colonial power, opposed Belize in its UN efforts, Belize might obtain more support. The Premier is also supposedly considering how the OAS might be useful in the situation, but is not sanguine about

¹ Summary: During a meeting with Consulate officials, Governor Richard Posnett indicated that Belizean Premier George Price might take the issue of Belize's independence to the United Nations to deter any potential Guatemalan aggression.

Source: National Archives, RG 59, ARA/CEN Records Relating to Belize, 1972–1975, Lot 76D139, POL 3 United Nations, B–1973. Confidential. Repeated to USUN and Guatemala City. According to telegram 2885 from Guatemala City, June 14, British Consul John Weymes told Embassy officials that Premier Price had grown impatient over Guatemalan “foot dragging” and “the lack of any action whatsoever to find eventual solution to dispute.” (Ibid., Central Foreign Policy File, [no film number])

prospects. Premier Price did not mention the subject during a courtesy call on him subsequent to the visit with the Governor.

It is emphasized that the Premier is merely "considering" this course of action and that no decision has been made.

Action Requested:

ConGen would appreciate estimate of chances of anything useful resulting from an approach of this nature to the UN. We are inclined to feel that the UN would tend to postpone coming to grips with such an issue.

Wollam

169. Telegram 3279 From the Embassy in Guatemala to the Department of State¹

Guatemala City, July 9, 1973, 1950Z.

3279. Subject: The Belize Problem. Ref: Guatemala 2885.

1. British Consul John Weymes has informed us that he received and complied with instructions to make "firm protest" to GOG over presence Guatemalan patrol boats and armed guards in Belizean territory. Weymes noted that he had stretched his instructions "to their lowest limit," making an oral protest (which did not dwell on presence President Arana in Belizean Keys), accompanied by an informal aide-mémoire to FonMinistry's Director of Belizean Affairs, Fernando Sanchez. Weymes said he pointed out to Sanchez that he was making this protest rather informally as formal route would have been through

¹ Summary: British Consul John Weymes told Embassy officials that he had lodged a protest with the Guatemalan Government following reports that President Arana had gone fishing in Belizean territorial waters, accompanied by Guatemalan patrol boats and armed guards. Ambassador Bowdler concluded that the Guatemalans were not seeking to deliberately provoke the Belizeans. He suggested discreetly approaching both governments and encouraging them to avoid a new crisis.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to London and Belize City. In telegram 2885 from Guatemala City, June 14, the Embassy commented, "We know Guatemalans are not looking for trouble—they want to keep Belize issue as quiet as possible during pre-electoral period." (Ibid.) In telegram 143890 to Guatemala City, July 21, the Department indicated that during a July 20 meeting it had suggested to British Embassy officials that they raise the fishing incident during their meeting with Arenales. The British responded that they would pass. (Ibid.)

Swiss or at least through Director of Consular Affairs, which is his formal contact with GOG. Despite low-key and informal approach, Sanchez flatly rejected his oral protest, although he kept the aide-mémoire as an “unofficial paper.”

2. Weymes said he had selected this informal manner to make the protest as he believed that anything more formal would jeopardize proposed meeting between FonMin Arenales and a British representative, which British still believe to be highly important to help pacify Premier Price.

3. At Fourth of July reception FonMin Arenales informed us that he had tentatively agreed to have “absolutely secret” meeting with British representative in New York in latter part of July. At this meeting, he said, he intended to tell British that he had some ideas (which he did not elaborate) on how progress in solving problem might be achieved but that no action could be taken towards solution before Presidential elections next March since in this electoral year GOG did not want to give opposition any pretext whatsoever to seize upon Belize problem as election issue. Arenales said he also intended to tell British that any move towards Belizean independence during pre-electoral period would, for domestic political reasons, force Guatemala to react militarily.

4. Arenales went on to express concern that any incident in Belizean waters could be spark that sets off opposition exploitation Belize issue. He noted that several small Guatemalan fishing vessels had “strayed” into Belizean territory, had been captured and the “humble fishermen” fined. He said he had had difficulty keeping high-level military officers from reacting strongly (apparently some of them are financially involved in fishing cooperatives and thus had a personal interest in the incident). Arenales also noted that he had been able to keep the incident out of the Guatemalan newspapers. He reiterated that publication of any incident of this nature could put the government in a difficult position, as they wanted to keep the Belize issue absolutely quiet until after the elections. We took opportunity to note that incidents such as recent visit of President Arana, escorted by naval patrol boats, could be the spark that would cause the very situation the government feared. Arenales replied that he recognized this, but then somewhat illogically went on to say that in the interest of keeping things quiet the Belizeans should “look the other way” in cases such as this.

5. The following day at Venezuelan National Day reception, Weymes sought out DCM to say he becoming increasingly concerned over mounting number of incidents involving Guatemalans in Belizean waters. He said that just a few days ago Guatemalan Vice Minister of Agriculture had been found in Keys and that very tense situation developed in which Belizean authorities and Guatemalan armed guards

were leveling weapons at each other, although no shots were exchanged. Weymes said Belizeans are becoming convinced that GOG is purposely provoking them, and they are increasing patrols in Keys and southern portion of coast. Weymes is most concerned that another Belize crisis will develop if incidents continue.

6. *Comment:* (A) There is a serious inconsistency—not to say lack of responsibility—between the GOG’s professed desire to keep the Belize issue quiet until after elections and high level GOG officials pursuing their sport fishing interests in Belizean waters under armed escort. Arenales is not being reasonable in expecting Belizeans to look the other way.

(B) From everything we see, the Guatemalans are not seeking deliberately to provoke the Belizeans and do want to keep the Belize issue out of the electoral campaign. The problem stems from the fact that the President and some cabinet level officers are ardent fishermen with suitable craft at their disposal to make it to the Keys, who find it hard to stay away from superb fishing grounds which have been used by GOG officials for years—usually without being intercepted. Furthermore, it is highly unlikely that anyone in the GOG would dare tell the President he should not go fishing in waters that Guatemala publicly maintains is part of its territory.

(C) Situation is potentially sufficiently serious to warrant some discreet action on our part. I suggest Department consider advisability of mentioning to British our assessment as described above and advise that in projected talks with Arenales at end of this month they point out to him mutual interest in avoiding a new crisis which on Guatemalan side involves refraining from fishing expeditions such as two which have provoked current concern. We here would use appropriate opportunities, as we have already done, discreetly to point out wisdom and self-interest of Guatemalans in avoiding situations which would provoke what they seek to avoid.

Bowdler

170. Telegram 153478 From the Department of State to the Embassy in Guatemala¹

Washington, August 3, 1973, 2143Z.

153478. Subject: FonMin Arenales and HMG Rep. Amery Discuss Belize.

Summary: HMG reported to CEN on secret talks held July 28 in New York between GOG FonMin Arenales and HMG Reps Amery and Hankey re future of Belize. According to reporter talks went well, providing basis from mild optimism that some progress may be made. Arenales said the GOG has a fully worked-out plan which is to be put into operation between Guatemalan elections in March and accession of new government. He stated GOG unwilling to enter into negotiation before elections, and that he could not reveal plan prior to elections. He later indicated the possibility of further secret talks in Spain about Easter time. HMG warned Arenales that Price intended to raise Belize matter in UN, probably through help of Jamaica, and that they hoped some progress could be made before UNGA meeting in November so that they could forestall—or at least mute—any move by Price.

1. Jeffrey Ling, HMG Embassy Washington, requested appointment with Lazar, CEN on Aug 2. Following is report he delivered in confidence during that meeting.

2. GOG FonMin Arenales met secretly with Sir Julian Amery and Sir Henry Hanke in New York on July 28 to discuss situation vis-à-vis Belize. Arenales stressed the point that the GOG would be under increasing pressure to take action on the Belize matter as the elections approached. He stated that the Guatemalan press will attack inaction on the part of the government. Nevertheless, Arenales assured Amery and Hanke that GOG will do nothing before the elections because it would

¹ Summary: During a meeting with members of the Office of Central American Affairs, British officials reported that a July 28 meeting with the Guatemalan Foreign Minister had gone well. Although Arenales demurred on negotiating prior to elections, the British indicated their hope that progress would occur prior to the United Nations General Assembly in November, noting that movement on the issue might forestall efforts by Premier Price to raise the issue at the UN.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Priority; Limdis. Repeated to Belize City. Drafted and approved by Lazar; cleared by Floyd in EUR. In telegram 3220 to Guatemala City, September 15, the U.S. Mission to the UN reported that the British believed a UN resolution supporting self-determination for Belize would fail, and “would only provide sterile confrontation in UN between Guatemalans and themselves.” (Ibid., ARA/CEN Files: Lot 76D139, POL 3 United Nations B–1973) In telegram 525 from Belize City, September 15, Wollam reported that on September 14 Posnett had encouraged Price to raise Belizean independence in the UN, and concluded that Posnett’s action appeared “to be part of British effort to extricate themselves from Belize.” (Ibid., Central Foreign Policy File, [no film number])

hurt their election possibilities and because it would be counter-productive to future efforts.

3. Amery passed on to Arenales the information that Premier George Price intends to have the matter of Belize raised in the forthcoming UN General Assembly meeting, probably through the good offices of Jamaica. He added that he hoped any such move by Price could be kept very low key.

4. Arenales said GOG hoped to open talks on Belizean question again right after the elections, but would hope for at least a small reduction in the British garrison (which he later defined as between 5 and 15 percent) prior to that time.

5. Amery commented that there was little in the Arenales message that would appeal to Price, whom he characterized to Arenales as frustrated by delays. Amery told Arenales that Price was hoping to join the Caribbean community in May 1974. He added that it would be hard to deter Price from his intention of having the Belize matter raised in the UN in Nov. He also stated that Belizean Minister of Home Affairs Rogers had recently been in New York and speculated that his purpose had been to test the water for the proposed UN initiative. Amery assured Arenales that HMG is trying to get Price to downplay the UN initiative—in fact Hanke went to Belize from New York to talk to Price—but asserted that some progress before November was imperative if they were to have any hope of succeeding.

6. Arenales then told Amery he had discussed with President Arana a plan to make progress on this issue which the GOG would be prepared to discuss in March, after the elections. He stated he could not disclose the plan now, because that might be deemed to constitute quote negotiation unquote which he was not authorized to do. Arenales went on to say that prior efforts to attack this problem had failed because they had been too slow and drawn out. He said that the GOG was prepared and determined to reach agreement with HMG between the elections in March and the inauguration of the new government in July, provided that the Belizean Government accepted whatever was agreed to between the two parties.

7. Amery stated that the proviso was not acceptable, that the Belizeans had to concur in the final agreement and also had to be brought into the negotiations at some point. He said the Belizeans would have to be told at least the guidelines for the proposed negotiations and that any final agreement would have to provide for the aspirations of the Belizeans even though the realization of such aspirations might have to be qualified by some sort of interdependence with its neighbors.

8. Arenales assured Amery that the requirements of both the Belizeans and HMG had been taken into account by the GOG in drawing up the plans, which Arenales characterized as quote better than ever

unquote. (*Comment:* Ling delivered this line with a perfectly straight face.) However, according to Ling's report, Amery came away feeling that Arenales accepted, albeit reluctantly, the inevitability of Belizean involvement in the negotiations. Arenales suggested that another secret meeting might be possible in Spain about Easter to unfold the GOG plans, and said that hopefully, after that meeting, the plan could be made public. However, he said that prior to public revelation of the plan, the GOG hoped for a 5–15 percent reduction in the British forces in Belize.

9. Amery asked about any contemplated link between Belize and the CACM. Arenales replied that if the CACM were restructured the door would be left open to Belize and Panama to join.

10. Upon being probed again by Amery on the possibility of earlier progress—i.e., prior to November—Arenales quote hinted unquote (Amery's word as reported by Ling) that there might be hope for some earlier progress through quote normal channels unquote—meaning, HMG assumes, Weymes and Sanchez. This would have to await Arenales report to Arana.

11. Just to be sure that we didn't miss the point, Ling added his own quote personal comment unquote that a little progress in this matter before November would be quote most useful unquote in helping head off or at least mute Price's UN play. He asked that we make this point in conversations with the GOG and also pass on whatever we may learn about the GOG plan. We told Ling we would continue to cooperate as usual although this would be difficult since we couldn't raise the matter of the plan with the GOG pursuant to Ling's request that we hold as confidential the fact that HMG has advised us of the meeting.

12. Overall Ling reported mild optimism on the part of Amery, Hankey and HMG Embassy here and a hope that at long last things might be starting to move.

Rogers

171. Telegram 4458 From the Embassy in Guatemala to the Department of State¹

Guatemala City, September 13, 1973, 1840Z.

4458. Subject: Christian Democrats Name General Rios Montt Presidential Candidate.

Summary: Christian Democratic Party (DCG) selects former Army Chief of Staff General Rios Montt as Presidential candidate to replace Rene de Leon Schlotter in a move designed to achieve opposition unity under DCG banner. Rios is capable left-of-center military officer who, if he becomes the opposition unity candidate, would offer voters clear choice between continuing same general policy of present administration under GOG coalition candidate Gen. Laugerud, or shifting perceptibly but not radically to Left. Neither candidate would present threat to vital U.S. interests. *End summary.*

1. In a surprise move announced last night, Christian Democrats accepted resignation of their long-time leader de Leon Schlotter as Presidential candidate and picked General Efraín Rios Montt, who had been Army Chief of Staff from January to June of this year, and who is now serving as Director of Studies at Inter-American Defense College, to take his place. De Leon had announced his intention to resign as DCG Presidential candidate on September 11 after unity talks with PR leader and Presidential candidate Carlos Sagastume had broken down when Sagastume reportedly refused to go along with de Leon's proposal to name a third person as a PR-DCG unity candidate. Rios was selected from a DCG slate which included former Chief of Government Col. Enrique Peralta Azurdia and economist Manuel Noriega Morales.

2. DCG communiqué says Gen. Rios was selected because of party's decision that "circumstances" called for a candidate who could unify opposition, a man who was active in no party, but who had Presidential qualifications and would guarantee to people that changes envisioned in DCG program of government would be realized. It also praises de Leon highly for stepping aside.

¹ Summary: The Embassy reported that the Christian Democratic Party (DCG) had selected General Efraín Ríos Montt as its Presidential candidate. Characterizing Ríos Montt as left-of-center, the Embassy concluded that he would offer voters a clear alternative to the policies followed by the Arana administration and its candidate General Laugerud, but that neither candidate would threaten vital U.S. interests.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Priority. Repeated to Managua, San José, San Salvador, Tegucigalpa, Panama, and USCINCSO. According to telegram 185435 to Guatemala City, September 18, Clare and Pezzullo of ARA/CEN reported on a meeting with Ríos Montt, commenting that they "were struck by Ríos's apparent political naivete" in making requests that "revealed a lack of political acumen." (Ibid.)

3. Rios's selection comes as somewhat of a surprise since many thought that Christian Democrats were well on way to picking Col. Peralta who has had a number of talks with them, talks which Peralta himself described to us privately two days ago as very promising. However, de Leon told us several weeks ago that although not all his colleagues agreed, he was personally against Peralta's candidacy because he did not think there would be much opportunity under a Peralta government to carry out the DCG's reform program. In this connection, press says that Gen. Rios has been consulted and that he is disposed to follow DCG programs.

4. Rios has the reputation of being one of the Guatemalan Army's most capable officers who is at the same time left of center in his political philosophy. We have little doubt that he will go over well with the Christian Democratic rank and file, and we believe that he would be able to get the support of Mayor Meme Colom and his FURD, since Colom has spoken to us favorably about Rios on a number of occasions. We also believe that a considerable portion of the PR might shift to Rios even if Carlos Sagastume runs as an independent PR candidate. In sum Rios, who is a charismatic speaker, would make a formidable candidate, although not as strong a candidate as Col. Peralta, since he would probably not pull the center-right votes which Peralta could attract.

5. However, given the government's control of the electoral tribunal, it is not certain that Rios will actually get the DCG candidacy. His selection by the DCG National Council must be ratified by the party's national convention once Presidential elections are convoked by the GOG, which must legally do so by November. The fact that there has been considerable internal dissension within the DCG over the last two years would make it easier for the government to use the electoral tribunal and other legal maneuvers to frustrate Rios's candidacy if it should decide to do so.

6. We feel sure that the government will be unhappy with Rios's selection, but are not yet in a position to gauge to what degree. We believe that the government will worry less about Gen. Rios than it would about Col. Peralta, since Rios is not likely to sap the political or financial strength of GOG candidate Laugerud the way Peralta would. The GOG could decide to allow Rios to run, and hope to split the Left by insuring that Carlos Sagastume also runs as an independent.

7. One other intangible at present is the position of the army. Rios is not popular among his peers, and indeed one of the reasons for his abrupt dismissal as Army Chief of Staff was that he aroused the enmity of senior commanders by being too much of a disciplinarian. However, he is respected by a number of army rank and file and there would probably be some resistance to any move to prevent Rios's candidacy by blatant means.

8. In conclusion, we note that if Gen. Rios is able to become an opposition coalition candidate, the Guatemalan electorate would be provided with a fairly clear choice of electing a President who would by and large continue the policies and programs of the present administration, or choosing a man who would move perceptibly but not radically to the Left. We believe that neither candidate would represent a threat to vital U.S. interests.

Dreyfuss

172. Telegram 187069 From the Department of State to the Embassy in Guatemala¹

Washington, September 20, 1973, 1442Z.

187069. Subject: Belize Issue in UNGA. Reference: Belize 525.

1. British EmbOffs Ling and Samuels (Vice Cape) called on Dep. Asst. Sec. Bowdler and CEN officers at our invitation to discuss status of HMG efforts to discourage Price and Caribbean countries from raising Belize issue at UNGA. EmbOffs said they were not at all sure how convincing HMG had been in dissuading Price. HMG officials characterized Price as unpredictable and unconvinced that Guatemalans were sincere about opening serious talks after March 1974 elections. They said HMG would have stronger case with Price if GOG was willing to disclose to him the broad outlines of its secret plan.

2. Bowdler said GOG FonMin Arenales had made clear his concern that if the Belize issue were raised at the UNGA he would have to make a strong rejoinder. Reply might have to be stronger than he would like because of delicate Presidential campaign. This in turn might adversely affect the prospects for talks after the elections. It was also noted that

¹ Summary: During a meeting to discuss the Belize issue, Director of the Office of Central American Affairs David Lazar asked British Embassy officials if they were aware that Governor Posnett had encouraged Premier Price to raise the issue of Belizean independence at the United Nations General Assembly.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to Belize City, London, Kingston, and USUN New York. Drafted by Pezzullo and approved by Bowdler. Telegram 525 from Belize City, September 15, is *ibid.* In telegram 537 from Belize City, September 20, 2150Z, the Consulate reported that Posnett told Wollam that his remarks on Belizean independence, which had come back to him through Washington, had been misunderstood, and that British policy still discouraged raising Belize's independence at the UN. (*Ibid.*)

the GOG would most probably view an UNGA initiative as an act of bad faith on the part of Price and HMG.

3. Lazar, who accompanied Wollam in the call on Governor Posnett (reftel), asked if the EmbOffs were aware that Posnett was encouraging Price to raise the Belize issue at the UNGA. Ling professed to be unaware of any such activity on Posnett's part and promised to investigate.

4. In response to a question, Ling reported that Consul Weymes had not held further discussions with Sanchez nor had HMG taken any other steps to apprise the GOG of the strong probability that the Belize issue would be raised in the Fourth Committee probably by Jamaica. He recognized that at least to forewarn the GOG might preserve some measure of good faith and said he would pass the suggestion on. The thought was to approach Arenales in New York.

5. *Comment:* Ling & Samuels were very relaxed and gave no evidence of concern over the negative effect an initiative at the UNGA on Belize would have on the GOG. If indeed Governor Posnett was operating on his own without instructions one would have expected more than the casual reaction they disclosed. It appears increasingly possible that HMG is encouraging Price in order to lever faster action out of GOG.

Rush

173. Memorandum of Conversation¹

Guatemala City, October 17, 1973.

PARTICIPANTS

General Efraín Ríos Montt, Christian Democratic (Opposition Unity) Presidential Candidate

Danilo Barillas Rodríguez, Secretary-General, Christian Democratic Party

John T. Dreyfuss, Chargé d'Affaires ad interim

William T. Pryce, Chief, Political Section

¹Summary: In a meeting with Embassy officers, Presidential candidate General Efraín Ríos Montt indicated he would not be controlled by the Christian Democrats, and that following a strong populist campaign, he would win the 1974 Presidential election.

Source: National Archives, RG 59, Central Files 1970–73, POL 14 GUAT. Confidential. Drafted by Political Counselor William T. Pryce on October 19, and approved by Chargé John T. Dreyfuss. Sent as an enclosure to airgram A–213 from Guatemala City, October 23. The meeting was held during a luncheon at the Dreyfuss residence.

SUBJECT

Rios's Presidential Candidacy

Summary: In his first meeting with Embassy officers since returning to Guatemala to assume his Presidential candidacy, General Rios Montt left the impression that he will run a strong populist-type campaign, rejecting close control by either Rene de Leon Schlotter and the Christian Democrats to whom he owes his opportunity to run, or by the other leftist political leaders who have rallied to his leadership. He evidenced a fierce pride in his record and reputation as a military officer, a deep resentment against the senior military officers who forced his removal as Army Chief of Staff and banishment to Washington, a strong conviction that he could and would win the election, and confidence that the Army would ensure relatively free elections and insist that he take power if he won. *End Summary.*

Background: This was the first meeting of Embassy officers with Rios since he returned to Guatemala to assume his Presidential candidacy on September 29th. Since we had already talked with the Christian Democratic leaders who were responsible for Rios's selection (see Dreyfuss-Pryce-de Leon Schlotter memcon of September 20 and Pryce-Burghardt-Barillas memcon of September 25) and were anxious to talk to Rios alone at this first meeting, we therefore went to some effort to enable the Chargé to contact Rios directly and invite him personally to lunch. To no avail. On reconfirming his acceptance, Rios asked "must I come alone or may I bring an assistant?" He naturally was given his choice and he showed up with Christian Democratic Secretary General and de Leon confidant Danilo Barillas. But it didn't really matter, because although the atmosphere at the lunch was a little reserved at the beginning, Rios, who has known both the Chargé and the reporting officer for quite some time and soon recognized that Barillas did also, warmed up considerably during the course of the conversation and seemed relatively uninhibited by Barillas's presence, as will be evidenced by the memorandum of conversation which follows:

Rios's Goals: Rios said that he had not yet decided on a plan of government, but fully intended to insure that his was a government for all Guatemalans. The Christian Democratic plan would serve as the basis for developing his plan of government, but it was by no means immutable, and he would no doubt make changes. Rios caused Barillas no small amount of uneasiness when he announced that he considered there was very little difference between his philosophy and that of the Government candidate General Kjell Laugerud, who he said was an outstanding military officer who had a deep sense of social consciousness very much like his own. The principal difference between them, said Rios, was that they were backed by different sets of personal interests. He said that he would not be bound by political consider-

ations in selecting his cabinet and asserted he would have no compunctions about appointing an extreme rightist to a high position if he thought the man was the best available for the job.

Rios emphasized time and again that he would insist on absolute integrity in his government. He harked back with fierce pride to his record as a military officer which he asserted (correctly to the best of our knowledge) had never been blemished with the slightest hint of personal dishonesty. "I never ate the food of my soldiers," he cried at one point (referring to the fairly common practice among senior military commanders of pocketing some of the official funds allocated for feeding their troops), "and I won't change as President." He added that he would insist on equal honesty on the part of his ministers. "What I would really like to do," he said, "is appoint my best friends to three or four key ministries." "But," he added, "if I found one of them stealing so much as a nickel, which would mean they were taking four pieces of bread out of the mouths of the people, I would have him shot." "Then," he said, "there would be no dishonesty on the part of his replacement or his fellow ministers."

Campaign Plans and Strategy: Rios said that he intended to wage a strong, vigorous campaign which would be directed at the poor and underprivileged who represented the vast majority of Guatemala's population. He intended to campaign especially hard in the countryside. He recognized that a strong Revolutionary Party (PR) candidate might eat into his strength, but hoped to be able to overcome the appeal of the PR symbol by convincing the PR rank and file that he, and not the PR candidate, would best serve their interests. He expressed confidence that he could and would win the elections and said he thought that the Army would not only ensure that the elections were relatively free and honest, but would also insist that he take power if he wins. In a discussion about whom the backers of Col. Peralta would support if, as seemed probable, Peralta is not able to secure a presidential nomination, Rios claimed that most of them would flock to his banner. Barillas disagreed mildly, noting (correctly we believe) that many Peralta supporters were "Kjellistas."

Both Rios and Barillas set great store in the rallies which were being organized on Rios's behalf to take place on October 19th in Guatemala City and October 20th in Escuintla. They believe that if the rallies are large and successful, as they hope, this will begin a bandwagon effect for Rios among the large group of uncommitted voters. They asserted that the rich finca owners were going to make it difficult for their workers to attend the Escuintla meeting.

Campaign Organization: Rios said that the difficult decisions regarding the selection of candidates for Congress and mayoralities had not yet been finalized. He at one point asserted that the selection would

be made strictly on the basis of picking the best man for the job, but at another point talked about the difficult job of "dividing up the cake." Barillas professed to agree that partisan considerations should not dominate the selection process, saying that the DCG would not even propose candidates in areas where they did not have good men (DCG Leader de Leon had told us previously that he and his party were prepared to be "generous" in the division of candidacies among the opposition coalition).

Rios was unresponsive to a number of probes regarding the identity of his running mate. He did confirm that he had in fact offered the Vice Presidency to Clemente Marroquin Rojas, as the latter has claimed in his newspaper *La Hora*, and that Marroquin had refused. In a statement somewhat at odds with his other remarks about picking the best man for each job, he said that in offering the Vice Presidency slot to Marroquin he had been influenced by the fact that his campaign was short of funds, and he thought that Marroquin's newspapers and financial resources would be a decided asset. He was greatly pleased by the fact that Marroquin's original public hostility toward him had softened considerably, and that Marroquin now had kind words for him. He obviously hopes to get Marroquin on board his campaign. Rios commented that press speculation that Guillermo Toriello and Raul Osegueda, both of whom have far leftist reputations, were being considered as his running mates was nothing more than that—speculation.

In response to a delicately put question from the Chargé as to what the relationship between himself and Rene de Leon Schlotter would be, given the fact that de Leon had billed himself as "leader of the national opposition" in a television program after the DCG support for Rios had been announced, Rios replied without a moment's hesitation that de Leon would operate at the secondary level. ("*Rene se va a segundo plano.*") Barillas coughed over his food at this point and quickly interjected that de Leon, Mayor Meme Colom, and PR dissident Fuentes Mohr would all be right behind Rios giving him full support during this campaign.

What Made Rios Run: At one point in the conversation, beginning when Barillas had left the room temporarily, Rios said that he would never have run for the Presidency if he had not been kicked out as Army Chief of Staff. He realized his military career was through when his long-time friend Laugerud had declined a dinner invitation Rios had extended to him and his wife Helen shortly before the Rioses left for Washington last July. Rios said that if Laugerud had come to the dinner, he would have offered Kjell the use of his car in his campaign since he did not intend to take it to Washington. If Kjell had taken the car, Rios said, he would never have run against him since that would have required going back on an unwritten pledge of loyalty to Lau-

gerud, something he would not do. But Kjell had not come to dinner, and Rios had surmised that his military career was finished and that the best he could hope for after a Laugerud victory would be an assignment as Military Attaché to Washington or some similar post.

Then, with Barillas back in the room, Rios launched into an impassioned denunciation of those responsible for his abrupt departure as Army Chief of Staff last July after serving in the job for less than six months. "You know," he began, "that I was thrown out of the job as Chief of Staff, don't you; that's what it was, I was dishonored and demoted to the Inter-American Defense College. It's a fine job alright but let's face it, it was a demotion; I was kicked out of the finest job in Guatemala (Army Chief of Staff), a job which is better than being President." Then warming to his subject, he went on with his eyes blazing, his voice trembling, and his finger waving, "But do you know why they threw me out? I'll tell you why! Because I wouldn't let them eat their soldiers' food (i.e., he attempted to stop commanders from pocketing money intended for soldiers' substance); because they wanted to be on their fincas when they were supposed to be on the job, and I wouldn't put up with it. I insisted that they be soldiers, and they threw me out because I wasn't a member of the club."

Relations With Laugerud: A number of times during the conversation Rios expressed admiration for his former Chief, General Laugerud. He said that he had not seen Laugerud since returning and although he would be happy to do so, he doubted that Kjell would be interested. He asked the Chargé, whom he knew to be a long-standing personal friend of Laugerud, to pass on his continuing respect and admiration to the government's candidate and to tell Laugerud that if he, Rios, threw a few barbs at him during the campaign, it would only be in the process of playing the political game. He said he knew that if Kjell won, he would come out all right, and was sure Kjell knew that if he, Rios, won, Kjell would come out all right.

Comment: Leaving aside for the moment the other interesting aspects of the conversation, what impressed us most was the very decided impression we got that Rios will be his own master during the campaign, and that the DCG and anyone else will play hell trying to control him, despite the fact that Rios owes his nomination to the Christian Democrats. We also had the firm impression that de Leon, who last month told us in effect that a principal reason the Christian Democrats had picked Rios instead of Col. Peralta was that they weren't sure how much influence they would have had in a Peralta regime, may be in for an unwelcome surprise if Rios wins. In short, the Christian Democrats may well have a tiger by the tail.

Also of considerable interest was the revelation of the very deep-felt resentment Rios holds against the senior military com-

manders who were responsible for his removal as Army Chief of Staff. Although he didn't come out and say it, we had no doubt that one of the motivations he had in giving up his military career just short of retirement to take the risks of an electoral campaign was to "show the SOBs" who did him in. *End Comment.*

174. Airgram A-230 From the Embassy in Guatemala to the Department of State¹

Guatemala City, November 16, 1973.

SUBJECT

A Guide to the March 1974 Guatemalan Elections

SUMMARY: The three candidates for the March 3, 1974 Presidential election all are former high-ranking military officers: General Kjell Laugerud of the incumbent rightist coalition of the National Liberation Movement (MLN) and Institutional Democratic Party (PID), General Efraín Ríos Montt of the leftist Christian Democratic Party (DCG) opposition unity, and Colonel Ernesto Paiz Novales of the centrist Revolutionary Party (PR). The four parties participating in the current elections are the same as those which contended in 1970; and once again the two rightist parties are united while the leftists are split. Government intervention in the form of payoffs and threats was a significant factor in keeping the DCG and PR from agreeing on a common candidate, although ideological differences and personal ambitions also played an important role. The government also was responsible for preventing the participation of two popular figures: Guatemala City Mayor Manuel Colom Argueta and former Chief of State Enrique Peralta Azurdia, either one of whom probably would have won in an open contest. The government-controlled Electoral Registry blocked the inscription of parties supporting Colom and Peralta.

The convocation of elections on October 13 signalled the start of the campaign period, which lasts until one day before the nation goes to the polls to select a new President, new Congressmen and mayors for

¹ Summary: The Embassy provided a guide to the March 1974 elections.

Source: National Archives, RG 59, Central Files 1970-73, POL 14 GUAT. Confidential. Drafted by Raymond F. Burghardt, cleared by Francis C. MacDonald, and approved by William T. Pryce and all members of the Political Section. Signed by Chargé Dreyfuss. All brackets are in the original except those indicating text omitted by the editors.

the 325 municipalities. The public rally, personal contact with key opinion leaders, and radio advertisements still are the most popular campaign methods, but television is growing in importance, especially in the capital. In the recent past the campaign period and the actual polling have been relatively honest, only marred occasionally by the strong-arm tactics of local military commissioners. About 1,500,000 are registered to vote, but in previous years less than half of those registered have gone to the polls.

Voting trends in past elections suggest some relative advantages of the three presidential candidates. Laugerud's assets include official support, MLN strength in the eastern region, the tendency of highland Indians to vote for official candidates, and financial assistance from wealthy MLN and PID businessmen. Paiz Novales benefits from the PR's regional strength on the South and Caribbean coasts and his image as the candidate of the "Center." Rios Montt's assets include the Guatemalan tendency to favor the opposition and the growth of population elements favorable to the DCG (i.e., people who have recently migrated and unionized labor). Various factors also indicate the DCG may do well in seven key districts which together account for over 50% of the total vote. The main problem faced by the PR and DCG is that they once again may split their leftist constituency, resulting in a replay of their 1970 defeats.

A number of important aspects of the election still are unclear. The courses finally chosen by Peralta Azurdia and influential newspaper publisher Clemente Marroquín Rojas will significantly affect the election outcome. Inflation and political violence have begun to emerge as campaign issues but the degree of popular discontent over these problems remains to be seen. More important than issues may be the relative popularity of the candidates' campaign styles. Also significant will be the parties' choice of municipal candidates, who in the past have proven important in drawing voters toward the parties' presidential contenders.

The election drama may not be over even after the vote tally is known. If none of the presidential contenders wins a majority, the choice between the two front runners passes to the MLN–PID controlled Congress, which is under no legal obligation to select the candidate who wins a plurality. The outcome will only be certain when the new President assumes office on July 1, 1974. End Summary.

[Omitted here is the body of the airgram]

175. Telegram 333 From the Embassy in Guatemala to the Department of State¹

Guatemala City, January 18, 1974, 1615Z.

333. Subject: The Presidential Electoral Campaign: Assessment and Analysis

Summary: As the March 3 Presidential elections draw nearer, the race is narrowing down to a two-way contest between conservative government coalition candidate General Laugerud and left-of-center Opposition Front candidate General Rios Montt, with middle-of-the-road Revolutionary Party candidate Paiz Novales running a poor third. The edge previously enjoyed by Laugerud seems largely to have eroded, and indeed there are many, including a number in the government, who doubt that he will win. At this stage we would say that it is anybody's ballgame. There is a distinct possibility that if the government concludes it can not defeat Rios, and thus ensure a continuation of its conservative policy approach to Guatemala's problems, it will seek to preserve its position by postponing elections or refusing to recognize a Rios victory. President Arana's role in this is crucial because no unconstitutional attempt to frustrate the electoral process blatantly is likely to succeed if the President opposes it. We continue to believe that U.S. long-term interests would best be served by free and peaceful elections, since their outcome will provide the best likelihood of a continuing succession of stable governments friendly to the United States. We will thus continue to do all that we discreetly can to encourage such elections and GOG acceptance of the outcome, whatever it may be. *End Summary.*

1. Political developments since our last general assessment (Guatemala 5699) indicate that the Presidential electoral race is narrowing to a two-way contest between government coalition candidate General

¹ Summary: The Embassy noted that the Presidential campaign had become a two-way contest between the government's candidate, General Laugerud, and Opposition Front candidate General Rios Montt. Noting the danger of electoral irregularities if Laugerud failed to win sufficient votes, the Embassy concluded U.S. long-term interests would be best served by free and peaceful elections.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Priority. Repeated to Managua, Panama City, San José, San Salvador, Tegucigalpa, CINCSO, and CINCLANT. In telegram 559 from Guatemala City, January 28, the Embassy reported that government leaders and politicians believed that Laugerud would win the elections and were talking "less about the possible need for a coup." (Ibid.) On February 6, Clare prepared a draft contingency paper outlining U.S. responses should the Guatemalan Government employ blatant fraud, postponement, or a palace coup to thwart the electoral process. (Ibid., ARA/CEN Files, Guatemala 1974, Briefing Paper) Telegram 5699 from Guatemala City, November 30, 1973, is *ibid.*, Central Foreign Policy File, [no film number].

Kjell Laugerud and Opposition Front candidate General Efraín Ríos Montt, with Revolutionary Party (PR) candidate Col. Ernesto Paiz Novales running a poor third.

2. The edge which we believe Laugerud held at the end of November seems to have largely eroded. Laugerud's slip has been due in large part to the fact that Paiz Novales, who got the PR nomination as a result of a GOG maneuver to split the opposition, has not been able to mount a convincing campaign and consequently has not drawn significant support away from Ríos Montt as the government hoped he would. Another important factor is that Laugerud, as the government candidate, is suffering from public discontent with the spiraling cost of living, which is hitting hardest at those who are at the lower end of the economic scale and who comprise that vast majority of the voters.

3. Ríos, on the other hand, seems to have been able to resolve most of the internecine squabbling between the forces of his principal supporters—Mayor Colom Argueta and Christian Democratic Leader René de León Schlotter—and to find the money to carry on an effective campaign.

4. The recent gains made by Ríos have government leaders worried, and there are a number who now have serious doubts that Laugerud can win a reasonably free election. These doubts are also shared by a number of military commanders who would lose their jobs if Ríos wins. Among these groups there has been considerable pressure on President Arana to move to cancel the election or to prevent Ríos from taking power if he wins. Others in the inner group, such as Minister of Government Herrera, Minister of Finance Lamport, and Foreign Minister Arenales are still hopeful that Laugerud can win or come close enough to permit stealing the election without being too obvious. And there are those around Arana who, we believe, are counseling him not to consider cancelling elections even if Laugerud's chances do not appear good. Among these are Vice President Cáceres Lenhoff; former Guatemala City Mayor Ramiro Ponce Monroy, who is heading the government coalition's congressional slate from the capital; and Minister of Defense Rubio. President Arana's current reaction to the situation has been to exhort coalition politicians to redouble their campaign efforts, and to move more directly to attempt to put his own popular appeal, which is considerable, fully behind Laugerud. The President recently presided over a meeting of over 200 coalition mayors in the Peten, a meeting during which Laugerud promised the mayors they would receive 5 percent of the national budget for their municipalities, a move designed to garner popular support. The President has also initiated a new round of trips to the interior to inaugurate the vast number of public works projects which are now in process as part of the government campaign.

5. Our own estimate of the campaign is that it is still anybody's ballgame. Laugerud has slipped, but he still has a number of advantages, such as Arana's support, having made personal visits to many hamlets Rios can never hope to reach, strong local campaign organizations, ample financing, and the fact that his people count the votes, albeit with the opposition looking on. Rios is benefiting from the natural tendency of Guatemalans to vote against the incumbent (a tendency which will be strengthened by the continuing rise in the cost of living), a more charismatic personality, the support of a number of very popular political leaders, and the fact that he has found the money he needs to campaign effectively. There is a great deal of apathy about the campaign, and we believe at least half of the voters are not yet committed. One important factor which remains enigmatic is the position of Col. Enrique Peralta. Peralta has consistently insisted that he will boycott the elections if he can not be a candidate himself, but many of his supporters are urging him to take a position in favor of one of the candidates. The PR "old guard" is hoping to get Peralta to support Rios, and if he does so it will boost Rios's chances considerably. If Peralta should support Paiz Novales, this would probably help Laugerud, since it would pull support away from Rios. If Peralta were to support Laugerud, which is very unlikely at the moment, it would probably put him out in front again.

6. If in the coming weeks the government coalition supporters should become strongly convinced that Laugerud can not win a free election, the present pressures to cancel elections will increase enormously. President Arana's attitude in this will be crucial, because no unconstitutional attempt to frustrate the electoral process blatantly is likely to succeed if the President opposes it. There are, as we have mentioned, a number of senior military commanders (including the Chief of Staff), who are firmly opposed to a Rios victory and who would be eager to move to prevent it. However, our contact with a number of middle-level and junior officers convince us that the majority of the Guatemalan officer corps does not want the army to become directly involved in the electoral campaign, and we do not believe they would support their commanders against the wishes of their Commander in Chief. Moreover, we believe that Minister of Defense Rubio, who has told us only recently that the army would be "covered with mud" if it intervened, will follow his President's wishes.

7. As for the President, we have no doubt that he would find a Rios victory unpalatable, and that he will do all he can short of gross fraud or staging a coup to prevent it. However, his attitude in the face of strong pressures to act in a clearly unconstitutional or grossly fraudulent manner is less certain. He is a very proud man who is keenly conscious that his actions during this electoral period will largely deter-

mine his place in Guatemala's history. And we believe that he very much wants to avoid going down in history as the man who broke Guatemala's fragile but growing chain of democratic constitutional succession. Arana could well decide to take the line which Minister of Defense Rubio confided to the Chargé recently—that there should be elections and if Rios wins he should be allowed to take office, because the army can always throw him out later if that becomes necessary. This would get the ball out of his court.

8. We continue to believe that U.S. long-term interests would best be served by free and peaceful elections, since this outcome will promote the best likelihood of a continuing succession of stable governments friendly to the United States. We will thus continue to do all that we discreetly can to encourage such elections and GOG acceptance of the outcome, whatever it may be.

Dreyfuss

176. Telegram 903 From the Embassy in Guatemala to the Department of State¹

Guatemala City, February 14, 1974, 2305Z.

903. Subject: The Presidential Electoral Campaign—Two and a Half Weeks to Go. Ref: Guatemala 333.

Summary: With but two and a half weeks to go until the March 3rd Presidential elections, it now appears that the contest will be a three-way race which any of the three candidates could win. We believe government coalition candidate Laugerud has pulled slightly ahead once again, and Opposition Front candidate Rios Montt, who has slipped a

¹ Summary: In a report on the electoral campaign, the Embassy noted that with the Presidential race growing even closer, it seemed evident the Guatemalan Government would resort to some fraud to ensure an election victory.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Priority. Repeated to Managua, Panama, San José, San Salvador, Tegucigalpa, CINCSO, and CINCLANT. All brackets are in the original except "[have . . . elections]", added for clarity and those indicating garbled text. Telegram 333 from Guatemala City, January 18, is published as Document 175. In telegram 960 from Guatemala City, February 19, the Embassy reported that Minister of Defense General Rubio had indicated that the army would respect the election's outcome, and concluded that his remarks appeared to be designed to end rumors that, if elected, the military would not allow Ríos Montt to take power. (National Archives, RG 59, Central Foreign Policy File, [no film number])

little, is probably now running second. While Revolutionary Party candidate Paiz Novales still appears to be running third, he is pulling closer and cannot now be counted out. The government has managed to resolve temporarily several labor disputes which were muddying the political scene, and it now appears reasonably confident that it can win with the help of some fraud. Pressures to postpone or cancel the elections [have subsided, and it seems likely at this point that elections] will be held. If, as is almost certain, no candidate wins an absolute majority, the election will go to Congress. While tradition has been for Congress to pick the front runner, this is not mandatory, and there will be some pressure for the government-controlled legislature to elect Laugerud, even if he does not get the most votes, should he run a close second to Rios. Such action would create an unstable situation, as would a government victory involving gross fraud, and the army would probably oppose either one. We continue to believe U.S. interests would best be served by free and peaceful elections which result in the victor taking office, and will thus continue to do what we discreetly can to encourage such an outcome. *End summary.*

1. Political developments since our mid-January assessment (reftel) now suggest that the Presidential contest will be a three-way race, which any of the candidates could win. Voter apathy has diminished somewhat in the last several weeks, but there is still a very large undecided vote. We believe government coalition candidate General Kjell Laugerud, who has been helped considerably by President Arana's recent trips to the interior to inaugurate a large number of public works, has pulled slightly ahead, and has the best chance of winning.

2. Opposition Front candidate General Rios Montt has slipped somewhat. This is due partly to the fact that the internecine squabbling between his principal supporters (the FURD under Mayor Colom Argueta and the Christian Democrats under Rene de Leon Schlotter), which Rios earlier seemed to have resolved, has broken out anew, as reflected in the fact that all FURD candidates were dropped from the Front's congressional slates for Guatemala City and the surrounding district when they were finally submitted this week. Another important factor is that the front has not been able to create an effective grass-roots campaign organization in the countryside, and will therefore have to compensate with an overwhelming victory in Guatemala City (which accounts for 25 per cent of the total vote) in order to win.

3. Front prospects were also dampened this week when Colonel Enrique Peralta reaffirmed on February 12 that he would support none of the three inscribed candidates. Peralta freed his supporters to make their own choices, while recommending cryptically that they not aid the government coalition directly or indirectly. Strong and open Peralta

support for Rios would have helped the front considerably, but without it, Peralta's followers, who represent a wide range of views, will probably not vote in a block for any single candidate no matter what Peralta may urge behind the scenes.

4. The prospects of Revolutionary Party (PR) candidate Colonel Paiz Novales, who was running a poor third only a month ago, now appear considerably improved. This is largely because the PR organization, despite the [garble].

5. Inflation and the high cost of living continue to be the principal campaign issues, and the Front continues to hammer hard on them. Government politicians with whom we talk, however, do not seem to feel as vulnerable on the issues as they did only a month ago. Violence is very much less an issue than it was in 1970, and indeed the level of political violence in this campaign is vastly reduced from what it was four years ago, and we are hopeful it will remain that way. On the positive side, all three candidates are pledging that they will take effective measures to raise wages and production, improve health and education, institute agrarian reform, etc. It is largely a matter of who the voter believes most (or doubts least).

6. The government has managed to resolve temporarily several labor disputes which were muddying the political scene, and government leaders now appear reasonably confident that Laugerud can win with the help of some fraud. Consequently, pressures to postpone or cancel the elections have subsided, and it seems likely at this point that elections will be held.

7. If, as seems almost certain, no candidate wins an absolute majority, the election will go to the Congress which must then elect one of the top two vote-getters. While tradition has been for the Congress to pick the front runner, this is not mandatory; and if Laugerud should come in a close second to Rios, there will be pressure for the government-controlled legislature to elect him anyway. Such an action would cause an unstable situation and would probably be opposed by the army even though the top command as a whole does not want to see Rios win. A Paiz victory would probably not be opposed by either Laugerud or Rios supporters.

8. The Opposition has been claiming that there will be gross fraud, as did the oppositions which ended up victorious in the 1966 and 1970 elections, both of which were relatively free and honest. We have no doubt that the government is indeed planning to use some fraud, such as voting numbers of campesinos and neighboring Salvadorans several times, voting tombstones in remote areas where it is in control, etc. The government will also use its control of the electoral machinery to challenge and nullify as many of the Opposition votes as it can. (All parties can and do challenge votes, which is one reason why the percentage of

annulled votes runs close to 10 per cent here.) However, it is questionable whether the government will attempt to significantly falsify the returns once they are in, as was done in Salvador. Were the government to do so, the Opposition, especially Rios if he were the real victor, would probably not sit still, and a very unstable situation would likely develop. Again, we believe that the army wants to avoid being put on the firing line over elections, despite many senior commanders' aversion for Rios, and we believe the army will oppose any attempt at blatant fraud.

9. We continue to believe U.S. interests would best be served by free and peaceful elections which result in the victor taking office, and will thus continue to do what we discreetly can to encourage such an outcome. We now feel reasonably confident that elections will be held, and are hopeful that gross fraud will not take place.

Meloy

177. Telegram 1261 From the Embassy in Guatemala to the Department of State¹

Guatemala City, March 5, 1974, 1715Z.

1261. Subject: Presidential Election Situation Remains Confused—Election Report Number 15.

1. At the dawn of the second day following the March 3 Presidential elections, the situation remains confused. Both General Laugerud, who is sponsored by the government-backed conservative MLN-PID coalition and General Rios Montt, who is backed by the left-of-center Christian Democratic led United Opposition Front, are claiming victory. Center-of-the-road PR candidate Col. Paiz Novales is out of the running. The government, which has been unbelievably slow in releasing election statistics, is once again dribbling them out in a manner which shows Laugerud ahead, and which smacks of gross fraud.

2. It now appears to us that Rios Montt won the election but that the government, with the backing of President Arana, intends to steal it

¹ Summary: Two days after the Presidential elections, the Embassy reported that the Guatemalan Government was releasing results in a fashion that suggested gross fraud.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Immediate. Repeated to USCINCSO and CINCLAT, all ARA Posts, and US-CINCSO for POLAD.

by falsifying the returns. Whether the government will succeed in its plan will depend largely on the attitude of the army, which in turn will take its cue from the degree of popular discontent manifested over the projected rip-off. We believe the army will control any minor disturbances, but will back off from a major confrontation if it should arise. We also estimate that Rios will not be able to provoke a major confrontation. Nevertheless, our prognostication for the next several days is for confusion and a certain degree of instability.

Meloy

178. Telegram 1279 From the Embassy in Guatemala to the Department of State¹

Guatemala City, March 5, 1974, 2208Z.

1279. Subject: Guatemalan Election Crisis. For Assistant Secretary Kubisch from Ambassador.

1. Guatemala is facing another crisis. The issue appears to be whether the government will honor the wishes of a plurality of the people as expressed in last Sunday's election or indulge in gross fraud to secure the victory of its candidate for the Presidency. The decision, all agree, is that of President Arana. The indications strongly point to the second course of action.

2. You will recall that before I left Washington in January we discussed the desirability, in spite of the risks involved and our extremely limited leverage, of my having a talk with President Arana early after

¹ Summary: Assessing the situation in Guatemala in the wake of evidently fraudulent elections, Ambassador Meloy concluded that U.S. had little leverage over President Arana. He recommended that no action be taken, stating that a peaceful transfer of power to the winner of free elections was in the interest of both the U.S. and Guatemala.

Source: National Archives, Nixon Presidential Materials, NSC Files, Box 785, Country Files, Latin America, Guatemala, Vol. I. Confidential; Immediate; Exdis. A draft "Options Paper," prepared by Clare, March 6, noted that Embassy reporting suggested "that the GOG was initially taken aback by the size of Laugerud's defeat at the polls and stalled until the morning of March 5 when President Arana tentatively decided it would be feasible to impose Laugerud by manipulating the vote count." (Ibid., RG 59, ARA/CEN Files, Guatemala 1974, Briefing Paper) In telegram 44847 to Guatemala City, March 6, Kubisch indicated his agreement with Meloy's recommendation, noting that it was "best to refrain from any action other than the private expression of our support for constitutional procedures when appropriate occasions arise to make this point. (Ibid., Nixon Presidential Materials, NSC Files, Box 785, Country Files, Latin America, Guatemala, Vol. I)

my arrival to express our satisfaction with his announced determination to hold elections, thus strengthening the tradition of representative government in Guatemala. Our concern then was lest the government, fearful of losing to the opposition, would abort the elections or in some form carry out a coup to perpetuate itself in office. In the weeks following my arrival it became increasingly evident that the government, mastering its earlier fears, was moving steadily toward elections, which, in fact, were held as scheduled on March 3. I therefore did not make the strong effort which would have been required to have Arana receive me during his intense activity in the pre-electoral period, relying upon our frequently expressed view to all concerned that we favored free elections and the orderly and peaceful transfer of power to the winner to convey the U.S. point of view. Now a new problem presents itself: the apparent denial of victory to what we believe to be the popular choice, who may not have won a majority vote but who probably won at least a clear plurality in a fairly contested election.

3. I have given long and careful thought in consultation with my key colleagues as to what can or should be done by us at this juncture, given our belief that a stolen election in Guatemala and its consequences here would not be in the U.S. interest. I will spare you a rehearsal of the various courses of action and considerations which have gone through our minds. My conclusions are:

(A) The decision will be made and soon, by President Arana and exclusively in the light of how he perceives his own and Guatemala's interests;

(B) To be considered at all our views must be conveyed immediately directly or indirectly by secure means to Arana, which in itself poses several problems;

(C) Given the extreme sensitivity of Arana such an approach could well backfire and at best would carry little if any weight as he considers the problem in an emotional, personal and purely Guatemalan context, especially since;

(D) Our leverage is approximately zero.

4. I believe that great as the temptations are to "do something" and much as we dislike seeing the direction Guatemalan events appear to be taking, the mature course of action in the U.S. best interest is to refrain from action for action's sake while continuing as appropriate occasion presents itself to make clear our well-known conviction that the peaceful transfer of power to the winner of free elections is in the best interest of all.

Meloy

179. Transcript of Secretary of State Kissinger's Regional Staff Meeting¹

Washington, March 7, 1974, 3–4:05 p.m.

[Omitted here is discussion unrelated to Guatemala.]

Secretary Kissinger: What about the Guatemalan elections?

Mr. Bowdler: Our Embassy has described the elections as a massive, flagrant fraud, which is not an unusual phenomenon in Latin America. There were three candidates, all military men. The government candidate was a former Minister of Defense. His principal rival, the candidate of the coalition of the opposition, was the former Chief of Staff who had been sent to the Inter-American Defense College in Fort Leslie J. McNair a year ago to get him out of the country, and who served as a useful rallying point for the opposition who could not agree on a civilian candidate. The third one is a retired army colonel who was brought in to head the remnants of a left-of-center party, thinking that he might draw votes away from the opposition.

The issues were continuismo and corruption, which is also a pattern frequently found there—unsatisfactory pace of reform, and the high cost of living.

The government held relatively honest and open elections. When they began to count the ballots, they found that things were going the wrong way. So they put into effect their contingency plan, which was a massive rigging of the counting of the ballots.

Now, what does that mean for Guatemala?

I think it is bound to introduce a period of instability. There is a lot of unhappiness and unrest, particularly over the fact that in the last two elections they had open elections. The opposition won in each case.

¹ Summary: Deputy Assistant Secretary Bowdler briefed Secretary Kissinger on Guatemala's apparently fraudulent elections.

Source: National Archives, RG 59, Transcripts of Secretary of State Kissinger's Staff Meetings, 1973–1977, Entry 5177, Lot 78D443, Box 3, Secretary's Analytical Staff Meetings. Secret. All brackets are in the original except those indicating text omitted by the editors. According to an attached list, the following people attended the meeting: Kissinger, Sisco, Brown, Easum, Hartman, Lord, Springsteen, McCloskey, Buffum, Bowdler, Maw, Casey, and Hyland. In telegram 1453 from Guatemala City, March 14, the Embassy reported that on March 12 the Guatemalan Congress voted in favor of Laugerud's Presidency, certifying the government's official count and finalizing what the Embassy characterized as "Guatemala's current electoral farce." (Ibid., Central Foreign Policy File, [no film number]) In telegram 1488 from Guatemala City, March 14, the Embassy recommended that, given the circumstances of Guatemala's elections, no congratulatory message be sent to Laugerud until after he had received such messages from "at least several of the larger hemispheric governments and from several important extra-hemispheric governments." (Ibid.)

And the government allowed them to take office. This time they are not.

There is a danger that in the armed forces there may emerge a split between those who favor the conservative line of the government and those who favor the slightly left-of-center line of the opposition candidate—a retired general. I think there is also a danger of disillusionment among young people in the opposition, and among certain of them there will be a tendency—

Secretary Kissinger: What does a disillusioned Guatemalan do?

Mr. Bowdler: He resorts to violence.

Secretary Kissinger: An illusioned one also resorts to violence.

Mr. Bowdler: No. It is the disillusioned one that resorts to violence. And there may be a step-up of activity on the part of the extreme Left.

As a result of all this, the government, or elements in the army, may well find that the best alternative is to stage some kind of a coup, palace or otherwise, and deny the election to either candidate, and just put in a de facto government.

For us, I think we have to be careful not to take sides, not to be pulled into taking sides.

And there are elements in the opposition, they are coming to the Embassy and trying to get them to talk to the government, to let them have the results as they came out.

I foresee if this thing does develop into violence, that there will be the press publicity that Guatemala received two and three years ago, with impact upon the Hill as our economic and military assistance is concerned.

There is always the possibility of instability leading to a sudden radical change, although I think that is quite unlikely.

Our posture, I think, should be just to maintain our contacts with all elements, don't take sides with any one of them. If we have to say anything, emphasize—

Secretary Kissinger: We don't have to say anything—

Mr. Bowdler: —that this is a domestic matter.

Secretary Kissinger: Why should we have to say anything?

Mr. Bowdler: We may be asked in the press. I don't know whether we were asked today or not. But it is conceivable we may be asked. If so, I think we just point out this is a domestic matter. If we are pressed, I guess we have to say, yes, we favor constitutional government, and just stop there.

Secretary Kissinger: I would just say we will stay the hell out of it. We concentrate on foreign policy here.

[Omitted here is discussion unrelated to Guatemala.]

180. Telegram 1468 From the Embassy in Guatemala to the Department of State¹

Guatemala City, March 14, 1974, 1925Z.

1468. Subject: Laugerud Victory Statement.

1. On evening of March 12, after Congress had elected him President, General Laugerud made a short televised victory address and gave a press conference. In TV speech Laugerud asked all Guatemalans to heed his call for national harmony and amity. He said that with the campaign ended his opponents, who are friends of 30 years in the army, should work with him in defense of the nation's best interests. He declared that his government will dedicate itself to achieving well-being for those who do not have it, without taking it from those who do. He made an appeal to the press, as a mold of public opinion, to work with him to leave behind political animosities and bring new harmony to the great Guatemalan family.

2. In press conference Laugerud announced that he had not yet discussed possible cabinet appointments, but that this would be his first order of business as President-elect. Regarding Belize, he said that his policy would be ordained by the constitution, which clearly states that Belize is Guatemalan territory and ought to be reintegrated as part of the national patrimony. He said he will seek restructuring of the CA Common Market, will do whatever possible to bring peace between El Salvador and Honduras, and that he regarded all Central America as one political unit. He said he will continue commercial relations with Communist countries. Laugerud also declared that Guatemala has petroleum which should be exploited and said he will seek reform of the mining and hydrocarbons law to facilitate exploration. He favored Guatemalan exploitation of petroleum but said he will permit foreign capital to participate if Guatemalan resources are not sufficient. He emphasized that foreign capital must respect Guatemalan laws. Laugerud

¹ Summary: During a March 12 victory speech and press conference, Laugerud called for national harmony and indicated that his government's policy regarding Belize would be guided by the Guatemalan constitution, which identified Belize as Guatemalan territory.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to Managua, Mexico City, Panama City, San José, San Salvador, Tegucigalpa, Belize City, and USCINCSO. In telegram 53697 to Guatemala City, the Department agreed with the Embassy's assessment that Laugerud's comments did not bode well for finding a solution to the Belize question. (Ibid.) An undated Bureau Position Paper, drafted after a March 7 meeting on the Belize CASP, noted that "our diplomatic involvement in the dispute should be limited to such discreet steps as will maximize the likelihood of a peaceful settlement and minimize the possibility of violence." (Ibid., ARA/CEN Files, Lot 76D138, POL 10–3 CASP, B–1974, Pre-IG Mtg 3/7/74)

cited Guatemala's "excellent" relations with Mexico, which he hoped, if possible, to improve on the basis of commercial and economic reciprocity. Finally, Laugerud declared that Guatemalan policy toward Cuba will not change as long as that country does not allow liberty to its citizens, "alternation" of the Presidency, elections, and a free press.

3. *Comment:* Laugerud's TV remarks appear well designed to calm the political waters after an exceptionally contentious election battle. His press conference remarks also appear by and large pro forma except for his reference to Belize. The status of Belize never arose as a campaign issue, and Laugerud's immediate adoption of the GOG's hard-line public position does not bode well for an early compromise solution of the Belize issue.

Meloy

181. Memorandum From the Director of the Office of Security Assistance and Sales, Bureau of Politico-Military Affairs (Lewis) to the Deputy Assistant Secretary of State for Inter-American Affairs (Bowdler)¹

Washington, March 26, 1974.

SUBJECT

Military Assistance to Guatemala

We will face a number of difficulties in justifying to the Congress the President's FY 1975 Security Assistance Legislation. The country programs that pose special problems for us include Cambodia, the UAR, Greece and Chile. Each of these has been carefully reviewed and agreement has been reached to go forward in an effort to overcome opposition on the Hill. I do not believe we should add to the list of issues on which the Congress can challenge Security Assistance.

¹ Summary: Noting the potential for difficulties in justifying Security Assistance to Guatemala in the FY 1975 budget given its apparently fraudulent elections and other issues of concern, Lewis informed Bowdler that, pending review, the Bureau of Politico-Military Affairs planned to hold in abeyance proposed Foreign Military Sales to Guatemala.

Source: National Archives, RG 59, Central Foreign Policy File, P800109-1962. Confidential. Drafted on March 26 by James L. Clunan in PM/SAS and cleared by James H. Michel in L/PM, Alexander Schnee in H, and Robert T. Grey in PM/SAS. Telegram 1453 from Guatemala City is *ibid.*, [no film number].

Guatemala strikes me as a potential candidate for challenge. The GOG's "fraudulent popular vote count" (Guatemala 1453) deprived the opposition of victory in the March 3 election. Senator Kennedy has taken critical note of this denouement. The impending expulsion of the Maryknoll priests will keep the issue alive. The Foreign Military Sales Act states "the sense of Congress that sales and guarantees . . . shall not be approved where they would have the effect of arming dictators who are denying the growth of fundamental rights or social progress to their own people." I believe the situation is sufficiently serious to warrant placing the question of assistance to Guatemala under review.

Accordingly, PM is holding in abeyance a message authorizing the Country Team to propose a \$2 million FY 1974 FMS Credit Program to the GOG. I would appreciate your views on this matter, given our anticipated difficulties on the Hill and the need to secure as broad support as possible in the Congress for the President's FY 1975 Security Assistance Program.

182. Telegram 2197 From the Embassy in Guatemala to the Department of State¹

Guatemala City, April 19, 1974, 1910Z.

2197. Subject: FAA Section 32—Political Prisoners. Ref: State 68545.

Summary: While Guatemala has few if any strictly political prisoners, there is a serious problem of government-authorized political violence, which if not ameliorated, could lead to a reduction in all levels of U.S. Government assistance in the context of a broad interpretation of Section 32 of the FAA of 1973. *End summary.*

¹Summary: The Embassy reported that Guatemala's ongoing problem of government-authorized political violence could lead to a reduction in all levels of U.S. Government assistance.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Latin America, Box 785, Guatemala, Vol. I. Secret; Exdis. All brackets are in the original except "[of]", added for clarity. In telegram 68545 to Guatemala City, the Department requested an assessment of how the Foreign Assistance Act of 1973, Section 32, might affect the status of U.S. Foreign Assistance; specifically, the statement: "It is the sense of Congress that the President should deny any economic or military assistance to the government of any foreign country which practices the internment or imprisonment of that country's citizens for political purposes." (Ibid., RG 59, Central Foreign Policy File, D740079–0085, D740077–0232)

1. If Section 32 of the FAA of 1973 is interpreted narrowly, we believe it would have little effect on U.S. economic and military assistance programs here, because Guatemala has very few people imprisoned for purposes which could be unequivocally termed political. Those who might come under this category would be the estimated 35 current prisoners who have been tried, convicted and sentenced for alleged subversion under Guatemala's Law of the Defense of Democratic Institutions. The offences often involve distributing subversive propaganda, or harboring materials which could be used in terrorist activities.

2. The real problem in Guatemala, however, is not one of political prisoners, but rather that of political violence. There is evidence that every Guatemalan Government which has exercised jurisdiction over the last 50 years has to one degree or another, used extra legal violence, including officially sanctioned murder, against some of its political enemies. In recent years, this violence has been directed primarily, but not exclusively, against known or suspected left-wing terrorists.

3. The Embassy has devoted a considerable portion of its reporting resources over the last 10 years to an attempt to gauge the level of political violence in Guatemala. For the last five years at least, this effort has included attempts to determine, wherever possible, the degree of government involvement in this illegal violence. Given the high degree of government sensitivity on this subject, it has more often than not been impossible to pinpoint GOG responsibility for various incidents with absolute certainty. Nevertheless, our estimate of the level of GOG involvement in such violence during the 1971-72 period was such as to make the question of what the U.S. Government should do about it one of the major issues discussed in the FY 1973 Country Analysis and Strategy Paper (CASP). Reduction of U.S. assistance was one of the options considered.

4. GOG involvement in illegal repressive actions during the 1972-73 period was considerably reduced, and was not a major issue in FY 1974 CASP. However, the elimination of the use of illegal repressive actions against insurgents and common criminals was a goal in that CASP, and one of the courses of action was a careful monitoring of the level of government induced or tolerated extra legal repressive activity so that we could judge whether some disengagement to protect our image might be necessary.

5. This year, the question of political violence and our reaction to it is once again a major issue in our CASP. The conditions which have led to this renewed concern include: The fact that the government stole the 1974 election and is uneasy about it; the fact that subsequent to the elections, top-level opposition figures have been threatened with violence by right-wing figures who may play a very strong role in the next government; and our belief that the post election assassinations of Guerra

Teilheimer, a self-styled “extreme leftist” highly critical of the GOG, and Mario Monterroso a vitriolic radio news commentator and minor opposition politician who strongly attacked the GOG both during and after the campaign, were ordered, or at least sanctioned by the GOG, probably at the very highest level.

6. One [of] our recommendations in this year’s CASP is the consideration of a reduction in the level of our military assistance and/or the size of our military presence here if there is a continued use of terrorism by the GOG against its political opponents. Thus it would seem clear that there is indeed a very real possibility that conditions in Guatemala might develop in a way which would cause us to reexamine our entire assistance posture in the light of Section 32 of the FAA and to reduce assistance levels considerably.

Meloy

183. Intelligence Memorandum No. 0953/74¹

Washington, April 30, 1974.

Guatemala: The Election’s Warning Signal²

Summary

Nearly two months after the election, the government of President Carlos Arana shows no signs of allowing “defeat” at the polls to stop it from inaugurating its own candidate, General Kjell Laugerud, as President on July 1. Most observers but not the one that matters in Guatemala—the government—credit left-of-center opposition candidate General Efraín Ríos Montt with winning nearly half the votes on March 3. The official count, which Congress perfunctorily approved one week after the election, gave Laugerud nearly 45 percent of the vote and Ríos not quite 34 percent.

¹ Summary: Characterizing Guatemala’s Presidential elections as a “warning signal,” the CIA concluded that while some in the left-of-center opposition might merely grumble over their electoral loss, others might resort to violence, bringing on a new wave of government repression and extreme political violence.

Source: Central Intelligence Agency, Office of Current Intelligence, Job 85–T00353R. Secret; [handling restriction not declassified]. All brackets are in the original except those indicating text that remains classified.

² Comments and queries on the contents of this publication are welcome. They may be addressed to [less than 1 line not declassified]. [Footnote in the original]

Up to now, the government has faced only sporadic and minor resistance to the election fraud and to its muzzling of the Left, but it will probably have to contend for some time with resentment from those who feel they were cheated. The electoral process, at best perhaps only a thin veneer of democracy over a repressive government, has been further discredited.

The legitimate left-of-center opposition, though it had no solid assurances it would have been in charge under a Rios government, has been deprived of any chance to exert significant influence. The moderates among this force may merely grumble and seek to find security in jobs with the Laugerud administration, but the more extreme critics may resort to violence to express their dissatisfaction.

The country's leftist terrorists, though battered by severe government counterinsurgency actions over the past decade and beset with internal disunity, might again consider the use of violence to undermine the government. The terrorists, however, are well aware of the power of the right wing and its propensity to use violence to put down violence. If they choose to resume their fight against the well-established rightist forces, they are likely to bring on even more government repression. The danger is that the more hot-headed among them may feel that trying to work with the Left to achieve their goals is now impossible. They may welcome increased repression by the government, hoping that this will heighten the possibilities for a successful revolutionary movement in the future.

Just as important to the country's future political peace and harmony is the government's reaction to any challenge from the Left. Every Guatemalan government over the past half century has to one degree or another used extra-legal violence against its political enemies, real or imagined. The society has become inured to the violence on both sides, but should the extremists turn to terror and the Laugerud government respond with counter-terror, political polarization could reach the danger point.

[7 pages not declassified]

184. Memorandum From the Deputy Assistant Secretary of State for Inter-American Affairs (Bowdler) to the Director of the Office of Security Assistance and Sales, Bureau of Politico-Military Affairs (Ladd)¹

Washington, May 6, 1974.

SUBJECT

Military Assistance to Guatemala

ARA shares your belief that the question of military assistance to Guatemala should be reviewed. The post-election maneuvers, the arbitrary expulsion of two American priests and the murder of two vociferous opponents of the GOG have deeply troubled the Bureau and the Embassy. An analysis of the implications of such events for U.S. policy will form a major part of the Guatemala FY 75–76 CASP now being completed by the Embassy. Additionally, I have scheduled a separate IG session specifically to consider our military assistance posture toward Central America as a region.

Unfortunately, these reviews will not be completed until late June, and I understand that a decision must be taken *now* regarding the formal proposal of the \$2 million FY 74 FMS Credit Program to the GOG.

We should be clear from the start that by definition the Reuss Amendment is not applicable to the Guatemalan situation. The Amendment specifically refers to the arming of “military dictators,” which has been interpreted to mean military regimes which came to office by other than constitutional processes. Incumbent President Carlos Arana Osorio received the plurality vote in a generally free election in

¹ Summary: While agreeing that events in Guatemala were troubling, Bowdler observed that congressional limitations on the disbursement of military assistance were not applicable and that the curtailment of planned military sales might undermine bilateral relations and weaken U.S. influence.

Source: National Archives, RG 59, ARA/CEN Files, Lot 77D59, Guatemala 1974 Military Assistance (MILGP, MAP). Confidential. Drafted May 6 by Clare in ARA/CEN and cleared by LTC J. Williams in ARA/PLC and Lazar in ARA/CEN. The memorandum is an unsigned copy. Bowdler’s memorandum was in response to Document 181. In a May 6 memorandum to Williams, through Lazar, Clare noted that the U.S. Government sought to discourage “unrealistic and unnecessary arms purchases” by Guatemala, control the transfer of weapons designed for clandestine operations, and minimize Guatemala’s ability to invade Belize. (National Archives, RG 59, ARA/CEN Files, Lot 77D59, Guatemala 1974 Military Assistance (MILGP, MAP)) In telegram 2678 from Guatemala City to Belize, May 15, the Embassy noted that Laugerud would “be at least as ready as Arana has been to invade Belize, if it should move toward independence without reaching an accommodation with Guatemala.” (Ibid., Central Foreign Policy File, D740119–0384)

1970 and was duly chosen by an opposition-controlled Congress in accordance with the Guatemalan Constitution. Civilians hold all key Cabinet portfolios except Defense; since late 1971 the government has not imposed emergency decrees such as state of seige, etc. Whatever else may be said about the current Guatemalan administration, it is not a "military dictatorship," under any reasonable usage. Arana's term ends June 30, 1974.

Kjell Laugerud Garcia is to assume the Presidency July 1. Although ARA plans to keep a close watch on the composition and actions of the new government, we are in no position at this time to predict that it will evolve into the kind of regime specified in the Reuss Amendment.

Accordingly, in ARA's view, the constraints to offering the FY 74 FMS package to the GOG, set out in your March 26 memorandum, do not presently exist.

On the other hand, the GOG already knows that the USG had planned to make some provision for Guatemala under FMS credit (we understand that the funds tentatively had been earmarked—\$500,000 for automotive spare parts, \$500,000 for communications equipment and \$1 million for "other support equipment"). No matter what pretext the USG put forward, the GOG would likely interpret the curtailment of the entire offer as a conscious decision directly related to recent events in Guatemala. The poisoning of our relationship with both the lame-duck Arana government and the prospective Laugerud administration would be certain and serious.

If events reveal that Arana or Laugerud are relying heavily upon political violence to support their regimes, or otherwise undertaking policies which we feel it in the U.S. interest to inhibit, the USG has a variety of instruments available to attempt to make our influence felt. For example, the FY 75 military assistance program could likely be involved, even though a narrow finding under Reuss or other Congressional constraints might not be sustained. It should be noted too, in this connection, that failure to provide FMS credit for 1974 under the circumstances set forth above would put us in a less—rather than more—influential position with the GOG at such time as we may wish to use that influence.

As indicated above, ARA would have preferred not to make a decision regarding the FMS credit proposal until after our policy reviews had been completed and until after the Guatemalan situation had clarified further. With this possibility precluded, however, ARA on balance believes we should follow normal procedures and authorize our Mission to make the proposal to the GOG if they so decide. The Department still would review the specific uses to which the credit would be applied.

185. Telegram 3060 From the Embassy in Guatemala to the Department of State¹

Guatemala City, June 5, 1974, 1830Z.

3060. Subject: Political Assessment.

Summary: The political situation has calmed considerably over the last several weeks and the government now appears confident (with reason, we believe) that President-elect Laugerud will take office on July 1. The important political action is now taking place within government coalition circles, where Laugerud is engaged in negotiations with his Vice President-elect over the allocation of jobs and control of Congress. Indications are that he is successfully resisting pressures to appoint party hacks to the top jobs and that the majority of his cabinet officers will be technically competent and ready to carry out moderate social and economic reforms. Laugerud, hampered by smouldering discontent over electoral fraud and facing serious economic and social problems, will start from a weak position; but with the support of the army, which he has, may be able to consolidate his position considerably during his first year in office. United States's interests will best be served if Laugerud successfully pursues the modest economic and social reforms he has espoused, and we will do what we can to encourage and help him. *End summary.*

1. The political situation has calmed considerably over the past several weeks. The government, which had been viewing opposition activity as both subversive and dangerous, now seems appreciably less concerned that its opponents will be able to prevent or put serious obstacles in the way of President-elect Laugerud's take-over on July 1. The opposition itself, while still deeply disillusioned at having been robbed of its victory in the March 3 elections, nevertheless seems resigned to a Laugerud take-over. FURD leader Colom Argueta is planning an extended stay in Italy after he leaves City Hall on June 15; former Chief of Government Col. Enrique Peralta has departed for Miami; and although the Christian Democrats are still hoping forlornly that "something will happen" to frustrate Laugerud's assumption of power, they are planning to participate in the new Congress.

¹ Summary: The Embassy reported that despite indications the political situation had calmed in Guatemala, Laugerud's administration would find itself hampered by discontent over electoral fraud and continuing economic and social problems. While noting that U.S. interests would be best served through government-implemented reforms, the Embassy conceded that it enjoyed only minimal influence over the situation in Guatemala.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to Managua, Panama City, San José, San Salvador, and Tegucigalpa.

2. Dissatisfaction within the army over electoral fraud has subsided and the military now appears fully united behind Laugerud. In this connection, we note that Ricardo Peralta Mendez, the only general to oppose the electoral rip-off, and a number of his proteges are now voicing support for the President-elect.

3. Government harassing action against the top opposition leaders has slackened, although political assassinations continue in the interior. Actions such as the recent murder of a Departmental Christian Democratic leader appear to be a heavy-handed attempt to choke off dissent against the installation of a number of fraudulently elected coalition mayors who are scheduled to take over on June 15. There are likely to be some incidents on June 15 but we do not expect any serious challenge to the government.

4. The most important political action is now taking place within government coalition circles where Laugerud is engaged in strenuous behind-the-scenes negotiations with his Vice Presidential running mate, hard-line, right-wing president of Congress Mario Sandoval, over a division of government positions. Laugerud has kept a very closed mouth concerning his new cabinet, but indications are that he has successfully resisted strong pressures to appoint party stalwarts, and that a majority of his cabinet officers will be technically competent and ready to implement moderate social and economic reforms. Whether Laugerud will be able to avoid appointing a good number of party hacks to lesser positions is more questionable.

5. Laugerud is also sparring with Sandoval over the leadership of the new Congress, but we suspect that while he would like to minimize his Vice President's influence in the legislature, he will fight hardest over the executive positions. The congressional leadership comes up for reelection annually, and Laugerud will have several more opportunities to make his influence felt in choosing the legislative leadership.

6. In his dealings with Sandoval, the President-elect is no doubt somewhat hampered by the knowledge that it was Sandoval who engineered the fraud which achieved victory, but we believe Laugerud has largely rationalized his take-over as being a service to both the country and the politicians who sought unsuccessfully to get him elected. Laugerud's main strength in the negotiations lies in the fact that he has the support of the army, which is practically solid in wanting to minimize Sandoval's influence.

7. Laugerud's future relationship with President Arana, who personally picked him to run for the Presidency, is still far from clear. It is beginning to appear, however, that while Arana will expect to be consulted on major policy decisions, he does not intend to try to control the presidency from behind the scenes once he leaves office. We understand, for example, that Arana is planning to spend several months

abroad shortly after Laugerud takes over, and that he has sought to avoid becoming deeply involved in the selection of the new cabinet. Some believe that Arana will attempt to maintain a position of power by keeping the ultimate loyalty of the senior army commanders. We tend to doubt that he would be able to do this even if he were to try. Our present prognostication is that Laugerud will become the Commander in Chief of the Armed Forces in fact as well as in name when he takes office.

8. The underlying factors for instability which we have reported previously, mainly smouldering discontent over electoral fraud, the serious economic problems greatly exacerbated by inflation, remain, and the outlook is still quite murky. We are, however, slightly more optimistic that Laugerud may be able to confront these problems with some success, although an apparent GOG backdown on proposals to significantly increase export taxes (septel follows) will not make his job any easier. There is no doubt that the President-elect will begin from a weak position. But with the support of the army which we believe he has, he may be able to consolidate his position considerably during his first year in office. Much will depend on the eventual outcome of his jockeying with Mario Sandoval.

9. United States interests will best be served if Laugerud successfully pursues the modest social and economic reforms he has espoused. We have no doubt that he intends to try. Our ability to influence in the current situation is minimal. We will, however, make use of any appropriate opportunities to encourage Laugerud's will and ability to move in the direction of economic and social reforms.

Meloy

186. Memorandum of Conversation¹

Belize City, June 11, 1974.

PARTICIPANTS

David C. Walker, British Embassy, Washington
 Kenneth Oldfield, Permanent Secretary for External Affairs, Belmopan
 Robert S. Driscoll, Acting Principal Officer

SUBJECT

The Belize Question

Walker first questioned me about the Belizean economy. I told him that the economy of Belize was stagnating and had seen no real growth for over three years. He then asked if Belize could survive after independence. I replied that it depended on how much money HMG was prepared to spend. He also asked who was covering the balance of payments Belize habitually runs and I again replied, somewhat to his surprise, that HMG does.

"But surely," he said, "somebody—the U.S., the World Bank, IDB, the CDB—would finance Belize after independence." I replied that the U.S. had absolutely no interest in assuming HMG's obligations here. "Even to prevent a left wing revolutionary government from taking over?" he asked. I explained to him that we had already made clear to Minister Rogers some time ago that that ploy had gone out of fashion about ten years ago. The problem with Belize, I remarked, is that there is nothing here anybody wants. Further, Robert McNamara had been quoted off the record that the World Bank should not lend money to a nation of 120,000 people. Unless the dispute with Guatemala is settled on friendly terms, Guatemala could, and probably would prevent Belize from borrowing at the IDB; and the money required to cover Belize's annual trade deficit would exhaust CDB funds in a few years. Finally, Belize's capacity to borrow is very small. I pointed out to him that the pundits at the IMF usually recommended that a 20% debt ratio was about the most a country could sustain and remain economically healthy. A 20% debt ratio for Belize is about \$14 million, a little less than the annual trade deficit. Clearly, being able to borrow at international lending institutions was not going to solve the GOB's money problems.

¹ Summary: During a dinner meeting, Acting Principal Officer Robert S. Driscoll and David C. Walker of the British Embassy in Washington discussed U.S. policy on Belizean independence and the dispute between the British and Guatemalan Governments.

Source: National Archives, RG 59, Central Foreign Policy File, P810026-0173. Confidential. Drafted by Driscoll. The meeting was held at Driscoll's residence.

He asked if I had a solution, to which I replied that the solution seemed to be the present one. On a per capita basis HMG operates the most lavish charity in the world here. He corrected me saying that the Falkland Islands is the most lavish charity on a per capita basis. He then remarked that I did not seem to think Belize had a chance economically after independence. I replied that independence, first of all, was not an economic issue, to which he agreed. Then I remarked that perhaps only independence, when Belize could no longer call on HMG to cover her shortfalls, would force the GOB to make the hard economic decisions that were necessary.

Returning to the theme of possible U.S. involvement, Walker declared that if HMG notified the Belizeans that “it was pulling out on September 3rd,” and the Guatemalans threatened to invade, surely the U.S. would become involved. I explained that we had already tried to mediate the dispute, and failed, and we were most reluctant to attempt that again. Further, while a U.S. Ambassador is highly respected in Central America, this does not mean if our Ambassador told the Guatemalan President that we would not look kindly on an invasion of Belize that he would pay any attention to him. True, our primary interest was to maintain the peace in Central America, but our reading of the situation was that Guatemala was so committed to her claim on Belize that she would feel compelled to invade in case of unilateral independence. But surely, Walker replied, the idea of getting along without U.S. aid and military assistance would restrain Guatemala. I replied that the tactic of withholding aid had proved to be most unsuccessful in other cases, and that we believed that Guatemala would invade regardless of the consequences.

He then said that Central America was our backyard and that we had to be involved. I said that the Congress, which is a pretty good reflection of the mood of the American people, was very wary of foreign entanglements and showed its disenchantment by the rough handling it gives to the AID and military assistance budgets. Congress seemed to be tired of spending enormous amounts overseas with no tangible results. Walker replied that “this carping by the Americans about foreign aid was tiresome.” He said that on a per capita basis Britain gave more aid. I pointed out a white paper prepared by the previous Labour government had concluded that every \$1.00 in foreign assistance HMG provided eventually earned \$1.25 in incremental exports. Further, our experience had been that most other bilateral assistance programs, ODA included, were nothing more than elaborate schemes for supplier credits. AID could not make this claim. Finally, Walker agreed that, rightly or wrongly, the mood of Congress was pretty much as I described it.

Walker then returned to the “September 3rd” situation. “Assume,” he said, “that you are Kubisch or Kissinger; the British are leaving and

the Guatemalans are poised for an invasion of Belize. What would you do?" I replied that first I would look at our interests in Belize and conclude that they were few. Then I would recognize that Belize does have an honest desire to be independent and that Guatemala has never exercised control over the territory. I would give the obvious instructions to our Ambassador to Guatemala and the OAS and then wait to see what developed. Beyond that I did not know. I told him that we had discussed this very situation among ourselves and that I had recommended, in jest, that we close the Consulate General. I asked him what he would do with this situation if he had the authority. He said that he would tell the Falkland Islanders, the Northern Irish and the Belizeans that HMG was pulling out on September 3rd and then leave them to their fate. He recognized, however, that Parliament would never allow such a thing to happen.

Walker asked what I thought the U.S. role was going to be in the coming years. Barring any great change in U.S. policy, I said that most likely the U.S. would continue as an interested, but non-participating, observer trying to maintain friendly relations with all three parties to the dispute.

Comment: Walker only confirmed what has obviously been an object of British policy in Belize for a long time. That is, if HMG can figure out a way of placing the whole problem on the back of the United States, it will. The British are stuck in Belize; they see little hope for progress in talks with the Guatemalans, as Walker readily admitted; and they see no way out. Further, among those British officials who concern themselves with Belize there seems to be a resentment against the U.S. for not lifting up HMG's burden.

At one point during the conversation, when Walker was being his most insistent, he was asking why the U.S. refused to act. What he was asking, and what HMG would like to see us do, and what the GOB would dearly love, is for the U.S. to impose an imperial solution to the problem. And this solution is precisely what the British either cannot or will not provide for Belize. I made this remark to Ken Oldfield the following day as we went through a rehash of the previous evening. Oldfield, who has heard our position many times, said, "You chaps are bloody clever to stay away from this lot." He also said that he was happy that Walker had heard our position directly from the people on the scene.

A notable aspect about the dinner conversation was that Oldfield stayed out of it. He only entered in to ask questions when Walker started talking about the Falkland Islands, NATO and the Irish-American involvement in the IRA. Also notable was Walker's remark at the beginning of the evening that he was going to bait me. And he did.

187. Telegram 3829 From the Embassy in Guatemala to the Department of State¹

Guatemala City, July 16, 1974, 2345Z.

3829. Subject: President Laugerud Gets Set: Thoughts on the Future.

1. *Summary:* As President Laugerud begins his first year in office, there are increasing indications that he intends to be the undisputed leader of Guatemala from the very start, and that he has made good initial progress towards that goal. He is well aware of the economic and social problems which his government faces and of the difficulties he will encounter in handling them. We expect that his approach to these problems will be less conservative than those of his predecessor and will include serious attempts at tax reform.

2. To accomplish his goals, which include curbing inflation, stabilizing basic grain prices, improving health and educational services, increasing agricultural production, and furthering the Central American integration movement, the President has chosen a cabinet made up largely of respected, nonpolitical, qualified individuals, and the majority of his sub-cabinet and agency head choices have been good ones. Laugerud will encounter tenacious opposition to reforms from Guatemala's powerful economic elite, and he may well have serious difficulties with his Congress. How he will go about dealing with this opposition is not clear, but we believe he will have the all-important support of the army in pushing for reform.

3. Laugerud is favorably disposed toward the U.S., and will actively seek our support for his economic and social development programs. He is also, however, highly nationalistic and may prove difficult to deal with on some individual bilateral problems which he believes involve national self-respect and honor. We believe that U.S. policy should be to encourage Laugerud in his efforts to achieve the reforms which he and we believe are essential for long-term stability, to cooperate with him in improving the implementation of economic and social development programs he has inherited from his predecessor, and

¹ Summary: The Embassy analyzed the situation in Guatemala at the outset of the Laugerud administration and concluded that although he might prove difficult on individual bilateral issues, the U.S. should encourage the new President in his efforts to implement social and economic reforms.

Source: National Archives, RG 59, Central Foreign Policy File, D740192–0359. Secret. Repeated to San José, Managua, Panama City, San Salvador, Tegucigalpa, and Belize City. In telegram 3541, July 1, the Embassy reported that Laugerud had indicated that he anticipated no solution to the Belize problem during his term in office. (Ibid., Nixon Presidential Materials, NSC Files, Country Files, Latin America, Box 785, Guatemala, Vol. I)

to be prepared to assist him in new programs if we conclude that such programs represent a real and effective commitment to meaningful economic and social development and if, as now seems more likely than not, the Laugerud administration does not pursue a policy of repression of its political opposition. *End Summary.*

4. As President Laugerud begins his first year in office, there are increasing indications that he intends to be the undisputed leader from the very start and that he has made good progress towards that goal. He has rationalized the electoral fraud which put him in office and now appears fully convinced that he is the best man for his present job and that it is in the national interest that he lead the country. He does not feel beholden to his Vice President, Mario Sandoval, for engineering the fraud which achieved their victory, nor to the politicians who worked on his campaign. In fact, by refusing to accept any of Sandoval's suggestions for cabinet positions (this in the face of a threat by the VP to resign) and by vetoing Sandoval's choice for president of the Congress and imposing his own man, he has gone a long way toward neutralizing the MLN kingpin in the first phase of the new government. MLN appointments have also been scarce in secondary positions. The only important Sandoval man to get a reasonably important job so far has been Mario's brother Armando, who was named to the Agrarian Reform Institute. Mario Sandoval is not a man to be counted out just because he is down, however, and he will be a continuing problem for the President—who fully recognizes that fact and intends to keep careful watch on him.

5. The future relationship between the new President and his predecessor and mentor, ex-President Arana, is less certain, although Laugerud has made clear to the Ambassador that he does not intend to allow Arana to become a controlling influence in his government. Arana, who has not been heard from since he departed for his retirement home in Chiquimula immediately after leaving the inauguration, is scheduled to stay there until mid-August, return to his new home in Guatemala City briefly, and then go off on a several month's safari in Africa. In the meantime, Laugerud has changed the entire officer corps of the presidential staff and presidential guard. Our present estimate is that Arana will not be able to become a dominant force in the Laugerud administration should he try—and we are not sure he will.

6. Laugerud has worked hard, skillfully, and successfully to consolidate his position with the army. Among other things, he has made telling personal appeals for support to assembled officers at all the major commands, emphasizing his disillusionment with the politicians and his need for his fellow officers' support for his reforms; he has eased out the politically ambitious head of the military academy, sending him as Ambassador to El Salvador; he has refused political and

other pressures to do likewise with the head of the Center for Military Studies, who is widely respected by many of the more liberal (and talented) field grade officers; and he has appointed an officer he respects highly as the chief of the strategically important Honor Guard Brigade stationed in the center of Guatemala City. Laugerud has from the start considered the army his most important ally and will, we are sure, continue to do so.

7. The new President is well aware of the economic and social problems which his government faces and of the difficulties he will encounter in handling them. We expect that his approach to these problems will be less conservative than that of his predecessor and, if he and his cabinet follow through on their stated intentions, will include serious attempts at meaningful reforms, including tax reform. He has told the Ambassador he fully expects to be attacked as a Communist for pushing for reforms and programs to help the poor, but that he intends to forge ahead nevertheless.

8. To accomplish his goals, which include curbing inflation, raising wages, stabilizing basic grain prices, improving health and educational services, increasing agricultural production, developing natural resources, reducing wasteful government expenditures, reducing crime and violence, and furthering the Central American integration movement, the President has chosen a cabinet made up largely of respected, nonpolitical, well-qualified individuals. The majority of his sub-cabinet and agency head choices have also been good ones—men who are technically well qualified. One disadvantage of the non-political cabinet is that containing no figures with political strengths of their own, it will probably be of little help in generating support for Laugerud's programs. Nor is it yet clear how much administrative capacity is represented in the cabinet officers. Laugerud has summed up his policy on a number of occasions, including his inaugural address, as creating well-being (*bienestar*) for those who lack it without taking it away from those who already have it. He has, however, not been very specific about how he plans to accomplish this. The only concrete step we expect in the near future is for him to comply with his promise to raise government wages, and to jawbone industry and commerce into doing the same.

9. Laugerud's economic team, which has been charged with coming up with specific recommendations for an action program, has former Planning Director Rosenthal's partially completed second five-year plan to use as a starting base, and has the expertise to come up with solid recommendations. We believe that it will probably be 4 to 6 months, though, before Laugerud will have a concrete set of proposals to act on. It will probably also take at least that long for the new president of Congress to get the legislature sufficiently organized to be able

to tackle any significant new legislation which may be called for. The 4 to 6 months' time frame is not so bothersome as we would previously have imagined, however, because current Embassy soundings indicate that while inflation is a serious problem, wages are rising even before Laugerud's jawboning has had its full effect, with the result that demand deflation has not yet emerged to dampen commerce and industry.

10. Notwithstanding the existence of an able team and a better-than-anticipated economic situation, we feel sure that if and when Laugerud does propose any serious reform programs, he will encounter tenacious, skillful and, at times, unscrupulous opposition from the powerful economic elite which has successfully avoided any such reforms over the years. He may well have particular difficulty in the Congress.

11. How Laugerud will meet his opposition is not clear, but our present estimate is that he will indeed press much harder for reform than his predecessor did. He recently told the Ambassador privately that he hoped to achieve his goals through education and persuasion, but was prepared to move ahead by compulsion if necessary. We do not discount the possibility that he would threaten to dissolve the Congress, as President Arana once did, if he were to believe it necessary. And if he were to do so, he would very likely have the support of the army which, through years of indoctrination, has become increasingly more convinced that it should not support the status quo of great inequities in Guatemala's income distribution.

12. In this connection, we have been told by a key officer on Laugerud's military staff that the inaugural day speeches of Presidents Arana and Laugerud, admonishing the rich to share or face extinction represent the line which is, and has been, the official policy of the top officials of the Ministry of Defense. We were also told by Chief of Staff Lucas that he and the senior military staff would support Laugerud in his attempt to make social progress through democratic means, but would also support him fully if he should decide to dissolve the Congress. We emphasize that we see no indication that Laugerud intends to govern undemocratically at present and, indeed, do not expect the question to arise for at least six months.

13. In fact, we now believe that the new President, who as noted previously is quickly consolidating his position, will probably have at least a six-month breather before he faces serious problems of instability. This is for two basic reasons. First, as noted, the economic picture, although obviously not rosy, does not look as bleak as it did previously. Preliminary indications of the Embassy's business survey, now in full swing, suggest that while inflation is as bad as expected, a number of industries are raising their wages voluntarily and thus both

relieving pressure from the have-nots and maintaining consumer demand. Furthermore, future contracts for commodity exports are being made at a level which will be even better than last year. We are also getting preliminary reports that the corn and bean crops due around August will be good ones. This news in itself is having a salutary effect on present prices. Second, on the political front the opposition simply is not recovering quickly from the demoralizing effects of its failure to take effective action to preserve its March electoral victory. FURD leader Ponciano has just declared that the FURD is dead, and he is going to concentrate for the moment on being mayor; the PR is once again thrash-ing around in internal struggles involving an attempt to unseat its Secretary General, Carlos Sagastume; and the Christian Democrats are talking about naming their leader, Rene de Leon Schlotter, as their Presidential candidate in 1978. It is perhaps symptomatic that a number of political and military figures are already thinking in terms of the 1978 elections.

14. On the security front, the level of violence is down and there are indications that Laugerud intends to curtail government use of illegal violence. There appears to be an internal struggle going on within the left-wing insurgent groups between those who want more terrorism, and those who don't. The result of that struggle will, of course, materially affect the security situation, including Laugerud's actions.

15. Laugerud is favorably disposed toward the U.S. and will actively seek our support for his economic and social development programs. He is also highly nationalistic and may prove difficult to deal with on individual bilateral problems which he believes involve national self-respect and honor. Airline and shipping matters are foremost in our mind in this area.

16. We believe that present U.S. policy should be to encourage Laugerud in his efforts to achieve reforms which we and he believe are essential for long-term stability, and to cooperate with him in improving the implementation of the development programs he has inherited from his predecessor. We do not think the new government will come up with any concrete new development programs for at least 4 months. If and when Laugerud does produce such programs, we should be prepared to give positive consideration to further assistance, if we conclude that such programs represent a real and effective commitment to meaningful development and if, as now seems more likely than not, the Laugerud administration does not pursue a policy of repression of its political opposition.

Meloy

188. Telegram 4939 From the Embassy in Guatemala to the Department of State¹

Guatemala City, September 11, 1974, 1501Z.

4939. Subject: Belize. Ref: Guatemala 4860.

1. During call by Ambassador on President Laugerud September 9 at Ambassador's request, first subject raised by President was Belize. He said he knew that FonMin had discussed Belize with Ambassador only five days earlier (reftel), but problem continued uppermost in minds of President and his government. He was afraid that Prime Minister Price might be contemplating some hasty and early move toward independence. President said this would be disaster and could benefit no one since Guatemalan Armed Forces would feel obliged to "attack" immediately. This would involve not only Guatemala and Belize but UK and U.S. and other nations as well. It could not help anyone. President said he believed firmly that force did not really settle anything. Therefore, it was essential to talk together and to seek peaceful solutions. Even if these solutions were not easy to arrive at and the discussions should be prolonged, a situation which would precipitate use of force must be avoided.

2. Ambassador asked if President had specific information which caused his current concern. He replied that he had information from four different sources that Price might be up to something. Guatemalan consul in Belize, for example, had recently reported information to this effect from well-placed members of the local Congress.

3. President said Guatemala would be grateful for U.S. good offices to counsel restraint, and to urge Price to take no hasty or drastic action.

¹ Summary: During a September 9 meeting with Ambassador Meloy, President Laugerud expressed his concern that Prime Minister Price might be moving too hastily on Belizean independence, and warned that under such circumstances the Guatemalan military would feel obliged to attack Belize. Laugerud requested that the U.S. use its good offices to counsel restraint.

Source: National Archives, RG 59, Central Foreign Policy File, D740253-1001. Confidential. Repeated to London, Mexico City, and Belize City. In telegram 4860 from Guatemala City, September 6, the Embassy reported that Foreign Minister Molina Orantes had expressed concern over Price's "increasing activism" and had warned that a sudden move toward independence by Belize "would precipitate action on the part of the Guatemalan armed forces." (Ibid., D740248-0746) In telegrams 505 and 506 from Belize City, September 11, the consulate reported that Price had indicated publicly that Belizean foreign policy rested on Belize's independence, and that he had characterized Guatemala as a "negative force" impeding Belizean independence. (Ibid., D740254-0249, D740254-0250) In telegram 202411 to Guatemala City, September 13, the Department expressed its surprise at the Guatemalan Government's reaction to "electoral rhetoric" in Belize that included "intemperate remarks regarding independence." (Ibid., D740258-0261)

Ambassador replied that he had already reported to Washington FonMin's conversation with him. Ambassador agreed with President's statement that no one would benefit should matters reach crisis proportions. Ambassador felt it was in everyone's interest—he stressed everyone's—to avoid drastic and hasty actions and to seek a peaceful solution.

4. *Comment:* Whether or not they are accurate, reports of some impending move by Belize Government have unquestionably been received by GOG and latter's deep concern is real. Nor do we believe there should be any doubt about Guatemalan's intention to invade Belize if independence declared. Any information available to Department and other addressees which Department might wish us to convey to GOG to avoid possible misreading of situation would be welcome.

5. Substance of this message as well as of Guatemala 4860 have been made available in confidence to new British consul here.

Meloy

189. Telegram 591 From the Consulate General in Belize City to the Department of State¹

Belize City, October 7, 1974, 2234Z.

591. Subject: Premier Price's Intentions in Regard to Independence. Ref: (A) State 202411 Notal; (B) Guatemala 4860; (C) Guatemala 4939 Notal.

1. Col. Fraser-Orr, Commander British Forces Belize, called at ConGen to discuss a memcon he was preparing at Governor Posnett's request summarizing comments made by Premier Price during and after a dinner I gave for Kilday (Deputy Director ARA/CEN) September 28.

¹Summary: The Consulate General reported on Prime Minister Price's efforts to win support around the Caribbean for Belizean independence and British concerns that he might go too far and present Guatemala with a fait accompli for military intervention.

Source: National Archives, RG 59, Central Foreign Policy File, D740284–0649. Confidential. Repeated to Georgetown, Guatemala City, Kingston, London, Mexico City, and USUN. Fraser-Orr's memorandum of conversation was not found. Telegram 202411 to Guatemala City, September 13, is *ibid.*, D740258–0261. Telegram 4860 from Guatemala City, September 6, is *ibid.*, D740248–0746. Telegram 4939 from Guatemala City, September 11, is Document 188

2. According to Fraser-Orr's memcon, Price had said (inter alia) (A) that "if progress toward independence was not made quickly enough there might be some merit in presenting Guatemala with a fait accompli by a UDI (Unilateral Declaration Independence), trusting world opinion or pressure from the UN to prevent any military adventure by Guatemala;" and (B) "that if Britain would not provide a defense guarantee perhaps a defense guarantee could be negotiated with other friendly countries in the Caribbean area."

3. I was present during most of conversation Fraser-Orr's memcon referred to, and I think the colonel's account of what was said suggests a greater degree of substance and seriousness than warranted by the circumstances in which conversation took place.

4. The Premier was in an uncharacteristically jovial mood at the dinner, and there was an element of friendly banter in the conversation which took place afterward. Price's reference to a UDI seemed to me to be jocular in tone, and I had the impression at the time that he was simply giving the lion's tail a friendly little twist just to test the colonel's reflexes. The Premier did discuss the independence problem, covering mostly familiar ground, and he did speculate about other possible means of restraining Guatemala if GOB decided to opt for independence without a British defense guarantee, including recourse to world opinion, agreements with neighboring countries, and support for Belize in the UN and other international bodies. My appraisal of Price's remarks at the time, however, was that he had said nothing significantly new. Col. Fraser-Orr thought otherwise, however, and the memcon went to the Governor as reported above.

5. *Comment:* My concern is that some of the eventual readers of the colonel's memcon, not knowing the context and circumstances, might find in it confirmation of earlier reports (reftels) that Price had a surprise up his sleeve. In my opinion, this would be reading too much into what Price said at my place that evening. Governor Posnett, with whom I have had two long discussions in the last month about Price's intentions, gave no credence to the reports (relayed to him here from the Foreign and Colonial Office (FCO) which Guatemalan President Laugerud and FonMin Molina cited in their recent conversations (refs B and C) with Ambassador Meloy, attributing these to Colonel Dubois, Guatemalan Consul General here, of whose competence H.E. has a low regard. Consequently, I think he will take Fraser-Orr's memcon with a grain or two of salt. However, it may cause some concern in the FCO, which might cause the matter to be raised in London, Washington and Guatemala.

6. *More comment:* On the more general question posed by reference A, no evidence that I have been able to adduce so far supports the hypothesis that Price is planning a surprise bid for independence. It is no

secret that he has been visiting nearby countries and that he has been trying to drum up support for Belizean independence. While he apparently got some assurances of moral support and some helpful statements in the UNGA, he still has a long way to go for a regional defense guarantee, as he doubtless knows. As for support from the UN and other bodies, my estimate is that Price is intelligent and realistic enough to realize that at this stage he could not rely on any of these organizations to rescue Belize from the predictable reaction of Guatemala to a precipitate declaration of independence. By now, he probably recognizes he will probably never get a defense guarantee from the British; consequently he is striving to develop alternatives. To be seen to be striving is more than enough to satisfy his domestic political needs, as the Belizean body politic does not seem to attach great urgency to the attainment of independence. Granted, this is not enough to satisfy Price's aspirations for Belize, and after the elections he will probably continue, and may intensify, his efforts to find viable alternatives leading toward independence, but I do not foresee him embarking on a dangerous UDI gamble until he has completely exhausted all other possible courses of action.

Gawf

190. Telegram 6697 From the Embassy in Guatemala to the Department of State¹

Guatemala City, December 10, 1974, 1655Z.

6697. Subject: Split Between President and Vice President Creates Tense Political Atmosphere. Ref: Guatemala A-211.

¹ Summary: The Embassy reported that a political split within the governing MLN Party and hostility by Vice President Mario Sandoval Alarcón threatened to undermine the stability of President Laugerud's administration.

Source: National Archives, RG 59, Central Foreign Policy File, D740358–0628. Secret; Limdis. Repeated to Managua, San José, San Salvador, Tegucigalpa, and USCINCSO for POLAD. In airgram A-211, November 29, the Embassy reported that Sandoval had purged Laugerud supporters from the MLN. (Ibid., P740133–0665) In airgram A-221 from Guatemala City, December 13, the Embassy observed that the split within the MLN was growing wider and speculated the conflict would become more heated in January 1975. (Ibid., P740138–1576) In airgram A-227 from Guatemala City, December 30, the Embassy indicated that Sandoval had characterized reports of friction between himself and Laugerud as “fabrications created by those who wished to create such a division.” (Ibid., P750003–0299)

1. *Summary:* A split in the ranks of the right-wing National Liberation Movement, the principal government party, seems likely to have a far-reaching effect on the Guatemalan political scene. The stability of the Laugerud government is being threatened by the hostile stance of Vice President Mario Sandoval, leader of the majority MLN faction. Sandoval has been bitter concerning Laugerud's refusal to appoint MLN men to key government jobs. Since the new government assumed power on July 1 of this year, the new dissident MLN faction, led by former Foreign Minister Roberto Herrera, is currently supporting Laugerud but could turn against the President if he fails to give them the help they want. Sandoval has taken steps to calm the situation, probably in order to ease the general nervousness concerning Sandoval's scheduled assumption of Presidential powers during Laugerud's trip to Caracas December 12–15. The conflict is expected to be renewed with force after the Christmas holidays. The President wishes to avoid confrontation with Sandoval but the MLN leader may force a showdown through obstructionist tactics in Congress. *End summary.*

2. The Split: The party split, which has been developing for months, came during a meeting of the MLN high command on November 26. During a pre-fabricated party "reorganization," Sandoval sacked two top members of the MLN's National Directorate. Sandoval made clear to Roberto Herrera Ibarguen that he would shortly be replaced as president of the party's political council and Herrera resigned from the position two days later. As of December 10, seven members of the 16-man National Directorate have resigned or been expelled and eight out of the 20-member Political Council have resigned. The most recent resignation was that of Labor Minister Daniel Corzo de la Roca.

3. All of those who resigned emphasized that they remain MLN members. Resignation letters have had two common themes: Mario Sandoval's increasingly autocratic management of the party and disagreement with the party's oppositionist stance toward the Laugerud government.

4. Background: Sandoval's hostility toward Laugerud has been due in large part to the President's refusal to appoint MLN members to key government jobs. Sandoval's number one demand has been the appointment of his crony Hector Andrade as Minister of Communications and Public Works, the government principal patronage-dispensing job, and a position responsible for handling a quarter of the national budget. The few MLN figures who do hold top government positions are now nearly all with the Herrera faction.

5. The party break was precipitated by a number of actions taken by Sandoval without consulting other party leaders: (A) the dissidents privately allege that Sandoval approached three top army generals (Defense Minister Rubio, Interior Minister Vasaux, Chief of Staff Lucas)

to sound out their interest in running as the MLN's 1978 Presidential candidate. The generals reportedly informed Laugerud of Sandoval's approach and the President told Herrera. The dissidents concluded that Sandoval's intention was to create jealousies between the generals and to animate at least one of them into launching an MLN-backed coup. (B) Prior to his departure in October for a medical checkup in Houston, Sandoval left instructions with MLN Public Relations Director Rudy Fuentes to attack publicly the Presidential Press Spokesman, Roberto Giron Lemus. Fuentes dutifully began an acrimonious exchange of insults with Giron. (C) Sandoval similarly told the MLN professional branch that in his absence the professions should castigate the National Electric Company's decision to raise rates.

6. The Herrera group disowned statements by Rudy Fuentes and the professional branch, resulting in confusion as to who spoke for the MLN. After Sandoval hurried back from Houston on November 24, the Herrera group proposed to him that a party convention be held to "reorganize" leadership and clarify the party line. Sandoval understood that the Herrera group hoped to reduce his powers as Director General. After consulting with the MLN congressional bloc, which is loyal to Sandoval, the Vice President moved to purge the dissidents.

7. Present Situation: Following the purge, Herrera, Gariel Martinez del Rosal and other dissident block leaders consulted with President Laugerud. The President reportedly offered support to the group, but stopped short of meeting all its requests. As a gesture of support, Laugerud named Herrera his personal representative to the December 5–6 National Municipalities Association (ANAM) assembly. The President agreed to remove from office some minor Sandoval men and encouraged the Herrera group to contest the legality of the party "reorganization." The President promised to replace the present Electoral Registrar (a Sandoval loyalist) with a member of the dissident group.

8. The dissidents hope to work through the electoral registry and the courts to force the party to hold a General Assembly. They are willing to leave Sandoval as figurehead party chieftain but with his powers distributed among other directorate members. The group admits its current minority status but believes it can improve its position in the interior through the influence of key rural leaders. There is evidence, however, that many departmental and municipal MLN committees may be reluctant to challenge party chieftain Sandoval.

9. After consulting with Laugerud, the Herrera group had decided to hold its fire until two critical events have taken place: Laugerud's trip to Caracas (December 12–15), during which Sandoval will be acting President; and approval of the national budget prior to the congressional recess about December 15. Those events will be followed by the

Christmas holidays, when politics traditionally take a month-long holiday. In January, the dissidents plan to attack Sandoval with full force.

10. Sandoval also has taken several steps to calm the situation. Presumably, he hopes to ease some of the general nervousness concerning his imminent assumption of Presidential power for three days. Sandoval also reportedly had not expected the Labor Minister's resignation from the party's leadership and feared it would have a snowballing effect. Several hours after Corzo's resignation, Sandoval sent the MLN deputy bloc to meet with Laugerud and to assure the President of their continued support. Instead of expelling the dissidents from the party, as originally planned, Sandoval created a disciplinary council which can study the matter indefinitely. In paid press announcements, the MLN has asserted its "firm and unvacillating" support for Kjell and Mario. During the ANAM convention, both factions agreed to set aside their differences temporarily in order to defeat their common leftist enemies.

11. Future. Mario Sandoval appears to have several options, listed below in what we judge to be the order to likelihood: (A) increase obstructionism by the MLN congressional bloc. This tactic runs the risk of the President closing down Congress. Laugerud also could apply pressure and bribery to undermine Congressmen. (B) Continue present level of MLN criticism of Laugerud government's personnel and policies. This approach would continue to be ineffective but would avoid confrontation with the President. (C) Violence against Herrera group and others. Dissidents are concerned that Congressman Bernal Hernandez and other "heavies" allied with Sandoval may act independently. This tactic runs risk of Presidential imposition of state of seige or army coup to restore order. (D) Alliance with leftist political parties. Sandoval may try this, and may have success with branches of PR, but probably would fail with more significant DCG. (E) Organize army coup. Probably being considered by Sandoval, but he is hampered by lack of support at general staff level. Dissidents are concerned Sandoval may attempt to work through ambitious field grade officers, but this approach would be very difficult. (F) Alliance with former President Carlos Arana—an unlikely development.

12. Laugerud's current alternatives appear to be as follows: (A) Compromise by offering Sandoval men lesser government positions, such as Director of the Roads Department. With some grumbling, this option probably would be acceptable to all parties and would help to calm the situation for a few months. This course probably would appeal to Laugerud, who reportedly still wishes to avoid confrontation with Sandoval. (B) Continue to help the Herrera group, including appointing dissidents to important ministries during a January cabinet reshuffle. This course could be conducted simultaneously with option

(A). (C) Give in to Sandoval's demand for the Ministry of Communications and Public Works. Laugerud reportedly has decided against this alternative and any wavering could provoke intervention by anti-Sandoval army generals. (D) Arrange to have Sandoval assassinated. The convulsions following this action probably would be serious enough to require a state of seige, but after about six months the political situation could be calmer than it has been for years. However, the resultant political upheaval would distract the government and the country from dealing with urgent economic problems.

13. The Herrera group would like to become the principal civilian base of power for the Laugerud government. To accomplish this goal, they need the President's help in appointing them to government positions and in their legal battle with Sandoval. If the President's help is not forthcoming, or if Sandoval's opposition continues to destabilize the government, the dissidents are prepared to move against Laugerud. According to a leading member of the group, one possibility being considered is an Arana-led army coup, backed by the MLN dissidents and the CAO. In studying this option, the dissidents may be exaggerating Arana's present influence over the army.

14. What is likely to happen? Probably very little until mid-January. Then a cabinet reshuffle could set the stage for future conflicts. In his customarily cautious manner, Laugerud probably will attempt to give something to everyone, appointing some Sandoval men to second-rung positions and naming MLN dissidents to somewhat more important jobs. The political situation could then continue simmering for months at its present level of tension. Guatemalan politicians of all stripes predict a more serious political crisis sometime in mid-1975 brought on by worsening economic conditions. It is not yet clear whether the economic downturn will be as bad as the politicians predict, but if they are correct, Laugerud and Sandoval could be forced to a showdown. To deal with serious economic problems, Laugerud would be obliged to forward controversial legislation to the Congress, where the MLN deputies could block all action through obstructionist tactics and corruption. Laugerud and the army probably would then offer the Vice President the choice of cooperating or leaving the government.

Andrews

191. Telegram 19 From the Embassy in Guatemala to the Department of State¹

Guatemala City, January 3, 1975, 1630Z.

19. Subject: Laugerud Government: The First Six Months.

Summary. At close of first six months of Laugerud administration, only Guatemalans who seem sure of its future policies are Communists, who can be in no doubt that Laugerud intends to be as vigorous and harsh as his predecessor, General Arana, in suppressing terrorist activity. Legal political parties, however, are confused by apparent lack of Presidential interest in day-to-day political and legislative affairs—in contrast to tight rein kept by Arana—and by evident distrust between Laugerud and Vice President Sandoval. Politicians have long expected cabinet shakeup in January to end uncertainty by either clearly breaking with Sandoval or reaffirming alliance. We believe that Laugerud prefers playing parties off against each other and may well postpone definitive political realignment as long as possible. His need for well-organized civilian support is not, after all, as important as support which he continues to enjoy from military—including, apparently, General Arana, whose intentions and role are major question mark for 1975. Economically, administration has been cautious and conservative, applying token price controls and small tax increase but putting main reliance on reduced government spending to fight inflation. High sugar prices and unexpected relief from Venezuela on oil imports will keep Guatemala out of serious economic difficulty in 1975. Agreements with Venezuela are also of major political significance as Guatemala's first important ties outside Central and North America, ties that could stimulate more nationalistic and independent Guatemalan foreign policy. *End summary.*

¹ Summary: The Embassy provided an assessment of the first 6 months of the President's tenure, noting that despite the evident distrust between Laugerud and his Vice President, he continued to enjoy the military's support. Commenting that anti-Communism was a basic ingredient in Laugerud's policies, the Embassy also reported that he planned to use vigorous and brutal tactics in dealing with PGT and FAR rebels.

Source: National Archives, RG 59, Central Foreign Policy File, D750003-0875. Confidential. Repeated to Managua, Panama City, San José, San Salvador, Tegucigalpa, US-CINCSO, and Belize City. In airgram A-6 from Guatemala City, January 14, the Embassy noted that Laugerud's administration had "demonstrated its willingness to take harsh extralegal action to combat the terrorists." (Ibid., P750013-0865) In telegram 18399 to Guatemala City, January 25, the Department commented, "We were struck and concerned by your assessment, and by press reaction which apparently arrived at similar conclusion, that Laugerud intends to be as vigorous and harsh as Arana in suppressing terrorist activity." (Ibid., D750029-0116) Telegrams 6934 and 6939 from Guatemala City, both dated December 24, 1974, are *ibid.*, D740373-1131 and D740374-0394.

1. As the end of the year brings the first six months of the Laugerud administration to a close, the only Guatemalans who seem sure of President Laugerud's attitude toward them and of the direction of his future policies are the Communists. The December 20 killing of three top leaders of the PGT and its terrorist arm—two of them after torture—could not have left the extreme Left in any doubt that Laugerud intends to be as vigorous and brutal as his predecessor in suppressing criminal activity by the PGT and FAR. Stern anticommunism is clearly a basic ingredient in the President's professional and religious formation, and we do not believe his mind will be changed by reaction in some moderate sectors—voiced by independent daily *Grafico*—that “bloody events of last week annul much of what has been achieved” by government in its first half year. New PGT leadership appears likely to be as hard-line on its side as Laugerud on his, and recent Nicaraguan events must be humiliating, and provocative of fresh efforts, to PGT in light of its own setbacks. Next six months could therefore be more unsettled on internal security front than at anytime in 1974. Government will in any event retain full control of security situation per se, but spectacular isolated successes by terrorists would have repercussions on administration's political prestige.

2. That prestige at end of first six months is high, however great the uncertainty as to how long it will remain so. President Laugerud seems intensely concerned with his public image but less so with substance of building public support. He holds monthly televised press conferences—his predecessor rarely saw the press in four years—and makes special efforts, for an introverted career soldier, to establish good personal relations with newsmen. He has made point of seeking views of trade union and campesino cooperative leaders, university rector, and opposition politicians who never saw inside of Presidential palace in previous administration.

3. One of first significant initiatives of Laugerud government was introduction of new tax legislation which was widely proclaimed as hitting hardest at upper classes in what government spokesmen called long-overdue first step toward equalizing economic burdens of rich and poor. This description was patently false, but conceivably justifiable and it been basis for tough fight to win passage of original bill and generate badly needed additional revenues. Instead GOG calmly watched Congress emasculate bill and Laugerud signed it into law without a murmur. Faced with unprecedented 30 percent inflation in 1974, Laugerud with great fanfare ordered immediate imposition of price controls on basic commodities. Price control ballyhoo has now disappeared from press, except for occasional notice that control level has been raised for this or that product at petition of producer or wholesaler. From data so far available to Embassy, there has been no

noticeable effect on prices and, again, no sign that government is particularly disturbed. Consequence, of course, is that real income of Guatemalans, particularly politically important urban minority, has declined, even of civil servants whom Laugerud gave salary increase unmatched so far in most of private sector.

4. GOG's policy toward labor unions has been similarly ambivalent. Despite personal courtesies to union leaders, Laugerud and his cabinet are profoundly antilabor. They have yielded gracefully in few cases where a strong union has been in position to cause significant disruption if it went on strike (sugar and telephone workers), but when teachers' federation attempted an ill-timed closure of schools (two weeks before end of school year and on eve of graduation exams) the government broke strike with threat of massive dismissals and appeals to parents' fears. In public sector (railroads and national airline) GOG has firmly held to course initiated by previous administration aimed at eliminating unions in those industries altogether. However, so far there has been no widespread or well-organized protest from Guatemala's weak labor federations, primarily for fear of losing even more ground due to government reprisals, and because of crippling divisiveness within the labor movement.

5. Business community and large landowners have better reason to be reasonably satisfied with first six months. Although disliking increased taxes and price controls, marginal nature of former and virtual non-enforcement of latter remove the sting. Inflation is worrisome but not real problem for those who can simply raise their incomes proportionately, and business leaders recognize there is little government can do about large amount of inflation that stems from higher prices of oil and other imports. What can be done Laugerud has done by sharply reducing government budget (in real terms) for 1975. Most of reduction falls on capital expenditures, and should have perceptible contracting effect on economy and employment in construction industry in next six to twelve months. Fiscal and monetary measures have been cautious, conservative, and limited to specific, short-range goals. Most positive economic policy has been in agriculture, where real effort has been made to expand credit and stimulate production.

6. Serious economic difficulties would of course have political repercussions. We now think it likely, however, that economic situation in 1975 will be neither much better nor much worse than in last half of 1974. Income from exports seems likely to continue at high enough levels to avoid any serious balance of payments problem, particularly with help of Venezuelan oil loan. Inflation will continue, but wage levels will probably rise enough, not to prevent loss of purchasing power, but to avoid any unmanageable public discontent.

7. In international affairs, there have been only two developments of note in first six months and only one of those has been at initiative of Guatemala—the agreement with UK to reopen private talks on future of Belize. Despite some saber rattling in private, Laugerud seems genuinely and commendably interested in seeking settlement through negotiation. Barring sudden failure of will on Belizean side, however, prospects for success remain so dim as to be invisible, and it remains to be seen whether Laugerud will be willing let issue remain dormant once it is clear that negotiations are fruitless. But Laugerud by no means impresses us as likely to use Belize to distract attention from domestic problems. Hard line on Belize, if it comes, will be based on personal conviction of Laugerud and his generals that Belize is Guatemalan and that time has come to take it. We do not rpt not see this as a likely decision in 1975.

8. Other major international event was Ciudad Guayana Summit. By halving balance-of-payments effect of Guatemala's imported oil in 1975, and permitting conversion of funds saved into long-term loans, Venezuelan agreements will be of significant benefit. Perhaps even more important in long run will be development of Guatemala's first major ties outside Central and North America. Effects are likely to be more than economic, particularly if international economic situation worsens in 1975 and governments as deeply capitalist and pro-American as Laugerud's begin to see union of LDCs as only means of survival in international jungle. (See Guatemala 6934 and 6939.) There is considerable public skepticism here about Venezuelan motives and real value of agreements, but no one suggests Laugerud should have turned down gift horse.

9. Political parties are in most uncertain situation of all at beginning of 1975. All, with exception of Christian Democrats (DCG), have had internal divisions and quarrels in last six months. Every political leader we have talked with in this period has touched on two themes: respect and praise for Laugerud as honest man, sincerely trying to do best he can for Guatemala, but insistence that he cannot continue to govern without defining for himself a civilian political base. Rather than attempting to define nature of Guatemalan political debate themselves, parties look to Laugerud to set parameters by clearly identifying his allies and his opponents. He has avoided doing so for six months and it is unclear when, if ever, he will; it may be tactical shrewdness rather than indecisiveness. We are not sure whether Laugerud needs a base or whether political parties are badly in need of an apex. All of them would like very much to be Laugerud's chosen political instrument, thereby sharing in spoils of present power and acquiring inside track for riding coattails of his successor in 1978. This is true to degree even of Christian Democrats, who cannot imagine Laugerud choosing

to depend upon them—his fiercest and strongest opponents last March—but who have made a major policy shift to “constructive collaboration” with government when they believe it in national interest.

10. As for the others, PID is most relaxed since it has nowhere else to go; it has no *raison d'être* except as government party, and only question is whether Laugerud will attempt govern with it alone or in coalition with others. PR is, as usual, desperate; some of its leaders are desperate to seize control of the party and take it definitely into the opposition, others are equally desperate to convince Laugerud that the PR is only party which can give him loyal support and moderately progressive coloration. MLN, the strong party of the Right, protests that it is Laugerud's staunchest supporter and that its leader, Vice President Mario Sandoval is Laugerud's most loyal follower and intimate collaborator. It protests too much. Laugerud and the army dislike and distrust Sandoval. Sandoval's recently rumored approaches to three or four generals to offer each of them the MLN candidacy for 1978 do not win him favor with the military but merely increase its mistrust. All of the generals reportedly promptly informed Laugerud.

11. Attention during last six months has focused on long-rumored cabinet shakeup which Laugerud is expected to make in January. According to press all ministers, vice ministers and ministerial secretaries general have been asked to submit their resignations. Ministries of Defense, Public Works, Education, Agriculture, Health, and Labor have been mentioned as possible recipients of new leadership. Politicians have argued that changes will reveal Laugerud's decision regarding his civilian support. For example, Sandoval is known to oppose bitterly retention of Public Works Minister Anzueto, who, although long-time MLN member, has refused to place Sandoval's followers in key jobs. Standard analysis has been that if Anzueto is kept on or replaced by dissident MLNer from the Roberto Herrera faction or indeed by anyone not approved by Sandoval, Laugerud will signal beginning of end of relationship with MLN. Other rumors have had it that Laugerud might actually bring into cabinet at this time representatives of PR or independents to replace MLN members.

12. It is not at all certain that so clear-cut a scenario will take place. One possibility would be for Laugerud to move General Fausto Rubio from Defense Ministry to Communications and Public Works, replacing him in Defense with Army Chief of Staff Romeo Lucas. This would increase military's share of cabinet to three ministries out of ten, but this probably is not factor of great importance to Laugerud or to public. Advantage of move is that it would neither knuckle under to nor rebuff Sandoval and would place nonpolitical, presumably incorrupt soldier in controversial ministry. It would also presumably satisfy

ex-President Arana, who had originally appointed Anzueto to ministry and is reportedly interested in continuing to have friends there.

13. In sum, Laugerud does not appear to us to be ready to make a final choice between political factions competing for his favor, nor do we see that he is under any urgent compulsion to do so. He can probably continue to play the parties off against each other for some time to come. His greatest need in area of civilian support is a chain of command in Congress that can be relied upon to run Congress smoothly and in compliance with his wishes. He could achieve this in the June election of congressional officers and in the meantime he does not seem greatly concerned about it.

14. All of foregoing reflects fundamental fact of life in Guatemala: civilian politics is secondary to wishes of the army. All evidence indicates that military are satisfied with Laugerud's performance to date and in any event have no ready alternative leader standing in wings. One exception could be General Arana, who must be ranked as major question mark on Guatemalan political scene at beginning of 1975. His long-awaited return to Guatemala from overseas travels produced no news at all; whatever role he has played has been, exceptionally behind the scenes. But, again, so far there is no evidence to suggest that he is displeased with his hand-picked choice for the Presidency.

Andrews

192. Airgram A-26 From the Embassy in Guatemala to the Department of State¹

Guatemala City, February 22, 1975.

SUBJECT

Human Rights in Guatemala

REF

- (A) State 012320, January 1975
- (B) State 014917, January 1975
- (C) Guatemala A-6, January 1975
- (D) Guatemala 6928, December 1974
- (E) Guatemala 4879, September 1974
- (F) Guatemala A-139, August 1974
- (G) Pryce-Obiols MemCon, July 18, 1974
- (H) Guatemala A-123, July 1974
- (I) Guatemala 2197, April 1974
- (J) Guatemala A-92, June 1973
- (K) Guatemala 691, February 1975

Summary: Violence has for a long time characterized the Guatemalan political process and Guatemalan society. This violence has often involved what we as Americans consider to be violations of internationally recognized human rights—violations by private individuals, by legal political parties, by illegal private organizations, and

¹ Summary: In a report on the human rights situation in Guatemala, the Embassy concluded that despite the country's long history of political violence, it did not believe the government had engaged in a pattern of gross human rights violations that would render it ineligible for U.S. foreign assistance.

Source: National Archives, RG 59, Central Foreign Policy File, P750038-1250. Confidential. Pouched to San José, Managua, San Salvador, and Tegucigalpa. All brackets are in the original except those indicating text that remains classified. The airgram responded to telegram 12320 to all diplomatic and certain consular posts, January 17 (ref. A), in which the Department requested human rights reports. (Ibid., D750020-0520) In telegram 14917 to all diplomatic and certain consular posts, January 22 (ref. B), the Department outlined which provisions of the Foreign Assistance Act of 1973 were applicable for human rights reporting. (Ibid., D750025-0090) Airgram A-6 from Guatemala City, January 14 (ref. C), is *ibid.*, P750013-0865. Telegram 6928 from Guatemala City, December 23 (ref. D), is *ibid.*, D740373-0401. Telegram 4879 from Guatemala City, September 6 (ref. E), is *ibid.*, D740248-0714. Airgram A-139 from Guatemala City, August 14 (ref. F), is *ibid.*, P740089-0187. The Pryce-Obiols memorandum of conversation, July 18 (ref. G), was not found. Airgram A-123 from Guatemala City, July 12 (ref. H), is in the National Archives, RG 59, Central Foreign Policy File, P740079-0469. Telegram 2197 from Guatemala City, April 19 (ref. I), is Document 182. Airgram A-92 from Guatemala City, June 1973 (ref. J), was not found. In telegram 691 from Guatemala City (ref. K), February 5, the Embassy noted there was "no widespread Guatemalan concern public or private, over GOC's method of handling internal security; in fact public concern could swing in opposite direction if terrorist activity should spread and government seem to be insufficiently energetic in suppressing it." (National Archives, RG 59, Central Foreign Policy File, D750042-1048)

by the government. Upon taking office July 1, 1974, President Laugerud pledged that his administration would respect Guatemalan constitutional guarantees of liberty, security, and justice. The administration has not fully lived up to that commitment; but the Embassy believes the present government to have a substantially better record in this area than many of its predecessors, and in particular the Arana administration (1970–74). The human rights of a small number of political extremists, most of them with long records of torture and assassination, have been violated. The Embassy does not approve of or excuse such actions, and we have made our views known to the Guatemalan Government. However, we do not believe that the government has engaged in a “consistent pattern of gross violations” which would render it ineligible for assistance under Section 502B(a) of the Foreign Assistance Act of 1974. *End Summary.*

A. Political Violence as a Social Phenomenon

Violence is a regular feature of Guatemalan life, and the settlement of disputes in Guatemala is quite often violent. This social propensity to casual violence has naturally spilled over into the political arena.

As pointed out in ref. (I), there is “evidence that every Guatemalan Government which has exercised jurisdiction over the last 50 years has, to one degree or another, used extra-legal violence, including officially sanctioned murder, against some of its enemies. In recent years, this violence has been directed primarily, but not exclusively, against known or suspected left-wing terrorists.”

A case in point. We recently spoke to Col. Victor Manuel Gamboa Gramajo, who headed the National Police at the time of Ambassador John Gordon Mein’s assassination. He told us that after the August 28, 1968 assassination, President Julio Cesar Mendez Montenegro had personally ordered him to execute summarily any assassins that were captured. Col. Gamboa proudly informed us that he had carried out these instructions to the letter.

B. The Recent Past

Col. Carlos Arana Osorio was elected President in 1970 largely on the basis of his reputation for ruthlessly exterminating guerrillas in the eastern part of the country and on the strength of his “law and order” campaign platform.

The first half of the Arana administration was marked by an unusually high level of violence (see ref. I). Probably the most noteworthy incident was the September 1972 disappearance (and presumed murder) of six members of the PGT (Communist Party) Central Committee.

Violence, especially in the form of sudden disappearances of persons who were never heard from again, reached such a level that the

OAS Commission on Human Rights requested information about them from the GOG. This request, repeated in May and November 1971, was not answered until April 1972. At that time the GOG stated that it was totally innocent, that whatever killings had taken place were the responsibility of "extremist factions," and that whenever extremists were captured they were placed at the disposition of the courts. No response to the Commission's specific requests were made. The Commission again asked for information, but the GOG answered that its previous response was sufficient. The Commission at its 31st session requested GOG permission to send a subcommittee to Guatemala, but the GOG refused.

In January 1974, Amnesty International indicated that it wished to participate in the search for persons who had disappeared. The Ministry of Government answered on January 9, 1974 that there were adequate national means for any type of investigation, and that any group's imputation to the contrary was an intrusion into internal affairs.

During much of the second half of Arana's administration, the level of violence was lower. His last few months in office, however, were marked by another increase in violence and of incidents which can be classified as human rights violations. We are totally convinced that the March 3, 1974 election results were suppressed and replaced by fictitious returns (a violation of Universal Declaration on Human Rights Article 21(3)). Two outspoken administration critics were assassinated in March 1974 (in violation of Article 3)—the Embassy concluded that these assassinations "were ordered, or at least sanctioned by the GOG, probably at the very highest level" (ref. I). These politically motivated violations were accompanied by summary executions of common criminals, carried out by a group with high-level government supervision calling itself the *Escuadrón de la Muerte* (in violation of Articles 10, 11). *Escuadrón de la Muerte* operations claimed 27 known victims between February and the end of June 1974 (ref. H). There were also a variety of government actions against labor groups (in violation of Article 23 (4)).

C. The Laugerud Administration

President Laugerud pledged in his inaugural address that constitutional guarantees of "liberty, security, and justice" would be respected by his government. Gen. Vassaux, upon taking over as Laugerud's Minister of Government, stated that physical and mental torture of prisoners would not be tolerated and that persons guilty of such practices would be dismissed or turned over to the courts. When an Embassy officer spoke to the Deputy Foreign Minister in relation to Section 32 of the Foreign Assistance Act, these commitments were cited

to him as indicators of the GOG's good faith (and sensitivity) about the human rights issue (ref. G).

Between July and November 1974, the Laugerud administration made a considerable effort to live up to the strict standard of sensitivity for human rights issues it had set for itself. The new government broke with tradition in July 1974 when police actually announced the arrest of a one-time PGT member who had been charged with violation of the law for Defense of Democratic Institutions (ref. F). The accused was subsequently released unharmed. We believe that the government carried out provisions of a law passed by the outgoing Congress that granted amnesty to persons convicted of "political" crimes, primarily violations of the law for Defense of Democratic Institutions (ref. E). The President also declined to allow the Electoral Registry to engage in fraud in connection with the October 1974 and the February 1975 municipal elections. Although following the law may not be a reason for high praise, the Laugerud government's efforts to comply with existing legal standards were certainly in sharp contrast to the actions of its immediate predecessor.

Since November 1974, however, a number of incidents have led us to conclude that the Laugerud government will not hesitate to act summarily in certain cases involving illegal and politically provocative activities by extremists of either the Left or the Right.

The most noteworthy of these incidents were the December 20 or 21 murders of PGT secretary general Huberto Alvarado Arellano and PGT member Miguel Antonio Alvarado Lima. The two were captured during or soon after a shootout between government forces and the alleged kidnappers of industrialist Roberto Gabriel Abularach. They were found December 21 tortured, with their hands tied behind their backs, and riddled with bullets (refs. C and D). The GOG's official explanation was that other guerrillas had killed their two wounded comrades to prevent them from falling into the hands of security elements who had all the hospitals under surveillance. The tortured condition of the bodies made the government story incredible.

There have been other incidents since November, all involving summary execution. Government involvement in each of these cases is a virtual certainty, as pointed out in ref. K. Government actions since November have been directed at persons engaged in some form of illegal and politically provocative activity. In such cases, failure to show "firmness" and "finality" in dealing with its antagonists would be regarded by the government as politically dangerous. Failure to act would be perceived as weakness, and this could render the government vulnerable to additional harassment from both the Left and the Right. This is a case in which past violence conditions the response to present "provocation."

D. Freedom of Movement, Religion, Opinion, Expression, Assembly, and Association

In areas other than the treatment of prisoners whom the government believes to be implicated in extremist political activity, the record of the Laugerud administration during its first seven months is quite good.

Articles 14, 19, and 21 of the Guatemalan Constitution guarantee the right to free, universal, and secret suffrage and to hold office. Article 27 "guarantees the free formation and functioning of political parties that have democratic standards and principles." Article 43 prohibits "discrimination because of race, color, sex, religion, birth, economic or social position or political opinions." Article 59 guarantees freedom of movement. Article 63 says that "the right of assembly and of public demonstration may not be restricted, limited, or restrained." Article 64 guarantees "the right to associate freely . . . for the purpose of promoting, exercising and protecting their rights and interests, especially those established by the Constitution." However, "the organization or operation of groups . . . advocating the Communist ideology or any other totalitarian system is prohibited." Article 65 guarantees free expression and provides that newspapers, radio and TV stations "may not be confiscated or seized, attached or closed, or their work interrupted, because of any crime or misdemeanor in the expression of thought." Article 66 provides that "every person has the right to practice his religion or belief in public or in private, through instruction, worship and observance, limited only by peace, good morals, public order and the respect due to the country's symbols."

The freedoms of movement, religion, assembly, and association have generally been respected in recent years, with the exception already noted of members of the illegal Communist Party and allied groups. While some other political groups, Left, Right, and center in orientation, have been unsuccessful in winning official recognition as political parties (usually by being unable to prove that they have the necessary minimum number of members), they have nevertheless functioned freely and openly. The 1974 elections, although replete with instances of official pressure and fraud, were nevertheless basically free in expression, campaigning, and voting. Unfortunately, as already noted, we are totally convinced that the results were grossly altered by the Arana government.

Since President Laugerud took office, one congressional and several municipal elections have been held to fill offices left vacant as a result of various irregularities in the March 1974 voting. The last of these was the election of the mayor and city council in Mazatenango, Guatemala's fourth largest city, which took place February 2, 1975. The election was necessary due to massive local protests over an attempt to de-

clare the fourth-place candidate the victor in March 1974. The February race was vigorously and freely disputed by four candidates. The results have been challenged only by the candidate of the pro-government right-wing MLN party and his objections have been overruled. The Embassy has no evidence to indicate that any of the local elections held during the Laugerud administration have been fraudulent. The leader of the principal opposition party, Christian Democrat René de León Schlotter, told Embassy officers February 12 that Christian Democratic victories in these local elections had all come in the *altiplano*, whereas the party had consistently lost in the lowlands. Asked to what he attributed this, he responded with an analysis of the differences in population and local party leadership between the two areas. He made no mention of fraud.

Freedom of opinion and expression has also been unrestricted in this administration, again with the exception of statements by the illegal Communist Party, which appear only in clandestine newsletters and flyers whose circulation the government tries to prevent. Cultural factors which exist throughout Latin America restrain the press from direct, personal criticism of the President, but criticism of the government and of individual ministries and agencies abounds. There is no censorship, there have been no seizures or closures of newspapers or broadcasting stations, and the views and statements of opposition Congressmen (24 out of the 61 members of Congress) are fully and prominently reported on a daily basis.

E. Applying the Statutory Guidelines

Ref. A requested an analysis of the “current status and prospects” regarding the host government’s discharge of its duty to respect human rights. Reftel B provided the statutory framework for that analysis. The inapplicability of Section 32 of the FAA (1973) to Guatemala was discussed in refs. E and I. We will not repeat that discussion here.

Section 502B(A) of the FAA (1974) is not at this time applicable to Guatemala in our view. The key phrase is, “engages in a consistent pattern of gross violations of internationally recognized human rights, including torture or cruel, inhuman or degrading treatment or punishment . . .” The summary executions which have occurred since November (see part C above) must all be considered gross violations of internationally recognized human rights. We tend to doubt, however, that the three-month time frame in which these activities have occurred and the very small number of victims could be construed as a “consistent pattern”—however reprehensible even a single death may be. There has been sufficient deviation from the pattern established during the Arana administration for us to conclude that the present government is not simply continuing a past consistent pattern.

We believe there is a meaningful difference between the two administrations in the intensity and style of their handling of extremist groups. Repressive action by the current government is not on a regular, automatic, and organized basis as under Arana. The government does not arbitrarily select its targets, but deals with those it catches red-handed. Indications are that extralegal actions by the security forces are now tightly controlled and used highly selectively and so far more sparingly. Occasional references in the press to continued activity by the "Escuadrón de la Muerte" are, we believe, incorrect. The EM, which unquestionably functioned with official sanction under the Arana government, has probably been officially and deliberately disbanded. Indeed, the Laugerud government has acted against members of right-wing groups whose illegal activities had flourished under Arana.

In making this analysis, the Embassy in no way condones or excuses GOG internal security policy or tactics. Our views on the practical and moral advantages of respecting the law as well as enforcing order have been repeatedly expressed to the GOG (e.g., ref. G). We recognize the importance of continuing to make our views known and of closely monitoring the GOG's performance in this area. As the Department is aware, the Embassy submits a monthly report on developments in the internal security field, in which every identifiable incident of political violence is noted (see, for example, refs. C, F, and H).

The Embassy will periodically assess the level of violence and the pattern of conduct by the host government. Should a clear and consistent pattern of gross violations appear to be developing, we will so report.

With regard to Section 502B(C), although it probably could have conditioned a determination regarding the Arana administration (see discussion in part B above), it has not yet become applicable during the Laugerud administration.

F. Policy Implications

Setting aside for a moment the issue of statutory mandates, we would like to consider the range of alternative U.S. policies and what we see as their consequences. United States policy on political violence in Guatemala could take several approaches. The first would be to cut off all aid or condition access to preferential economic treatment whenever there are violations, or whenever some arbitrary total of violations is reached. If such a decision were made, it should be made in the knowledge that it would probably not alter the GOG's conduct. What the GOG does to leftist and rightist extremists it regards as essential to the survival not only of its administration but also of Guatemalan society. The loss of our very small military assistance and larger but still

marginal economic aid could not possibly weigh as heavily in the host government's considerations. But the cutoff would, of course, severely damage our relations with Guatemala—and not just with the government. As we have seen with the Trade Act, attempts to single out and discriminate against other countries can generate adverse public as well as governmental reaction.

A second approach would be to make vehement public protest whenever a violation of human rights occurs. Such a policy, if carried out systematically [*less than 1 line not declassified*]. It would also steadily erode our relations with Guatemala and its general support for U.S. policies.

A third approach would be to continue to work quietly and unsensationally to convince the Guatemalan Government and key political leaders that the long-range best interests of the country require a decrease in the polarization that violence causes. This policy has the least likelihood of worsening relations between the United States and Guatemala. Its chances of success in influencing the GOG are not great in the short run, but certainly better than those of an aid cutoff.

Real success must, in the end, depend on factors over which we have little control: a growth in self-confidence by the governing elite, a relaxation of tension over the extremist threat, greater honesty and efficiency in the courts, and sufficient improvement in the lot of the mass of the population so that human life begins to have some value to its possessors.

Meloy

193. Telegram 1453 From the Embassy in Guatemala to the Department of State¹

Guatemala City, March 19, 1975, 1841Z.

1453. Subject: Guatemalan Air Force Purchase of C-47s.

1. In septel Embassy and MILGP request increase in approved U.S. force objective for Guatemala to 21 C-47 aircraft in order permit GOG

¹Summary: The Foreign and Defense Ministers requested Ambassador Meloy's assistance in securing the purchase of C-47 aircraft from the U.S. Air Force. Defense Minister Rubio assured the Ambassador that the aircraft would not be used against Belize.

Source: National Archives, RG 59, Central Foreign Policy File, D750097-0228. Confidential; Limdis. In telegram 1450 from Guatemala City, March 19, the Embassy and MILGP recommended approving the aircraft sale. (Ibid., D750097-0169)

to purchase 11 used C-47s from USAF. We first officially heard of GOG desire to purchase entire 11 (instead of four previously planned) when Foreign Minister called in Ambassador March 13 to meet with him and MOD Rubio. The two Ministers had received report from their Military Attaché in Washington of a turndown by "Pentagon" of Guatemalan request and they asked Ambassador to do what he could to obtain approval.

2. Rubio told Ambassador at least 20 C-47s were necessary in order move entire parachute battalion at one time and to give all members of battalion parachute training at least once a month. Most important use of planes, however, would be for commercial cargo carrying inside Guatemala, need for which is expected to increase as oil companies begin to invest in Peten. Oil companies (and perhaps other companies involved in other construction and development projects elsewhere in country) would be required to fly their supplies in on GAF planes, as Rubio understood was also the case in Ecuador and Colombia.

3. Ambassador took opportunity to seek assurances concerning Guatemalan intentions with regard to Belize and specifically assurances concerning non-use of these planes in parachute drop on Belize. Gen. Rubio said he could tell us Guatemala is not seeking planes in connection with Belize.

4. Ambassador said he would inform Washington that the Ministers had assured him informally that there was no connection between Guatemalan desire to acquire additional used C-47s and any possible military adventure in Belize, and that it was not Guatemala's intention to use C-47s in any way to cause embarrassment to U.S. Foreign Minister commented that military action was not solution to Belize problem. It would only cause greater problems. Detailed memcon pouched.

5. After careful consideration of our interests and relationship with Guatemala and risks involved, Ambassador recommends approval of Guatemalan request.

Meloy

194. Memorandum From George F. Jones of the Political Section of the Embassy in Guatemala to the Ambassador to Guatemala (Meloy)¹

Guatemala City, April 4, 1975.

SUBJECT

Guatemalan Motives in Acquiring Additional C-47s

We start from the following assumptions:

1. The GOG has a contingency plan for the invasion of Belize which includes, probably as its major feature, an air assault on Belize City airport.

2. Although there may well be other considerations involved in seeking eleven additional C-47s, such as their use in commercial cargo carrying, a consideration which the GOG has in mind—as they admitted to you—is that they hope the additional planes will enable them to transport most of if not the entire parachute battalion at once. The battalion is currently stationed at San José, but could be moved to a more convenient staging area, such as Puerto Barrios, in order to obtain maximum utilization of the aircraft. The tactical elements likely to be included in such an operation consist of a headquarters company and 3 parachute rifle companies, a force of about 500 personnel (numbers involved depend upon the mix of support elements to be included in the first sortie). 21 operational C-47 aircraft could do this job, since distances involved are not great; an expected return time for surviving aircraft bringing additional support to the airhead if still in existence would be about four hours.

3. If a government decision is made to invade Belize, the military will use whatever aircraft it owns or can requisition at the time, even though they may not be sufficient to carry a full battalion in one sortie, regardless of what conditions or restrictions the U.S. may have at-

¹ Summary: The Embassy's Political Section analyzed Guatemalan motives for purchasing C-47 aircraft from the United States. While noting the existence of Guatemalan contingency planning for an invasion of Belize, the Political Section recommended approving the sale, inasmuch as it would not give Guatemala an excessive military capability, would allow the U.S. to continue to exercise influence since the Guatemalans could easily purchase aircraft from another source.

Source: National Archives, RG 59, Central Foreign Policy File, 1975, P810026-0143. Secret. Drafted by Jones on April 2. Defense Attaché Col. Richard R. McTaggart, Col. C. Corbett of MILGRP, Wade E. Thomas of the Political Section, and DCM George R. Andrews contributed and cleared. Sent under cover of a letter from Meloy to David Lazar of ARA/CEN, April 4, not published. In telegram 2109 from Guatemala City, April 23, the Embassy reported that it had information that the Guatemalan Government had purchased "Arava" light transport aircraft from Israel. (Ibid., D750147-0357)

tached to the aircraft it provided and regardless of what informal assurances Guatemalan officials may have given us. This of course is true *a fortiori* if the officials in power at the time are not the same ones who have given us the assurances.

The question is *when* and *under what circumstances* Guatemala might attack Belize with American-provided aircraft. The answer could be "never"—if the circumstances that would bring about an attack never develop, but we cannot be 100 percent sure of that. It must be borne in mind that Guatemala has ten C-47s now, three of which are either non-operational or not configured for troop carrier operations plus six UH1-H troop carrier helicopters which undoubtedly would be employed in an air assault, probably from the Melchor de Mencos fuel detachment site near the Belize border. The acquisition of another eleven C-47s would increase Guatemala's ability to get troops to Belize, would increase its chances of actually gaining and holding control of the airport—but they do not significantly increase the potential embarrassment for the U.S.

That potential is fully there in the U.S. aircraft Guatemala now has, together with the number of civil aircraft the GOG could commandeer in an emergency. It should also be pointed out that unless a "stand-down" period of several days was imposed on all C-47 flying, it is doubtful that the FAG could put more than 70 percent of their C-47s in the air at one time. This figure is based on the average in-commission rate for the cargo fleet.

Is the *when* now? We are convinced it is not. All the information we have suggests that the Guatemalans are making a serious effort to obtain what they see as their minimum security and strategic interests in Belize through negotiations. Although the New York talks were played down to us as preliminary and exploratory, the British Embassy told the Department that the 16°30' proposal was formally presented, and from our talks with the members of the negotiating team, it is clear that Guatemala would be prepared to surrender its claim in return for agreement on that line (or something close to it) and on some secondary, non-territorial issues. The Foreign Ministry, like all Foreign Offices, would prefer a negotiated solution. There is no evidence that President Laugerud needs or wants a military solution as long as there is any reasonable hope on the diplomatic front (and as long as there is no UDI). Most recently, there are reports that the GOG is worried about Mexico, and military action seems particularly unlikely as long as Guatemala is uncertain about whether Mexico will stay out of it.

Is the *when* likely to be during the Laugerud administration? Yes, if there's a UDI. Laugerud himself has told us so, and we have no reason to doubt his word. And even without UDI? If the current negotiations should break down, pressure would certainly grow to try another ap-

proach. This is not likely to be an invasion out of, literally, the clear blue sky, but a series of belligerent statements, border incidents, harassments, designed to make Belize change its tune and become more accommodating. If there were still no progress, Laugerud might reluctantly give the go-ahead for a military attack, not with the intention of acquiring Belize but of forcing a peace settlement which would give Guatemala control of Amatique Bay.

We cannot answer the question of whether the GOG first thought of the additional ten planes as enabling it to offer a commercial cargo service, and then someone said "in addition, they improve our contingency capability for Belize," or whether they first thought of that capability and then someone said, "in addition, we can use them to carry cargo and give our pilots more flying time." The answer does not seem very important.

We do believe that the GOG believes that certain circumstances could force it to attack Belize within the term of this administration, and that it must therefore prepare for that contingency. As a corollary to this line of reasoning, acquisition of the additional planes would, in GOG eyes, provide an inducement to Price to be more flexible in negotiations.

Their stated purpose for increasing the size of their cargo fleet does, however, have very real substance. The FAG has already begun flying C-47 and helicopter missions in support of the petroleum exploration companies operating to the north of the capital and in the Puerto Barrios area. The money they have earned is being spent on physical improvements at the air force base in the form of latrine facilities in one building, a wash rack to clean aircraft, a new sheet metal shop, electrical power installations in the engine shop and a reinforced floor for the large hanger. Plans have also been made to modernize the flight surgeon and dental clinics. In addition, a formula has been established to pay the pilots and crew chiefs of the aircraft participating in this commercial air venture a fee which slightly exceeds the pay per flying hour offered by Aviateca. This program of course is aimed at retaining the air force people who have been tempted to resign in favor of more attractive flying jobs in the civilian aviation sector.

We continue to recommend that the calculated risk involved in the sale be taken. It does not give Guatemala an excessive or unreasonable military capability. It will maintain the influence we have with Guatemala (and our access to knowledge of their military preparations) which is the best hope we have of preventing them from going to war. Moreover, Guatemala can easily get aircraft from other sources.

At some point in the proceedings (i.e., before we give any green light to the GOG), we should discuss the whole matter frankly and confidentially with the British.

195. Memorandum of Conversation¹

Washington, May 27, 1975.

PARTICIPANTS

David Walker, Embassy of the United Kingdom
 David Lazar, Director, ARA-LA/CEN
 Daniel Clare, ARA/CEN/Guatemala

SUBJECT

Belize

Mr. Walker sought our assessment of Guatemalan intentions regarding Belize. He said that Foreign Secretary Calahan had asked the Embassy to obtain an up-to-date reading when he was in Washington.

We said that we believed the GOG was solidly behind a serious effort to reach a settlement based upon territorial compensation. This jibed with Walker's appreciation.

Walker said that he had reported the patrol boat purchase to London and expected a sharp reaction. He was concerned about the repercussions in Belize once the purchase became known. He asked us for our position on the sale. We responded that we had advised the GOG of its tentative FMSCR allocation and were awaiting its request for allocating it. We added that modernization of the fleet was long-planned and we saw no objection to the acquisition. Walker asked if we knew how the Guatemalans planned to divide the navy, as between Atlantic and Pacific. We replied that we were not sure but thought they would keep the ship in Barrios and most of the boats at Sipacate to protect against Salvadoran shrimpers.

We raised the proposed C-47 transaction, outlining some of its history. We discussed the possible increase in military capability, saying

¹ Summary: In a meeting with David Walker, First Secretary of the British Embassy, on the Belize issue, Director of Central American Affairs David Lazar and Guatemala Desk Officer Daniel Clare raised the proposed sale of C-47 aircraft to Guatemala. Walker indicated concern over possible Belizean reactions to the sale.

Source: National Archives, RG 59, Central Foreign Policy File, P810038-1707. Confidential. Drafted by Clare on May 28. No record was found of the British Ambassador's report to EUR regarding the Secretary's conversation with Prime Minister Wilson. In telegram 734 from Guatemala City, February 7, the Embassy indicated that it understood the Guatemalan Embassy in Washington had initiated paperwork for the purchase of five patrol boats. (Ibid., D750046-0297) In telegram 2748 from Guatemala City, May 28, the Embassy reported that the Guatemalan Government had committed to purchase Israeli "Arava" aircraft, but that it remained interested in acquiring C-47s. (Ibid., D750186-1109) Defense Intelligence Notice DIADIN 1348A-75, June 4, indicated that Guatemala planned to take delivery of 10 of the Israeli aircraft. (Washington National Records Center, OSD Files: FRC 330-78 A 0058, Guatemala 452 4 JUN 75)

some of the increase may be illusory. Again, Walker's concern was directed toward the possible Belizean reaction rather than hard military realities or Guatemalan intentions.

We suggested that the Guatemalans should be aware of these "cosmetic" problems and asked if they had discussed these purchases with the UK. Walker said they had not.

Comment: We were surprised that Walker did not mention the report from the UK Ambassador to EUR regarding a conversation between Prime Minister Wilson and the Secretary during which Wilson allegedly asked if we would request the Guatemalans to "go easy" on their territorial demands. The Secretary was said to have been noncommittal.

We were struck with Walker's interest in our possible arms transfers and his obvious concern at possible Belizean reaction.

196. Telegram 146420 From the Department of State to the Embassy in London¹

Washington, June 21, 1975, 0036Z.

146420. Subject: British Request Delay in U.S. Military Shipments to Guatemala.

During June 16 working luncheon with Assistant Secretary Rogers, DCM Moreton and First Secretary Walker of British Embassy reviewed state-of-play of talks with Guatemala on Belize issue, asserted that USG provision of patrol boats and C-47 aircraft to Guatemala could have harmful impact on talks, and asked whether USG could hold up on delivery such matériel until direction of talks becomes clearer. Rogers re-

¹ Summary: During a June 16 discussion on the Belize issue, Assistant Secretary Rogers informed Walker that the Department would reconsider the sale of C-47 aircraft to Guatemala, given the latter's decision to purchase Israeli Arava aircraft.

Source: National Archives, RG 59, Central Foreign Policy File, D750217–0187. Confidential. Repeated to Belize City and Guatemala City. In telegram 138417 to Guatemala City, June 13, the Department expressed its concern that the Guatemalan Government had attempted to mislead U.S. officials in its acquisition of Israeli aircraft, noting that the deal, combined with the proposed purchase of C-47s from the United States, would increase Guatemala's ability to invade Belize. (Ibid., D750206–0904) In telegram 3217 from Guatemala City, June 20, the Embassy suggested that British sensitivities over Guatemala's military capabilities and intentions might be exaggerated. (Ibid., D750218–0672) The memorandum of conversation mentioned in the last sentence of the text was not found.

plied that we had already decided to reconsider question of C-47s for Guatemala on basis of Guatemalan purchase of ten Arava aircraft and would keep HMG advised. However, we were in final stages of approving FY 75 FMS credits to cover patrol boat purchases and would find it difficult to justify reversing that process. Since delivery of five patrol boats would be spread over two years and since GOG planned use some in Atlantic and some in Pacific, we thought impact with respect to Belize would be minimal. Memcon being pouched.

Kissinger

197. Memorandum From the Director of the Office of Central American Affairs (Lazar) to the Assistant Secretary of State for Inter-American Affairs (Rogers)¹

Washington, July 9, 1975.

SUBJECT

Meeting with John Moreton, UK Embassy—Thursday, July 10, at 4:45 p.m.

Mr. Moreton has requested a meeting with you to follow up on his earlier discussion regarding Belize and to discuss arms transfers to Guatemala.

¹ Summary: In a background memorandum, prepared for Rogers's June 10 meeting with John Moreton of the British Embassy, Lazar recommended the Assistant Secretary approve the sale of five C-47 aircraft to Guatemala. According to Lazar, failure to sell at least some of the aircraft would incur a strong negative reaction from the Guatemalan military, while the provision thereof would have a minimal impact on Guatemala's airborne capability.

Source: National Archives, RG 59, Central Foreign Policy File, P810026-0139. Confidential. The memorandum is unsigned and there is no indication of an approval or disapproval of the recommendation. However, a memorandum of conversation, July 10, indicates that Rogers told Moreton the U.S. Government would "advise them of our decision prior to notifying the Guatemalans." (Ibid., P810026-0137) At the meeting, Moreton gave U.S. officials a copy of his Speaking Note, which is not published. (Ibid., P810038-1722) The June 16 meeting between Rogers and Moreton is summarized in Document 196. Meloy's June 20 discussion with Guatemalan Chief of Staff Lucas García was reported in telegram 3240 from Guatemala City, June 24. (National Archives, RG 59, Central Foreign Policy File, D750218-1202) In telegram 404 from Belize City, July 9, the consulate discussed the anticipated reaction by the Belizean Government to the proposed aircraft sale. (Ibid., D750236-0046) In telegram 170875 to Guatemala City, July 19, Rogers informed Meloy that British Foreign Secretary Callaghan had asked Kissinger to delay the C-47 delivery. (Ibid., D750250-0914)

Following consultations with our Missions in Guatemala and Belize, we have concluded that we should make available to the GOG five C–47s at once (of the 11 they requested) and permit the Guatemalan Air Force to trade in six other old C–47s for newer models as resources permit. We request your approval of the proposal and suggest that you take advantage of this meeting to inform Moreton of our decision.

Background

You told Mr. Moreton during lunch on June 16 that we were considering the possibility of reviewing with the Guatemalans their light air transport plans. You also promised that we would keep the UK informed as to any decisions regarding the Guatemalan request for eleven C–47s. Several factors have arisen since the luncheon, and we are now prepared to recommend a decision on the C–47s.

On June 20, Ambassador Meloy was told by Chief of Staff Lucas, (who has subsequently been named Minister of Defense), that the “long delay” in our reply to the Guatemalan request “cannot help but cool relations.” Lucas reconfirmed that the GOG has no intention of using the aircraft for an invasion of Belize. We estimate this is true at the moment, although intentions obviously can change. The Embassy believes Lucas was acting on instructions from President Laugerud. The Embassy commented that we have gotten as much as we are going to get on Guatemalan intentions, and that a “sweeping review,” of the type we suggested, would yield nothing further.

I have just returned from Central America where I spoke with U.S. and local officials in Belize and with the Ambassador and his staff in Guatemala. I believe that if the arrival of the C–47s took place without fanfare, the psychological impact on the Belize talks would be negligible. The UK Embassy has told us that the Belize garrison commander has urged a substantial increase in antiaircraft guns and troops should the Guatemalans increase their C–47 paratroop capability. C–47s aside, however, the UK must take into account the Arava purchase and the imminent departure of two frigates previously stationed in the Caribbean when considering the military threat. My impression, after talking with the local commander, was that a few additional C–47s would not greatly affect his assessment of the overall threat. Ambassador Meloy and his staff are firmly convinced that the USG needs to offer at least some C–47s to the Guatemalans to prevent a serious erosion of an already somewhat strained relationship with their military.

Our Consulate General in Belize believes that although the arrival of C–47s and Aravas in Guatemala likely will draw fire only temporarily from the opposition, the more significant impact will be on Prime Minister Price, who will not believe that we did not endorse the Arava

purchase and will be convinced that we are intentionally building a credible Guatemalan paradrop capability. However, since the Consulate General believes that the Aravas and C-47s will be linked in Price's mind, and since we cannot control the Arava purchase, holding back on transferring C-47s would not stifle Price's reaction.

Our proposal to the Guatemalans would follow the Embassy's suggestion:

- 1) We would make available immediately five C-47s previously selected for purchase by the GOG under the Peace Maya project. Any MAP or FMS credit funds previously set aside and applied toward the project could be used to prepare the aircraft for a one-time flight, but other costs would be borne by the GOG. The Guatemalans could retain all of the present inventory (10 aircraft); the earlier "swapping" understanding would no longer apply;

- 2) The other six aircraft previously identified by the GOG for possible purchase would remain available for exchange purposes although there are no USG funds currently available for reconditioning and delivery.

Under this proposal the in-country C-47 fleet would be 15 aircraft as opposed to 14 under the Peace Maya plan; i.e., the five proposed plus the existing ten rather than three plus the 1972 inventory of eleven.

DOD/ISA supports this proposal in principle; we foresee no problem in obtaining formal DOD concurrence.

In sum, if we do not provide at least some C-47s to Guatemala immediately, we can expect a strong negative reaction from the Guatemalan military establishment which will harmfully and seriously impact on our overall bilateral relationship. If we do provide some C-47 aircraft, no matter how few, we will earn some additional criticism from the GOB and HMG for adding to Guatemala's airborne capability. I believe that the incremental military value of the additional C-47s would be minimal, and that the political consequences of providing them would be less disadvantageous than the consequences of not providing them or continuing to delay a final answer to the Guatemala request.

Action Requested:

That you approve the proposal making available five C-47s at this time with provision for possible future exchanges.

198. Telegram 3587 From the Mission to the United Nations to the Department of State¹

New York, August 7, 1975, 2352Z.

3587. Subject: Belize at the UN: UK View.

1. UKUN Mission Officer Richardson gave the following assessment on August 5 of possible developments at the UN on Belize. Richardson participated in both the New York and New Orleans talks.

2. Richardson reported that Premier Price is very keen on using the UN, as well as other international forums, to exert pressure on Guatemala. He believes that, at a minimum the Fourth Committee of the GA will be the scene of speeches on Belize by the various interested parties. The GOB may also seek to have some of her Caribbean friends submit a resolution on Belize to the Fourth Committee. Price is confident that the necessary majority could be obtained.

3. Richardson explained that the UK has not made any decision yet about how to respond to such an initiative. He did, however, outline the following reservations: First, the UK is not as convinced as Price that a majority for a Belize resolution is to be obtained. Second, even if a resolution were passed, the UK is uncertain of what effect it might have. Richardson emphasized the unpredictability of the UN.

4. Richardson said that he realized that Belize developments have important implications for us and promised to keep us fully informed.

Moynihan

¹ Summary: The mission reported that Belizean Premier Price planned to seek help from Caribbean friends to submit a resolution on Belize to the United Nations in an effort to exert pressure on Guatemala.

Source: National Archives, RG 59, Central Foreign Policy File, D750324–0072. Confidential. Repeated to Belize City, Guatemala City, London, and Mexico City. In telegram 518 from Belize City, August 19, the consulate reported that there was no indication whether the United Kingdom planned to support an initiative on Belize at the United Nations General Assembly. (Ibid., D750285–0703) In telegram 4462 from Guatemala City, August 20, the Embassy recommended “that we keep our options open on C–47 sale until after GOG’s reaction to UNGA Belize deliberations becomes clearly known.” (Ibid., [no film number]) In telegram 204251 to Guatemala City, August 27, the Department accepted Guatemala City’s recommendation “that USG announce no decision on C–47 transaction until after UNGA.” (Ibid., D750297–0998) In a memorandum of conversation, September 9, the Department observed that Moreton told Meloy “that the UK was relieved to learn we had delayed a decision on the C–47s.” (Ibid., P810026–0107)

199. Memorandum From the Director of the Office of Central American Affairs (Lazar) to the Assistant Secretary of State for Inter-American Affairs (Rogers)¹

Washington, September 5, 1975.

SUBJECT

Disturbing Guatemalan Signals re Belize

Contrary to what President Oduber told you last week, the Guatemalan position on Belize appears to be hardening rather than softening. In fact, various signals from Guatemala and recent and prospective related developments elsewhere suggest that we may be about to witness another escalation of tension over the Belize problem.

Guatemalan Signals

Guatemala Retrenchment: You will recall that the UK/Guatemala/Belize talks reached an impasse July 15 when the Guatemalans reverted to earlier inflexibility in their demands for southern Belize. The Guatemalan retrenchment has never been explained. Subsequently, the Guatemalan public stance hardened following revelations of the GOG position by Belize.

Kissinger Involvement Suggested: On August 1, during a cocktail party, Foreign Minister Molina mentioned to Ambassador Melby the desirability of the Secretary involving himself in the Belize (and/or the Salvador-Honduras) problem. He did not press when the Ambassador replied that we preferred to consider Belize a UK-Guatemala problem and not one involving us.

Belize Invasion Discussed: At the joint Defense/Foreign Ministry strategy session President Laugerud convened on August 7, it was de-

¹ Summary: While concluding that the outcome remained uncertain, Lazar reported that the Guatemalan Government appeared to be hardening its position on the Belize issue.

Source: National Archives, RG 59, Central Foreign Policy File, P810026-0108. Secret. Sent through Hewson A. Ryan in ARA. Drafted by Clare and Kilday, September 5. An attached routing slip reads, "Contents discussed with Secretary by Amb. Asencio." All brackets are in the original except those indicating text that remains classified. Kissinger's October 9 meeting with Asencio is Document 207. In telegram 4690 from Guatemala City, August 29, the Embassy reported allegations that while traveling to the Lima Non-Aligned Conference, Belizean officials had visited Cuba to lobby for support for Belizean independence, causing Guatemalan concerns that Belize might become a beachhead for Communist infiltration. (National Archives, RG 59, Central Foreign Policy File, D750300-0575) In telegram 208320 to Bogotá, Guatemala City, and Caracas, September 3, the Department reported that Oduber had told Rogers that Guatemala's stance on Belize had become "less rigid" and suggested that the time had come for U.S. intermediation. (Ibid., D750305-0190) The 1973 Belize contingency paper was not found.

cided to prepare plans for unconventional warfare in southern Belize should the UNGA pass a resolution damaging to the Guatemalan position. (Presumably a strong resolution would be humiliating to the Guatemalan military who would demand that the GOG make a forceful response.) It was also agreed to study how best to exploit an offer from Belizean opposition leader Philip Goldson, who had promised Molina that he would not push for independence if the Guatemalans helped him topple Premier Price.

U.S. Unofficially Advised: On August 19, a “member of a Guatemalan security service, reporting with the knowledge of his government” described [*less than 1 line not declassified*] Laugerud’s views. Laugerud believed that Belize would be able to obtain a UN resolution unfavorable to Guatemala; if so, Guatemala, specifically its military, would be honor-bound to react. The President thought that the U.S. was holding up requested military matériel to limit Guatemala’s military capability, but that the GOG had sufficient capability to carry out “required actions” against Belize without additional weapons and ammunition. A media campaign to explain the seriousness of the situation to the people had begun and other, unspecified steps to improve military readiness had been taken. Guatemala, however, was not moving troops closer to Belize or into position for possible military action. Laugerud, the source stressed, was eager to solve the Belize issue during his term.

The M–16 Gambit: Also in mid-August our MILGP was officially informed that the GOG would seek to buy from us 15,000 M–16 rifles and 5 million rounds of ammunition, costing \$4 million (we have yet to receive a formal request). To put this in perspective, the largest single order of M–16s ever received from a Western Hemisphere nation was from Chile, for 3,000. There are approximately 14,000 men in Guatemala’s armed forces.

Politicians Like Tough Talk: Sparked by various official GOG and GOB statements, Guatemalan media and political party attention focused on the Belize question in August, and a group of PR Congressmen arranged a fact-finding mission to Belize. President Laugerud briefed the members of the group on August 21, and assured them that he would send troops to their rescue should they be detained in Belize. He also told them that U.S. delays had forced him to purchase planes from Israel and guns from Belgium (the latter point is unconfirmed). The Congressmen were impressed by Laugerud’s statement that he would “sacrifice the country if necessary” in an effort to achieve a favorable settlement. Laugerud must have known that the tone and substance of his briefing would become widely known. (The mission finally was postponed at the request of the GOB.)

Cuban-Belize Axis Revisited: On August 29 Molina called in Chargé Andrews to convey President Laugerud's concern over Belize/Cuba ties. Molina said the GOG had information that Attorney General Shoman of Belize, on his way to Lima for the non-aligned meeting; had met with Raul Roa in Cuba. Molina repeated Guatemala's oft-voiced fear that a weak, leftist regime in Belize would open Central America to Cuban infiltration. Were Shoman to be successful at Lima, it would presage a similar hostile resolution at New York. Such a resolution would present Guatemala with "different decisions."

British Cooperation Requested: On August 20 special Guatemalan emissaries met with the UK's Permanent Representative (and Belize negotiator) Richard who rejected their request for collaboration in restraining debate on Belize at the GA. Richard cautioned Guatemala not to undertake military action against Belize and expressed regret that the Guatemalans had broken off the secret talks. The Guatemalans responded that in their view the talks had merely been adjourned until the UK could suggest a counter proposal and offered to resume the meetings whenever the UK was ready. On instruction, Richard informed the Guatemalans that the UK was not prepared to resume talks at this time.

Elsewhere:

Lima: Guatemala's fears about Belize's ability to rally third world support were realized at the NAC. The Guatemalan representative was unable to obtain observer status at the conference, although he did manage to address the meeting as a "guest." The final act affirmed "the territorial integrity of Belize and the right of its people to independence." Interestingly, the conference took an opposite tack in supporting the Argentine claim to the Falklands, and this may be viewed by the GOG as a successful first effort to split previous Latin American solidarity with Guatemala.

London: After years of close U.S.-UK cooperation on the Belize problem, the UK may have decided not to share with us their most current plan of action. For the first time, they have refused to cooperate with Guatemala in preventing discussion of the Belize issue at the UNGA and, most uncharacteristically, they have passed up several opportunities to inform us of the August 20 UK-GOG meeting in New York. In the absence of some clarification, we can only assume that they intend to allow (i.e., tacitly encourage) airing of the dispute and, possibly, passage of a sternly worded resolution. [2 lines not declassified] we are not aware that they are making any unusual preparations to defend Belize. However, it should be recalled that the UK set in train the last Belize crisis in 1972 when, acting on erroneous information provided by Costa Rican Foreign Minister Facio, it reinforced the Belize garrison.

New York: John Kriendler was told on Wednesday that Assad Shoman would represent Belize in New York during the entire period of the UNGA. Shoman is viewed in Belize and Guatemala as a radical leftist with close ties to Cuba. He probably was responsible for the Belize resolution at the NAC, and we would expect him to press for a full GA discussion of the problem.

How Does It Play Out?

We are not certain what all of this adds up to other than a probable rise in tensions in the capitals and perhaps along the borders until the UNGA is ended. It is conceivable that the British and Belizeans do not really intend to allow a full airing of the issue at the GA but want to let the GOG think this is their intention. They might believe this would lead the GOG to offer to renew serious negotiations. Alternatively, they may really believe that airing of the dispute and passage of a strong resolution will make the GOG more tractable whenever negotiations are resumed. The GOG appears to feel beleaguered but it is not at all clear what they want to do other than avoid an unfavorable UNGA resolution. It is certain that the GOG is trying very hard to pass signals to us but we have not been able to read them clearly yet. It may be that they are simply seeking to “subtly” enlist our cooperation in avoiding a damaging resolution. However, it is faintly possible that they are trying to build a case that the use of force was made necessary by UK and U.S. unresponsiveness to their perceived needs. We expect the whole issue to become clearer as the situation unfolds at the UNGA and we then would hope to have some thoughts on what constructive or damage-limiting steps we might take. In the meantime, we are revising the 1973 Belize contingency paper.

200. Telegram 4060 From the Mission to the United Nations to the Department of State¹

New York, September 6, 1975, 1454Z.

4060. Subj: Belize at the UNGA. Ref: USUN 4000, USUN 3587.

1. On September 3 British mission officer Richardson responded to our inquiry about recent developments on Belize by informing us that Belizean Attorney General Shoman will arrive in New York on Sunday, September 7 to "sniff out" the atmosphere. Richardson said there has been no decision yet on any resolution on Belize but that the Belizeans were encouraged by support for their position at the Lima Non-Aligned Conference. He believes it inevitable that the Belizeans will "make a fuss" during the General Assembly. Richardson reported that Shoman will stay on until the Belizean question is discussed probably in early November. He also reported that there have been rumors that Guatemala is concerned over a possible resolution on Belize.

2. Richardson said that the UK position is unchanged. The UK feels that the issue must ultimately be resolved by negotiations and that any action here must be evaluated in the light of how it might affect negotiations. He said that the advantages of a resolution on Belize would be to demonstrate to Guatemala the level of support at the UN for the Belizean position. The disadvantage, he said, was that a strong resolution might lead to "rash action" on the part of the Guatemalans.

3. Richardson said that he would be pleased to discuss this matter in more detail in the near future. He indicated that he expected that Shoman would ask to see us here in New York and asked what our position concerning such a meeting would be. We responded that we were unsure of what our attitude would be but that we would probably see Shoman if that's what he wanted.

¹ Summary: British U.N. mission officer Richardson informed the U.S. mission that Belize felt encouraged by support for its independence at the Lima Non-Aligned Conference. Although noting that a United Nations resolution in favor of Belize might demonstrate the level of support for independence, Richardson expressed concern that it might lead to "rash action" by the Guatemalan Government.

Source: National Archives, RG 59, Central Foreign Policy File, D750309-0375. Confidential. Repeated to Belize City, Guatemala City, and London. Telegram 4000 from USUN, September 4, is *ibid.*, D750305-0107. Telegram 3587 from USUN is published as Document 198. In a last minute note attached to a covering memorandum to Rogers, September 12, Lazar reported that at a September 11 dinner in Washington, British Minister Moreton had told Ambassador Meloy "that the U.K. was attempting to exercise restraint over the Belizeans and allies at New York." (National Archives, RG 59, Central Foreign Policy File, P8100380-1610)

4. *Comment:* Richardson seemed more positive about the emergence of a Belizean resolution than in our previous conversation reported in USUN 3587.

Moynihan

201. Telegram 595 From the Consulate General in Belize to the Department of State¹

Belize City, September 12, 1975, 2300Z.

595. Subject: U.S. Policy Re UK-Guatemala Dispute on Belize. Ref: Guatemala 4943.

1. Purpose of this cable is to suggest Department give urgent consideration to adequacy of existing policy re Belize dispute in the light of recent developments.

2. An important assumption upon which the FY 1976–FY 1977 CASP was predicated was that GOG would not seek to implement its claim to Belize by force unless Belize were to make some dramatic move toward independence or unless the GOG were to become convinced that such a move were imminent. At the time CASP was being written possibility of Guatemalan military incursions into southern Belize was not viewed as likely and consequently was not taken into account in the CASP policy judgment which was that U.S. interests would be best served by support for the status quo. Thus, if these incursions have actually taken place as reftel indicates or even if such incursions are now seen as likely, Department may wish to consider whether Belize CASP can still be regarded as a relevant or useful policy document.

3. My impression based on comments made to me in strictest confidence by British garrison commander (please protect) is that HMG approval of additional UK troops to be stationed in south near Punta

¹ Summary: In light of information that the UK might be increasing troop levels in southern Belize, combined with concerns that the Guatemalan military might respond in kind, Consul General Gawf recommended the Department reassess its stand on Belize, particularly from a juridical standpoint.

Source: National Archives, RG 59, Central Foreign Policy File, D750318–0813. Secret. Repeated to RUDTC London, USUN, and Guatemala City. Telegram 4943 from Guatemala City, is dated September 12. (Ibid., D750316–1005) The FY 1976–1977 CASP was sent as an enclosure to airgram A–9 from Belize City, April 1, 1975, which is not published. (Ibid., P750062–0383)

Gorda is likely if not already a fact. Any chance there might be of averting this and possible escalatory response by Guatemala may hinge on our being able to persuade GOG to desist from further military incursions into Belize if these have, in fact, occurred. Difficulty of applying the kind of pressure it would take to accomplish this without appearing to take sides in the dispute itself is recognized. Thus, policy question this situation may eventually pose for us is whether continued non-involvement in Belize dispute will adequately serve our interests if Guatemala military incursions continue. Would we, for example, be able to make an acceptable case for U.S. non-involvement to HMG if Guatemalan troops with advantages derived from U.S. training and equipment were to establish themselves in southern Belize?

4. A further impression gained from conversations with British garrison commander here is that if Guatemalan military forces were to establish themselves in southern Belize, British forces would have no alternative but to mount an operation aimed at dislodging them.

5. Chances of getting either GOB or HMG to accept cession of some Belizean territory in south to Guatemala in exchange for permanent settlement of dispute appear negligible judging from public and private statements I have heard recently from GOB and British officials here.

6. Question of how U.S. would vote on UN resolution endorsing independence for Belize is another aspect of problem which may eventually require basic policy examination.

7. As a preliminary step to any re-examination of existing policy deemed desirable, or even if such re-examination is determined to be unnecessary, I submit that it would be of considerable value to the Department to arrive at its own opinion concerning the relative merits of the juridical arguments advanced by the two protagonists. I have the impression the prevailing, but unresearched, assumption within the Department is that neither side has a compelling case in international law, but my own research, admittedly incomplete, suggests that this assumption may not be valid. Granted our policy must take into account factors other than international legal considerations, but if one side or the other clearly has the law on its side, this is something we should know. I suggest, therefore, that the Department's Legal Adviser be asked to render an opinion on the relative merits of the Guatemalan claim to suzerainty over Belize vs U.K. case against it and that this opinion be taken into account in future policy deliberations on the subject.

Gawf

202. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, September 16, 1975.

Belize Dispute

Summary: Since our memorandum of August 22, we have received further disturbing reports from Guatemala and elsewhere regarding the likelihood of a Guatemalan military response to a strong United Nations resolution on Belize. Ambassador Meloy is cutting short his vacation in the U.S. to meet with President Laugerud and express our concern.

Background: The Belizeans appear to be preparing for a full discussion of the Belize question at the UN. The British seem inclined to tolerate that initiative. The Belizeans already are encouraged by their success at Lima where the Non-Aligned Conference endorsed independence for the British colony. Assad Shoman, Belizean Attorney General and architect of the Lima victory, is in New York where he plans to lobby actively for a strong resolution.

The Guatemalans have indicated that a UN resolution “damaging” to their claim would force the government to carry out some unspecified military or paramilitary action, most likely against southern Belize. They have taken steps to show increased military readiness and to rally public support—and they want us to know it.

Ambassador Meloy, currently on vacation here, agrees that he should seek an early appointment with Guatemalan President Laugerud right after National Day on September 15. The Ambassador will attempt to elicit a clearer view of the President’s intentions and remind him that we oppose the use of force to resolve the dispute.

We will convey to the UK, who are privy to our information about Guatemalan planning, our view that a provocative UN resolution would not be helpful.

¹ Summary: Rogers reported that the Guatemalan Government had indicated that a UN resolution favoring Belizean independence would force military action, and noted that Ambassador Meloy had been given instructions to meet with President Laugerud to elicit a clearer view of Guatemala’s intentions.

Source: National Archives, RG 59, ARA/CEN Files, Lot 78D110, Guatemala 1975, Sept., Territory, Boundaries. Secret. Drafted September 12 by Clare. The August 22 memorandum was not found. In telegram 220343 to Guatemala City, September 16, the Department instructed Meloy to meet with Laugerud to obtain his views on the Belize situation, while making clear to him that the U.S. Government opposed the use of force and did “not believe that a resolution passed by the United Nations is justifiable provocation for resort to force.” (Ibid., Central Foreign Policy File, D750321–0747) A report of Meloy’s meeting with Laugerud is Document 204.

203. Telegram 5067 From the Embassy in Guatemala to the Department of State¹

Guatemala City, September 18, 1975, 0045Z.

5067. Subject: Guatemala Willing Take Belize Dispute to ICJ. Ref: Guatemala 4436.

Summary. FonMin told Ambassador Guatemala willing submit Belize dispute to binding decision of ICJ provided UK willing to do so on basis both law and equity. FonMin insisted Guatemala willing despite slim prospects for decision in Guatemala's favor, but he doubted whether UK willing take matter to court, particularly if decision to be based on equity. FonMin also asked whether there any chance of U.S. mediation. Ambassador seeing President Laugerud Friday morning Sept 19.

1. Ambassador saw FonMin off to attend UNGA at airport morning Sept 17. Ambassador noted that previous afternoon Molina had told meeting of Foreign Chiefs of Mission (septel) that Guatemala prepared take case to ICJ, and he wondered whether Guatemala willing accept mandatory jurisdiction of court. Molina said it was (Ambassador repeated question second time to be sure of answer), even though there was not much hope that court's decision will favor Guatemala. Only condition would be that UK agree that decision would be based on equity (*ex aequo et bono*) as well as law. Unfortunately FonMin thought UK unenthusiastic about taking dispute to ICJ and particularly about admitting equity as basis.

2. Molina said GOG's greatest problem is provision in Guatemalan Constitution (Article 1 of quote transitory unquote provisions) that Belize is part of Guatemala and quote executive must undertake all steps that would tend to settle its position unquote. GOG believed that referral to ICJ would be such a step and would get GOG off hook of

¹ Summary: Foreign Minister Molina told Ambassador Meloy that the Guatemalan Government was willing to submit the Belize dispute to the International Court of Justice for a binding decision, despite his belief that Guatemala had little hope for a favorable ruling. When Molina asked if the United States Government would consider mediating, Meloy responded that such mediation might not favor Guatemala, and that the U.S. sought to remain impartial and uninvolved in the dispute.

Source: National Archives, RG 59, Central Foreign Policy File, D750322-1116. Confidential; Priority. Repeated to Belize City, USUN, London, Mexico City, and USCINCSO. Telegram 4436 from Guatemala City is dated August 20. (*Ibid.*, D750288-0449) Meloy's September 19 meeting with Laugerud is Document 204. In telegram 14513 from London, September 19, the Embassy reported that the British had indicated they would not be willing to submit the dispute to ICJ adjudication. When asked how far the United States was willing to go to prevent hostilities, the Embassy replied that the U.S. was "prepared to use all diplomatic means to prevent the use of force." (National Archives, RG 59, Central Foreign Policy File, D750325-0790)

staleminated negotiations. Constitution could be modified, or transitory provision could be considered fulfilled, as result of ICJ decision or, Molina added, as result formal mediation. He asked whether U.S. would consider complying with a request to mediate.

3. Ambassador said long-standing U.S. position was not to get involved in this dispute. But if U.S. were some day to consider mediation, he thought it important for GOG to bear in mind that mediation would not necessarily favor Guatemala. Any mediator would have to be strictly impartial. Molina said GOG of course understood and accepted that. Ambassador said that with regard to our efforts to remain impartial and uninvolved, we were disturbed by some indications that had come to us recently on the military side. For example, with regard to the GOG request for C-47s, as friends, we did not wish to give Guatemala a negative reply but so long as uncertainty of GOG intentions toward Belize persists GOG should not expect a response. The USG could not release the planes to Guatemala as long as there was any possibility that they might be used against Belize. Molina smiled and said he would not expect us to do so.

4. Ambassador said he was under instructions to seek an early appointment with President Laugerud to review the matter of Belize, and before boarding plane Molina instructed Vice Minister Obiols to arrange appointment. Obiols called Ambassador later to say President would be pleased to receive him at eleven am Friday Sept 19.

Meloy

204. Telegram 5152 From the Embassy in Guatemala to the Department of State¹

Guatemala City, September 20, 1975, 0200Z.

5152. Subject: Belize Dispute—Meeting with President Laugerud.
Ref: State 220343.

1. *Summary:* Pursuant to my instructions (reftel), I met with President Laugerud at 11 am on Sept. 19 for an extremely frank discussion of the Belize problem. During our conversation, I laid it on the line with the President so that there could be no possible misunderstanding of U.S. opposition to the use of force by Guatemala in Belize. I made it explicitly clear that should there be a recourse to military action by Guatemala, the U.S. could not take a subsequent position in international fora, the OAS or the UN, which could be interpreted as accepting, approving, or rewarding the use of force. I had more than half expected that the President, sensitive and highly nationalistic as he is, would react angrily. I was wrong. Although he caught his breath or looked startled several times during our talk the mood continued to be that of a bluntly frank conversation between friends. The President assured me and asked me to assure my government that his fervent desire was to avoid a situation developing which might lead to an armed clash. He was aware of the danger, as in the Salvador-Honduras war, that military moves and public excitement could get out of hand and lead irreversibly to an armed conflict. His urgent desire was to renew conversations with the British to seek a peaceful solution. In this connection he appealed for action by the USG to assist these talks either by formal

¹ Summary: In a September 19 conversation on the Belize problem, Ambassador Meloy told President Laugerud that the United States Government was opposed to the use of force to resolve the dispute. Laugerud indicated that Guatemala had no intention of resorting to force and requested U.S. mediation. Turning to the request for C-47 aircraft, Meloy noted that as long as there were any doubts about Guatemala's intentions towards Belize the United States could not sell the aircraft.

Source: National Archives, RG 59, Central Files, Central Foreign Policy File, D750326-0453. Secret; Immediate; Limdis. Repeated to Mexico City, London, Belize City, USUN, and USCINCSO. All brackets are in the original except "[use]", added for clarity. Telegram 220343 to Guatemala City is dated September 16. (Ibid., D750321-0747) In telegram 614 from Belize City, September 20, 1700Z, the consulate reported that Premier Price had information that Guatemalan forces at Melchor de Mencos and Pólvera had grown from 80 to 400. (Ibid., D750327-0411) In telegram 14632 from London, September 22, the Embassy reported that British officials were "heartened that Laugerud had so freely discussed the concept of Belizean independence" and indicated that the UK would work with Belizean officials at the UNGA to avoid a resolution that the Guatemalans might consider humiliating. (Ibid., D750328-0549) In telegram 5203 from Guatemala City, September 23, the Embassy forwarded the text of a September 19 letter from the Guatemalan Defense Minister requesting information on the status of the sale of eleven C-47s. (Ibid., D750330-0552)

mediation or by proposing possible solution to both sides for consideration. I explained informally to the President he could not expect a favorable reply to GOG request for C–47 aircraft as long as doubt persists over their possible [use] in Belize. *End summary.*

2. I began conversation by telling President that during my recent leave in U.S. for personal reasons, I was called in by Department and as result had returned to Guatemala somewhat earlier than anticipated, on instructions of my government to see him. Department was concerned over various indications that Guatemala may be contemplating military action in Belize. In the spirit of frankness which has always characterized our conversations I had come to ask him what Guatemala's intentions were. President replied that as military man he understood human and material cost of war. Guatemala has too many problems of its own and cannot afford to waste its resources on a military adventure in Belize. Furthermore, Guatemala could not afford to assume responsibility for Belize; it did not have financial resources UK spending to support the territory. It would be foolish to attack the British, who are still a great power, capable of moving troops into the area in short order. Cuba might also respond to a call for help from Belize and send in "volunteers." He was therefore determined to avoid any military conflict over Belize—unless Guatemala is humiliated.

3. President then read me provisions of constitution requiring government to settle Guatemala's title to Belize and requiring armed forces to protect national territory. He said no Guatemalan Government could stand against fury of populace as well as army if they were to feel that government had betrayed them on Belize issue. I said Americans have great respect for our own Constitution and the constitutions of others, but we don't see ours as unchanging or static. We have modified our own and then modified the modifications. Therefore I was not very impressed by argument that Constitution requires GOG to act. Present constitution dates only from 1965; issue was not mentioned in earlier constitution and may not be mentioned in next one. President interjected that if dispute settled he was prepared call Constitutional Convention to amend document. I said it seemed to me problem could also be settled within terms of present constitution without amendment. President agreed, saying there were all kinds of formulae that could resolve problem, mentioning resort to ICJ in passing as one of them but he repeated that Guatemala could not be humiliated.

4. President said he was anxious to avoid El Salvador-Honduras situation where public opinion had gotten out of control and forced governments' hands. For that reason GOG had carefully kept its public statements moderate and low key and he had instructed his Foreign Minister to follow same course in UNGA. However, Jamaica and Trinidad are scheduled speak before Guatemala and Foreign Minister

would have to answer anything they might say point by point. I said that I was glad to hear that he was taking steps to make sure that Guatemalan public opinion did not become agitated. I said that the United States also hoped that an extreme resolution, a resolution Guatemala would consider humiliating, would not come out of UNGA. I was instructed to assure the President that we would work toward that end. We will work with the British and we will urge that Belize resolution not be in any way extreme or humiliating. President said he was very grateful for this assurance.

5. In my personal view, I thought that British might feel they could go along with a resolution recognizing the right of Belize to independence after the peaceful solution of the dispute with Guatemala. President said he thought that was exactly the right kind of resolution. If it called for immediate independence alone, with no reference to the need to continue talks with Guatemala, that would be an unacceptable humiliation for Guatemala. What GOG wants is that negotiations be resumed and continued. They can go on for a long time as long as there is some hope of a solution. The discussions have to be two-way; UK cannot expect simply to sit forever and listen. He had spoken with me before about the role U.S. could play in advancing cause of peaceful settlement. It would be wonderful if Secretary Kissinger could step in and mediate the dispute. However, it would not have to be the Secretary; it could be someone else in the State Department or the USG; but Guatemala had to have some help. I said that the U.S. did not want to be caught in the middle. However, speaking hypothetically, suppose we ever reached a point where U.S. might play some role. President must realize that any effort we undertook would not necessarily favor Guatemala. He said he understood that we must be completely impartial, but repeated his plea for some U.S. help in resolving dispute.

6. I then said I was under instructions to make clear that USG is strongly and firmly opposed to the use of force in this dispute. President said he was as well. I said that no resolution of any kind that might emerge from UNGA is sufficient justification for Guatemalan military action. Should force be used, U.S. could not be expected to take a position in any international forum, such as OAS or UN, that would be regarded as in any way accepting, approving, or rewarding use of force. I wanted President to understand that and to understand that I was speaking on instructions. President looked thunderstruck.

7. He said that GOG had had contingency plans for military action in Belize for 45 years and updated them from time to time. That was all that was taking place at present time. I said this was a very delicate time to be updating them and he replied that it was a very delicate situation. He asked me to assure my government that he too opposed the use of force and that Guatemala had no present intention to use force. He

again appealed to USG to mediate, to use its good offices, to encourage the other side to offer solutions, to do whatever we can to help Guatemala to continue diplomatic discussions.

8. I then said I wanted to talk about Guatemala's request for C-47s. We are your friends. We want to be able to respond affirmatively to Guatemala's request whenever it is possible to do so. When Guatemala first asked for C-47s I fully supported its request. But Washington was concerned about possibility of their use against Belize. President said he understood we were concerned about upsetting the military balance. I said concern was over Belize, not about balance in Central America. We don't want to give GOG negative response but as long as there is danger that Guatemala might use these aircraft against Belize GOG cannot expect any answer from us other than that matter remains under study. Guatemala's own actions and attitudes do not permit us to say yes. We of course recognize Guatemala's right to purchase military equipment anywhere it wished and that it could acquire aircraft and arms elsewhere. President said Guatemala did not want to buy from any other source, and he asked rather plaintively whether if Belize negotiations got back onto the tracks we might not be able to release C-47s. I replied that we could not as long as there was any doubt about Guatemala's intentions. President looked crushed, but finally said that he recognized British were our friends and allies too.

9. Conversation ended as cordially as it had begun. Although much of what I had to say was obviously unpleasant news for the President, I think it succeeded in removing from his mind some dangerous misconceptions and in making our position clear. I also believe that we have made some progress in getting his assurance that Guatemala would accept a resolution supporting independence for Belize, as long as it also referred to the prior need to negotiate a solution of the dispute with Guatemala.

Meloy

205. Telegram 5215 From the Embassy in Guatemala to the Department of State¹

Guatemala City, September 24, 1975, 0036Z.

5215. Subject: Belize Dispute: Recommendations for Approach to British. Refs: (A) Belize 595 (B) State 222582 (C) London 14513 (D) USUN 4344 (E) Guatemala 5152 (F) Belize 613 (G) Belize 614.

Summary: Embassy believes threat of Guatemalan military action against Belize is unlikely to be removed unless GOG sees some prospect of eventual progress in Guatemala-UK negotiations. Threat in fact will increase to virtual certainty of military conflict if UNGA resolution calls for independence or self-determination without conditioning them on prior negotiated settlement of dispute with Guatemala. Both progress in negotiations, over long run, and successful handling of UNGA resolution, in short run, depend primarily on UK, not on U.S. Embassy recommends these points be made to HMG at high level.

1. Embassy's reporting both overt and covert, makes clear that GOG has virtually decided invade Belize if UNGA adopts "extreme" resolution "humiliating" Guatemala. Reftels report that both UK and Belize authorities say they wish to avoid extreme, immoderate resolution but authorities do not always make clear what they mean by extreme or whether what they mean is same as what Guatemala means. We were pleased to see Minister Ennal's remarks (ref B) that UK aware Guatemala may be tempted take drastic action and that it will urge inclusion in any UNGA resolution of a call for a negotiated settlement

¹ Summary: The Embassy reported that the Guatemalan Government had virtually decided to invade Belize should the United Nations General Assembly adopt a resolution in favor of Belizean independence without providing for a continuation of negotiations over Guatemala's territorial claims, and recommended greater U.S. involvement in the dispute behind the scenes.

Source: National Archives, RG 59, Central Foreign Policy File, D750330-0178. Secret; Immediate; Limdis. Repeated to Belize City, London, and USUN. Telegram 595 from Belize City is dated September 12. (Ibid., D750318-0813) Telegram 222582 to Guatemala City is dated September 18. (Ibid., D750324-0876) Telegram 14513 from London is dated September 19. (Ibid., D750325-0790) Telegram 4344 from USUN is dated September 18. (Ibid., D750324-0072) Telegram 5152 from Guatemala City is published as Document 204. Telegrams 613 and 614 from Belize City are both dated September 20. (Ibid., D750327-0409 and D750327-0411) In telegram 5203 from Guatemala City, September 23, the Embassy reported that Defense Minister Lucas García had cancelled the C-47 transaction. (Ibid., D750330-0552) In a briefing memorandum to Rogers through Ryan, October 3, Lazar verified the cancellation and noted that "President Laugerud reportedly stopped the sale of a civilian airport radar from a U.S. firm because he does not want to get involved in another USG-controlled export." Lazar also noted a "bizarre conversation" among Meloy, Lucas García, and Acting Foreign Minister Obiols, in which the Guatemalan officials had invoked "emotionalism, repeated appeals for U.S. mediation and support and statements of 'dying with honor on the battlefield.'" (Ibid., ARA/CEN Files, Lot 78D110, Guatemala 1975 Oct., Territory, Boundaries)

with Guatemala prior to independence. This is precisely Guatemala's position, and if UK is successful we see no reason why Guatemala could not accept such a Belize resolution. President Laugerud told Ambassador September 19 (ref E) that he could accept resolution which called for independence of Belize provided it also called for prior resolution of dispute with Guatemala through continuation of negotiations. Omission of recognition of need for peaceful negotiated solution to Guatemala's claims should be regarded as humiliating and, President said, would force Guatemala into military adventure Guatemala does not want and can ill afford.

2. Late reporting from Belize, on other hand, finds Premier Price's view (ref G) limited to belief that "a strong resolution would be better than a weak one" and illusion that chances of obtaining "effective defense guarantee from neighboring countries should be enhanced" by UN endorsement of independence. Governor Posnett (ref F) says he has "drummed into Price the view that utility of resolution would depend on extent to which it established principle of self-determination as basis on which dispute should be settled." If self-determination alone is established as basis, Guatemala would regard its cause as hopeless and would see no point to negotiations. For this reason GOG will fight reference to it in resolution and would regard any resolution based on it as forcing it to abandon hopes of peaceful solution.

3. GOG acceptance, at least tacitly, of independence but resistance to self-determination may be difficult for non-Guatemalans to understand. Difference, in Guatemalan minds, is that they have come to accept inevitability of an independent Belize—perhaps with different borders, or tied to Guatemala in various ways, but still an independent state. If independence is conditioned on successful conclusion of Guatemala-UK negotiations, then it will come as result of an agreement with Guatemala, not as result of unilateral UK or Belize decision. "Guatemalan territory" will not rpt not have been disposed of without Guatemalan consent. Self-determination, however, means that whenever people of Belize—in each and every nook and cranny of present Belize territory decide they wish to be independent, or decide they do not wish to be part of Guatemala, their wishes are governing and determining; neither GOG nor UK will have any control over the matter. As GOG officials have put it to us, if UNGA recognizes applicability of self-determination to Belize dispute, there is nothing left for the negotiators to negotiate about. We believe GOG might accept some substitute phrase such as "taking into account aspirations of Belizean people," but not red flag of "self-determination."

4. UK officials in London, Washington and New York are undoubtedly well-briefed on Guatemalan sensitivities, but they might be asked to make these points to Belize authorities, and USUN might do

likewise when it sees Shoman. Hopefully Belize Government will recognize that it is not simply question of showing Guatemala that Belize has world support for independence; it does, including U.S. support. But world, again including U.S., should also support moderates in Guatemalan camp who have so far been able to insist on pursuing negotiated settlement rather than resort to force.

5. Over long term, even if present crisis over UNGA resolution is finessed, possibility of Guatemalan resort to force will recur whenever talks appear stalemated. President Laugerud said, and we believe he is sincere, that he is in no hurry to push talks to early conclusion as long as there is some appearance or hope of progress. We agree with Laugerud that there is little such appearance at present, on basis of what both Guatemalans and UK have told us about negotiations.

6. We believe time has come for us to become more actively involved in the dispute—behind the scenes and not as formal mediator. Pressure should be applied to all three parties—to the Guatemalans, as we have already begun to do, to show restraint; to the British, to give new life to the negotiations and to avoid confrontation in the UN; and to the Belizeans, to permit the British to compromise. We do not rpt not believe British have made maximum effort to be forthcoming in negotiations. This was a quite understandable tactic as long as stalling worked. It is no longer working. We hope that Ambassador's September 19 *démarche* has given GOG food for thought, but we are not sanguine that even our active opposition will deter invasion if Guatemalans feel they have no options. Formal U.S. mediation of dispute, which GOG has requested, we believe would serve no present purpose, other than to win enmity of both sides, unless British were able to develop some face-saving concessions that could be offered Guatemala. We conclude that in any event, with or without greater U.S. involvement, only prospect for avoiding conflict lies in greater British effort toward compromise.

7. We recognize extreme difficulty of offering any territorial concession to Guatemala, in light of Premier Price's understandable refusal to cede any part of country he hopes to lead to independence, especially given the flimsy nature of Guatemalan claim. But we understand Guatemalans have mentioned a number of nonterritorial agreements that might be reached, and that British response has been only that they would be studied. Specifically, Guatemalans appear to attach great significance to Bay of Amatique and to possibility that Belize could claim most of Bay either as territorial waters or as zone where economic exploitation is reserved to Belize. Could possibility be explored of agreement on sea border, at least as first step toward agreement on land border, or even of joint exploitation of certain areas beyond 12 miles? Guatemalans are also concerned about prospect that yielding all claim

to Belize would surrender possibly valuable oil reserves. Could an agreement on joint benefit from any oil exploration in certain land and sea areas be offered?

8. Guatemalan FonOff (Sanchez) told us September 22 that solution to dispute need not be territorial, and that most important consideration for Guatemala is security. While he may not have full authority to speak for GOG on first point, we believe he is right on the second. What GOG really fears is Cuban influence, either by infiltration of Cuban guerrillas through undefended and indifferent Belize or directly through large Cuban Embassy in a Belize with a weak, unstable and Marxist-oriented government. Sanchez noted that GOG had years ago proposed that neither Belize nor Guatemala enter into military agreements without consent of other. Could another look be taken at kind of formal assurances or arrangements that Belize might offer Guatemala in this regard?

9. British reaction to these suggestions may be, as with proposal to refer entire matter to ICJ (ref C), that Price is opposed. In that event, we believe HMG should be bluntly told that if UK is unprepared to explore any proposal to which Price is opposed, and if Price remains opposed to all agreements of any significance with Guatemala, then we do not see how Guatemala can be discouraged or deterred over long run from resort to military action to force some kind of face-saving concession.

10. In short run, however, there are some steps British could usefully take to improve Belize's defenses. We recommend they consider scheduling frequent visits by British frigate to Punta Gorda, to demonstrate that British naval forces are nearby and can be brought there on short notice, preferably 24-hour notice. In our view most probable Guatemalan plan is for combined land and sea invasion of area south of Monkey River, which has been their maximum claim in current negotiations. They have specifically mentioned their need for another port on the Caribbean, and Punta Gorda is nearest thing to a port in that area. Also, if invasion is to have any claim to success, some population center must be seized, and Punta Gorda is largest town in area. GOG is strongly intimidated by British Navy and even one frigate, frequently in Punta Gorda, could give them pause. We recommend against any increase in number of British troops in Belize as is reportedly under consideration (ref A). GOG would regard this as violation of understanding with UK on size of British garrison and clear signal that UK has decided against negotiated settlement.

Meloy

206. Memorandum of Conversation¹

Washington, October 3, 1975.

PARTICIPANTS

John Moreton, Minister, UK Embassy, Washington
 David Walker, UK Embassy, Washington
 William D. Rogers, Assistant Secretary, ARA
 Hewson Ryan, Deputy Assistant Secretary, ARA
 David Lazar, ARA/CEN
 Mark J. Platt, ARA/CEN/G

SUBJECT

Belize

REFERENCE

Guatemala 5215

The meeting was held at Moreton's request.

Moreton opened by stating Her Majesty's Government's desire to keep in close and continued contact on developments and tactics involving Belize. He mentioned that Secretary Callaghan had discussed the problem with Secretary Kissinger on September 23 and had thanked the Secretary for our decision to delay delivery of the C-47s. Callaghan had promised to inform the Secretary of the results of his September 25 meeting with Guatemalan Foreign Minister Molina. Moreton had brought to leave with us a copy of the British reporting telegram on the meeting.

Callaghan had been most frank with Molina and had emphasized British support for Belizean independence. He said a UN resolution could not be avoided. Callaghan added the UK did not want to humil-

¹ Summary: During a meeting on the Belize issue, British Embassy Minister John Moreton indicated that while the British Government believed a UN resolution in support of Belizean independence could not be avoided, both the UK and Belize were willing to consider any resolution that would not be humiliating to Guatemala. When Moreton asked for the Department's assessment of the risk of war, Assistant Secretary Rogers observed that the Guatemalans might feel compelled to use force.

Source: National Archives, RG 59, ARA/CEN Files, Lot 76D110, Belize-POL-1975. Secret. Drafted by Platt on October 6, and cleared by Lazar, Ryan, and Rogers. Telegram 5215 from Guatemala City is published as Document 205. In telegram 238755 to Guatemala City, London, Belize City, and USUN, October 7, the Department reported that during a meeting in ARA/CEN, Walker described British plans to reinforce their garrison in Belize, noting that the British "viewed the possibility of a Guatemalan attack, at least in the short run, as directly tied to UN action." (National Archives, RG 59, Central Foreign Policy File, D750349-0075) In telegram 670 from Belize City, October 14, Gawf reported that the British had begun reinforcing their garrison, and noted the arrival of three Puma helicopters and approximately 50 additional military personnel. (Ibid., D750356-0252)

iate Guatemala and suggested that a reference to “future talks” could be “coupled” with the resolution. “Britain could not force territorial cession on Belize, but other matters such as economic cooperation or a treaty covering the use of territorial seas could be considered.” Callaghan flatly rejected Molina’s arguments for “associated status” and said Britain would resist any use of force.

Moreton gave a brief rundown of Molina’s UN speech of October 3. Molina had emphasized territorial integrity as taking precedence over self-determination and had outlined Guatemala’s historical claim. UK Ambassador Richard characterized the speech as generally mild but full of “half-truths.” Richard had exercised his right of reply and had bluntly rejected the Guatemalan arguments and had stated, “The sole obstacle to the independence of Belize has been and is Guatemala’s continuing desire to assert its control, for the first time, over a people whose history, culture and way of life are, and have always been, quite different from its own.” Richard said, “The UK and the Government of Belize are both very ready . . . to discuss any constructive suggestion for economic cooperation, better communications, special access to Guatemalan goods in Belizean ports . . .” Molina replied that he believed that further negotiations were the only answer. He wanted a formula that would “conciliate” interests and did not want Guatemalan rights to be set aside “completely.”

Moreton said the UK delegation at the UN was now considering its tactics. They would certainly attempt to see that any resolution would not be humiliating and would be one that Guatemala could live with, although Assad Shoman was saying that they were not being firm enough.

Rogers asked when the issue might come up in the UN. Walker replied that a draft resolution might start circulating in ten days to two weeks with formal discussions around the end of November.

Rogers then asked if any mention had been made of the International Court of Justice. Moreton said no. He added that in the past the Guatemalans had always insisted on having the issue considered on the basis of both law *and* “equity.” Rogers asked whether if “equity” were considered, the British position would be weakened. Moreton agreed. Rogers pointed out, however, that given the composition of the Court today, it was quite likely to be guided by political considerations in judging such a powerful issue as independence and the British should really reconsider the utility of the Court in resolving the whole issue. Rogers added that Molina had told him the Guatemalans were willing to let the Court decide the question. He commented the ICJ looked like a good solution. Moreton took careful note of this and promised to get an up-to-date opinion from the Foreign Office.

Moreton then asked for our assessment as to the risk of war. Rogers replied that we viewed this most seriously and it was not unthinkable that the Guatemalans would feel they had been driven to the use of force. If an attack occurred, it most likely would be in the south.

Moreton asked if we thought Guatemala would then take the issue to the Security Council. Lazar answered that the OAS would probably move first, to keep it out of the UN.

Moreton asked why the Guatemalans were so interested in the maritime question. Rogers replied that if a conventional territorial sea regime were applied, Guatemala would be closed out by overlapping claims of Honduras and Belize. He outlined the "Matriarchial Sea" concept in which all the Caribbean nations would share the living resources of the sea, but not the seabed, and there would be unimpeded transit. We have suggested the idea to the Guatemalans and they are considering it.

Moreton asked if the appearance of another mini-state in the Caribbean would concern the U.S. Rogers replied that it would not.

Lazar mentioned that the Cuban threat was very real to the Guatemalans and the possibility of guerrillas operating from Belize worried them a great deal. Rogers added that the Cubans were not being at all helpful and have acted to increase Guatemalan fears. When the Guatemalans see Price loosing contact with moderates like Dudley Thompson, they are even more upset.

Moreton then raised the question of British reinforcement. He said it was a touchy issue but the UK could not wait too long. He promised to consult fully when the decision to reinforce was made. Mr. Ryan asked how long would the Royal Navy frigates be in the area. Walker replied they are always within 24 hours sailing time, but in April they would be pulled out entirely.

Rogers repeated his suggestion that in the next conversation they discuss the ICJ in more detail as it appeared to offer a great deal of promise.

Lazar closed by saying we were glad the British would continue talking to the Guatemalans to avoid a "humiliating" UN resolution. He advised them to make their calculations on this issue very carefully so as not to evoke an armed Guatemalan response.

207. Memorandum of Conversation¹

Washington, October 9, 1975, 6:10–6:35 p.m.

SUBJECT

Relations Between U.S. and Guatemala

PARTICIPANTS

Guatemala

Ambassador Julio Asensio Wunderlich, Guatemala

United States

The Secretary

Assistant Secretary William D. Rogers, ARA

Country Director David Lazar, ARA/CEN (notetaker)

Ambassador Asensio had requested the meeting on instructions of his government.

Ambassador Asensio: "Let me congratulate you on the way you handled the Sinai matter. Also on the way you handled the matter of the Spanish bases. We in my country are very fond of Franco."

The Secretary: "I can't say that I am; but Spain is a very important country. I never yield to pressure."

Ambassador Asensio: "I know that."

The Secretary: "Rogers here (pointing) doesn't know that. He keeps pressing."

Mr. Rogers: "But always in a good cause."

Ambassador Asensio: "We have had excellent relations with the United States for years and certainly during my time here. We have never had any trouble and there has never been any need to trouble you. But in this instance I have instructions to hand this letter to you personally."

The Secretary: "Is there a translation?"

¹ Summary: Ambassador Asensio requested that Secretary Kissinger informally approach the British to explain Guatemala's demands and what they would be willing to settle for in the dispute over Belize. Kissinger indicated that he would discuss the issue with Callaghan.

Source: National Archives, RG 59, Central Foreign Policy File, P820123–2223. Confidential; Nodis. Drafted by Lazar and approved on October 16 by Jock Covey in S. The meeting was held in the Secretary's office. In a memorandum to Kissinger, October 6, Rogers noted, "We believe that Guatemalan threats to invade the British-defended colony are serious." (Ibid., P810038–1618) In telegram 5427 from Guatemala City, October 2, the Embassy reported that during an October 1 meeting with Meloy, Lucas García "launched into a long speech on need to uphold honor and manhood of armed forces," adding that "he knew Guatemala had no chance of winning in fight with British, he knew it would be suicide to attack, but he would leave his desk and die with his troops, with honor." (Ibid., D750341–0277)

Ambassador Asensio: "No."

The Secretary: "What is the drift of the letter?"

Ambassador Asensio: "It's about Belize or British Honduras. We have had a claim to this territory for over a hundred years. We have tried, off and on, to negotiate this matter out with the British. Recently, and especially since the independence of Jamaica which is the mouth-piece of Great Britain in the Caribbean, the Jamaicans have been pushing for independence for Belize. Also, since the Lima conference, Cuba has been pushing. Cuba doesn't like Guatemala for a number of reasons."

The Secretary: "Yes, we trained the Cuban exiles there."

Ambassador Asensio: "Yes and other things. Now Castro has offered assistance to Belize. Belize grew through small concessions to the British. Then the United Kingdom forced us to sign a treaty. However, that treaty had a clause with which the British did not comply so we claim that the treaty was abrogated. Although we state officially that our claim is to the whole of the territory, we would settle for less. However, failure to arrive at a solution which would give us some part of the territory would shut off our access to the Atlantic. Lately we have been talking to the Belizeans. Price thinks he is a messiah who must liberate Belize."

The Secretary: "Liberate? From whom?"

Mr. Rogers: "From the British."

Ambassador Asensio: "Within the past few weeks Belize has become determined to declare independence unilaterally. Our constitution, since 1945 says that Belize is part of our national territory. We cannot accept a unilateral declaration of independence. The Government would fall and I don't know what else might follow from that. We want peace. We are a peaceful country, but we could not accept unilateral independence. However, there is a way out. We are not asking you for official mediation or arbitration but informal contact, through you, telling the British what we want and what we would settle for."

The Secretary: "What do you want?"

Ambassador Asensio: "We want the British to give us back what they took in the later concessions (pointing at map)."

The Secretary: "I don't think they'll give you anything. I talked to Callahan. He says they'll fight."

Ambassador Asensio: "We wouldn't mind fighting the British, but we don't want to fight the Cubans. (Pointing to the map) There is an excellent bay up here which does not show up on the map called Chetumal. You could put the whole British Navy in there."

The Secretary: "What are things coming to? What is the population of Guatemala?"

Ambassador Asensio: "Five and a half million people. But we are very proud."

The Secretary: "So you want some of this? How much?"

Ambassador Asensio: "From here down (indicating on the map the Sibun River)."

The Secretary: "OK. When I get a chance, I'll mention this to Callahan."

Ambassador Asensio: "We notice that the Cubans are pushing a campaign on Puerto Rico."

Mr. Rogers: "(To the Secretary) You saw the statement by Castro? It is now a test of manhood."

Ambassador Asensio: "This whole Puerto Rico matter has been blown out of proportion in the UN. This is what has been happening with Cuba since the Lima conference. Castro now thinks he is God in the Caribbean."

The Secretary: "He's playing our game. We're in no rush for relations with Cuba. The more he talks about Puerto Rico, the more he helps our political problem here."

Ambassador Asensio: "But he keeps talking."

The Secretary: "That's great for us. The Cubans suffer from megalomania. Why should we care about Cuba? The only thing they might have been able to do was embarrass us in our Latin American relations, but we got past that in the OAS."

Ambassador Asensio: "He is the Russian spokesman in Latin America."

The Secretary: "But Cuba is not a major country like China. We want nothing from them. They might embarrass us, but they can't bother us very much."

Ambassador Asensio: "But this (Cuba) is why we are worried about Belize."

The Secretary: "I'll talk to Callaghan. That won't be for a couple of weeks. It can wait, can't it?"

Ambassador Asensio: "Yes. We are worried about our relations with you. They have always been very good, but we notice little things. Not at this level, but down below somewhere where some of these things get done. For example, in a letter you just sent to us in reply to our routine request for training ammunition—the sort of thing you have provided to us many times in the past—somebody eliminated two flamethrowers which we wanted for training in our military school."

The Secretary: "Well, we still feel very cordial towards Guatemala."

The meeting adjourned at 6:40 p.m.

208. Telegram 15823 From the Embassy in the United Kingdom to the Department of State¹

London, October 15, 1975, 1454Z.

15823. Subject: Callaghan on Belize.

1. *Summary.* Foreign Secretary Callaghan is determined to cut the Gordian knot and permit Belize to "proceed to independence by measured steps." He intends to reinforce British troops there but will keep USG informed before taking any action. *End summary.*

2. In course of wide-ranging discussion with me yesterday (October 14), Foreign Secretary Callaghan expressed his appreciation for helpful USG role in Guatemalan-Belizean dispute. Claiming that he had not focused on problem until several weeks ago, Callaghan asserted his firm belief that HMG really should not hold up Belizean independence because of Guatemalan threats. He had instructed Ivor Richard to work for a UN resolution that the Guatemalans could live with, and to negotiate for "next three months," if necessary, but Gordian knot, he said, had to be severed and Belize permitted to "proceed to independence by measured steps."

3. Turning to what he termed saber rattling by the Guatemalans [*less than 1 line not declassified*] threatening military movements, Callaghan commented that British forces would be in real trouble if Guatemalans invaded and that he would be very culpable if he let it happen. Therefore, Callaghan said, he intended in "low-key way" to reinforce British troops. Noting that reinforcements thus far had been minimal ("a few boats and helicopters"), Callaghan added, "but I don't want to leave it at that." Although it was not yet settled HMG policy, Callaghan said, he personally wanted to put in enough additional troops (150 or so, he thought) to hold the Guatemalans until a UN resolution has been passed.

¹ Summary: In a conversation on Belize, Foreign Secretary Callaghan explained to Ambassador Richardson that the British Government planned to work with Belize to achieve its independence through measured steps, while staving off a Guatemalan invasion through low-key reinforcement of British forces.

Source: National Archives, RG 59, Central Foreign Policy File, D750357-0730. Secret; Immediate; Exdis. Repeated to the USUN, Guatemala City, and Belize City. All brackets are in the original except those indicating text that remains classified. In a memorandum to Kissinger, October 10, marked "OBE," Rogers observed that with regards to Belize, "The British just want out." (Ibid., P810028-0068) In telegram 1722 from Nassau, October 14, the consulate reported "that six or seven UK RAF Hercules aircraft staged through Nassau International Airport on 12 October 1975 loaded with troops and equipment destined to reenforce the British garrison in British Honduras (Belize)." (Ibid., D750356-0486)

4. Callaghan assured me that HMG would inform USG before making any moves in order to get U.S. reaction. He said he did not want to worry Secretary with this all the time, and would like to keep in touch with me about it.

5. Callaghan said that Venezuelans had offered to make informal contacts with both sides on this issue, and Costa Ricans and Mexicans had also expressed interest in the problem. I inquired whether HMG had considered raising the matter with the OAS and Callaghan thought it was an idea worth pursuing. FCO Assistant Under Secretary Edmonds, who was also present, thought Belizeans would not be attracted by possibility of OAS intercession since they would assume most OAS members would side with Guatemala. I commented that OAS might instead feel challenged to play a constructive role in promoting a peaceful resolution of the dispute.

Richardson

209. Telegram 5673 From the Embassy in Guatemala to the Department of State¹

Guatemala City, October 15, 1975, 1600Z.

5673. Subject: Belize Dispute: Ambassador's Conversation with President October 14. Ref: Belize 670.

Summary: In 75-minute conversation with Ambassador, President and FonMin expressed their deep concern over what they termed "arrogant, insulting, overbearing" attitude of Foreign Secretary Callaghan in his September 25 meeting with FonMin Molina which they feared would make peaceful resolution of Belize problem unattainable. President repeatedly assured Ambassador of his urgent desire to avoid military conflict over Belize, but feared that HMG attitude effectively closed door to negotiation and portended "imminent" grant of independence to Belize. President renewed plea for U.S. mediation. He had received (exaggerated) reports of British helicopters and additional troops being delivered to Belize and said he was therefore ordering additional Guatemalan troops to base at Poptun 15 miles from border. He believed he must respond militarily to any military build-up by other side, and if UK persists in attitude shown by Callaghan in New York it would leave GOG with no alternative but to use force. *End summary.*

1. Ambassador was asked to call on President Laugerud, accompanied by FonMin Molina, at 6:30 p.m., October 14. Conversation in Presidential residence lasted 75 minutes. Atmosphere was friendly [garble] frank and deadly serious.

¹ Summary: During a meeting, President Laugerud and Foreign Minister Molina complained to Ambassador Meloy about Callaghan's "arrogant, insulting, overbearing" attitude on the Belize issue. Laugerud argued that although he wished to avoid a military conflict over Belize, if the United Kingdom persisted with this attitude, it would leave the Guatemalan Government no alternative but to use force.

Source: National Archives, RG 59, Central Foreign Policy File, D750337-0921. Secret; Immediate; Exdis. Repeated to Belize City, London, USUN, and USCINCSO. All brackets appear in the original except those indicating garbled text and "[not?]" and "[4]", added for clarity. Telegram 670 from Belize City is dated October 14. (Ibid., D750356-0252) In telegram 246825 to London, October 17, the Department requested that Richardson communicate the substance of Laugerud's comments to Callaghan and ask, "Is this the impression the British want the Guatemalans to have about their willingness to negotiate and their overall intentions on the Belize issue?" (Ibid., D750359-0953) In telegram 247553 to London, October 17, the Department reported that Walker had indicated to ARA/CEN that "Callaghan had indeed been quite tough with Guatemalan Foreign Minister Molina in their Sept 25 meeting, and deliberately so. Callaghan feels that Belizean independence has been delayed too long already and should not be held up any longer over Guatemalan intransigence." (Ibid., D750361-0594) In telegram 16038 from London, October 20, the Embassy reported that British officials "suggested GOG may have deliberately misinterpreted FonSec's remarks to build case for military action." (Ibid., D750363-0389) The memorandum of conversation prepared by Skinner-Klee is not further identified.

2. President said he had asked Ambassador to call in order for FonMin to brief Ambassador on Molina's September 25 meeting with Foreign Secretary Callaghan at UNGA which had caused GOG great concern. President said clearly and firmly that he did not want military conflict over Belize; problem was a century old and this was time to think coldly, dispassionately, "with head and [not?] with liver." He was doing everything he could to avoid situation that would lead to conflict. He had not held his regular press conference for three months because he knew press would raise Belize dispute and he did not wish to say anything that might make matters worse. He had ordered Guatemalan troops regularly stationed in the Peten to withdraw well back from the border in order to avoid any possibility of incident or of a conflict being initiated inadvertently or by provocation from the Belize side. FonMin's general debate speech at UNGA, in accordance with his instructions, had been calm and reasonable and had stressed Guatemalan interest in peaceful settlement. But both President and FonMin had been deeply disturbed by "arrogant, insulting, overbearing" attitude of Callaghan in meeting Callaghan had sought with Molina.

3. President then asked FonMin to recount conversation with Callaghan, and in addition gave Ambassador copy of memcon prepared by Guatemalan delegate Skinner-Klee (pouched Dept). President summed it up by saying Callaghan had said there was going to be a UNGA resolution calling for independence of Belize and UK would vote for it. UK trying to give Belize independence, UK wanted give Belize independence, and independence is imminent (word President repeated several times). That could mean tomorrow, next week, next month, that means independence without settlement with Guatemala and GOG cannot accept that. What are possibilities of arriving at a reasonable, negotiated solution, President asked, if this is attitude and these are intentions of the top British policymaker. If there is no hope for peaceful settlement, GOG will be forced "to act with honor and be responsible for its acts before history."

3 [4]. Ambassador asked Molina if Callaghan had actually used word "imminent." FonMin said Callaghan had said resolution would call for independence and that UK would support this and had stressed that UK position was firm and irreversible. Whole implication of Callaghan's remarks was that independence was imminent. However, despite further probing by Ambassador, FonMin did not confirm use of word imminent. (Neither does memcon. Memcon quotes Callaghan as saying Belize is ready for independence and UK is prepared give it, and that independence of Belize "is internal affair of Great Britain and the Commonwealth." There is not, however, any mention of timing.)

5. President then read to Ambassador two reports he had received shortly before meeting concerning alleged British reinforcements in

Belize. Reports referred to dates in September and covered recent days as well and were very detailed, listing numbers of planes arriving on various dates and quantities of munitions and antiaircraft guns unloaded. On October 12 two helicopters, disassembled, and 60 troops had been landed. In addition, "British frigate of Zulu Class" had hurriedly left Fort Lauderdale, a second ship had left England, and a third was on its way from Jamaica, all to Belize. Finally, GOG aware that UK planned to move an entire division of additional troops to Belize, brigade by brigade, "Ostensibly for jungle warfare training."

6. President reiterated that he wished to avoid armed conflict. He had personally met with entire Guatemalan officer corps—half on Oct 3 and half on Oct 10—and had had Vice FonMin (then Acting FonMin) Obiols brief them on history of dispute and of efforts for negotiated settlement. Officers were becoming very impatient and he had wanted them to understand more of background and why it was important to be patient and calm. But he could not sit with arms folded while British reinforced. News of reinforcements, particularly of helicopters, would very soon leak to Guatemalan press. Therefore on Oct 15 President would order "additional forces" (unspecified) moved to Poptun military base (15 miles from border). They would still be kept well back from border. "But if British leave us with no alternative to force, we will use it."

7. Ambassador said he had received report that afternoon (reftel) from U.S. ConGen in Belize, who had seen with his own eyes exactly what was being delivered to British forces. Six C-130s had landed Oct 12 with three disassembled helicopters and about 50 technicians and support personnel to assemble them. Antiaircraft guns on the other hand had been at airport for a long time; they were brought out periodically, and had been again last weekend, for drill. There were no other shipments of new equipment or munitions other than routine resupply.

8. Ambassador said British were undoubtedly reacting to public Guatemalan statements calling for use of military force. He had recommended against any movement by UK of new equipment or troops into Belize precisely because of danger of misinterpretation. Personally, and not rpt not speaking for USG, he thought it had been great mistake for British to do so. But what will reaction in Belize be when new Guatemalan troops move into Poptun? Our Consul General reported circulation of rumor in Belize that GOG had 30,000 troops poised on the border. President laughed, and said U.S. knew Guatemala did not even have 30,000 troops, let alone that many near Belize. Ambassador said he knew it, the President knew it, and British knew it, but it's what Belizean officials and people believe that produces demands on British for protection. He hoped that before ordering new troops to Poptun President would consider that every military movement by one side is likely

to be misinterpreted and will bring a reaction from the other. It would be most unfortunate if British move still more troops into Belize in reaction to new [garble]. Things can easily get out of hand, as they did in 1972, when misinterpretations and exaggerated reports on both sides led to crisis which only factual report by OAS observer could defuse. It was well to bear example of 1972 in mind in this case.

9. Again, emphasizing he was speaking personally, Ambassador said he thought there might possibly be elements in British councils, exasperated and impatient to get out of Belize, who would not be averse to seeing Guatemala move into Belize; they would not seek it, but they would make no real effort to avoid conflict. If it occurred, UK could then ask UN to call for ceasefire and mutual withdrawal of forces. Guatemalans would be forced to withdraw and UK would gladly do so. President interjected that the same thought had occurred to him. Ambassador continued that in this event Third World-dominated UN would have responsibility for Belize including its defense, and UK would have finally cut itself loose from burden it can ill afford and wants badly to be rid of. In Ambassador's view, this would be worst possible development for Guatemala. Armed forces would be humiliated, forced to withdraw, Guatemalan economy and President's efforts to promote economic and social development would be disrupted. President knew better than he the political and economic consequences for GOG and for the institutional stability of Guatemala of such a situation.

10. President again said he would do everything he could to prevent conflict, but did not see how he could avoid reinforcement of Poptun. Ambassador said he was still hopeful that reasonable, honorable compromise could be worked out. President said that was why he had asked, and he asked again, for U.S. mediation. Secretary Kissinger had worked a miracle in much more difficult Middle Eastern situation. This was time for U.S. to step in. Ambassador said that Middle East had shown that for mediation to be successful both sides must want peaceful solution and be prepared to make real sacrifices. He was not sure desire is strong enough in Belize dispute on either side. If there is to be peaceful settlement, both sides will have to give up things they would prefer to have. If UK and Guatemala can work something out, two-thirds of problem will have been solved. It would then, in Ambassador's view, be squarely up to British to bring the third party into line. The impressions gathered by the participants in the Callaghan-Molina conversation were not necessarily the last word, and he urged President not to give up hope.

11. *Comment:* We believe President was sincere. However bad the specifics of his intelligence reports, he is convinced UK has undertaken or is undertaking a major military buildup, and our reports have only

partially reassured him. These reports, on top of Callaghan conversation which badly frightened GOG, have come close to turning frustration at top level of Guatemalan Government into desperation.

Meloy

210. Defense Intelligence Notice DIADIN 2703-75¹

Washington, October 23, 1975.

This Notice is designed to provide intelligence in support of future decisions with respect to national security policy or posture.

GUATEMALA-BELIZE

UN INDEPENDENCE RESOLUTION

(C/NOFORN) A UN resolution has been drafted on the independence of Belize that will probably be unacceptable to the Guatemalan Government.

British UN delegates and officials from Belize and its Caribbean allies have formulated a text that pays only lip service to Guatemala's insistence that its century-old territorial claim be settled prior to Belizean independence. To emphasize its stand, the Guatemalan Government has gradually increased troop strength from 300 to 500 men in the province bordering Belize.

(C/NOFORN) While the draft resolution calls for negotiations to resolve differences between the parties, it specifies that the territorial integrity of Belize be preserved. This approach will very likely be construed by Guatemalan officials as affording little basis for serious negotiations despite British efforts to convince them otherwise. Meanwhile,

¹ Summary: The Notice reported that British officials had drafted a United Nations resolution on Belizean independence which would likely be unacceptable to the Guatemalan Government.

Source: Washington National Records Center, OASD Files: FRC 330-78-0058, Box 60, B 1975. Confidential; NoFORN. All brackets are in the original except those indicating text that remains classified. Telegrams 5259 and 5262 from USUN are both dated October 23. (National Archives, RG 59, Central Foreign Policy File, D750367-0786 and D750368-0134) Telegram 5845 from Guatemala City is dated October 22. (Ibid., D750368-0040) According to telegram 5934 from Guatemala City, October 25, Molina told Meloy on October 24 that "it was not possible to accept draft as it stood," and added that although the Guatemalan Government wanted to negotiate, it believed that the resolution's paragraphs on Belizean self-determination and preservation of Belize's territorial integrity effectively tied Guatemala's hands. (Ibid., D750372-0537)

Guatemalan press has picked up exaggerated reports of the UK's modest military augmentation in Belize.

(C/NOFORN) The resolution will be debated between 5 and 8 November and will probably attract considerable commentary by the Guatemalan media. Public reaction to press reports of British deployments and a diplomatic defeat at the UN would bring further pressure on the government. This in turn would reduce Guatemalan options and increase the possibility of military action, which has been threatened previously.

Sources: USUN 5259 and 5262 23 Oct 75; Emb Guatemala 5845 22 Oct 75.

211. Transcript of Secretary of State Kissinger's Staff Meeting¹

Washington, October 28, 1975, 8–8:50 a.m.

[Omitted here is discussion unrelated to Guatemala or Belize.]

Secretary Kissinger: Bill.

Mr. Rogers: Let me mention Belize. The British brought us in their final draft of the UN resolution, which they claim they have negotiated vigorously with the Caribbean countries and other interested non-aligned countries, and that it is as favorable to the Guatemalan interests as possible. It is not very favorable. It speaks of independence and self-determination, words which in the theological environment of the situation are, at least we had thought to be, close to unacceptable to the

¹ Summary: Secretary Kissinger, Assistant Secretary Rogers, and Assistant Secretary Hartman discussed the draft United Nations resolution on Belizean independence and the possibility that Guatemalan forces might move into Belize.

Source: National Archives, RG 59, Transcripts of Secretary of State Kissinger's Staff Meetings, 1973–1977, Entry 5177, Box 9, Secretary's Staff Meeting, October 28, 1975. Secret. Kissinger chaired the meeting, which was attended by all the principal officers of the Department or their designated alternates. All brackets are in the original except those indicating text omitted by the editors. In telegram 16479 from London, October 28, the Embassy reported that during an October 27 meeting Callaghan told Sonnenfeldt he had sent his Permanent Representative to the United Nations to Guatemala to discuss a resolution that the Guatemalans could accept. According to the Embassy, Callaghan noted that he was unwilling to let the issue drag out indefinitely and that the Guatemalan Government would have to accept the principle of Belizean self-determination. Regarding Guatemalan charges of aggressive British behavior, Callaghan stated that the "British will not let Guatemalans 'overrun' Belize, and, in response to his request, UK MOD had now worked out arrangements whereby British troops could be gotten to Belize within 24 hours." (Ibid., Central Foreign Policy File, D750373–0910)

Guatemalans. They have also presented it to the Guatemalans. We do not know the reaction of the Guatemalans. But I think the point is that we have come a step closer to a possible outbreak of violence in the area.

Secretary Kissinger: But why are the British so determined to drive this to a conclusion?

Mr. Rogers: I think Callaghan misunderstands, quite frankly, the temper of the Guatemalans. He is impatient to resolve the problem, and he is taking a Gordian knot approach to it.

Mr. Hartman: This is what he did in Cyprus last year. He loves to call out the troops. And I think there is a little bit of that in what he is doing now. Also the kind of reaction you get in Britain now to the protection of the white settlers in any of these places.

Secretary Kissinger: But they can't get enough troops in there to defend it. I didn't have the impression that the Guatemalans were in the slightest impressed by the military threat.

Mr. Rogers: No. The few additional troops that the British are putting in will not impede the Guatemalans, at least from the symbolically significant incursion in the southern part of the country.

Secretary Kissinger: Which is all they want to begin with.

Mr. Rogers: Right. I think there is going to be some blood before this is over. We are talking about a microscopic issue in terms of numbers of troops involved. But the symbolism is significant. And it really will be quite an extraordinary outbreak of violence between a European occupying power and a Western Hemisphere nation.

Secretary Kissinger: Won't the Latins support Guatemala?

Mr. Rogers: Very largely—not entirely.

Secretary Kissinger: What do we do?

Mr. Rogers: Well, so far we have attempted to urge restraint on both sides. Without speaking to the substantive issue of the form of the resolution, we have made clear to the Guatemalans that we cannot countenance resort to force as a method for resolving this dispute; on the other hand, we have urged the British to carefully consider the possibility of submitting the question to the World Court.

Secretary Kissinger: But what is going to happen?

Mr. Rogers: I think the UN will probably vote the resolution with respect to independence and self-determination of Belize, and I think the odds are something like two-to-one the Guatemalans will put some troops across the southern border.

Secretary Kissinger: And then what do we do?

Mr. Rogers: The issue then is going to go back to the UN. There is going to be a bigger debate up there. The Guatemalans anticipate a call

on both sides to cease fire in place. The British may then push for a determination and declaration of independence.

Now, we are also looking at a number of possibilities with respect to the OAS. The last time things came anywhere near this close, the OAS acted and put some observers in. The juridical basis for that was questionable, to say the least. But this cooled some tempers. The basic question, though, is whether or not Callaghan is prepared to be as patient this time as the British were last time.

Secretary Kissinger: I want to make sure we are not going to take any reprisals against Guatemala without seventh floor approval. We have already shut off supplies to them.

Mr. Rogers: The airplanes, the C-47 aircraft.

Secretary Kissinger: That is right.

Mr. Rogers: As a result of Callaghan's request to you, we did not move on that.

The point is that would tip the strategic balance considerably and increase the capacity of the Guatemalans to put some paratroopers in the center of the country, in the capital.

But your point is absolutely right. We will not retaliate and have not been retaliating—without your approval.

Secretary Kissinger: Which you won't get. So you might as well not plan for retaliation.

Mr. Rogers: We are not planning to request approval.

Secretary Kissinger: There are two or three countries in the hemisphere that tend to vote with us, so we don't want to—

[Omitted here is discussion unrelated to Guatemala or Belize.]

212. Transcript of Secretary of State Kissinger's Staff Meeting¹

Washington, November 3, 1975, 8–9 a.m.

[Omitted here is discussion unrelated to Guatemala or Belize.]

Mr. Rogers: Meloy is predicting and I think probably correctly that if the British-supported resolution on Belize goes through the United Nations, the Guatemalans will invade. The fuse is getting very short. We are going to suggest to you along the lines that Meloy has talked about in his most recent cable a communication pointing out to them our assessment about the strength of feeling involved and making some suggestions about an early overture by the British to the Guatemalans.

Secretary Kissinger: And point out I have talked to the Guatemalans in order to dissuade them, so that it doesn't look as if we are siding with the Guatemalans.

Mr. Sonnenfeldt: This is another issue on which Callaghan is extremely martial.

Mr. Hartman: I know. And very wrong-headed.

Secretary Kissinger: Well, he is wrong-headed, too, on the Ministerial Conference.

Mr. Hartman: Yes—but he gets himself dug in this way. I think some of the suggestions that Frank [Meloy] has made about what could be offered to the Guatemalans at the time of passage of the resolution are good, and we really ought to put those to the British.

Secretary Kissinger: What are they?

Mr. Rogers: For example, a commitment by the British that whatever government emerges in Belize will be subject to the Rio Treaty.

¹ Summary: Assistant Secretary Rogers provided Secretary Kissinger with an update on the Belize situation.

Source: National Archives, RG 59, Transcripts of Secretary of State Kissinger's Staff Meetings, 1973–1977, Entry 5177, Box 9, Secretary's Staff Meeting. Secret. Kissinger chaired the meeting, which was attended by all the principal officers of the Department or their designated alternates. All brackets except those indicating text omitted by the editors and "[Meloy]", added for clarity. In telegram 6086 from Guatemala City, November 2, Meloy had noted that the Guatemalan Government and "the informed public" would consider passage of the draft resolution a "humiliating defeat," and warned that passage would "increase the odds of a Guatemalan military move into Belize." (Ibid., Central Foreign Policy File, D750380–0663) Meloy communicated his suggestions in telegram 6088 from Guatemala City, November 2. (Ibid., D750173–1554) In a conversation with the President, November 3, 9:20–10:13 a.m., Kissinger commented that "Callaghan gets emotionally involved in these things. He wants British Honduras independent and he has a resolution in the U.N. But the British can only send 200 troops in and Guatemala can defeat that. I think we should try to get a compromise out of it. I think we can." (Ford Library, National Security Adviser, Memoranda of Conversations, 1973–1977, Box 16, November 3, 1975—Ford, Kissinger, Scowcroft)

That Belize will commit itself not to be a base for invasion or threat against Guatemala. And that both countries will limit and qualify their right internationally to make military accords with other governments. That is a code word for relations between Belize and Cuba.

Secretary Kissinger: But the Guatemalans, if I understand correctly, would accept any of this as long as they get the southern half of Belize.

Mr. Rogers: This proposal would be a proposal which would go beyond, ignore, if you will, the possibility of territorial concessions.

Secretary Kissinger: But if they could get the southern half of Belize, they would not give much of a damn whether they did have relations with Cuba. Then they would let them have relations with Cuba, too, wouldn't they?

Mr. Rogers: Probably.

Secretary Kissinger: What they are after really is the southern half of the country.

Mr. Rogers: But the possibility exists, and Frank is looking in this direction, that the Guatemalans would buy a deal without territorial concessions. The problem of the UN resolution and the thing that makes it so difficult for the Guatemalans is that it affirms the territorial integrity of the territory of Belize. In other words, it blocks the possibility of territorial concessions. The British say this establishes the new ground rules for negotiations.

Secretary Kissinger: You better let me see the message. But we have to show to Callaghan that we have at least heard him. Because he has talked to me several times. And you better list in that message all the things we have done.

Mr. Rogers: You have said it and we have said it very strongly to the Guatemalans. This is the reason they are so upset. They were hoping we would be much more in their corner on this issue. But we have been very strong about the fact that we could not go for use of violence.

[Omitted here is discussion unrelated to Guatemala or Belize.]

213. Telegram 260729 From the Department of State to the Embassy in Guatemala¹

Washington, November 4, 1975, 1657Z.

260729. Subject: British Reinforce Belize.

1. In conversation November 4 with Counselor of Department Sonnenfeldt, UK Ambassador Ramsbotham advised that British are reinforcing Belize garrison. Ramsbotham left note giving details. Reinforcements will consist of approximately 500 men, including low-level air defenses for Belize airport, and 6 Harrier vertical-takeoff fighters. Reinforcements will start to arrive and may be completed on November 4. UK Con Gen Guatemala McQuillan will advise GOG of this move on November 4 and attempt to allay Guatemalan suspicions, tying reinforcement to recent Guatemalan moves.

2. Ramsbotham also expressed hope that USG, through Ambassador Meloy, could be helpful in again urging forbearance on GOG. Note suggested optimal timing for this démarche would be shortly after McQuillan has delivered his news.

3. Sonnenfeldt advised Ramsbotham that he would report the British request. *Instructions follow.*

Kissinger

¹ Summary: British Ambassador Ramsbotham advised Counselor Sonnenfeldt that the British Government was reinforcing its garrison in Belize.

Source: National Archives, RG 59, Central Foreign Policy File, D750382-0846. Secret; Flash; Exdis. Repeated Immediate to Belize City, USUN, London, and USCINCSO. In telegram 6147 from Guatemala City, November 4, the Embassy reported that McQuillan planned to deliver an aide mémoire to the Guatemalan Government on 4:30 p.m. that day. (Ibid., D750383-0203) In telegram 6124 from Guatemala City, November 4, the Embassy noted that the press had quoted Laugerud as stating, "We will not accept, we cannot tolerate a British rape or humiliation. As Guatemalans we will respond like men in [the] face of a situation in which the British wish to corner us . . . If they want to humiliate us, the matter could become more serious than they expect." (Ibid., D750382-1014)

214. Transcript of Secretary of State Kissinger's Staff Meeting¹

Washington, November 5, 1975, 8–9:10 a.m.

[Omitted here is discussion unrelated to Guatemala or Belize.]

Mr. Rogers: On the Belize matter, we sent up two telegrams to your desk last night.

Secretary Kissinger: I saw one. I am in a dilemma. Callaghan is a good friend and he has been unusually supportive of us in every forum. I understand your point. Your point is also correct. Couldn't we go to the Guatemalans and say, "Look, we have been asked to do this by our old friends the British. We know your views, but we feel honor-bound to express this concern." And then give them the various alternatives that we have thought of. Then go back to the British and say, "We have done it. We don't think it will do much good."

I think it is a good cable—for all the reasons you have given. Rather than say because we know it won't do any good, put it on the basis that we have done it again, having done it several times before, and then do the rest of the cable.

Mr. Rogers: Yes.

Secretary Kissinger: And I don't think that will smash any crockery in Guatemala. They will understand our transmitting an appeal by the British; I mean if it is done with some delicacy, so that we don't get ourselves too much in the middle.

Mr. Rogers: Right. Obviously I am in no position to weigh the importance of another gesture in the direction of Callaghan. We can accommodate that. What I would like to do is try to do it in a way which avoids giving Guatemala the impression that we are surrogates for—

Secretary Kissinger: I completely agree with you. I think we should present it really as a post office.

Mr. Rogers: Okay. Let's take a crack at—

Secretary Kissinger: Why not tell the Guatemalans, "We are dealing here with two close friends, and we have a very difficult

¹ Summary: Secretary Kissinger and Assistant Secretary Rogers discussed the escalation of forces in Belize and Guatemala and the implications for resolving the dispute over Belize.

Source: National Archives, RG 59, Transcripts of Secretary of State Kissinger's Staff Meetings, 1973–1977, Entry 5177, Box 9, Secretary's Staff Meeting. Secret. Kissinger chaired the meeting, which was attended by all the principal officers of the Department or their designated alternates. All brackets appear in the original except those indicating text omitted by the editors. The draft telegram to Callaghan was sent to Kissinger's office on November 3. (Ibid., Central Foreign Policy File, P810026–0079) According to a routing slip, the telegram was revised and approved by Kissinger on November 4. (Ibid., P830114–0644) It was sent as telegram 262111, November 5, which is Document 215.

problem." And then give them these various possibilities—except you, of course, think they are going to move.

Mr. Rogers: I do.

Secretary Kissinger: I don't understand what got into Callaghan on this. How many troops did he send there—200?

Mr. Rogers: Five hundred.

Secretary Kissinger: Does that make any difference?

Mr. Rogers: It doubles the capacity.

Mr. Sonnenfeldt: The problem was that the Guatemalans have moved into a position where the British will now lack warning, and the Guatemalans could move across the border at will.

Secretary Kissinger: That means they have 700 troops there now?

Mr. Rogers: Almost a thousand.

Secretary Kissinger: And the Guatemalans have how many troops?

Mr. Rogers: We don't know exactly. In the region, they have more than that. But man for man, the British troops are obviously more efficient. The British also put in some six Hawk Hunters—and in that microscopic geopolitical strategic equation it is a considerable force. And it means that, of course, if the Guatemalans push over the border, they are close to some serious fire power. So it does alter the equation considerably.

Secretary Kissinger: It is lousy for us either way. I don't want to back the British, because if the Guatemalans are right, I am not eager to see Belize become a Cuban outpost there. But are they right?

Mr. Rogers: About the possibility of the Cubans?

Secretary Kissinger: Yes. Not intervention—

Mr. Rogers: Or involvement—no. I think that is much less serious than they make it out.

Secretary Kissinger: But why are the British so bullheaded about this?

Mr. Rogers: They want out.

Secretary Kissinger: If they want out, why not turn over a part of the country to Guatemala? What do they care?

Mr. Hartman: This is Callaghan. It is this feeling that their honor is at stake, that they have commitments to the people in the area. And he likes to move troops around. It is a little bit like the Spanish in the Sahara.

Secretary Kissinger: But Callaghan called me and said the reason they have got to do something about this, participation at the ministerial, is that if they don't assert British nationalism, the Scots are going to

assert their nationalism with respect to the oil, and that that is not a trivial matter.

[Omitted here is discussion unrelated to Guatemala or Belize.]

215. Telegram 262111 From the Department of State to the Embassies in Guatemala and the United Kingdom¹

Washington, November 5, 1975, 1949Z.

262111. Subject: Belize.

1. Please deliver the following letter to Foreign Secretary Callaghan at the earliest opportunity.

2. This message also contains instructions for Ambassador Meloy.

3. *Begin text:* Dear Jim:

We have the aide mémoire delivered by Ambassador Ramsbotham yesterday (Nov. 4). Ambassador Meloy, as you know, has already made several high-level démarches to the Guatemalans as to the use of force in Belize. We have also tried to be helpful to you with respects to delivery of our C-47s and the supply of guns and ammunition. As the aide mémoire requested, we have now instructed Ambassador Meloy once again to meet with the Guatemalan Foreign Minister, and to pass on to him the representation of your government to us as set out in the aide mémoire.

We should, however, be under no illusions, nor should you. The Guatemalans, we think, already understand our position. We have little additional credit to draw on. Your recent reinforcement will increase the pressures within Guatemala to attack. Our representations will do precious little to deter them.

¹Summary: Secretary Kissinger noted that despite U.S. efforts to encourage a peaceful resolution to the Belize issue, the likelihood of an attack by the Guatemalans was increasing. While applauding British meetings with the Guatemalan Government, the Secretary suggested two possible approaches to defusing the situation: arbitration through the International Court of Justice or security and economic guarantees to build confidence between the negotiating parties.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–77, Country Files, Box 4, Guatemala, State Department Telegrams, From SECSTATE—EXDIS. Secret; Flash; Exdis. Repeated Immediate to Belize City and USUN. Drafted by Lazar; cleared by Vine in EUR, Buffum in IO, Cutter in C, Ortiz in S/S, and Rogers and approved by Kissinger. On November 4, a copy of Ramsbotham's aide mémoire was sent to Kissinger as an attachment to the draft telegram. (National Archives, RG 59, Central Foreign Policy File, P830114–0644)

The likelihood of an attack is also increasing, we think, because of the increasing likelihood of passage by the UN of your draft resolution. As we now see it, the resolution, by appearing to the Guatemalans to leave nothing of substance to negotiate, may have so weakened the position of moderates within the Guatemalan Government as to make it impossible for them to prevail against military adventurism.

We believe that the recent visit of Ivor Richard to Guatemala was a positive move. However, our assessment is that more is needed if we are to insure against an armed confrontation which would serve no one's interest. There may be at least two further possibilities for positive and immediate measures which you might wish to consider in an effort to head off resort to force:

(A) The International Court of Justice: We gather that Richard raised this privately with Foreign Minister Molina and received an equivocal response. However, our own discussions with the Guatemalans, including Molina, lead us to believe they would finally accept, as a way out, submission of the Belize question to the ICJ. We are aware of the past history of attempts by your government to reach this result and of the problems that further such attempts might entail. Nonetheless, we believe this is a live option. It also seems to promise a good way out for everyone concerned if some sort of agreement can be reached with the Government of Guatemala prior to passage of the UN resolution.

(B) Security and economic guarantees: The second option that might be available would be a joint announcement, now, with the GOG, to be closely timed to passage of the UN resolution, setting out matters of vital security and economic concern to the GOG to be encompassed in the negotiations called for by the resolution and which will begin immediately on the heels of UN action. I should emphasize that we have had no contact with the Guatemalans on this idea. Furthermore, I do not purport to be presenting any sort of quote package unquote. The following are simply some examples of the kinds of things in which the Guatemalans have previously expressed an interest and which might be enough to persuade them to parlay rather than fight: (1) limits on both Belize and Guatemala with respect to rights to enter into military accords with third countries; (2) promises to cooperate in exchanges of information on threats to the security of the other state; (3) pledges not to allow the territory of one party to be used as a base for overt or covert attack against the other; and (4) a commitment that an independent Belize would adhere to the Rio Treaty. Economic interest might include: (a) a maritime boundary in the Gulf of Amatique or other arrangements for guaranteed access; (b) fishing and seabed rights in the Gulf; and (c) Guatemalan access to Belizean ports.

I am not at all certain that an initiative along either of these lines would stave off a Guatemalan military move. However, I put them before you for your consideration. Warm regards. Henry. *End text.*

4. Please advise when message delivered.

Kissinger

216. Telegram 6190 From the Embassy in Guatemala to the Department of State¹

Guatemala City, November 6, 1975, 1811Z.

6190. Subj: Belize Conversation with President Laugerud.

1. At President Laugerud's request I met with him at 10 am Nov 6 for a conversation which lasted one hour. With the greatest earnestness and frankness, the President pinpointed for me in great detail the exact location of all arms and troops in Guatemala. He assured me that the only reinforcements he has sent to the Peten were nine armored personnel carriers and one company of troops from the Guardia de Honor Brigade. No artillery or mortars were included. This reinforcement was sent to Poptun on Oct 31 and is to remain there. The President pointed out that this movement of APCs and infantry was the reinforcement which he had told me in our conversation of Oct 14 he felt obliged to make in the Peten following the initial British reinforcement in Belize. He had deliberately waited two weeks so as not to appear to be reacting hastily or impetuously.

2. The President said that he had promised me the troops would not be sent to the frontier and that he had in fact drawn elements of

¹ Summary: During a discussion on Guatemala's deployment of troops to the Petén, President Laugerud assured Ambassador Meloy that he would not order any military action against Belize as long as the slightest possibility of a negotiated solution to the dispute still existed.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–77, Country Files, Box 4, Guatemala—State Department Telegrams, To SECSTATE—EXDIS. Secret; Flash; Exdis. Repeated Niact Immediate to Belize City, London, and USUN. Telegram 261984 to Guatemala City is dated November 5. (National Archives, RG 59, Central Foreign Policy File, D750384–0693) Telegram 262111 to Guatemala City and London is dated November 5 and is Document 215. On November 7, Rambootham passed a message from Callaghan to Kissinger, in which the Foreign Secretary indicated, "We shall of course do everything we can to avoid any kind of military confrontation and to strengthen the hands of such moderates as there are in Guatemala." (*Ibid.*, P810038–1714)

troops regularly stationed in the Peten away from the border to lessen the possibility of an incident. He was maintaining his word to me.

3. President Laugerud said he wanted to assure me solemnly and through me my government that he will not order an attack or any other military action against Belize as long as there remains the slightest possibility of a negotiated solution to the problem.

4. When I informed the President of the suggestions the U.S. is making to the UK of possible actions the British might consider taking to ease the situation (State 261984 and State 262111), Laugerud expressed deep appreciation. He accepted as a foregone conclusion that the UK res on Belize will be adopted by the UN. He emphasized that the restrictions which the resolution places on further negotiations leave Guatemala with the feeling of being "cornered." The President said that if the UK could see its way clear to making an announcement simultaneously with the passage of its resolution that it was prepared to continue negotiations with Guatemala in which any sort of proposals could be discussed, it would greatly ease his problem of restraining public opinion and the hotheads in the Guatemalan armed forces.

Meloy

217. Letter From British Foreign Secretary Callaghan to Secretary of State Kissinger¹

November 13, 1975.

Dear Henry

I much appreciated the helpful suggestions you made about solving the Belize problems. Sending reinforcements seems to have had a sobering effect on some of the Guatemalans, although they are still

¹ Summary: Foreign Secretary Callaghan responded to Secretary Kissinger's suggestions on how to peacefully resolve the dispute over Belize.

Source: National Archives, RG 59, Central Foreign Policy File, P810038-1718. Secret. Sent as an enclosure to a November 13 forwarding letter from Ramsbotham to Kissinger, and Callaghan's message to Molina, not published. Kissinger's initials appear on Rathsbottom's covering letter. In telegram 6703 from Guatemala City, November 28, the Embassy reported that the Laugerud "welcomed Rowlands visit as a positive gesture," and despite "pressure from many quarters for intemperate action," reiterated his assurances that his government would not initiate any aggression. (Ibid., D750414-0588)

jumpy. To offset this, I intend to make an approach to the Guatemalans before the vote in the Fourth Committee.

In order to convince the Guatemalans of our genuine wish to engage in meaningful negotiations after the UNGA, I plan to send Ted Rowlands, my Minister with special responsibility for the dependent territories, to Guatemala City to see President Laugerud. Rowlands is attending the Surinam independence celebrations on 24/25 November and would go on to Belize and Guatemala. The purpose of this visit would be to convince the Guatemalans of our serious intentions. The negotiations would be broad-based and Ted Rowlands would give them some idea of their scope. The security and economic guarantees listed in part B of your message could certainly form the basis of a possible agreement, and Ted Rowlands will say so when he sees them. You may not be aware that similar ideas formed part of our negotiating position for the abortive talks with the Guatemalans last July.

Your suggestion of a joint public announcement before the vote is not possible for us, since it would cut across action at the UN and would get us into trouble not only with the Belizeans but also a large number of other cosponsors. I am, however, instructing my permanent representative to the UN to make a statement immediately after the vote to the effect that we are ready to resume negotiations with the least possible delay and that a Minister would be visiting Guatemala City to discuss with President Laugerud a wide variety of ideas including trade and economic cooperation. I am also sending a personal message to Molina to tell him what I propose. I shall send you a copy on a personal basis through Peter Ramsbotham.

We would hope to get a favourable response from the Guatemalans to the proposed visit. Laugerud's statement that he would not consider military action while there was any hope of negotiations is encouraging and the action I am planning to take should, I hope, reassure him about our serious intention to resume negotiations as soon as possible and make it easier for him to agree.

I am most grateful for the action Ambassador Meloy has several times taken in Guatemala City, and for the invaluable reports we have had from the State Department of President Laugerud's thinking and state of mind. If you think it would help perhaps Ambassador Meloy might again see the President as soon as my message to Molina has been delivered.

Frankly, I do not think that the ICJ idea offers any real chance of progress. As you know, I wish to bring Belize to secure independence as soon as possible and I am under mounting pressure from the Belizeans, the Commonwealth and the non-aligned group. A reference to the ICJ would be regarded by these groups as a transparent attempt to deprive Belize of its independence by putting the whole issue in cold

storage for several years. It would appease one of our customers, but would stir up the rest of them.

Warmest regards,

Jim

218. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, November 20, 1975.

Belize Dispute—State of Play

Tempers have cooled a bit and the danger of war has receded somewhat. The UK's Ted Rowlands will be going to Guatemala on November 27 to make a try at reopening negotiations. The Guatemalans want to keep the visit quiet and the British have agreed.

Amidst a great burst of last minute maneuvering by the Mexicans, including an Echeverría visit to Guatemala and a Rabasa visit to Belize, the UN's Fourth Committee will vote tomorrow on the various Belize resolutions. The UK-Caribbean version calling for self-determination and eventual independence for Belize should pass overwhelmingly. The Guatemalan resolution will be defeated. There is a possibility the Mexican "compromise" may pass by a slim margin and thus leave the UN with having passed two somewhat conflicting resolutions (certainly not a precedent).

Echeverría's foray into Guatemala last weekend served only to further cloud the waters. He reversed an earlier stand and refused to sup-

¹ Summary: In a report on the state of play on Belize, Assistant Secretary Rogers noted that the danger of war had receded somewhat as both the British and the Guatemalans moved to re-open negotiations.

Source: National Archives, RG 59, ARA/CEN Files, Lot 78D110, Guatemala 1975, Briefing Papers. Secret. Drafted by Platt in ARA/CEN. Kissinger initialed the memorandum. The Embassy reported on Echeverría's visit in telegram 6406 from Guatemala City, November 14. (Ibid., Central Foreign Policy File, D750397-0651) Defense Intelligence Note DIADIN 3125B-75, December 1, noted that although the Rowlands visit had resulted in a commitment by both governments to resume negotiations over Belize in February, "the positions of both parties remain far apart." (Washington National Records Center, OSD Files: FRC 330-78 A 0058, B 1975)

port the Guatemalans. The Guatemalan press then carried the headline, “Echeverria tricked us.”

Ambassador Meloy’s latest assessment is that the GOG will not go to war after the UN vote. GOG President Laugerud has said that as long as there is no “unilateral resolution” on Belize (a UK grant of independence), he will continue to negotiate. However, given the emotionally charged atmosphere resulting from a UN defeat, it may be difficult for the Guatemalans to begin negotiations immediately.

219. Telegram 6960 From the Embassy in Guatemala to the Department of State¹

Guatemala City, December 10, 1975, 1700Z.

6960. Subject: Belize Dispute: Views of Vice President; Problems of the President.

1. In conversation with Ambassador December 8, President Laugerud confirmed press reports that Vice President Mario Sandoval had reported to a cabinet meeting December 5 on his wide-ranging travels and had proposed that Guatemala withdraw from the United Nations. Laugerud said that Sandoval had also suggested that Guatemala might cut off all trade with Britain and seize all property belonging to British nationals. To the Ambassador’s comment that this sounded like Idi Amin, Laugerud agreed, stating that Guatemala was a responsible nation and Sandoval’s ideas were preposterous. President noted that Israel had suffered far more than Guatemala at the hands of the UNGA but had not withdrawn; there was much less reason for Guatemala to do so.

¹ Summary: Ambassador Meloy and President Laugerud discussed the Belize issue and Vice President Sandoval’s suggestions that Guatemala withdraw from the United Nations, cut off trade with Britain, and seize all property belonging to British nationals.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–77, Country Files, Box 4, Guatemala—State Department Telegrams, To SECSTATE—NODIS. Confidential; Nodis; Eyes Only. All brackets are in the original except “[*treason*],” added for clarity. Defense Intelligence Notice DIADIN 3199–75, December 8, noted that under pressure following Guatemala’s defeat at the United Nations, President Laugerud had “authorized contingency planning and training for guerrilla operations in Belize to appease hardliners in his government,” but concluded that he would not authorize the execution of such operations unless all other avenues for a peaceful resolution had been exhausted. (Washington National Records Center, OSD Files: FRC 330–78 A 0058, B 1975)

2. Laugerud expressed discomfort at Sandoval's return to Guatemala and intimated that by such measures as the leak of the cabinet discussions to the press Sandoval was already trying to capitalize on the Belize problem for domestic political purposes. President referred to "crazy" local newsman who had proposed a march on Belize (a la Spanish Sahara) on his radio talk show and to PR Party's taking up of the idea in ringing speeches in Congress. None of these orators would ever get past the Belize bridge on the outskirts of Guatemala City, the President said, but "these people can all be used for political purposes and against me." (*Comment: La Nacion* December 8 quoted Sandoval as saying, "If Shel doesn't go (to address UN on Belize) I will go." There is no danger of Sandoval's going, but it's an example of what the President had in mind.)

3. Ambassador said he thought recent statement from Presidential Press Office that anyone opposing Guatemala's claim to Belize is a traitor had not helped calm climate or depoliticize issue. President said he had been forced to have that statement issued because a Guatemalan University student leader had said that if Belize became part of Guatemala it would only become a colony of American imperialism, like Guatemala. If it remained as it is, it would be colony of British imperialism. Therefore only chance for Belize was to become independent. Guatemala law, President said, defines statements of that kind as reason [*treason*] and there had been groups watching to see if Laugerud would point that out and if not to attack him publicly.

4. Ambassador said there were also groups in Guatemala that are prepared to accept a negotiated settlement of the dispute resulting in less than total recuperation of Belize and ready to support President's efforts to that end. But public opinion must be educated and rallied in support of President's policy. Laugerud repeated that GOG's public statements had to take into account the extremists. At the time a settlement is reached, "I will be accused of selling out and dismembering the national territory, but I will have to face that when the time comes."

Meloy

220. Telegram 62 From the Embassy in Guatemala to the Department of State¹

Guatemala City, January 6, 1976, 2330Z.

62. Subj: FonMin Comments on Future Negotiations.

1. (*Begin Unclassified*) Reports of Belizean Premier Price's trip to London prompted local newsmen to query FonMin Molina January 5 about future negotiations. FonMin quoted saying "talks over the Belize issue could be resumed in the coming months, but for this (to take place), even though it was not an express condition during the talks which were held with British representatives in Guatemala, Great Britain should withdraw the troops it has garrisoned in Belize, (which) were recently relieved by fresh troops. The English representatives offered their good offices to achieve this, but evidently their efforts have not achieved results, and the troops remain in that Guatemalan territory; therefore we are waiting."

2. Press January 6 carries AFP story from London on beginning of Price's consultations. One portion of story, after describing British reinforcements in Belize, says, "it is possible that British Government might remove a part of these troops before or during the negotiations with Guatemala, in order to demonstrate its good will, observers here believe. The experts pointed out that since that time (when reinforcements were sent in) there have been no border incidents . . ." (*End Unclassified*)

3. (*Begin Confidential*) British Consul McQuillan told EmbOffs January 5 he had no indication HMG was giving any consideration to even partial withdrawal of reinforcements from Belize. (Nevertheless, such

¹ Summary: During a meeting with Embassy officials, British Consul McQuillan indicated that he was unaware of any plans for even a partial drawdown of troops in Belize, despite the Guatemala's Foreign Minister's public request that the British Government withdraw its troops from Belize.

Source: National Archives, RG 59, Central Foreign Policy File, D760005–0669. Confidential. Repeated Priority to Belize City, London, San Salvador, Managua, San José, Tegucigalpa, Panama City, and USCINCSO. In telegram 28 from Belize City, January 13, Gawf reported that Premier Price had told him he had traveled to London "to discuss the defense and economic development of Belize, i.e., how to give effect to the terms of the UNGA resolution." (Ibid., D760012–0650) In telegram 384 from Guatemala City, January 20, the Embassy reported that McQuillan had told the Guatemalan Foreign Minister that the UK would agree to give "early and favorable consideration" to reduce its forces in Belize only if Guatemala agreed to a definite date for resuming negotiations. (Ibid., D760022–0453) In telegram 593 from Guatemala City, January 29, the Embassy reported that the Guatemalan Government indicated it had agreed with the UK to resume negotiations on February 9. (Ibid., D760034–0896) In airgram A–14 from Guatemala City, February 3, the Embassy reported that under pressure from the MLN, the Guatemalan Government had reluctantly agreed to permit an officially sanctioned demonstration by a group in favor of reincorporating Belize into Guatemala. (Ibid., P760018–2097)

consideration may be underway if AFP report of FonOff “observers” view is accurate.) Nor had he received any proposals to convey to GOG re starting date or place for resumed talks. When EmbOffs said Foreign Minister’s remarks indicate GOG will not agree to resume negotiations until some gesture in direction of lessening British military presence in Belize is made, McQuillan agreed. He pointed out he has always felt that GOG’s first preference is no resolution of Belize problem, no change in status quo on grounds this is least of evils. We agreed this may be GOG preference, but we had impression status quo no longer acceptable to UK. McQuillan (please protect) said however much HMG might desire resolve Belize issue, GOG had Britain over a barrel. Unilateral resolution would require a defense guarantee and McQuillan does not believe HMG is prepared to give one.

4. McQuillan noted that GOG had not initiated the confidential exchange of military information in which it had expressed interest during Rowlands visit. He had informed Guatemalan FonOff of routine rotation of some British units in Belize, to which Molina statement referred, and had asked whether GOG wished exchange information of this kind. Guatemalan FonOff official said it was a good idea but McQuillan had heard nothing further.

Meloy

221. Memorandum From the President’s Special Coordinator for International Disaster Assistance (Parker) to President Ford¹

Washington, February 5, 1976.

SUBJECT

Guatemala Earthquake

As your Special Coordinator for International Disaster Assistance, I wish to bring you up-to-date on the February 4 earthquake in Guatemala.

¹ Summary: Parker reported on a major earthquake in Guatemala.

Source: Ford Library, White House Central Files, Subject File, DI 2/CO 58, 8/9/74–3/31/76. No classification marking. An attached routing sheet initialed by Low on February 7 reads, “Handled in Parker oral briefing of the President 2/6/76.” The Embassy in Guatemala City reported the earthquake in telegram 704, February 4. (National Archives, RG 59, Central Foreign Policy File, D760042–0272) In a February 6 report to the President, Parker estimated 6,000 deaths and 40,000 injuries due to the earthquake. (Ford Library, White House Central Files, Subject File, DI 2/CO 58, 8/9/74–3/31/76)

Disaster Situation

The earthquake which struck at 3 a.m. local time (7 a.m. EST) measured 7.5 on the open-ended Richter Scale. While reports from the field are incomplete, we believe that total deaths could exceed the presently quoted figure of 2,000. It is conceivable that the damage will stretch from the Caribbean to the Pacific boundaries of Guatemala. Power and water distribution systems in Guatemala City have been interrupted. While Guatemala City's four hospitals are operating, there is need for first aid stations, medical supplies and a field hospital. The lack of water in the city, itself, could become a major problem.

In the rugged mountainous areas to the northwest of Guatemala City, the quake appears to have done great damage. One report indicates that at least one half of the homes in the rural village of Chimaltenango were destroyed. Mud and landslides, however, which caused so much loss of life in previous Peruvian earthquakes, have fortunately not been reported in this case.

Political Environment

Politically this quake has occurred at a time when the Government of Guatemala is in transition from a fairly dependent to a more independent relationship with the United States. Therefore, while the United States is meeting most of the emergency relief requirements, we must be careful not to give the appearance of "taking over" the disaster relief effort. The Ambassador, Francis Meloy, Jr., is a senior career minister who is highly skilled in dealing with politically sensitive situations.

U.S. Assistance Activities

Thus far we have authorized the expenditure of \$525,000. We estimate the cost of U.S.-provided emergency relief to run as high as \$1.5 million. Working closely with the Department of Defense we are in the process of transporting tents, medicines, a generator, water tanks and a large field hospital. There is a considerable amount of AID-financed food, in-country, which is being distributed by CARE and Catholic Relief Services. We expect that these and other voluntary agencies will continue to play a significant role in the relief activity.

A DOD Disaster Assistance Survey Team, geologists from the U.S. Geological Survey and epidemiologists from HEW are joining in this interagency effort under the directive coordination of AID. In-country, the Ambassador is utilizing the services of approximately 125 Peace Corps volunteers as well as AID field staff in carrying out the immediate relief activities.

Post-Emergency Actions

It is clear at this time that there will be need for significant reconstruction activity. In this connection, we have approached the World

Bank and other multilateral lending institutions to determine their interest and capacity to assist in the post-emergency relief stage.

We hope to be in a position very shortly to assess more clearly the total impact of this disaster and thus, the specific assistance requirements. I will continue to keep you informed on a timely basis as developments dictate.

Daniel Parker

222. Memorandum of Conversation¹

Washington, February 9, 1976.

PARTICIPANTS

U.S.

Hewson A. Ryan, Deputy Assistant Secretary of State for Inter-American Affairs
Marvin Weissman, Director, Office of Central American Affairs
George A. Gowen, Desk Officer for Belize

Great Britain

P.D. McEntee, Governor General-designate for Belize
Richard Samuels, Counselor, British Embassy
Joe Millington, Staff Member, British Embassy

SUBJECT

Negotiation of Belize Dispute and Effects of Guatemalan Earthquake

¹ Summary: Deputy Assistant Secretary of State for Inter-American Affairs Hewson A. Ryan and Governor General-designate for Belize P.D. McEntee discussed the Belize issue and the impact that the earthquake in Guatemala City would have on reaching a negotiated settlement.

Source: National Archives, RG 59, Central Foreign Policy File, P850183-2460. Secret. Drafted by George A. Gowen in ARA/CEN on February 13, and cleared by Marvin Weissman, Director of ARA/CEN. In telegram 1334 from Guatemala City, February 18, the Embassy reported that Laugerud had advised Meloy that he planned to raise the Belize issue with Kissinger during his scheduled February 24 visit to Guatemala. Laugerud complained that the British had yet to reduce their military forces in Belize, which was "not helping the cause of peaceful settlement." (Ibid., D760060-1101) In telegram Tosec 40130, February 20, the Department reported that the British had agreed to withdraw one company of troops from Belize in mid-March, "solely as a gesture of good faith," noted that "the Guatemalans were informed of this decision on February 2," and added that the British hoped the Secretary would encourage the Guatemalan Government to take the negotiations "most seriously." (Ford Library, White House Central Files, Trip Briefing Books, Cables to HAK, 2/16-25/76, Latin America (4) TOSEC)

Mr. McEntee indicated that he was on route back to London after having visited in Belize prior to the announcement of his appointment as the new Governor General. He had planned to visit Guatemala City and then go on to New Orleans to attend the Guatemalan/UK talks. However, the earthquake on February 4th had caused a postponement, probably an indefinite postponement, of those talks and he had decided to return to London instead. He requested this interview with Ambassador Ryan and Mr. Weissman in order to share his impressions of present sentiments in Belize and also to obtain our views of Guatemalan intentions regarding negotiation of the dispute.

McEntee indicated that the Belizeans, prior to the earthquake, had been growing somewhat upset over the growing size of the meeting planned for New Orleans. Dean Lindo, head of the Opposition Party, had indicated he felt this would turn into a political conference rather than a useful negotiating session. McEntee understood that the talks would now be postponed, possibly for several months. Mr. Weissman agreed with this evaluation. Mr. Weissman then asked if the British forces in Belize had much need to continue their military alert in view of the disruption caused by the recent earthquake. Mr. McEntee did not respond directly to that. He did, however, refer to three recent instances in which Harrier aircraft had intercepted Aviateca flights over Belizean territory enroute to Puerto Barrios prior to the earthquake. He asked if we had any idea of what Guatemalan intentions had been in scheduling these flights over Belizean territory. Mr. Weissman responded that we did not.

Mr. McEntee then asked Ambassador Ryan what Guatemalan intentions were with respect to negotiations. Ambassador Ryan replied that during a recent visit to Guatemala City he had gotten mixed readings on this point. Foreign Minister Molina, however, had said that the Guatemalan Government was quite serious in seeking a settlement and that some movement had occurred in its negotiation position. Molina, however, had been quite insistent on showing Ambassador Ryan and Assistant Secretary Rogers an 1856 map of the area prepared by the U.S. Senate which showed Belize as a much smaller territory north of the Sarstun River. Mr. Weissman added that it was his speculative view that the Guatemalans had not had any serious expectation of achieving much immediate progress in the talks. Instead, he judged they intended to use the talks as a means of erasing the effects of the UN resolution passed last December, as well as continuing the good feeling established by the recent visit to Guatemala City of Undersecretary Rowlands. McEntee replied to this by saying that Premier Price of Belize continues to insist that any talks will have to be a continuation of the UN process and must be based implicitly on the terms of the UN resolution. Mr. Weissman said he had gained the same impression

from his visit to Belize in January. He added, however, that Lindberg Rogers, the Minister of Home Affairs in Belize, had indicated to him that he now felt that some common ground had become visible between the Belizean and the Guatemalan positions; that is, he felt that there was now some room for talks to begin on issues other than territorial concessions.

Mr. McEntee replied by outlining his impression that the issue of the Belize dispute will persist for some time. During his stay in Belize, he talked with a great number of local people and had the impression that security was their first concern; independence was a distant second. This was despite the emphasis which Premier Price continually places on the independence issue. In reply to a question from Mr. Weissman, Mr. McEntee indicated that he felt that Assad Shoman, who served as the Belizean representative at the UN for some time last fall, was rather young, not a very good lawyer, and somewhat "warm-headed." He may, however, be open to influence and somewhat malleable in his opinions. Lindberg Rogers seems to pull a great deal more weight politically in the Price cabinet, although he may not be as wise as some other members of that group. Mr. McEntee then observed that he felt Belize to be economically viable as an independent state. He felt this was true even with respect to the Government of Belize's ability to balance its own budget. Of course, they will need external assistance, but this is true of most presently independent less developed countries. More importantly, Belize has a great deal of empty land which could be put into production. He cited the example of the Mennonites, who have established some extremely productive farms in northern Belize. In this connection, Mr. Weissman observed that he would expect some rather striking demographic shifts with independence. He had been told during his own recent visit to Belize that most of the Creole population along the coast could not be persuaded to engage in agriculture. Mr. McEntee agreed with this observation. Mr. Weissman said that many of the Creoles could be expected to leave Belize following independence. They might be replaced by immigration from other parts of Central America, particularly El Salvador. Mr. McEntee then agreed that the situation in Belize might be extremely volatile after independence. The Belizeans, after all, do not trust the Guatemalans and many fear that the Government of Guatemala might move in even if a treaty were reached with Great Britain.

Mr. Weissman asked Mr. McEntee what would follow if no deal were reached in the round of talks this year. Mr. McEntee replied that it would then be necessary to rethink the British position. He added that it was his personal view that the earthquake in Guatemala had two effects on the situation. First, he did not feel that Guatemala was now in a position to discuss the issue seriously with Great Britain and Belize.

Second, he felt the Guatemalans posed no military threat given the distractions caused by the disaster. These developments had suggested some ideas to him which he was going to raise with the Foreign Office on his return to London. He did not discuss these in detail, except to say that they did not include the idea of a unilateral British withdrawal from Belize.

Finally, Mr. McEntee added the personal observation that he was now returning, in a sense, to the colonial service after having served for 12 years in the Foreign Service. Previous to that he had served for 20 years as a colonial officer, primarily in Kenya.

223. Telegram 1614 From the Embassy in Guatemala to the Department of State¹

Guatemala City, February 26, 1976, 0140Z.

1614. Subject: Secretary's Meeting with President of Guatemala: Belize Dispute.

1. At the conclusion of private conversation between President Laugerud and Secretary Feb 24, they were joined by Assistant Secretary Rogers and Ambassador Meloy. Secretary told Assistant Secretary and Ambassador that President Laugerud had explained his views on Belize and the probable reactions of Guatemala should the UK grant independence to Belize unilaterally. President noted that Guatemala hoped to resume talks with the UK in the near future, perhaps in March, but remained deeply concerned that UK might at any time initiate process of independence for Belize prior to reaching a negotiated solution with Guatemala. Ambassador added that Foreign Minister

¹ Summary: During a February 24 meeting in Guatemala City, Secretary Kissinger, President Laugerud, Assistant Secretary Rogers, and Ambassador Meloy discussed the Belize dispute.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–77, Country Files, Guatemala—State Department Telegrams, To SECSTATE—NODIS. Confidential; Immediate; Nodis. In telegram 1628 from Guatemala City, February 26, 1910Z, the Embassy reported that in an earlier discussion with Molina Orantes en route from the Meeting of Foreign Ministers in San José, Kissinger had indicated that the U.S. would not mediate the dispute, but would “speak to the British and urge them to seek a solution that would be mutually acceptable.” (Ibid.) In telegram 2423 from Guatemala City, March 26, the Embassy reported that McQuillan had informed them that the British and Guatemalan Governments had agreed to resume talks on the Belize issue on April 26 and 27. (National Archives, RG 59, Central Foreign Policy File, D760115–0082)

had told him GOG intends to approach the UK in early March with a view to setting a date for the talks to resume in April, after Easter.

2. Secretary said that UK is not going to act until proposed talks with GOG have run their course. The President interjected that he hoped so. Secretary suggested President not rush the resumption of negotiations. Guatemala should wait until late April or even May before resuming talks. This is no time for a showdown. Guatemala is in no condition to face a breakdown of negotiations. It would therefore be better to postpone them as long as possible. Under the circumstances this would not be regarded as an indication of weakness.

3. Secretary continued that U.S. will not try to force the UK to do anything and is not rpt not going to mediate the dispute, but we will use our good offices. The Secretary said he will speak to the British. We will try to encourage the British to find a negotiated solution.

4. The Secretary said that during his conversation with the President the President had indicated in confidence he did not expect to get from the British all that Guatemala was asking. The President confirmed this, saying that Guatemala, however, must start out with a good bargaining position.

Meloy

224. Telegram 2009 From the Embassy in Guatemala to the Department of State¹

Guatemala City, March 11, 1976, 1915Z.

2009. [1 line not declassified] Subj: Internal Security Following the Earthquake.

1. Our impression reported in earlier cables remains the same—that in the commercial centers of the city there has been little or no looting.

2. In the residential zones where Embassy officers live, there has been no appreciable change in the number of burglary attempts. According the RSO, the burglary and attempted burglary level in the area dropped somewhat after the earthquake, but now is back to normal.

3. Problem, to extent there has been one, has most likely been in the poor residential areas devastated by the quake—particularly zones 3, 5, and 6, where 70 to 80 percent of all structures were rendered unusable. Over 250,000 people live in those three zones alone. Under circumstances it would have been extremely surprising if there had been no looting of the rubble. It is to Guatemala's credit that looting has not been more widespread. Numbers of those arrested or killed according to press and other reports are low in comparison to population involved and amount of devastation.

4. We are less concerned about looting than about GOG's response to it. Formation of neighborhood vigilante committees to patrol streets may in poorer areas have reflected real need for greater security because police were spread thin after quake, but in some cases committees were simply product of quake—induced nerves (upper classes

¹ Summary: In a report on internal security following the earthquake, the Embassy noted that although there had been little or no looting, the Guatemalan Government had effectively endorsed the formation of neighborhood vigilante committees to patrol streets. On a more serious level, government security forces had apparently decided to take advantage of the confusion following the earthquake to eliminate elements deemed undesirable.

Source: National Archives, RG 59, Central Foreign Policy File, D760093–0007. Secret; Priority; Exdis; Nofo. All brackets are in the original except those indicating text that remains classified. In telegram 62030 to Guatemala City, March 13, Rogers instructed Meloy to “approach President Laugerud and express our deep concern on press reports of the appearance of a number of bodies which show evidence of torture and execution,” and added, “You should stress the strong concern of the USG and of the American people for respect of human rights and abhorrence of political assassination.” (Ibid., D760095–1073) In airgram A–51 from Guatemala City, the Embassy reported, “Incidents of possible political violence during April shot up to the highest point since September 1974,” and added that “The only bright spot in an otherwise bleak picture was the apparent tapering off of *Escuadron de la Muerte* (Death Squad) or *Escuadron*-like killings which were rampant in February and March.” (Ibid., P760075–0300)

had visions of thousands of starving looters storming the wealthy neighborhoods). Rather than cautioning against danger to innocent people inherent in such committees, GOG in effect endorsed them, although it did attempt to provide some guidelines. Fortunately, committees now seem to have largely disbanded as post-quake tension subsides.

5. More serious is apparent decision by GOG security forces to take advantage of post-quake disorganization to eliminate elements they regard as undesirable in best Arana administration style. Killing of FURD leader Rolando Andrade, whose political movement was of miniscule importance, is one example. Reported indiscriminate shooting of any looter or suspected looter who had a police record is another. Reputable newspaper *El Imparcial* reported March 10 that there have been 32 killings since the quake attributed to the *Escuadron de la Muerte* (Death Squad), a name of which much was heard in the Arana era but which disappeared from the news after Laugerud took office. It was not so much an organization as a name used in connection with any killing by GOG agents. We strongly hope that growing return to normal conditions will increase supervision and control of the security services back to the tight and rational level which characterized Laugerud administration before the earthquake.

Meloy

225. Telegram 2304 From the Embassy in Guatemala to the Department of State¹

Guatemala City, March 23, 1976, 0100Z.

2304. For Assistant Secretary Rogers only from Ambassador. No-forn. [1 line not declassified] Subject: Démarche on Possible GOG Assassination Plans. Ref: Guatemala 2009, (B) [cable number not declassified], (C) [cable number not declassified].

1. [less than 1 line not declassified] concerned by the spate of killings that occurred for a time in the weeks immediately following the February 4 earthquake, but we do not believe that there is a plan approved at high level for selected assassination of political enemies of the present government.

2. I raised the matter with President Laugerud on the morning of March 22 when I called on him. Referring to the press reports of these deaths, I stressed the strong concern of the U.S. Government and of the American people for respect for human rights and our abhorrence of political assassination.

3. The President acknowledged that in the days immediately after the earthquake a number of bodies had appeared showing signs of torture and execution as reported in the press. He said he felt that extremist elements had taken advantage of the confusion existing in the country in the immediate post-earthquake period to carry out these killings. In fact the appearance of these bodies had led to rumors that the “squadron of death” had been re-established and that the deaths might have been carried out with the approval or the complicity of the government. The President said he wished to assure me and to assure the U.S. Government that this was not so.

¹Summary: Ambassador Meloy discussed reports of political assassination with President Laugerud, who replied that he would direct the Minister of Government to investigate and root out any elements in the security forces involved in death squad tactics.

Source: National Archives, RG 59, Central Foreign Policy File, D760108–0626. Secret; Immediate; Exdis. All brackets appear in the original except those indicating text that remains classified. Telegram 2009 from Guatemala City is Document 224. References (B) and (C) were not found. Telegram 62030 to Guatemala City, is dated March 13. (National Archives, RG 59, Central Foreign Policy File, D760095–1073) In telegram 2498 from Guatemala City, March 30, the Embassy reported on the attempted assassination of former Guatemala City Mayor Manuel Colóm Argueta. (Ibid., D760119–0832) In telegram 2550 from Guatemala City, March 31, the Embassy reported that former President Carlos Arana Osorio and MLN leader Mario Sandoval Alarcón were rumored to be prime suspects in the assassination attempt. (Ibid., D760123–0821) In telegram 2596 from Guatemala City, April 1, the Embassy reported further developments in the case, and concluded that it was unclear if the Guatemalan Government was “attempting to coverup a bungled assassination attempt” or if Colóm had staged “a fake assassination attempt to expose and lessen the effectiveness of the GOG’s surveillance of his movements.” (Ibid., D760124–0188)

4. Laugerud pointed out that in the early days of his administration he had broken up and dispersed throughout the country elements of the security forces who were suspected of complicity in the previous activities of the "squadron of death" and that these activities had ceased. The President said he has no intention of permitting the resumption of these activities. He noted there had been no reports of deaths of this type in recent weeks. He is planning to call in the Minister of Government, General Vassaux, as soon as the Minister has recovered from a recent operation to talk to the Minister about the deaths that occurred in the post-earthquake period. It is his intention to direct the Minister to carry out a careful investigation with the intention of rooting out any elements in the security forces who may have been tempted to revert to "squadron of death" tactics.

5. The President asked me to assure my government that it is his intention to respect and protect the human rights of all Guatemalans. Although he will not treat with the Communists it is his policy to be open and accessible to all elements of the democratic political spectrum. This policy is not always understood in Guatemala where it is a departure from past tradition. It is difficult to persuade the Guatemalans to settle their differences by negotiation rather than by violence but the President is determined to carry out this policy.

Meloy

226. Airgram A–45 From the Embassy in Guatemala to the Department of State¹

Guatemala City, May 4, 1976.

SUBJECT

Political Review #6—April 10, 1976 to April 29, 1976

CONTENTS

1. Progress of Reconstruction
2. The Guerrilla Army of the Poor—Urban and Rural Activities

Summary: The first AID roofing material arrived in country April 22 and was quickly transported to distribution points in Chimaltenango Department just as the first heavy rains began. Progress continued in road repair and rubble removal efforts and the GOG began to construct some temporary housing in Guatemala City for those now living in tent cities. But there are many complaints about the lack of faster and more vigorous action by the Reconstruction Committee. The Guerrilla Army of the Poor (EGP) established itself as a formidable force in Guatemala City with its second political assassination in four months. In northern Quiché the Army has reacted forcefully to the presence of some guerrillas, thereby posing some human rights problems. *End summary.*

1. Progress of Reconstruction

If it was a race as to whether the rains or the lamina (corrugated roofing) would reach the homeless in the Guatemalan highlands first, then AID and the lamina won, but just barely. The first 100,000 sheets of AID lamina arrived in Santo Tomás April 22 and the last of it reached the priority towns of Comalapa, Patzicía, and Patzún on April 29—just as the first heavy midday rain hit and continued through the night.

Fortunately, as the lamina has still to be distributed and erected, most of the resourceful highlanders had already constructed some type

¹ Summary: In its bi-weekly political review, the Embassy reported on AID reconstruction efforts and increasing reports of guerrilla and counter-guerrilla violence.

Source: National Archives, RG 59, Central Foreign Policy File, P760072–0449. Confidential. Drafted in the Political Section by R.E. Snyder and D.C. Johnson; cleared by G.F. Jones, W.E. Thomas in the Political Section, and F.E. Schieck of AID; and approved by Chargé G. R. Andrews for Meloy. Pouched to Belize City for info. Airgram 38 from Guatemala City is dated April 9. (Ibid., P760058–0375) In telegram 3149 from Guatemala City, April 23, the Embassy reported that the Guerrilla Army of the Poor (EGP) had issued a communiqué indicating that its activities were “popular justice” directed against “those who oppress us in the name of the interests of the rich and Gringo imperialism.” (Ibid., D760154–1050) Telegram 3041 from Guatemala City is dated April 21. (Ibid., D760151–0611)

of small shelter, many using salvaged materials from their destroyed homes or lamina from the voluntary agencies who responded fastest. Thus it has been clear for some weeks that the lamina was needed less to shelter the roofless than to allow the highlanders to improve temporary housing so that it can better withstand the long rainy season. The ten sheets of lamina each family will be allowed to buy will allow it to construct, with the various other types of building material available, a small but adequate shelter that can be expanded upon when the dry season arrives in October, the harvest is in and people have more time, and more lamina is available.

In Guatemala City, the National Housing Bank (BANVI) has started construction on three different sites to house some 12–15,000 families with 65,000 people, who are now living in open areas of the city in makeshift tents. The temporary structures which are to have electricity and sanitation facilities, are supposed to be finished by mid-May with work continuing around the clock.

Meanwhile, the National Reconstruction Committee might better be renamed the National Coordinating Committee, because they apparently have no operational responsibility and serve only to coordinate among government agencies and ministries and between the government and outside agencies. The Embassy has already begun to hear considerable worried comment from political leaders that Brig. General Peralta has not taken hold of the NRC and given it the needed vigorous leadership.

The Committee is now working with AID to designate the towns to receive the next 400,000 sheets of lamina AID expects to arrive in country during May. A local agency, usually a cooperative, is being designated in each town as the responsible unit for distribution. An agreement was signed on April 27 between AID and the NRC giving GOG blessing to this use of local in-place agencies for distribution. AID has assumed all responsibility for transporting the lamina from Puerto Barrios to the towns.

Initially, the NRC, and particularly the military who really run it, wanted AID to turn over the lamina to them for distribution. The Committee maintained that the local military in each town could handle distribution while seeing to it that only the needy and not the “ricos or comerciantes” received lamina. Officers staffing the NRC were particularly shocked by AID’s plan to use cooperatives as distribution and record-keeping agencies, implying that cooperative leaders were opportunists and not to be trusted. After considerable discussion and pressure from Finance Minister Jorge Lamport, the Committee accepted the AID contention that the military infrastructure in these towns was not capable of efficiently handling distribution of the lamina, let alone deciding who did and did not deserve to receive it.

Work has continued on repairing the road network. All major roads are open, including now the Atlantic Highway which was formally reopened April 22, except for the Patzún-Patzicía road on which the Mexican Government is still working. Much of the highway work is now concentrated on removing overhangs and otherwise preparing for the rainy season.

Rubble removal by INFOM, the Army, and government contractors has also proceeded well and INFOM now estimates that in another 2–3 weeks the towns will be clear. Admittedly, in some sections of some towns “rubble removal” has meant leveling a section so it can be built upon rather than actually removing the rubble from the town.

Water distribution within Guatemala City has both improved and deteriorated. With the first rains more water is going through the pipes despite the continuing long-term problems at the pumping, treatment, and distribution stations. However, servicing of the 39 rubber tanks, donated by AID to the National Emergency Committee to supply water to areas where the pipes are out of service or nonexistent, has broken down. The tanks were refilled for two months by private tank truck owners who donated their services, but these bowed out on April 14. The rubber tanks stood empty until April 30, when two tank trucks given the NEC by the UN became operational. Seven more trucks will be in operation by May 9, but the NEC—like the private businessmen before it—has agreed to operate the trucks for only 60 days. The UN has a tentative commitment from Guatemala City Mayor Ponciano to run the trucks and refill the tanks after that time, provided the NRC pays for the gasoline.

In the rural areas the water situation is rapidly returning to normal. In most towns the AID rubber tanks have already been put aside for emergency use or are being used only while concrete collection tanks are repaired.

2. *The EGP—Urban and Rural*

On April 21, the *Ejército Guerrillero de los Pobres* (EGP) followed up its April 7 weapons robbery (see Guatemala A–38) by killing Army Col. Elías Ramírez, former head of the Presidential Security Service (*Centro Regional de Telecomunicaciones*—CRT) during the Arana regime (Guatemala 3041 and 3149).

An EGP communiqué sent to Guatemala City radio stations announced that the killing was “popular justice,” in retribution for Ramírez’s alleged involvement in the September 1972 disappearance of PGT leaders. The document also charged that Ramírez had arranged to send Guatemalan political prisoners to Managua in 1972, where they were “murdered by Somoza.”

The EGP had earlier issued another communiqué denying responsibility for the April 8 kidnapping of Olga Novella, daughter of cement manufacturer Enrique Novella. This communiqué was prompted by telephone calls, apparently spurious, claiming EGP responsibility. As of April 29, Mrs. Novella had still not been released.

The EGP's urban successes do not appear to have been matched by the operations of a guerrilla group in Quiché Department which the GOG believes is part of the EGP. The GOG's assessment is that the group's activities have been concentrated in the northern part of the department, particularly near the three Ixil-speaking towns of Nebaj, Chajul, and Cotzal. The actual number of guerrillas and their precise relationship to the EGP are not known, but it is clear the GOG believes them to be a significant threat and has acted accordingly. Embassy officers were told April 20 by the head of the Guatemalan Air Force that three A-37B jets had been used against the guerrillas in El Quiché and had killed some. Americans living in El Quiché have told the Embassy that jet aircraft dropped bombs in the area around Nebaj during March. The EGP, in a portion of its communiqué which has not been picked up by the press, said the Air Force had bombed villages and recently planted fields in northern Quiché.

Residents and visitors to the area have also given the Embassy other disturbing, but harder to confirm, reports. They have heard there is a great deal of guerrilla activity in Quiché and even of clashes between guerrillas and Army units, but we have yet to talk to an eyewitness. An American woman was raped April 10 by *ladinos* (non-Indians) who were strangers to the area and she was told by Indians that there were many other recent cases of rape by mysterious strangers. Others have reported that people have been taken away from their homes by armed men in the middle of the night, and some Indians are so frightened by these events that they have taken to sleeping in the hills. Whether these strangers are guerrillas or government agents, no one can say for certain.

So far the GOG is attempting, without much success, to minimize stories of guerrilla activity in Quiché. One Army press release announced that "routine" war games were taking place in the northern parts of the department, and another one April 10 denied stories of clashes between Army troops and guerrillas.

The GOG's denials were not helped when the Partido Revolucionario issued a statement April 22 charging that its local leader in Cotzal, Gregorio Santay, had disappeared, and that 300 campesinos in the area were fleeing to the mountains, afraid of being accused of belonging to the guerrillas. According to the PR statement, local campesinos blamed the town's MLN mayor for the "lack of tranquility." Minister of Interior Vassaux met with PR leaders April 23, and then announced that the de-

partmental governor would make an “exhaustive investigation.” On April 26 the Governor announced that he had discovered that only three National Policemen were assigned to the area and therefore could not be responsible for all the uproar.

In addition, the Christian Democrats, who have for several weeks been talking of interpellating Minister of Interior Vassaux on the “re-crudescence” of violence, finally April 28 submitted their petition to the Congress. As of April 29 no decision had been taken.

Comment: The GOG’s certainty that guerrillas are operating in Quiche appears to have some basis in fact. We are not certain, however, that the GOG reaction to the presence of guerrillas in the area was commensurate with the threat they may have posed, since to the Embassy’s knowledge guerrillas have not carried out any significant operation for the last ten months. The GOG might have been better advised to concentrate on locating the EPG’s urban terrorist arm. Use of air strikes against guerrillas, given the rugged terrain and the less-than-pinpoint accuracy of Guatemalan Air Force pilots, seems particularly difficult to understand.

Our concern that the GOG may have overreacted by lashing out blindly against the Quiche threat is related not only to general human rights concerns, but also to the safety of the few Americans who live in the area. The rape incident is one case in point. Another is that Army officials have told the Ambassador that they are convinced an American Maryknoll priest who works with a large agricultural cooperative in northwestern Quiche is helping the guerrillas. The priest denies the charges, and the Embassy has no information to substantiate them.

If the guerrillas have managed to do anything more than maintain a catch-as-catch-can existence in the area, they will have made history. The area where they are suspected of operating is over 90% Indian, and the 50,000 Indians who live in the area speak an entirely separate language. So far, Indians have consistently refused to join guerrilla groups. *End comment.*

Meloy

227. Telegram 109886 From the Department of State to the Embassy in the United Kingdom, the Consul in Belize, and the Embassy in Guatemala¹

Washington, May 6, 1976, 0007Z.

109886. Subject: UK-U.S. Talks on Latin America: Belize.

1. UK-U.S. consultations on Latin America were held at Department on April 28. Minister of State for Foreign and Commonwealth Affairs, Ted Rowlands, led British delegation. U.S. side was headed by Assistant Secretary Rogers and included Deputy Assistant Secretaries Ryan and Luers and other Bureau officers. First subject of discussion was Belize.

2. Rowlands opened with report of UK-Guatemala talks over Belize held in New Orleans, April 26-27. Rowlands said that formal meetings during the session were unproductive because of inhibiting presence of some 20 people at the table, including representatives from Guatemalan political parties and leader of Belizean opposition. Consequently, the real business was conducted in private, very confidential meetings between Rowlands and Guatemalan Foreign Minister, Adolfo Molina Arantes.

3. Rowlands said that, as Secretary Kissinger had suggested to Foreign Minister [*Secretary*] Callaghan, the HMG offered package of proposals for security and economic cooperation. Regarding security, the British proposed to restrict the Belizean right to enter into separate defense agreements with fourth parties, to set up a joint Guatemalan-Belizean Defense Council, to enact a formal agreement for security consultation to insure the regular exchange of security information be-

¹ Summary: In an April 28 discussion with Assistant Secretary Rogers on the Belize issue, Minister of State for Foreign and Commonwealth Affairs Rowlands noted that the British Government had offered Guatemala a package of proposals along the lines that Kissinger had recommended to Callaghan as a way to resolve the problem quickly. When pressed on whether the U.S. Government would become involved, Rogers made it clear that such participation would occur only when the parties were in basic agreement, and would be more of an endorsement than a substantive intervention.

Source: National Archives, RG 59, Central Foreign Policy File, D760174-0858. Secret; Priority; Exdis. Drafted by Gowen and Haryan in ARA; cleared by Luers in ARA, Weissman in ARA/CEN, and MacFarlane in S/S; and approved by Ryan in ARA. All brackets are in the original except "[*Secretary*]," added for clarity. According to a draft memorandum of conversation from the April 28 meeting, Rowlands indicated that, "the British initiative in New Orleans drew heavily on the suggestions in Secretary Kissinger's message to Foreign Minister [*Secretary*] Callaghan of last November." (Ibid., P850183-2493) Kissinger's letter to Callaghan is Document 215. In telegram 104671 to Guatemala City, April 30, the Department reported that Molina told Rogers that the New Orleans talks had gone well and that "The British position 'offered the possibility of an accord.'" (Ibid., D760165-0860)

tween Guatemala and Belize. On the economic side, the British proposed an agreement on maritime boundaries, free transit for Guatemala, free market arrangements, currency arrangements, etc. They also proposed a joint development fund to which the British would contribute. Rowlands said the British were prepared to incorporate all of this into one or more tripartite treaties to which the UK would be a party.

4. Rowlands said this was a new and unique initiative, and that HMG had never proposed such a treaty arrangement before in any part of the world. Rowlands had given a copy of a draft treaty to Molina in New Orleans during their private conversations, and he expected Molina to share this only with his “immediate staff.” He did not think that the Guatemalan political party representatives knew of the treaty draft or its contents. He said that Belizean Premier George Price had agreed to the provisions of the draft treaty, but only on the basis that they not become public at this stage. Rowlands provided a copy of the draft treaty to Assistant Secretary Rogers, but, stressing the extreme sensitivity of the draft, he asked that we not tell the Guatemalans we have received this copy. Rowlands said that the UK proposal was offered as a basis for negotiation, not as the last word, but that it was imperative that it not be rejected out of hand. The parties have agreed to meet again in July at which time it will be Molina’s turn to respond to the UK initiative. Meanwhile, working level meetings will be held in preparation for that next session.

5. Rowlands anticipated that the Guatemalan response to the British initiative might, initially, be negative and probably would involve three elements. The GOG might contend that the consultation provisions are not sufficiently obligatory; it might renew the “associate state” concept; and it might renew demands for a territorial cession, probably along the Monkey River line. He would respond to these points as follows: The treaty provisions for consultations between Guatemala and Belize would be meaningful with Britain as a third party; the General Assembly vote in favor of a fully independent Belize precluded acceptance of the “associate state” concept; a territorial cession along the Monkey River line would be simply unacceptable. In ensuing discussion of territorial question, Rowlands asked how any partial cession could satisfy the Guatemalan political problem since the GOG public position and Guatemalan Constitution asserted a claim to all of Belize. It was suggested that the size of a cession may turn out to be less important for the Guatemalans than the need to get something that at least looks significant in exchange for Belizean independence. A territorial cession marked somewhere between the present borders and the Monkey River line, together with the benefits of the proposed treaty, might give the GOG enough to overcome domestic opposition to a set-

tlement. Tying a territorial concession to Guatemala's need for an opening to the sea might help. In reply to a question by Assistant Secretary Rogers, Rowlands stated that HMG contemplated the demarcation of new maritime frontiers between Belize and Guatemala, and he said that HMG would be more generous in this than required by international law. Rowlands also said that the proposed treaty could deal with all related questions, such as those of transit, exploitation of the continental shelf, and exploitation of living resources. He pointed out, however, that the whole question of access to the sea did not seem very important to the Guatemalans in New Orleans.

6. Rogers asked Rowlands if he now felt that the Guatemalans really wanted a settlement. Rowlands said it was "touch and go." He had insisted to Molina that the problem could not be allowed to continue indefinitely without a settlement. The situation can only get worse; failure to find a solution soon could produce a regional security problem with other parties becoming involved. He also asserted that HMG "was not willing to go into the dock" for having stifled Belizean aspirations to independence.

7. Rogers asked Rowlands what he thought might happen if no settlement were achieved during these negotiations. Rowlands replied that Belize would quickly take the issue back to the UN. Price probably would also begin to flirt with "certain Caribbean powers," seeking "material support." He was sure that there were "one or two" such parties who might be willing to help Belize and that this would create a very difficult situation for HMG. Rogers asked what the Jamaicans were doing at this point, and Rowlands said that they were probably waiting on events, but were prepared to advise Price. Price and the others had been very cooperative in New Orleans and had avoided any inclination to break up the negotiations.

8. Rowlands hoped that the GOG will decide to negotiate on the basis of the British package, and that it will make a reasonable counter-offer once they understand that HMG is making a special effort to reach a settlement. He added that he had found Molina to be a very rational, civilized man. On the first day of the meetings, Molina had hinted at the Venezuelan proposal for a five-year moratorium on the independence question. Rowlands told Molina this was "hopeless." On the second day, Molina had, by implication, agreed that indefinite stagnation was impossible. Molina also had admitted, implicitly, that the Guatemalan Army does not want to fight for Belize. Rogers commented that he also sensed very little support in Guatemala for a revanchist policy.

9. Discussion continued during lunch and the British pressed Rogers as to possible extent of U.S. involvement which could be expected in any solution. With regard to our intervention in the final

stages of the negotiations, Rogers made it clear that USG participation could only come at the very end of the process when all parties were in basic agreement. It would be more of a U.S. endorsement than a substantive intervention. As for USG participation in the development fund, we attempted to put any possible U.S. support in terms of U.S. support for Caribbean Development Bank rather than bilateral arrangements.

10. Rowlands also made it very clear in the luncheon discussions that HMG is determined to resolve this problem in the short run. He indicated that it could only become more thorny with the passage of time and therefore the idea of programmed procrastination was not a viable option.

Sisco

228. Telegram 125446 From the Department of State to the Embassies in Nicaragua, Guatemala, El Salvador, and Costa Rica¹

Washington, May 21, 1976, 2238Z.

125446. Subject: Fraser Human Rights Hearings on Central America.

1. Department has been advised informally that Cong. Fraser's (D.-MN) International Organizations Subcommittee of House International Relations Committee has scheduled hearings on human rights situation in Nicaragua, Guatemala and El Salvador for June 8–9. Department will be asked to testify June 9. Cong. Ed. Koch (D-NY), who has become actively interested in human rights field, will participate in hearings although he is not rpt not a member of Fraser's subcommittee.

¹ Summary: The Department reported that it had been advised informally that Congressman Fraser planned to schedule hearings on the human rights situation in Nicaragua, Guatemala, and El Salvador.

Source: National Archives, RG 59, Central Foreign Policy File, D760198–0612. Limited Official Use; Priority. Drafted by George Lister in ARA/LA, cleared by Weissman, and approved by Ryan. Repeated Priority to Managua, Guatemala City, San Salvador, and San José. In telegram 3990 from Guatemala City, May 28, the Embassy reported that William Brown of the Washington Office on Latin America (WOLA) had visited the Embassy on January 20, "observing at the beginning of conversation that he did not expect to learn anything in talking to Embassies but was visiting them at strong urging of ARA/PAF. Conversation primarily concerned situation in Latin America as a whole, as Brown, noting he had other sources, did not seek information on Guatemala." (Ibid., D760207–1020)

He is member of House Appropriations Committee. Koch has sent Department numerous inquiries on human rights situation and aid programs in Central America, and has published some of this correspondence in *Congressional Record*.

2. Both Fraser and Koch have been stimulated by Washington Office on Latin America (WOLA), a small but active local coalition of liberal U.S. religious and academic groups concerned with Latin America and problems of inter-American relations. They receive church funding and are frequently critical of U.S. policies, although highly supportive on the Panama Canal issue. Bill Brown of WOLA has already visited Central America to invite witnesses. He will be making a quick visit to Guatemala, Nicaragua, and Costa Rica May 24–26. Fraser, Koch and WOLA hope to have the following three witnesses June 8: Pedro Joaquin Chamorro from Nicaragua; Rene de Leon Schlotter from Guatemala; and Favio Castillo of El Salvador (currently in San Jose). It is possible hearings may prompt Congressional opposition to military and economic aid to countries involved. Koch has already called for full aid cut-off to Nicaragua because of “political repression.”

Robinson

229. Telegram 157065 From the Department of State to the Embassy in Guatemala and the Consulate General in Belize¹

Washington, June 24, 1976, 2121Z.

157065. Subject: Belize Negotiations: June Session Makes Some Progress.

¹ Summary: During a briefing on the status of the Belize negotiations at the Office of Central American Affairs, British officials urged the Department to reiterate to the Guatemalan Government that they were determined to reach a settlement, and that delay was not a viable option.

Source: National Archives, RG 59, Central Foreign Policy File, D760245–0587. Confidential; Immediate. Repeated to London, Mexico City, and USCINCSO. All brackets are in the original except those indicating text that remains classified. In telegram 137667 to Belize City, Guatemala City, and London, June 4, the Department reported that Moreton had indicated that the Belizeans had “no intention of giving up any territory and that to do so would make post independence for the Government of Belize virtually impossible.” (Ibid., D760216–0542) In telegram 5025 from Guatemala City, July 14, the Embassy reported that the Guatemalan Government had requested a postponement of its next negotiating session. (Ibid., D760271–0606)

Summary: June session appears to have made reasonable progress. Atmosphere was friendly and both sides appear to have approached talks in constructive fashion. Next session scheduled for July 13 in New York. *End summary.*

1. UK Embassy officers called on CEN June 13 to give us a run-down on recently concluded New York talks. UN Ambassador Ivor Richards headed UK team. Luis Aycinena headed GOG delegation, which included Roberto Herrera and General Rene Mendoza. Rafael Fonseca of Belize attended June 15–17 session as Price's representative.

2. On first day Guatemalans presented a rewritten version of draft treaty originally proposed by UK in April. As several aspects of Guatemalan draft were unacceptable to UK [*less than 1 line not declassified*] their delegation [*less than 1 line not declassified*] rewrote unacceptable portions, taking care to preserve, as much as possible, language originally proposed by GOG. British then presented their revised draft to Guatemalans on June 16. Following the day's discussion it was Guatemalans' turn to put in some late hours. On June 17 Guatemalans tabled their redraft of previous day's British effort. Copies of the three drafts being pouched to Guatemala and Belize with notations as to which articles have been agreed to and which are still under discussion. Please hold documents closely.

3. According to UK, three-day session saw considerable narrowing of differences between the two sides. Substantial agreement was achieved on a number of articles of a draft treaty and British are hopeful of further progress being achieved in July. By mutual agreement, key questions of any territorial concessions and fixing of maritime boundaries were not discussed. They are being left to the end of the negotiation process.

4. British said treaty as now stands puts real constraints on the freedom of action an independent Belize would have. Whatever is agreed to in the treaty will be written into future constitution. British also raised Cuban issue directly with Guatemalans and offered to put in an article that would bar Belize from entering into a defense treaty quote with any nation that was not a member of the OAS or the Commonwealth unquote. Guatemalans were interested and said they would study idea. UK also offered, in lieu of building a new port for Guatemala, to open all Belizean ports to Guatemalan goods on the basis of equal access with Belizean goods.

5. UK officers urged that when we talk to Guatemalans about Belize we reiterate British are negotiating seriously and are determined to reach a settlement. Quote Further delay is no longer a viable option unquote.

6. CEN officers also discussed talks informally on two occasions with General Mendoza. He too thought the negotiations had been constructive and were making reasonable progress.

7. Both sides obviously have next UN General Assembly in mind in their approach to negotiations. It seems evident that GOG at least wants to build a record of good faith progress to forestall another UN resolution. It is also possible this is, by and large, extent of motivation for current cooperative GOG attitude, though Mendoza indicates time factor is recognized by some elements in GOG as being conducive to partial or full settlement now. Current relatively good image of military and heightened domestic popularity as spillover from earthquake performance may give them the confidence necessary to accept a compromise settlement now, as distasteful as it would be, because of knowledge that if question goes to UN again, pressures for immediate independence on less favorable terms for Guatemala will surely increase. *Vamos a ver.*

Robinson

230. Airgram A-86 From the Embassy in Guatemala to the Department of State¹

Guatemala City, July 12, 1976.

SUBJECT

Political Violence During Laugerud's Second Year

REF

Guatemala A-135 of 21 July 1975

Summary: There is a sharp contrast between internal security statistics for the last six months of 1975 and the first five months of 1976. The last six months of 1975 were probably the most peaceful in the last

¹ Summary: The Embassy reported on increases in political violence and attributed them to increased provocations by terrorists, countered by a government response that included extra-legal measures.

Source: National Archives, RG 59, Central Foreign Policy File, P760105-1670. Confidential. Drafted by D.C. Johnson, cleared by G.F. Jones and W.E. Thomas in the Political Section, and approved by Andrews. All brackets are in the original except those indicating text omitted by the editors. Airgram 135 from Guatemala City is *ibid.*, P750120-2241. In telegram 5437 from Guatemala City, August 2, the Embassy observed that "Violence remains the most fundamental political problem of Guatemala, and there is no question but that its origins lie in the tension produced by attempting to maintain a government that neither taxes nor spends, an electoral system which permits dissent but rarely rewards it, and an economic and social system designed to preserve the comfort and ease of a tiny majority." (*Ibid.*, D760297-1158)

eight years, while the first five months of 1976 have shown an overall increase in political violence. Statistics for 1976, however, do not bear out DCG leader René de Leon Schlotter's June 1976 testimony before a U.S. congressional subcommittee that Guatemala is being subjected to new waves of violence comparable to the one during the 1966–67 counter-insurgency campaign or those of the Arana administration.

Increased provocation from terrorists has had much to do with the upsurge in violence. Since the Laugerud administration's *sine qua non* for a "satisfactory" internal security situation is control of violent subversive activity, it has come as no surprise that the GOG has been quite willing to act energetically to meet the "new challenge" from the Left. Government response has included resort to extra-legal measures, particularly in an area of rural Quiché Department. In the urban areas, the GOG has, with some major exceptions, continued to refrain from engaging in or tolerating random violence. We believe that the GOG will be able to deal with the guerrillas to its satisfaction. We are less certain that the GOG's policy of restraint will continue to be used as successfully as in 1975. *End summary.*

Statistics. This report covers the period July 1975 to May 1976. Statistics for this eleven-month period show a striking contrast between the last six months of 1975 and the first five months of 1976. The average number of incidents per month during July–December 1975 was 15.3; during the first five months of 1976, the average jumped to 28.8 per month. For the eleven-month period, the monthly average was 21.4. Incidents during Laugerud's first year in office (July 1974 to June 1975) averaged 36.6 per month. During the last year of Arana's presidency (July 1973 to June 1974) incidents averaged 57.2 per month (see attached graph).

[Omitted here is a graph depicting political violence in Guatemala, February 1974–May 1976]

However harshly one may judge the rise in violence since January 1976, the statistics simply do not bear out DCG leader René de Leon Schlotter's June 1976 testimony before a U.S. congressional subcommittee to the effect that Guatemala is being subjected to another "wave of violence" comparable to the ones in the 1966–67 counter-insurgency campaign in Zacapa or during the Arana administration. A conservative Embassy estimate of the number of guerrillas *killed* during the 1966–1967 Zacapa campaign (300) is still more than twice as high as the total number of incidents nation-wide between January and May 1976. The January to May statistics also show a rate less than half of what it was during Arana's last year.

1975—A Very Good Year. It is no exaggeration to say that 1975, and particularly the second half of the year, was the most peaceful period Guatemala has experienced for at least eight years. There was a drop in

both the quantity and significance of reported violence, both in the urban and rural areas.

Except for a sweep (which did not become public knowledge until January 1976) through rural Huehuetenango Department following the June 1975 assassination of a retired MLN activist, the GOG engaged in no major operations against terrorists during the second half of the year. In one case, the GOG suffered, and endured, a defeat in court—three women arrested following the December 1974 shootout between GOG and community party (PGT) forces were acquitted and freed. The GOG must certainly not have been pleased by the outcome, but it did not overturn the ruling either by pressure or extra-legal means.

The relative tranquility was due to two things: (a) debilitation of terrorist groups, and (b) government restraint in the absence of violent provocation. Between late December 1974 and April 1975, the PGT suffered major reverses—the Party Secretary General and at least three other operational commanders were killed by the government. None of the other terrorist groups except the EGP pulled off any major incidents during the year. The EGP, apart from its assassination of Arenas in Huehuetenango Department, was inactive, apparently organizing itself, until December 1975, when it assassinated right-wing Congressman Bernal Hernandez Castellon.

In the absence of terrorist provocation, government forces did not initiate “search and destroy” operations against these groups, except for the sweep through Huehuetenango. Other forces of the Right, particularly those associated with MLN boss Mario Sandoval Alarcón, remained held in check and were not a provocative force.

1976—EGP Takes On Kjell. The December 12, 1975, assassination of MLN congressman Bernal Hernandez marked the end of the year’s tranquil period. In a way, though, the success of the attempt illustrates how quiet the period had been; even one of Arana’s former bodyguards had been lulled into unpreparedness by the six months of calm.

The EGP followed up the Hernandez killing with several other spectaculars, such as the killing of an Army colonel in April, a gun store robbery in April, and the burning of trucks carrying coffee from El Quiche Department in May. The government has been unable to solve any of these.

Apparently of greater concern to the GOG were reports of the EGP’s presence in northern Quiche Department, particularly around the Ixil-speaking towns of Nebaj, Chajul, and Cotzal. GOG forces were sufficiently concerned to go to the area in force after the Corps of Detectives made an initial investigation. The Air Force’s A-37B jet fighters were used to bomb suspected guerrillas, and on the ground peasants were reportedly terrorized by groups of armed unknowns who hauled

them out of their houses and took them away; some of this was undoubtedly done by GOG forces.

The government's response in Quiche demonstrates the Guatemalan Army's deep fear that rural guerrilla groups will manage to become entrenched, thereby making it difficult to dislodge them without a bloody campaign as in Zacapa in 1966–67. The Army is willing to act early and harshly to prevent terrorists from taking root again, even at the expense of human rights violations. The Army ignored domestic protests against its handling of the Quiche operations, and we have no doubt that formal protests from abroad would either have been ignored or rejected out of hand.

The GOG's general reluctance to engage in or tolerate random political violence, a main feature which distinguishes the present administration from the Arana administration, has continued, although with some major exceptions. Most prominent among the exceptions are the February 20 killing of FURD leader Rolando Andrade Peña who had reportedly encouraged some persons left homeless by the February 4 earthquake to squat on land owned by the Arana family, and the *Escuadron de la Muerte* (Death Squad)-like killings of petty criminals following the earthquake. The latter were carried out by regular policemen and were confined to persons with criminal records who were caught in the act of looting after a major disaster. There have been no more since the immediate post-earthquake period.

The Andrade murder was more serious. A reliable source reported that Andrade was killed by President Laugerud's personal security service. We must assume the President knew and approved the service's actions in advance. It is the only instance we are aware of in which the GOG has executed a non-Communist for political reasons. Why there should have been so extraordinary a departure from Laugerud's general policy of restraint and tolerance of non-Communist opposition is not clear. The intense strain of the earthquake crisis and rumored pressures from Arana may have been factors.

More recently, the GOG's handling of cases involving university students and its handling at the same time of a case involving the wealthy rightist Zimeri family have raised questions about a double standard with regard to illegal activities.

As we look to the future, we believe that the internal security situation will depend primarily on the answers to two questions: Will the government be able to satisfy itself that it has successfully met the challenges posed by the EGP, PGT, or other terrorist groups? Will President Laugerud become increasingly tempted or increasingly pressured to abandon his general policy of not resorting to extra-legal methods in dealing with political dissidents? Our tentative answer to the first ques-

tion is yes; the answer to the second is that we are a lot less certain than we were last year.

Andrews

231. Memorandum of Conversation¹

Washington, August 2, 1976, 11:45 a.m.

SUBJECT

Belize Dispute: British Request for our Support

PARTICIPANTS

The Secretary

Harry W. Shlaudeman, Assistant Secretary Bureau of Inter-American Affairs
Ambassador William S. Mailliard, U.S. Permanent Representative to the OAS
Norman T. Shaft, USOAS (notetaker)

The Secretary: What else did you have?

Mr. Shlaudeman: You wanted to talk to me about Belize.

The Secretary: Well I don't understand why—I don't think the Guatemalans will negotiate without getting some territory.

Mr. Shlaudeman: It's all a show on their part. Everyone knows that these could not be serious negotiations.

The Secretary: Well then what can we do?

Mr. Shlaudeman: Not much, Mr. Secretary. We like option #3.

The Secretary: You mean to tell both sides to negotiate in good faith.

¹ Summary: During a discussion with Secretary Kissinger on the Belize issue, Assistant Secretary Shlaudeman observed that the Guatemalan Government would not negotiate unless the British would agree to give up some of Belize's territory.

Source: National Archives, RG 59, Central Foreign Policy File, P860084-2039. Secret; Nodis. Drafted by Norman T. Shaft of USOAS and approved by Collums in S. The meeting was held in the Secretary's office. During a visit to the Office of Central American Affairs, British Embassy political officer Joseph Millington indicated that enormous progress had been made in negotiating an agreement on Belize, noting that the Guatemalan Government "seemed more sincere and serious than previously." When asked if the issue of territory had been discussed during the negotiations, "Millington replied that this problem was being left until the end, by tacit agreement." (Memorandum of Conversation, August 12, *ibid.*, P850183-2447) In telegram 5867 from Guatemala City, August 20, the Embassy reported that Laugerud expressed "cautious optimism" that the Belize issue would be resolved, while noting "that the two principal barriers were Premier Price of Belize and the MLN Party here in Guatemala." (*Ibid.*, D760320-1009)

Mr. Shlaudeman: The British have been troublesome on this all along. They think we can convince the Guatemalans to give up their claims.

The Secretary: But they have given me to believe, the British, that when pushed to the wall they will agree to give up some territory.

Mr. Shlaudeman: But Price, no. (Shlaudeman opening a map) It's the southern part that is at issue. It is occupied mainly by Price's opposition so he would like to give it away but of course he couldn't agree to any such thing.

The Secretary: What's Price; is he pro-Cuban as the Guatemalans say?

Mr. Shlaudeman: No, he doesn't seem to be pro-Cuban but there are people around him who are.

The Secretary: Is he black?

Mr. Shlaudeman: Yes.

The Secretary: What is the population?

Mr. Shlaudeman: 150,000.

The Secretary: The whole country?

Mr. Shlaudeman: Yes.

The Secretary: Those crappy countries. The Prime Minister of Grenada was a towering figure in Santiago, trying to get the next General Assembly in Grenada.

Amb. Mailliard: That's right. If we were to hold it in Grenada we would have to put all the necessary facilities there.

The Secretary: Where is the next General Assembly, back here?

Amb. Mailliard: No we agreed to have it there in Grenada and now we are trying to find a way to get out of it and have it somewhere else.

The Secretary: You're kidding?

Amb. Mailliard: No.

Mr. Shlaudeman: If we tell the Guatemalans to be reasonable they might get some territory.

The Secretary: But if you say Price can't do it, it can't happen.

Mr. Shlaudeman: We can't force him.

Amb. Mailliard: But some of the other Caribbean countries might be able to force him.

The Secretary: But why would they do it—that's not clear to me.

Mr. Shlaudeman: I don't know.

The Secretary: But will you make sure that I raise this with Callaghan.

Mr. Shlaudeman: Yes.

232. Telegram 6509 From the Embassy in Guatemala to the Department of State¹

Guatemala City, September 17, 1976, 1635Z.

6509. Subject: GOG Views on Belize.

1. *Summary:* In wide ranging discussion of Belize issue with Assistant Secretary Shlaudeman, President Laugerud and Foreign Minister Molina expressed cautious optimism about impending talks with UK in Panama. President stated GOG would bring up question at Panama of cession of Belizean territory to Guatemala, which was sine qua non of agreement for Guatemala. President voiced concern about likely Cuban intervention in Belize if UK–GOG negotiations were to fail. However, he stressed GOG desire to seek solution with UK. Shlaudeman noted USG hope for successful outcome to negotiations with UK. With respect to possible Cuban penetration of Belize, Shlaudeman emphasized USG commitment to mutual security in hemisphere. *End summary.*

2. Assistant Secretary Shlaudeman, accompanied by Chargé, had very useful exchange of views on Belize during call on President Laugerud on September 16.

3. President expressed cautious optimism on forthcoming talks with UK in Panama on September 21–22. He said that if both sides gave way a bit, the Panama meeting should be successful and provide basis for continuation of negotiations. He stated categorically that Guatemala will bring up the territorial issue at Panama. This is most sensitive question of all, GOG realizes, but it is also sine qua non of agreement for Guatemala. Question will not be raised in plenary session because of sensitivity but will be broached directly with Rowlands by FonMinister Molina. In response to questioning by Shlaudeman, President indicated GOG did not necessarily expect immediate response from Rowlands at Panama. GOG will present its proposal on cession of territory by Belize in expectation that UK will study it and come back and make counter proposals. GOG fully realizes it is no longer realistic in

¹ Summary: President Laugerud told Assistant Secretary Shlaudeman that while he remained cautiously optimistic about impending talks on the Belize issue, no agreement would be possible without the cession of Belizean territory to Guatemala.

Source: National Archives, RG 59, Central Foreign Policy File, D760353–0123. Confidential. Repeated to London, USCINCSO, Mexico City, Belize City, USUN New York, and Tegucigalpa for Shlaudeman. In a September 30 meeting with Department officials, Millington reported that during the Panama talks, September 21–22, the Guatemalan Government had “proposed redrawing the southern Belize/Guatemala boundary along a line just below Stann Creek,” something that the British regarded as “an opening negotiating ploy rather than a serious proposal.” (Memorandum of conversation, October 1, ibid., P850183–2451)

this day and age to maintain its claim to all of Belize. At Panama, GOG would give up its claim to the majority of Belize but would put forth a claim to southern portion. There would obviously be a period of bargaining and counter proposals which would ensue. In the last analysis, Guatemala would have to retain a sufficiently large piece of territory in the south to give it unhindered access to the open seas through the Bay of Amatique. It could not accept a situation like Israel found itself in the Bay of Elath, with access to the open sea blocked because of overlapping territorial waters of Honduras and Belize.

4. Laugerud voiced considerable apprehension about Cuba. Said that as long as UK remained in Belize there was no danger of Cuban infiltration, but if UK were to grant independence to Belize without a successful outcome to UK–GOG negotiations, then Castro would not hesitate to offer support to Belize. Castro was involved in Angola, in Southern Africa and elsewhere in Africa and with his 100,000 man army and sophisticated weaponry there was no reason he could not move into Belize a scant 200 miles away. Cuba was already supporting subversion in Nicaragua, Honduras, Costa Rica, and Guatemala, and it would welcome chance to move into Belize.

5. President noted one of difficult political problems he faces was fact that Guatemala's Constitution specifically states that Belize is part of Guatemalan national territory and that any retreat from this position involving cession of territory to independent Belize would have to be approved by the Congress and the Council of State meeting in joint session. It was for this reason that a face-saving compromise was necessary for Guatemala. If such compromise did not provide for at least some territory in Belize to be handed over to Guatemala then it would not be politically acceptable to Guatemalan public opinion.

6. President continued that he believed UK was negotiating in good faith and that major problem was with Price government in Belize. It was in everybody's interest—U.S., UK, and Guatemala—to reach a friendly settlement of the Belize issue, because otherwise there would be a source of permanent tension in the area. Guatemala was likewise negotiating in good faith and hoped for a satisfactory outcome. Nonetheless, if the talks should not succeed and the UK were to grant unilateral independence to Belize, then Guatemala would have no recourse except to take military action against Belize. This, however, was the last thing Guatemala wished to do and it would take all possible steps to avoid hostilities.

7. Shlaudeman noted U.S. hope for a successful outcome to the negotiations. U.S. impression is also that UK is negotiating in good faith and that problem is mainly with Belize. With respect to President's comments on eventual Cuban penetration of Belize, Shlaudeman em-

phasized that the USG maintains its commitment to the Rio Treaty and mutual security in the hemisphere.

8. *Comment:* President was both forceful and articulate in presenting GOG views. He seemed deadly serious about seeking a solution—but one including territorial concession.

9. During subsequent Shlaudeman call on FonMinister Molina Orantes latter made many of same points which President made, similarly in conciliatory tone, although still stressing need for Guatemala of face-saving cession of Belizean territory.

Andrews

233. Telegram 262948 From the Department of State to the Embassy in Guatemala¹

Washington, October 23, 1976, 0202Z.

262948. Subject: British Request for Assistance on Belize Dispute. Refs: (A) USDAO/Guatemala msg DTG 211930Z 76, (B) Belize 869.

1. *Summary.* British Embassy Counselor William Squire called on Dep. Asst. Secretary Luers October 21 for USG diplomatic assistance in restraining GOG regarding Belize prior to UNGA debate. Squire was informed that USG felt such an initiative would be unwise and ineffective under present conditions. Squire repeated British view that territorial concession would not be possible. Next ministerial-level talks will not occur at least until after UNGA debate, at which a “noncontroversial” resolution is expected. Department notes possible lapse in com-

¹Summary: During a discussion with Deputy Assistant Secretary Luers, British Embassy Counselor C. William Squire requested U.S. assistance in urging restraint by the Guatemalans prior to debates over the Belize issue at the United Nations.

Source: National Archives, RG 59, Central Foreign Policy File, P850183–2456. Secret. Drafted by Gowen and cleared by Luers. Reference A, a message from the Defense Attaché’s Office in Guatemala City, was not found. In telegram 869 from Belize City, October 21, the Consulate General reported that the British planned to increase troop strength along the Guatemalan border, in part because new road construction had improved Guatemalan force deployment capabilities, but also “because of recent and anticipated developments.” (National Archives, RG 59, Central Foreign Policy File, D760395–0977) During the Secretary’s staff meeting on October 26, Shlaudeman reported on the British troop movements, and observed that “The Guatemalans are getting nervous again. A lot of this will depend on how the resolution comes up in the United Nations.” (Ibid., Transcripts of Secretary of State Kissinger’s Staff Meetings, 1973–1977, Entry 5177, Box 3, Secretary’s Analytical Staff Meetings)

munications between UK and GOG re latest reinforcement of Belize garrison, which reportedly began October 21. End summary.

2. Squire began presentation by reiterating view that domestic British political opinion would make any cession of Belizean territory without Belizean consent “indefensible” in Commons. Squire said HMG had moved to cool the situation down prior to the UNGA session on Belize through *démarches* to the GOG and Venezuelan authorities. He delivered copy of text of note from FCO Minister of State Ted Rowlands to FonMin Molina, sent to Molina last week (see text below). HMG had also approached GOV within last few days, and found GOV “disposed to be helpful.” Squire then relayed official request from HMG for USG to approach GOG and reinforce UK efforts to forestall any resort to force or other miscalculations before UNGA takes up Belize question.

3. Squire said HMG felt this was necessary because of signs GOG might seriously be contemplating use of force, based on judgment that talks would not lead to acceptable settlement. Squire reinforced this analysis by alluding to unconfirmed reports indicating GOG might commence “systematic military operations” in southern Belize within next month. He offered no elaboration of this point or any evaluation of the source. However, he asserted HMG had to take such signs seriously because of domestic political explosion such developments would provoke.

4. Luers indicated USG believed approaching GOG now would be “unwise” and ineffective. Referring to strong *démarche* made by the late Ambassador Meloy in 1975, ARA reps pointed out such pressure could only be employed infrequently and in extreme situations if it were to be effective. Such extreme situation does not now obtain, in our view. This was not to say we would be unwilling to be helpful if it became necessary. However, for the present it would be better for GOG and HMG to continue to deal with this issue directly.

5. Luers added view, conveyed to HMG several times over past year, that some concession of land still seemed only way out of Belizean impasse as GOG perceives matter. However, USG recognized difficulty of finding politically viable way to do so. While present HMG negotiation package was impressive, it lacked that “one little ingredient” that might seal an accord; i.e.: an onshore territorial concession of even symbolic, minimal dimensions.

6. Regarding other elements of British view of present situation, Luers offered view that it seemed unlikely GOV would intercede on behalf of Belize versus GOG, given parallel with Guyana dispute. Plan put forward by Torrijos in Panama City September 22 also seemed a mere “pipedream,” with which opinion Squire agreed.

7. On prospects at UN, Squire stated HMG expected George Price would press for a moderate, non-controversial resolution to attract additional support from states which abstained in 1975. He wanted to press for "red-hot" measure at first, but had backed down completely at urging of UK. He would insist on a resolution of some sort. HMG was confident, however, that this would not be provocative. No further ministerial-level meetings would be scheduled until after the UNGA debate. However, an official-level meeting in San Pedro Sula, Honduras, was still scheduled for October 25, to discuss economic issues.

8. Text of letter from Rowlands to Molina follows: *Begin quote:*

Dear Adolfo

I am sure that we both felt disappointed when we took leave of each other last month. The territorial question is fundamental for both of us and the difference between our perceptions of the problem is very great. I know that we would not be honest with each other if we did not admit this.

On my return I have set in train a reassessment of the possible ways forward now open to us. I hope that you will also be willing to make a thorough review of your position. I should like to repeat that I am prepared to examine any alternative proposals for resolving the problem, but the British Parliament will have to be satisfied that arrangements for Belize's independence fully reflect the wishes, rights and aspirations of the people of Belize. You have said that, in itself, the treaty cannot be the whole solution. I am nonetheless convinced that treaty arrangements of the kind envisaged do offer the best means of satisfying Guatemalan needs for security after Belizean independence and of providing for future economic cooperation. I welcome therefore your proposal that officials should resume their work on the draft treaty on 25 October. I understand, however, that the Fourth Committee debate on Belize at the UN may now take place at the end of October or the beginning of November. It is therefore unlikely that we could meet again at ministerial level before the UN debate and I hope you agree that it would be undesirable to meet during it. We should therefore give further consideration to agreeing a date for our next meeting when the Fourth Committee debate is over. We shall also then be in a better position to assess the progress made at the official level.

I should like to take this opportunity to put on record that, as you will recall, we both agreed at Panama that neither side would say or do anything which could heighten tension while negotiations are still in train. I wish to confirm that this is HMG's position. I do hope you will be able also to confirm that this is your government's position. In this spirit I shall continue to notify you of any military movements which could be misconstrued and I trust that you will do the same.

Meanwhile, I should like to assure you that we shall be making every effort in the weeks ahead to find a solution acceptable to all parties with a view to reaching substantial agreement at our next meeting. Yours sincerely, Ted Rowlands. *End quote.*

9. *Comment.* Reassurances by Rowlands respecting notification of any “military movements” seem to conflict with information in ref messages. This suggests that standing arrangements to share military information between HMG and GOG, which pre-existed note to Molina, are not operating fully or opportunely. We would appreciate any further information addressee posts may be able to develop on this matter. *End comment.*

Kissinger

234. Airgram A-132 From the Embassy in Guatemala to the Department of State¹

Guatemala City, November 8, 1976.

SUBJECT

Monthly Report on Political Violence and Human Rights: September, 1976

Summary: Incidents of probable political violence in September rose to the second highest total in the past 24 months. The focus of EGP activity shifted from El Quiché to the south coast where two plantations were raided and burned. In the East, a small war between the EGP and the Army followed capture of an important EGP official. The EGP has also begun short nightly broadcasts on a mobile clandestine radio, exhorting the public to fight their oppressors. A new rightist group

¹ Summary: The Embassy reported on escalating political violence in Guatemala.

Source: National Archives, RG 59, Central Foreign Policy File, P760177-0026. Confidential. Drafted in the Political Section by Snyder and Chamberlin, cleared by Jones and Thomas, and approved by Andrews. All brackets appear in the original except those indicating text omitted by the editors. In telegram 231122, September 17, 1976, the Department instructed all diplomatic and consular posts to bring the human rights portions of the International Security Assistance and Arms Export Control Act of 1976 to the attention of host governments. (Ibid., D760353-0541) In telegram 7209 from Guatemala City, October 18, the Embassy reported that it had communicated this information to Guatemala’s Foreign Minister. (Ibid., D760392-0202) In telegram 7580 from Guatemala City, November 5, the Embassy reported that it had received an October 26 note from the Foreign Ministry thanking the Embassy for “its interesting communication, which has been made known to the appropriate high authorities.” (Ibid., D760414-1019)

calling itself the *Fuerzas Armadas de Liberación Nacional* took credit for a shooting in Quezaltenango. The GOG declared the strengthening of the security forces to be a matter of national emergency and announced the formation of specially equipped anti-guerrilla commands to combat the increased violence. Neither measure is likely to be effective. The ordeals of the Castellanos and Poggio families continued amid continuing publicity and open letters to President Laugerud appealing for Castellanos' release. A Christian Democratic Mayor was kidnapped and DCG leader Rene de Leon Schlotter urged the Government to sign and ratify three international conventions on human and social rights. *End summary.*

[Omitted here is the body of the airgram.]

235. Telegram 8298 From the Embassy in Guatemala to the Department of State¹

Guatemala City, December 13, 1976, 1300Z.

8298. Subj: President Laugerud on U.S.-Guatemalan Relations. Ref: Guatemala 8229 (Notal).

1. *Summary:* President Laugerud used his meeting Dec 10 with Deputy Assistant Secretary Luers and me to put in context for us the widespread resentment he says is felt among his people, particularly among the military, over our behavior toward Guatemala in recent years. He pictured this mistrust as growing essentially out of our posture on Belize, and recited a long litany of our alleged failures to be helpful in the military supply field. Expressing his concern over a move among political parties here to break off the Belize negotiations as a result of British failure to abide by their alleged commitment not to raise Belize in the current UNGA, he said he would try to forestall such action. As usual, he cited Cuba as an underlying concern for Guatemala,

¹ Summary: During a December 10 meeting, President Laugerud told Deputy Assistant Secretary Luers and Ambassador Davis E. Boster that resentment against the U.S. had grown in recent years, primarily due to its posture on Belize and its alleged failure to assist Guatemala with military supplies.

Source: National Archives, RG 59, Central Foreign Policy File, D760459-0003. Confidential; Limdis; Noform. Repeated to London, Mexico City, Belize City, USUN New York, USCINCSO, and SECDEF. Telegram 8229 from Guatemala City is dated December 8. (Ibid., D760453-1097)

both in the Belize issue and with regard to guerrilla activities in Guatemala. *End summary.*

2. President Laugerud received Deputy Assistant Secretary Luers and me for an hour and fifteen-minute conversation Dec 10 which was largely taken up by the President's exposé of difficulties he said he was having in countering the apprehensions of many of his people, primarily in the military, who felt that the U.S. had failed Guatemala in recent years and particularly in connection with Belize. I had begun the conversation by telling President I had no specific issues to raise with him but would appreciate opportunity to hear any preoccupations he might have in considering his relations with us. He said he would speak frankly and would tell us about the widespread feeling among his military officers, many of whom ironically had received their training in the U.S., as well as among others who had come to regard us with mistrust and who felt we could no longer be relied upon. There were always people who tried to build up antagonism between the U.S. and Guatemala and, although he knew they were wrong, he had to deal with the results of their efforts. Unfortunately, he said, there had been a series of actions and inactions by the U.S. in the matter of providing military equipment which fed the propaganda being used against us. This was particularly true in connection with the Belize issue. He recited several instances, going back as far as the early seventies, of alleged U.S. refusal to sell C-47 aircraft to Guatemala, the protracted delay in reaching a decision to sell M-16 rifles, inability to obtain an A-37 fighter, incomprehensible slow-downs in the delivery of minor types of equipment, inability to obtain spare parts, and the early 1975 refusal to approve the resale to a private American of two T-33 trainers which Guatemala had obtained earlier from the U.S. He said that Ambassador Meloy had once been very frank with him and told him that we did not wish to be in the position of supplying military equipment which might be used to kill British soldiers. He said he understood this but, nevertheless, the whole history of our attitude on military equipment had resulted in a build-up of suspicion and mistrust among many of his colleagues. Many of them felt, he said, that since Guatemala was so close to the U.S. and was within its sphere of influence, we should be more helpful than we had been.

3. I said I appreciated the candor with which he had spoken. I said I had been aware of this strain in our relationship and that Vice President Sandoval had been quite frank with me about some of these ideas and misconceptions about our attitude toward Guatemala. I said I hoped he would understand that we saw the Belize question as a dispute between two of our very good friends. It was a dispute in which in the past we had tried to be helpful but that our efforts had not proved successful. Now we felt that the parties directly involved should reach

agreement among themselves, although we did what we could to urge each of the parties to find a reasonable and peaceful accommodation. But I wanted to emphasize that the attitude did not reflect any lack of friendship for Guatemala. On the contrary, we wished to have the friendliest relationship with his people, his government, and with him personally. I said I would not comment on all the instances he had recited of difficulties in the military supply field as many of them had apparently occurred several years ago. As Ambassador Meloy had mentioned to him, there might be situations where we would be concerned about military deliveries. I would, nevertheless, look into the current situation to see if there were any misunderstandings that could be cleared up. But what, I asked, could he tell us about the outlook for the current round of talks with the British on Belize?

4. The President said that he was deeply concerned about these talks, and what he felt was the British failure to keep their word to forgo action in the UN while the talks were going on. He said that the British had assured Foreign Minister Molina during the recent talks that, with the talks in progress, they would not raise the issue in the UN this year as had been the case the year before. Despite this understanding, the matter had been raised again and a new resolution passed. This had created a furor among the members of the Guatemalan delegation, four members of which were from the four principal parties of Guatemala. These representatives had now sent word that they would introduce a motion in the Congress demanding that the government break off the talks with the British in view of the action in the UN. For them to do this would place him, as President, in an almost impossible situation before the country.

5. I said I thought this would be a most serious mistake. I said we had understood that the talks had been proceeding well and that for Guatemala to break off the negotiations because of actions outside of the talks themselves would be most unfortunate and would not be understood. The President said he completely agreed but that the situation nevertheless was very difficult. I said that surely the members of the delegations wishing to take this action could be educated about the harm such action could have. The President said that fortunately the Congress would recess at the end of next week and not resume until January. This would give him a three-week breather and he would try his best during that period to head off this idea.

6. At this point Luers asked the President whether his government had expressed its disappointment to the UK over this supposed breach of faith about the UN resolution. Luers said he had been at the UNGA prior to the passage of the resolution on Belize and sensed that the UK was not pressing for a strong resolution. It had been the Caribbean na-

tions working with representatives of Belize. The President said the GOG had indeed expressed its unhappiness to the UK.

7. The President went on to say that another preoccupation strongly felt in Guatemala was concern about Cuban entree into Belize. He said he understood that Guatemala could not recover all Belizean territory; it was too late for that although there was much criticism of President Ubico for having failed to occupy Belize during World War II when the British were too heavily engaged elsewhere to have countered such a move. The President hastened to disown this idea, noting that it would not have been in the Guatemalan character. However, he said Guatemala would have to have the southern portion of Belize, referring to the District of Toledo. If Britain and Guatemala could work this out, the Cuban problem could be avoided. But if this failed, they had to worry about Cuban intentions since Cuba's principal export was guerrillas, as in Angola. He also noted in this connection reports that Belize Attorney General Shoman had visited Cuba.

8. This led the President to refer to Cuban efforts to create internal difficulties in Guatemala. He referred to the recent EGP takeover of the Shenandoah Oil Camp and said they had established the presence of at least one Cuban in the EGP group. Queried about the basis for his certainty about this, he said that there had been one member of the group who had worn a green beret with a red star and who, as a member of a three-man team of interrogators of their captured helicopter pilots, had remained silent during the interrogation, but who at one point had shouted an obscene expression which was unique to the Cuban vernacular. (In fact, the quoted expression is also heard in other Caribbean countries.)

9. Returning to the subject of the atmosphere of mistrust between the U.S. and Guatemala, he said that small gestures were important. In this connection he wanted to mention that his Military Attaché in Washington was to have signed an order today opening bids for the repair of three Huey helicopters. If action on this request were taken expeditiously, this would be considered helpful; and he recalled the lightning speed with which we had responded to certain requests just after the earthquake. If, however, weeks went by before the aircraft arrived to pick up these helicopters, this would not be good. I said that Mr. Luers and I were glad to know about this and we would do what we could to ensure quick action.

10. But I said this led me, in the same spirit of candor in which he had spoken, to ask him to explain one thing which puzzled me. I said he had recalled a number of cases going back some time in the past in which we had appeared not to be as forthcoming and helpful as they had wished, but that he had now mentioned illustrations of our immediate actions in helping them after the earthquake. Since this evidence

of our friendship was very recent, why was this not the dominant impression in the circles he referred to rather than the older history he had cited? The President said the trouble was that people's memories were short and that, while everyone had been overwhelmingly grateful for our generous assistance after the earthquake, this disaster was now beginning to recede in everybody's mind while the Belize issue continued to be a current issue.

11. Commenting on the President's review of the Belize issue, Luers reminded him that the first American invocation of the Monroe Doctrine had been by President Cleveland in the case of British Guyana, an action which, despite our intention to be helpful, had failed to win us anything but resentment from Britain, Venezuela and Guyana. The lesson which we had to take from this was that, despite our desire to be helpful to our friends, we were better off not trying to intervene in disputes in the hemisphere. The President said he understood this reasoning.

12. During the course of conversation, the President told us of his decision to spend the first year after the end of his term in the United States, going initially to Glastonbury, Connecticut where his father-in-law lived. He said after a couple of months there, they planned to buy a mobile home and spend the rest of their time seeing all of the fifty American states. He said not only did he look forward to this opportunity to get to know the U.S. but he also felt it essential to get out of Guatemala in order to avoid being constantly importuned by friends who would wish to have him intercede on their behalf with the new administration.

13. *Comment:* We have been keenly aware of the strains in our relationship which have resulted from the biased view entertained by some Guatemalans, particularly among the military, of our posture in the Belize dispute, both our unwillingness to take Guatemala's side in the issue and also the actions we have taken in the military supply field as a result of our concern about possible hostilities. This is, nevertheless, the clearest expression of the depth of feeling on this question and the President's preoccupation with it as a political problem which he sees in his relationship with his own supporters. My earlier conversation with Vice President Sandoval in which he bluntly castigated us for our posture is precisely to the point. Because of this background, it will be important to use whatever opportunities we have to demonstrate our friendly attitude toward Guatemala, as we did after the earthquake. The President was obviously signalling just such a token opportunity to us in the case of the helicopter repair bids and we urge that a special effort be made to meet this request as expeditiously as possible, a gesture which President will take as personally reassuring.

14. As for the threat of a break-off in the Belize negotiations, we believe it is well within the President's power to prevent such action by the Congress and we are confident that he will in fact prevail over the hard-liners on this issue.

Boster

236. Memorandum of Conversation¹

Washington, January 10, 1977.

PARTICIPANTS

UK

Robin Edmonds, Under Secretary for Political Affairs, FCO

William Squires, First Secretary, British Embassy

Joe Millington, First Secretary British Embassy

U.S.

William H. Luers, Deputy Assistant Secretary, ARA

Charles W. Bray III, Deputy Assistant Secretary, ARA

Marvin Weissman, ARA/CEN

Mark Platt, ARA/CEN

SUBJECT

Belize Dispute: Prospects for the Future

Summary—Rowlands and Molina had a “useful” meeting in New York yesterday, January 9. The British expect the negotiations to continue but are not optimistic about a successful outcome. In contrast to the sense of urgency with which Mr. Callaghan approached the subject last year, the British no longer appear to have such a pressing deadline for bringing Belize to independence. *End Summary*.

Edmonds was in Washington for a general round of U.S.–UK talks on the Caribbean. He informed us that Minister Ted Rowlands had asked Guatemalan Foreign Minister Molina for a private meeting in New York on January 9 to discuss the Belize issue. Edmonds said it had been treated strictly as a personal meeting. He had had a short telegram

¹ Summary: British and U.S. officials discussed future prospects for resolving the Belize issue and agreed that it was unlikely the Guatemalan Government would agree to a settlement anytime soon.

Source: National Archives, RG 59, Central Foreign Policy File, P850183–2471. Confidential. Drafted on January 10 by Platt in ARA/CEN and cleared by Luers and Bray in ARA.

from Rowlands characterizing the meeting as "useful" but giving no further details. Thus, Edmonds was unable to comment on whether or not a firm date had been set for the Belize negotiations to continue.

Speaking without reference to what may have happened in New York yesterday, Edmonds said the British thought it quite unlikely that the Guatemalans would be prepared to actually agree to a settlement anytime soon. He thought they would prefer to put the matter off until a new administration took office (Presidential elections in Guatemala are scheduled for March, 1978). Edmonds asked what we thought of this analysis. Weissman said that generally we agreed. Putting aside the "external" eventualities for the moment, one could not dismiss the possibility that developments in "internal" Guatemalan politics also could change the outlook. Some of the Presidential candidates are more militant than others. If the military splits over choosing a government candidate, Belize might become a rallying point for one or more of the factions, or an excuse to delay the elections.

Luers said that he had spoken with President Laugerud early last month. The Guatemalan president had gone out of his way to emphasize that U.S. policy on Belize had embittered senior Guatemalan military officers. The Guatemalans were also upset that the UK had brought the matter up again in the UN General Assembly. Luers had told the Guatemalans that he thought the British, the Belizeans and their Caribbean allies were being rather moderate by not pushing for an extreme resolution.

Edmonds asked if the Guatemalans really minded UN resolutions on Belize. Platt commented that yes, they did mind insofar as it reinforced their sense of isolation.

Weissman then said there was some movement in the IDB, particularly on the part of its president, Ortiz Mena, to get more interested in the Belize issue. Some informal discussions have apparently been held on the possibility of a large assistance package for joint development of Belize with the Peten region of Guatemala. This may be linked to Venezuelan President Perez's recently expressed interest in trying to find some means of helping to resolve the matter. Weissman asked if the British had heard of IDB involvement. Edmonds said they had not. Weissman added that a proposal such as this, tied in with some sort of minor border "rectification," might provide an "equally unacceptable" face-saving way out for all parties. Edmonds added that Price had seen Perez in Caracas a few months ago and was supposed to go back for a second meeting. He thought the Venezuelans could be very helpful. He termed not so helpful their interest in having Belize make a token territorial concession to Guatemala. This, of course, would be useful to Venezuela's own interests in its dispute with Guayana. The "Torrijos plan," Edmonds confirmed, is a non-starter.

Edmonds said that Price had refused to consider any kind of territorial concession. However, if the Guatemalans were smart and proposed some “reasonable” type of territorial arrangement, (undefined) there might still be some slight room for discussion.

Luers said it was his impression that the UK was the one primarily interested in a rapid settlement. The Belizeans seemed less interested. The Guatemalans might well prefer to drag the matter on indefinitely. Edmonds agreed with that summation. Platt then asked if Her Majesty’s Government had a time frame for bringing about Belizean independence. Edmonds said no, they did not. At one time Callaghan had spoken about independence in a year, but that had been *over a year ago* now. It was obviously going to take some time.

Bray asked what the internal pressures in England were for Belizean independence. Was there a strong sentiment for it in Parliament, or active pressure groups?

Edmonds responded that there was really no strong lobby for Belizean independence. A Guatemalan invasion would, of course, create one instantly, but save for that, it was not an issue in which the British public or Parliament was greatly interested.

Nicaragua

237. Telegram 435 From the Embassy in Nicaragua to the Department of State¹

Managua, January 8, 1973, 0155Z.

435. Subj: Post Earthquake Political Developments in Nicaragua.
Ref: Managua 267.

1. *Background.* When the December 23 earthquake struck, Nicaragua was being governed by a National Governing Council (NGC) composed of two members from the Liberal Party (PLN) and one from the Conservative (PCN) and a Constituent Assembly with sixty PLN and forty PCN members. This arrangement was all part of a political pact which Liberal leader General Anastasio Somoza and Conservative leader Dr. Fernando Aguero concluded in April 1971. In addition to division of the Council and Assembly, the pact provided for certain constitutional and electoral reforms and OAS supervised elections in September 1974 for a President and Congress which would take office December 1, 1974. While the Council would reign over the country during the interval, there was no doubt whatsoever on either side that General Somoza would rule because he possesses complete control over the two Liberal members, including the ability to remove them. Although PCN member Aguero periodically complained about being upstaged by Somoza's exercise of his de facto power and threatened to abandon the pact, the arrangement has held together since its inaugural in May 1972 and the country has been governed fairly effectively.

2. Many observers now seriously question whether this bipartisan arrangement, which was designed to achieve democratic progress

¹ Summary: The Embassy reviewed political developments in the wake of a December 1972 earthquake, noting that the National Governing Council had responded to the disaster by declaring martial law and by naming Anastasio Somoza Debayle as the head of a National Emergency Committee.

Source: National Archives, RG 59, Central Files, 1970-1973, POL 2 NIC. Secret; Immediate. Repeated to Guatemala City, Tegucigalpa, San José, San Salvador, and US-CINCSO. On December 23, 1972, an earthquake measuring approximately 6.2 on the Richter scale struck Managua, killing between 5,000 and 10,000 people and destroying an estimated 70 percent of the structures in the Nicaraguan capital. In telegram 1148, February 16, the Embassy reported that opponents of Somoza had become more vocal in calling for reforms since the earthquake, adding that prominent figures in business, the professions, and agriculture who had previously avoided involvement in politics believed that "the USG and international lending agencies should press for such reforms, if for no other reason than to assure that their aid is properly and efficiently utilized. They are currently pessimistic, but are prepared to draw encouragement from any signs of change or improvement." (Ibid.) Telegram 267 from Managua was not found.

during a projected period of peace, prosperity and tranquility, can be maintained, in view of the enormous reconstruction challenge now facing the GON. This issue did not surface during the first week following the disaster because General Somoza simply took over, did what he had to do and no one complained. In addition, to make things perfectly legal and constitutional, Somoza obtained from the Council a declaration of martial law and the establishment of a National Emergency Committee with him as Committee President. By December 29, however, as the situation began to stabilize the Conservative Party began to chafe under this emergency arrangement. As reported Managua 267, it issued a declaration charging that Somoza was making an absurdity of the Council and calling for a resumption of responsibilities by regular civil authorities and legal institutions. Although PCN leader Aguero told an Embassy officer that he intended to press this issue because ignoring the Council threatened his and the PCN's dignity, Somoza seemed anxious to carry on with the pact if at all possible. There appeared to be room for compromise and we therefore believed that Somoza and Aguero would reach some sort of agreement. Unfortunately since December 29 Somoza and Aguero have been unable to arrange a meeting, though each professed his willingness to meet with the other.

3. On January 6 the Liberals rocked their Conservative colleagues at the second session of the Constituent Assembly by introducing a law to establish a Super Ministry for National Reconstruction to be headed by General Somoza. The following is a translation of the operative paragraphs of this law, *quote*.

Article 1—There is created a new Ministry of State which is named Ministry of National Reconstruction. The head of this Ministry will have the qualifications required by the Constitution of the Republic and will have broad powers sufficient to plan, coordinate and execute all subjects and aspects necessary to comply with his responsibilities and which have a relation with the task of national reconstruction: being able to order all other Ministers of State, autonomous entities and any other governmental entity that he deems convenient in order to better perform his functions. He will likewise have the full and complete representation of the executive power, within and outside the Republic, in order to act and negotiate subjects related to national reconstruction.

Article 2. The Minister of National Reconstruction will have precedence over the other Ministers of State.

Article 3. This law modifies or derogates, whichever is the case, all legal dispositions which oppose it, especially those contained in the law creating Ministers of State and other dependencies of the executive power, of October 29, 1948 as amended. *Unquote*.

4. When the Liberals made clear their intent to immediately pass this law Conservative members retired en masse to caucus. The Conservatives decided to protest by not participating in the voting and denouncing the action as a "constitutional coup," but when they returned the measure had already been approved. They then boycotted the remainder of the session, which passed several emergency economic laws (reported septel), although PCN leaders later said they favored these measures.

5. In meetings with Embassy officers evening January 6, PCN leader Aguero vigorously denounced the creation of the Reconstruction Ministry, maintained that it gutted what remained of the Liberal/Conservative pact and said he intended to resign his Council position in protest when the Council took action to approve the law. Aguero explained that he continued to appreciate that he had no real power on the Council. However, he said that heretofore all government measures had at least passed through the Council and this gave him the opportunity to examine them and protest if he wished. Now, according to Aguero's interpretation, Somoza would have a carte blanche grant of all executive powers and the Council would be reduced to nothing; and even the facade, which preserved his and the PCN's honor and dignity would be removed. Aguero professed to see no need for such a drastic measure since he thought the GON could function effectively without it and Somoza already had full de facto power to do anything he wished. He charged that this was merely a device to eliminate all opposition and take advantage of the disaster to further entrench the Somoza dynasty. Aguero insisted that this was a de facto coup in which he could not acquiesce and he would therefore resign. He said that he thought the PCN should continue in the Assembly because there they could at least protest and said a decision on this would be made at scheduled January 9 meeting of the PCN Directorate.

6. In subsequent discussions with the Ambassador, General Somoza charged that Aguero was merely trying to play cheap partisan politics during a time of national crisis and said he could not permit this. Somoza maintained that the powers being granted were limited and not as all inclusive as Aguero imagined and were definitely necessary to cope with the task of reconstruction. He said the new Minister would still constitutionally be under the Council and he saw no reason why the Liberal/Conservative pact could not continue to function. He acknowledged that the scheduled electoral reforms and elections would have to be postponed (something which Aguero also concedes) but vowed that they would take place when conditions permitted. He thought that Aguero was out of tune with the mood of the country which favored forceful executive action to deal with the emergency and therefore acting contrary to the true desire of Conservative Party members.

7. On January 7, Somoza confidentially informed the Ambassador that he had met for several hours with a group of Conservatives, including Aguero's designated alternate on the Council Edmundo Paguagua Irias and millionaires Alfredo Pellas and Alberto Chamorro. According to Somoza, these Conservatives assured him that they had polled the PCN Directorate and Assembly membership and that, if Aguero resigned, a majority would vote to replace him with Paguagua and continue with the political pact. If Aguero agreed to abandon his intransigent position and go along, then Somoza thought he could remain.

8. *Comment:* A surprise revolt against Aguero is contrary to our assessments of the PCN and Aguero's position within it prior to the disaster. However, the earthquake could have shifted political balances within the country and Somoza may well be right.

Shelton

238. Telegram 1648 From the Embassy in Nicaragua to the Department of State¹

Managua, March 17, 1973, 1430Z.

1648. Subject: Courtesy Call on General Somoza by General Wm. Rosson, CINCSO.

1. On March 14 General William Rosson, Commander of the U.S. Southern Command, visited Managua and paid a courtesy call on General Somoza accompanied by the Ambassador and Colonel Murphy, U.S. MilGrp Commander. During the course of the conversation General Somoza outlined some of his views on the future social and eco-

¹ Summary: Somoza told the visiting Commander of the U.S. Southern Command that he believed the December 1972 earthquake would lead to significant social and economic changes and that he was prepared to lead Nicaragua through those changes.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to Guatemala City, San Salvador, San José, Tegucigalpa, and US-CINCSO for POLAD. In a March 15 letter to Country Officer Stuart Lippe, Deputy Chief of Mission Warner wrote from Managua that he and Political Officer James Cheek disagreed over the extent to which the earthquake and its aftermath had affected Nicaraguans' political attitudes, with Cheek believing that "people are more willing to criticize the government openly and to confront it and do battle for their ideas," while Warner was inclined to believe that "if the reconstruction and the economy go well during the next few months, the present muttering and grumbling will mostly fade away." (Ibid., ARA/CEN/N Files, Lot 76D179, POL 15 Government, N-1973)

conomic developments of Nicaragua. General Somoza said that as a result of the earthquake it was clear to him that there would be a very significant change in the social and economic life of the country. He characterized this development as he foresaw it on a number of occasions as a "revolution." He stated that the "revolution" would be entirely peaceful and that he was prepared to lead such a transformation in Nicaraguan life. Somoza said that it was clear to him that many of the patterns that existed prior to the earthquake would never be reestablished—that the individuals who had been small entrepreneurs more or less tied to a wealthy class which owned the buildings and facilities of downtown Managua, were now finding themselves able with the assistance of small loans and more flexible areas of opportunity to establish their own small businesses on a more independent basis and that this would inevitably create a much larger and more important middle class without ties to the wealthy classes and that this new middle class would have the opportunity to rise rather rapidly in the economic and social life of Nicaragua. Somoza also pointed out that a great deal of the inherited wealth of the country was in the ownership of the central City of Managua which had been badly destroyed and that this would tend to reduce their sense of authority and power over those less economically fortunate. The high price of cotton, coffee, beef, and other agricultural items, were tending to make the rural areas of Nicaragua more important economically and to bring more income on a more widely disbursed basis to the rural population, which would tend in and of itself to shift the social and economic structure of the country. Somoza emphasized that he felt that this was a very healthy development for Nicaragua and that he believed that the increased prosperity of the middle class and an enlargement of this class would contribute to a healthier development of the country and that he (Somoza) was prepared to encourage in every way possible such forward development.

2. Somoza reiterated that he welcomed this "revolutionary" change and felt that it would contribute to a more desirable future situation in Nicaragua.

Shelton

239. Memorandum From the Director of the Office of Central American Affairs (Lazar) to the Assistant Secretary of State for Inter-American Affairs (Kubisch)¹

Washington, April 19, 1973.

SUBJECT

The Secretary's Proposed Visit to Nicaragua

Problem: Current planning for the Secretary's visit to Latin America may include a proposed stop in Nicaragua. I believe that in the context of U.S. relations with Latin America, the Secretary should be advised not to make this visit.

Discussion: I understand the choice of Nicaragua is based on (a) a decision to visit a Central American country to provide regional balance to the Secretary's itinerary and (b) the belief that the aftermath of the devastating earthquake of last December provides the opportunity to demonstrate a continuing humanitarian concern by the United States in Latin America. I strongly agree with the first basis for the decision but take issue with the second.

U.S. concern for the victims of the Managua earthquake has been and continues to be amply demonstrated. Full publicity has been given to the \$27.0 million in disaster relief already provided by us and to the two visits to Nicaragua by Maurice Williams as the President's Coordinator for Nicaraguan Disaster Relief and Rehabilitation. It is anticipated that further funds will be forthcoming.

On the other hand, there is a danger that in the rest of Central America, and in Latin America, a visit to Nicaragua by the Secretary may be taken to demonstrate a preference by the United States for "client-state" relationships, and an embrace by us of political behavior which most Latin Americans now reject. This would reinforce in the minds of many Latin Americans the charges made against us, most recently in Bogotá, Panama and in the OAS sessions in Washington.

¹ Summary: Lazar recommended that Nicaragua not be included on the itinerary for Secretary Rogers' upcoming trip to Latin America, noting that such a visit might be misinterpreted in the region as a sign of a U.S. preference for "client-state" relationships.

Source: National Archives, RG 59, ARA/CEN/N Files, Lot 75D469, Nicaragua–Political, 1973. Confidential. Sent through Hurwitch. An April 19 notation by Kubisch reads: "a thoughtful memo and much appreciated." At the end of the recommendation, Kubisch wrote: "will consider further." Rogers made a five-hour stop in Managua on the afternoon of May 14. In a July 2 letter to Lazar, Shelton wrote that he had "never seen an official trip go off so smoothly," adding that Rogers appeared to have been "touched by the scene of total destruction in Central Managua" and that his "sympathetic understanding was felt by others who were deeply appreciative of his feeling." (Ibid.)

I know of no basis for supposing that the Secretary's failure to visit Nicaragua would give rise to any adverse comment either within Nicaragua or elsewhere in Latin America.

Thus, in my opinion, the proposed visit by the Secretary to Nicaragua would stand to gain little but would incur the risk of being misunderstood (or deliberately misinterpreted) to the detriment of U.S. relations with Latin America.

If the Secretary can visit Central America—and his visit would be most useful—I recommend Costa Rica or Guatemala.

Recommendation: I recommend that the Secretary not include Nicaragua on his itinerary. I further recommend he substitute Costa Rica or Guatemala.

240. Memorandum of Conversation¹

Masaya, Nicaragua, September 25, 1973.

PARTICIPANTS

Fernando Agüero Rocha, President of PCN-A and Constituent Assembly Deputy
 José Robelo, PCN-A Technical Secretary and Constituent Assembly Deputy
 James R. Cheek, Political Officer, American Embassy, Managua
 Ronald D. Godard, Political/Labor Officer, American Embassy, Managua

This was the reporting officer's first meeting with Fernando Agüero who continues active in politics holding periodic weekend rallies of the faithful in different towns. He lives in Masaya now and has, since his ouster from the National Governing Council, resumed his

¹ Summary: In a conversation with Embassy officers regarding Nicaraguan politics and a recent clash between the National Guard and members of the Sandinista National Liberation Front, Conservative Party leader Fernando Agüero noted that the country's youth increasingly saw violence as the only way to bring about change. Agüero added that the FSLN therefore had a large following.

Source: National Archives, RG 59, Central Files, 1970-1973, POL 12 NIC. Confidential. Drafted by Godard on September 28 and cleared by Cheek. Beneath the "Ambassador's Comment" section of the memorandum, a notation in an unidentified hand reads: "What else would be worthy of Ambassador's comment?" The meeting was held in Agüero's home. In telegram 3788 from Managua, September 18, the Embassy reported that recent clashes between Nicaraguan National Guardsmen and unidentified assailants might indicate renewed activity by the Sandinista National Liberation Front (FSLN). (Ibid., Central Foreign Policy File, [no film number]) In telegram 3810 from Managua, September 19, the Embassy reported on a National Guard communiqué announcing that four FSLN members had been killed in the engagements in Nandaime. (Ibid., [no film number])

practice as an ophthalmologist there. Still dressed in his medical whites, Aguero who maintains his office in his home received José Robelo, Mr. Cheek and myself cordially and seated us on the veranda in the inevitable rocking chairs for a pleasant conversation lasting about an hour. We were briefly interrupted by three reporters from Radio "Sport" (Robelo said this was a "Somocista" station) who taped an interview with Aguero in a separate room. Returning from the interview, he shared his comments with us.

One topic the reporters had asked about was the recently revised cedulation law. A key part of the Liberal-Conservative Pact which brought Aguero into the government last year was, at his insistence, a carefully defined procedure whereby a national identification system would be implemented which would also serve to identify legitimate voters for elections. Aguero saw the recent revision of this law, agreed to by the Conservative Party faction which took his place in the government (the PCN-P), as a complete farce. "The cedula resulting from this procedure will be meaningless," he intoned, "just another *magnifica*." (*Magnifica* is the popular name for a card with General Somoza's picture given loyal Liberal Party members after they cast their vote for the Party. It is commonly used as the prerequisite cachet for getting favors from the government and Liberal politicians after the election.)

Another subject the reporters had queried Aguero about was the recent incidents in Nandaime where four National Guardsmen and four Frente Sandinista de Liberacion (FSLN) members were killed. For the youth of this country, Aguero said he responded, there is really no alternative now but violence if they want to see social and political change. He went on to say that he had viewed the Liberal-Conservative pact as a kind of escape valve for opposition/reform sentiment and now that this has been frustrated there is no pacific outlet for these forces. When asked by young people now as to what they can do to change things, it pains him to say that he really cannot recommend their acting within the system, "the way is completely blocked." As a result, he went on, the FSLN has a very large following among young people. "You could see this in the presence of 300 students braving the downpours and National Guard harassment to attend Morales's funeral in Diriamba" (Ricardo Morales was one of the FSLN leaders killed September 18 in Nandaime). The only chance now for change without a violent revolution, Aguero said, was through a military coup—he saw this as only a remote possibility however.

In this country, Aguero said, power is concentrated in the hands of two families—"We do not even have the good fortune of the Salvadorans when they say fourteen families run the country. Here there are the Somozas and the Chamorros . . . for whom Alfredo Pellas is currently the 'godfather'." For the short time he was in the government,

Aguero said that he had really gotten a clear impression of how this monopoly of power functions. The budgets of the various ministries, for instance, are prepared by General Somoza personally. "Ministers would appear before the National Assembly committees, to discuss their budgets," he said, "and they would find that the budgets submitted by General Somoza to the legislature bore no resemblance to the ones they had prepared." Robelo, who served on the Assembly Finance Committee, chimed in on this subject lamenting the fact that the budgets submitted are couched in such generalities with no details on specific expenditure items that they are really meaningless. Elaborating on the subject of government abuses, Robelo also could not understand why the press, especially *La Prensa*, had not picked up the fact that General Somoza charges the GON 15,000 cordobas per month for use of his El Retiro home for National Emergency Committee meetings.

Aguero said the reporters had also asked him about the libel law supposedly being proposed by Liberal Party elements led by Constituent Assembly President Cornelio Hueck. Aguero said he told them that the institutions simply do not exist in Nicaragua to protect citizens from the repressive use of such a statute. "This is not the United States with its independent judiciary and respect for constitutional rights. I can see the need for libel laws in other countries and even in Nicaragua, but not under our present system."

With regard to the Chamorro-Sacasa opposition movement, Aguero saw no point in his joining forces with it. So far as he was concerned, there was nothing to be gained in his joining a group whose sole purpose was to force Somoza from power when this was also his objective because they can accomplish this objective as well separately as united. He had little faith in the tactic of provoking a general strike, a method most often advocated by the Chamorro-Sacasa forces as a means of ousting Somoza from power.

I asked Aguero what had prompted him to enter into a pact with Somoza. He replied that he had sincerely believed that the General would be willing to permit free elections and that he would be willing to relinquish the Presidency, retaining his business interests and the command of the National Guard. He had envisioned happening in Nicaragua what had happened in Peru with Odria or in Cuba with Batista after his first term in the Presidency.

Aguero was highly critical of the plan to rebuild Managua on the same site. "There have been five earthquakes in Managua in recent history. Nature has given us two opportunities to change the capital site when Managua was completely destroyed, and we have ignored both."

Aguero seemed in good health and although generally pessimistic about the political situation did not convey any great depression or bitterness about his current eclipse. His famous voice is in great form, and

he continues to radiate self-confidence. Aguero mentioned that he is about to begin work on a new house near Villa Fontana, a suburb of Managua, which will put him at least geographically back into the center of political activity.

Ambassador's Comment: General Somoza has denied emphatically to me that he receives rent for use of El Retiro for National Emergency Committee meetings. He also said that he has not charged the government, as he would in normal times, for any of the lunches or dinners given for visiting officials and experts since the earthquake.

241. Airgram A-63 From the Embassy in Nicaragua to the Department of State¹

Managua, November 9, 1973.

SUBJECT

Elections 1974: The Conservative Opposition

SUMMARY

Despite obviously favorable circumstances, no opposition political party worthy of the name presently exists in Nicaragua. The traditional and officially recognized opposition Conservative Party (PCN) has managed to survive during the almost forty years of political dominance by the Somoza family and its Liberal Party, but it has not prospered. Alternating between unsuccessful attempts to topple the Somozas by violence and equally abortive efforts to pursue political pacts with them the PCN is currently at the nadir of effectiveness as an opposition political party. Badly disorganized and divided, it has three factions currently contending for leadership but none of these offers much hope for the future. In recent weeks a new group has launched an attempt to restore the party and return the bulk of its members to active

¹ Summary: With Nicaraguan elections set for 1974, the Embassy reported on the disorganized and divided state of the Conservative Party and noted that a more credible opposition would be in the interest of both the U.S. and Nicaraguan Governments.

Source: National Archives, RG 59, Central Files, 1970–1973, POL 14 NIC. Secret. Drafted by Political Officer James Cheek on October 30 and approved by Deputy Chief of Mission Leland Warner. All brackets are in the original except those indicating text omitted by the editors.

participation. The task is immense and only time will tell if this group will be successful. A resurgence of the PCN to fill the critical opposition gap in the electoral process appears in the best interests of Nicaragua and General Somoza's PLN. The emergence of a credible and viable opposition, which would enhance chances for peaceful and legitimate elections in 1974 and a subsequent transfer of the Presidency, also appears to be in the best interests of the USG. The USG should therefore use its discreet and selective influence with General Somoza to help bring this about.

[Omitted here is the body of the airgram.]

242. Telegram 296 From the Embassy in Nicaragua to the Department of State¹

Managua, January 24, 1974, 1330Z.

296. Subject: Elections 1974: The Governing Liberals. Ref: Managua A-5 of January 24, 1974.

1. Although the National Liberal Party (PLN) has deep roots, its historical, philosophical and ideological traditions have largely been blurred during its forty years in power under the Somozas. Today the PLN is viewed as an "Oficialista" party, whose policies and leaders are the same as those of the government. It is also regarded as "Somocista," the personal political vehicle of the Somoza family. The Somozas have forged the PLN into a well-financed, efficient and disciplined political machine through which General Anastasio Somoza today imposes his political will and governs Nicaragua.

2. At the top of the PLN structure is party President, General Anastasio Somoza, assisted by a National Directorate which serves him as a consultative body and deals with such matters as he may assign to it. Although strict party "discipline" is imposed, General Somoza at times

¹ Summary: The Embassy reported that the National Liberal Party and its support structures were expected to ensure Somoza's victory in upcoming Presidential elections, adding that the U.S. Government should encourage Somoza to exercise close control over his campaign to avoid abuses that would discredit the electoral process.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Repeated to San José, Tegucigalpa, Guatemala City, San Salvador, and US-CINCSO for POLAD. Airgram A-5 from Managua, January 24, provided a detailed analysis of the National Liberal Party. (Ibid., P740005-1798)

permits a relatively free expression of views in the privacy of Party councils. At the departmental level the PLN structure is headed by “geographic caciques” who in many respects are “little Somozas” of the provinces, although they are not permitted to become prominent enough to rival Somoza. At the lowest level are local councils manned by ward heelers who do the real leg work of turning out the masses.

3. The PLN treasury is currently bulging, with estimates of its size running as high as \$10 million. The primary source of party funds is the “voluntary” 5 percent contribution automatically deducted from the salaries of all GON and autonomous entity employees, which nets approximately \$4 million per year for the party. Party expenses are also sizeable, particularly during a campaign when it stages large, costly rallies, and dispenses an extensive array of “social services.” In addition to its own funds, the PLN has patronage and other favors of the government at its disposal.

4. In addition to being mobilized under the aegis of the PLN, General Somoza’s followers band together in numerous political support groups organized on the basis of age, sex and occupation at national and departmental levels. These groups are separate entities independent of the regular PLN structure but on a direct line to General Somoza. They provide a substantial supplement to the political power of the regular PLN machine.

5. Combining money, organization and hard work, in 1974 the Somoza political machine is expected to insure a victory for the General by effectively rounding up the voters, hauling them to the polls and giving them food, drink and small cash payments. An extensive pre-campaign has been underway for the past six months featuring proxy-campaigners who keep Somoza’s name at the fore of party politics. Shortly before the PLN National Convention, Somoza is expected to submit a pro forma resignation from active military duty to enable him to accept his party’s nomination and take control of his own campaign.

6. U.S. interest: The general USG interest in the democratic political development of Nicaragua and our substantial commitment to its economic and social development cause us to be concerned that the conduct of elections in 1974 and subsequent transfer of the Presidency be not only peaceful but also considered to be as legitimate as possible. The performance of the PLN and the Somocista support groups can significantly affect both the internal and external image of the Nicaraguan electoral process and General Somoza’s future Presidency. Accordingly, the Embassy will encourage General Somoza to be mindful of this and urge him to exercise strict control over his political campaign to assure that abuses which might discredit the election are not committed.

7. The foregoing summarizes a detailed analysis of the “governing Liberal Party” contained in Embassy Airgram A-05 dated January 24, 1974.

Shelton

243. Memorandum From the Executive Secretary of the Department of State (Springsteen) to the President's Deputy Assistant for National Security Affairs (Scowcroft)¹

Washington, April 3, 1974.

SUBJECT

Request for Appointment with the President for ex-President Somoza of Nicaragua

General Anastasio Somoza plans a private visit to the United States from April 8 to 11. He has asked to pay a courtesy call on the President to express Nicaragua's gratitude for U.S. assistance in the wake of the December 23, 1972 Managua earthquake.

Somoza will be in Washington on April 9 and has been invited to lunch at the Capitol Hill Club. On April 10 he will give a luncheon speech to the World Anti-Communist League at the Statler-Hilton.

An appointment with the President would not be opportune for several reasons:

(1) President Figueres of Costa Rica is expected to be in New York attending the UNGA Special Session. An appointment for General Somoza could trigger a request from President Figueres. To turn him down and grant an appointment to Somoza would create invidious comparisons which it is best to avoid.

¹ Summary: The Department of State recommended that President Nixon politely refuse Somoza's request for an appointment during a private visit to Washington, noting that such a meeting could be misinterpreted in Nicaragua and elsewhere in Latin America as a U.S. endorsement of Somoza and his candidacy for the Nicaraguan Presidency.

Source: National Archives, RG 59, Central Foreign Policy File, P740043-1517. Confidential. Drafted by Lippe and cleared by Bowdler and Lazar. A notation on the memorandum reads: "Request for appointment denied per Davis memo of 4/11/74 (S/S-7407273)." In an April 11 memorandum to Springsteen, Davis informed the Department that Scowcroft had called Somoza on August 10 to inform him that Nixon's schedule was such that a meeting would be impossible. (Ibid., P740043-1522)

(2) The reception of General Somoza at the White House would be played in Nicaragua, by his newspaper and also by his effective political machine, as U.S. endorsement of his still unofficial candidacy in the September, 1974 Presidential elections.

(3) The juxtaposition of a visit to the White House by General Somoza on the eve of the Washington Meeting of Western Hemisphere Foreign Ministers could be misinterpreted.

The Nicaraguan people do feel genuine gratitude for U.S. assistance after the earthquake. That gratitude has been expressed on numerous occasions to the President's Special Coordinator for Emergency Relief to Nicaragua, Maurice J. Williams, and to Secretary of State Rogers during his brief visit to Managua in May, 1973.

On balance, U.S. interests in the Western Hemisphere and in Nicaragua are best served by polite discouragement of this request. While acceptance would be gratifying to General Somoza polite refusal will not prejudice the close and cordial relations we now enjoy with him.

George S. Springsteen

244. Telegram 2580 From the Embassy in Nicaragua to the Department of State¹

Managua, July 2, 1974, 1500Z.

2580. Subject: Elections 1974: Opposition Issues Call for Abstention.

1. *Summary*: On June 26 opposition *La Prensa* published a proclamation signed by seven political opposition groups and the Social

¹ Summary: The Embassy reported that leading opponents of the Somoza regime had published a proclamation calling for Nicaraguans to abstain from voting in the elections scheduled for September 1, adding that the Nicaraguan Government was moving to prosecute the signers of the document.

Source: National Archives, RG 59, Central Foreign Policy File, D740175–0581. Confidential; Priority. Repeated to Guatemala City, Tegucigalpa, San José, San Salvador, and USCINCSO for POLAD. In telegram 2575 from Managua, July 1, the Embassy reported the June 28 lifting of martial law in the capital, in effect since the December 1972 earthquake. (Ibid., D740174–0702) In telegram 3185 from Managua, August 15, the Embassy reported that a criminal prosecution of the 27 signatories of the proclamation had resulted in a six-month suspension of their citizenship rights, adding that the sentence heightened the likelihood of a clash between the government and its opponents. (Ibid., D740225–0277) In telegram 192333 to Managua, August 31, the Department suggested that the Embassy informally advise the Nicaraguan Government of U.S. press interest in the “Case of the 27” and of rising congressional interest in civil rights. (Ibid., D740242–0696) Airgram A–45 from Managua, May 6, is *ibid.*, P740048–1189.

Christian and Communist Labor organizations strongly attacking the GON and calling for abstention in the upcoming September election. The government's reaction came quickly with legal proceedings to disenfranchise all signators of the proclamation, who include some of General Somoza's most outspoken opponents (e.g. Ramiro Sacasa, Pedro J. Chamorro and Manolo Morales) of their constitutional rights. The practical effect of this unusual measure will probably be seen only if those signing the proclamation persist in pushing an abstention campaign. If they do persist, however, in publicly advocating abstention the GON could legally arrest them under penal law provisions prohibiting such actions. *End summary.*

2. On June 26 opposition newspaper *La Prensa* published a hard-hitting proclamation signed, with the exception of the Aguero Conservatives, by all major opposition groups including two labor organizations, the Social Christian and Communist Labor Confederations. The proclamation attacks General Somoza's handling of the government on a number of fronts, especially concentrating on the inflation issue. The principal point of the document, however, is to denounce this year's quote caricature of an electoral process end quote: proclaiming that the elections quote have no other purpose than to assure the continuance of General Somoza Debayle as Chief of State. End quote.

3. Although they express their willingness to participate in quote free election proceedings end quote the leaders of the groups signing the proclamation take the position that they are not willing quote to be used in an electoral maneuver by a corrupt regime end quote. They therefore proclaim their intention to abstain from the upcoming election, contending that quote the government which emerges from the elections cannot be recognized as legitimate by Nicaraguans end quote. The statement advocates undefined quote belligerent abstention end quote and calls for a new non-partisan national civic resistance movement, but likewise does not define this movements organization or purpose other than to work for quote final independence of the Nicaraguan people and true national independence. End quote.

4. Three different leaders from each of the following organizations signed the proclamation: the Independent Liberal Party (PLI), the Social Christian Party (PSC), the Nicaraguan Socialist Party (PSN) (Communist), the National Conservative Action (Pedro J. Chamorro's break-away faction of Conservatives), the Constitutional Liberal Movement (Ramiro Sacasa's faction of Liberals), National Mobilization Movement (the Chamorro/Sacasa-led Opposition Unity Group), the Movement for National Salvation (a new Leon-based Opposition Group), the General Labor Confederation-Independent (CGT-I, the Communist-controlled Labor Confederation), and the Labor Center of Nicaragua (CTN, the Social Christian Labor Group), these are the same organiza-

tions which signed the letter to OAS Secretary General Galo Plaza at the end of March denouncing the upcoming elections (Managua's A-45, dated May 6, 1974. (*Comment:* The Communist PSN and CGT-I participation in the proclamation is part of a new trend toward increased willingness of the more traditional opposition forces to cooperate more openly with the Communists which Embassy will examine in a future message.)

5. With voter registration to be conducted in July for the September elections and already undoubtedly concerned by the apathy with which the Presidential campaign has so far been received, the GON reaction to the proclamation was quick and tough. First there was a communiqué from the Supreme Electoral Tribunal reminding the public of constitutional and penal law prohibitions against advocating abstention. Then, Minister of Government Leandro Marin issued a communiqué charging this quote group of organizations without legal status and completely lacking public support end quote with inciting electoral abstention. The communiqué goes on to say that legal action will be taken against those who signed the statement.

6. Marin has since confirmed to the Embassy that his communiqué was no idle threat. To the contrary, signators of the proclamation are being individually prosecuted before a police judge under the constitutional provision (Article 35, Section 6) which states that a citizen's rights may be suspended quote for using violence, coercion or fraud in elections, or for advocating or proclaiming abstention from voting end quote.

7. *Comment:* Constitutional rights were reinstated for the Managua area this past week with the lifting of martial law (see separate telegram). The signators of the abstention proclamation have laid themselves open for legal action which could result in a period of disenfranchisement, but given the unique character of the measure, the practical results are difficult to assess. The opposition leaders affected carried on their opposition efforts while martial law was in effect when constitutional rights were suspended. Nonetheless, during the eighteen months of martial law, the GON used its extraordinary powers against its opposition in only one notable instance—to impose press censorship for eleven days. What further steps the GON takes against these twenty-seven signators of the document advocating abstention will depend largely on how actively they continue to press the issue. The Embassy will continue to report developments regarding this situation.

Shelton

245. Telegram 3285 From the Embassy in Nicaragua to the Department of State¹

Managua, August 21, 1974, 1916Z.

3285. Subject: Elections 1974: Bishops Issue Pastoral Letter. Ref: Managua 3185.

1. The Episcopal Conference, composed of Nicaragua's seven bishops including the Archbishop of Nicaragua, released a Pastoral Letter on August 17 which contained heavy political overtones. With national elections only two weeks away, there had been some speculation that in order to avoid creating controversy the Church would put off issuing such a statement for more tranquil times. However, those among the bishops who favor an activist role for the Church in national life obviously prevailed.

2. Composed after the bishops held lengthy sessions with various political leaders, the Pastoral Letter strongly emphasizes the importance of preserving the rights of citizens and allowing dissent. The Conference met not only with General Anastasio Somoza, the Liberal Party (PLN) Presidential candidate, and his official opponent, Conservative (PCN-P) Edmundo Paguaga, but also with representatives of the Twenty-Seven, an aggregation of prominent opposition leaders recently ordered deprived of their constitutional right by a Managua police judge for advocating abstention from the current elections.

3. Both candidates for the Presidency have lightly embraced the Pastoral. General Somoza, speaking to a campaign rally August 19, declared that quote in its fundamental concept end quote the Pastoral coincided with his personal political philosophy. In a speech made the same day, Edmundo Paguaga hailed the Pastoral's reference to voting as a moral responsibility as supportive of the PCN's position.

4. Indicative, however, that the Somoza camp was not entirely happy with the Pastoral was Somoza-owned newspaper *Novedades's* stony silence regarding it until August 20 when it published the text on

¹ Summary: The Embassy reported that Nicaragua's Catholic bishops had issued a Pastoral Letter emphasizing the importance of preserving citizens' rights and allowing dissent. The Embassy concluded that the release of the letter a short time before national elections was evidence of a move by the Church towards increased social and political activism.

Source: National Archives, RG 59, Central Foreign Policy File, D740231-0025. Confidential. Repeated to Guatemala City, San José, Tegucigalpa, San Salvador, and US-CINCSO for POLAD. In telegram 2798 from Managua, July 17, the Embassy reported that during a meeting with Warner, Archbishop Miguel Obando y Bravo expressed the church's intention to maintain a dialogue with Somoza and to avoid being used for political purposes, while adding that there would "be times when in its defense of the poor and its pursuit of social justice the church will criticize the government." (Ibid., D740192-0871)

the center page without commentary, side by side with the Liberal Party's (PLN) Declaration of Principles under the headline quote we are in agreement with the bishop end quote. The PLN Declaration is a very broad statement of principles which in essence endorses the Constitution with only passing relevance to the main thrust of the bishops' Pastoral. In contrast, opposition *La Prensa*, whose director, Pedro Joaquín Chaorro, is one of the Twenty-Seven, has from the date it was issued given the Pastoral extensive front-page coverage with lengthy and very favorable commentary.

5. It is easy to see why the Twenty-Seven would take heart from the Pastoral Letter. In the context of current Nicaraguan politics, when the issue of suspending the rights of the Twenty-Seven dominates the scene, the Pastoral gives every appearance of, if not defending their initiative for abstention, at least raising strong objection to the suspension of their rights. The Pastoral's word quote constitutions are principles and norms for regulating the exercise of rights, not for abolishing them end quote could hardly be more pointed since the Twenty-Seven's rights were suspended under Article 35 Section 6 of the Constitution itself—a procedure heatedly denounced as illegal by attorneys defending the Twenty-Seven. In another portion of the Pastoral, the use of quote legal weapons end quote for depriving citizens of their rights is forcefully denounced as quote legal war end quote amounting to quote the absurd destruction of man with the law end quote.

6. The bishops' Pastoral Letter also debates the right of dissent to the level of a moral responsibility, and sees the preservation of that right as the best means of avoiding a resort to violence which it deplores. Emphasizing this theme, the bishops end their statement with a phrase from their Pastoral of 1972 quote to systematically close the door on access to political participation by other groups leads to intensified political tension among those thus marginalized with a resultant risk to peace end quote.

7. *Comment:* The bishops' willingness to put out a controversial statement of this kind on the eve of the election is further indication of their drift toward increased social and political activism. The Embassy has been closely following this trend and we expect it to continue. One immediate effect of the Pastoral is to put additional pressure on General Somoza's government to abandon the imposition of harsh sentences on the Twenty-Seven. However, having pursued its legal case against these opponents so tenaciously, it is doubtful that the GON can gracefully abandon the field without a harsh sentence. Meanwhile the Twenty-Seven's appeal for a reversal of the suspension of rights sentence is still pending before Managua's political chief. In view of the Pastoral Letter, one course the government may yet opt for is to delay a final decision until after the elections when emotions will presumably be at a more relaxed level. *End comment.*

Shelton

246. Telegram 3780 From the Embassy in Nicaragua to the Department of State¹

Managua, September 27, 1974, 1300Z.

3780. Subject: Elections 1974: Election Results Further Delayed. Ref: Managua 3530.

[1.] *Summary*: Supreme Electoral Tribunal has delayed announcing final election results until October 1, two days after General Somoza returns from his trip to Taiwan. The tribunal's task has been complicated by fraud charges on the departmental level by both sides and the politically sensitive issue of abstention. Its unprecedented long silence has blurred the image of fair elections which are free from official manipulation. *End summary*.

2. On September 21 the Supreme Electoral Tribunal announced that it is further delaying until October 1 the release of final results from the September 1 elections. While the electoral law calls for the announcement of final results by the third Sunday after election day (September 22) it permits postponing the final tally up to an additional month if all the results from the various departments have not been received by the tribunal. In its resolution announcing the delay, the tribunal cited nonreceipt of tallies from the Departments of Granada, Boaco, Matagalpa and Leon. Opposition paper *La Prensa* reported that the tribunal's spokesman had lamely blamed hurricane Fifi as the cause even though Fifi had occurred 10 days after the balloting.

3. The tribunal ceased issuing tallies after September 5 with ⅓ of the precincts reporting and Somoza leading Paguaga, his Conservative opponent by a 20:1 margin (Managua 3530). By then departmental leaders of Somoza's Liberal Party were outraged by surprising and in at least one case (Boaco) highly suspicious claims of Conservative success in simultaneously held municipal elections in three of the four departments specified by the tribunal. The municipal controversies together with the amount of abstention—the GON is privately conceding

¹ Summary: The Embassy reported that partial returns from the September 1 elections gave Somoza a twenty-to-one advantage over his opponent, but that a final, official tally had not been announced, further undermining the credibility of the Nicaraguan electoral process.

Source: National Archives, RG 59, Central Foreign Policy File, D740273-0314. Confidential. Repeated to Guatemala City, San Salvador, San José, Tegucigalpa, and US-CINCSO for POLAD. All brackets are in the original except "[1.]", added for clarity. Telegram 3530 from Managua is dated September 10. (Ibid., D740252-0311) In telegram 3809 from Managua, September 30, the Embassy reported that the Supreme Electoral Tribunal had announced the official results of the elections on September 28, certifying that Somoza had won 91.7 percent of the vote. (Ibid., D740275-0983) In telegram 217787 to Managua, October 3, the Department transmitted President Ford's personal congratulations to Somoza on his election. (Ibid., D740279-0656)

40 percent while the pro-abstention group of 27 is claiming 60 percent—are widely suspected as the source of the tribunal's dilatory tactics.

4. *Comment:* The electoral tribunal is having an extremely difficult task sorting out the charges and counter charges of electoral fraud in an election where the degree of culpability rather than innocence is at issue. For example, for the first time the Conservatives had an opportunity in this election to cheat from within the electoral system in those six departments where they had a majority on the electoral boards. They are heatedly accused of doing so by local Liberal politicians in the questioned municipal elections.

5. The electoral tribunal's unprecedented long silence has tended to further blur the credibility of an election already branded a mockery by the non-Paguaga opposition. The fact that the tribunal has decided to delay the final announcement until a few days after Somoza's return from Taiwan, affording him ample time to approve any decision beforehand, has also detracted from GON efforts to portray the elections as free from official manipulation.

Shelton

247. Airgram A-92 From the Embassy in Nicaragua to the Department of State¹

Managua, October 3, 1974.

SUBJECT

A Long Look Ahead—Expected Political Developments in Nicaragua
1974–1981—A Personal View

Summary

This paper represents the author's personal view on probable developments in Nicaraguan political life over the next seven years. 1974

¹ Summary: Deputy Chief of Mission Warner analyzed likely political developments in Nicaragua over the seven years that Somoza was expected to be in office. Warner predicted opposition forces would remain largely ineffective but the Somoza family's overt domination of the country would gradually decline as the regime moved to formalize a one-party system.

Source: National Archives, RG 59, Central Foreign Policy File, P740112–1173. Confidential. Drafted by Warner and approved by Shelton. All brackets are in the original except those indicating text omitted by the editors and "[of]", added for clarity.

finds General Anastasio Somoza in an extremely powerful position with a weak and disorganized opposition. Potentially important factors in developing a revitalized opposition are the Church, the private sector, organized labor and students, all of which have since the 1972 earthquake shown some signs of developing new, expanded roles in the political system. Of these, however, I expect only organized labor to increase significantly its influence as an opposition force. The Church will become less vocal in politics, the private sector will remain largely apolitical, and students will be restrained by a moderate university administration. Failing to draw strength from these sectors, the opposition could be relegated to a long-term peripheral role especially if Somoza moves to formalize a de facto one-party system such as exists in Mexico. I am inclined to believe he will follow this course. In building his own PRI, Somoza, who starts with a Liberal Party which is his own personal political vehicle, will during his coming administration somewhat decentralize party control and allow leaders to emerge from whom he can choose a successor. Meanwhile, I expect the Conservative Party to persist as a distinct minority party which may even be able to mount a passable campaign in 1981, but cannot in the foreseeable future aspire to win a national election. Nicaragua's third party, the Social Christians, will disintegrate even further, and the present tenuous, group of "27" alliance of minor political factions will shortly fall apart. The army will not be an independent political force while Somoza commands it, but by 1981 young officers lacking strong personal ties to Somoza will have extended military influence in the government. In sum, political changes in Nicaragua will come gradually over the next seven years with the trend toward an eventual lessening [of] the Somoza family's overt domination of the country.

[Omitted here is the body of the airgram.]

248. Telegram 4972 From the Embassy in Nicaragua to the Department of State¹

Managua, December 28, 1974, 0730Z.

4972. Subj: Terrorists Take Hostages Demanding Release of Political Prisoners. From Ambassador Shelton.

1. An estimated 10–15 individuals who have been described as “Sandinista Communist terrorists” tonight shot way into home of Former GON Min. of Agriculture Jose Maria Castillo shortly after my wife and I left a reception given in our honor. Approximately 20 hostages are being held in house at gunpoint and with grenades and Sandinistas are demanding release of “political prisoners.” Among prominent hostages being held are Nicaraguan Amb to U.S. Guillermo Sevilla Sacasa, GON Amb to UN Guillermo Lang, GON Min of Foreign Affairs Alejandro Montiel, GON Min of District Luis Valle Olivares, Gen Manager Banco de America Ernesto Fernandez Holman, Exxon Gen Mgr. Danilo Lacayo, Architect Alfredo Osorio, Pres of Infonac Noel Pallais, Amb of Chile, Castillo, Col. Pataky, and other prominent members of community, and wives of most of above.

2. As of 2 a.m. Dec 28, police report 2 killed, 3 wounded but this is unconfirmed and individuals not identified. House is surrounded by police under command of General Jose R. Somoza and General Samuel Genie. President Anastasio Somoza with his wife went to Corn Island late afternoon of Dec. 27. He has been reached by radio and is returning immediately to Managua by air and is expected to arrive at approx 3:30 a.m.

3. All U.S. personnel are safe. Further developments will be reported ASAP.

Shelton

¹ Summary: Shelton reported that 10–15 FSLN militants had occupied the home of former Agriculture Minister José María Castillo and taken approximately 20 hostages shortly after the Ambassador and his wife had left a reception there.

Source: National Archives, RG 59, Central Foreign Policy File, D740376–0805. Confidential; Niact Immediate. In telegram 4974 from Managua, December 28, the Embassy reported that the Nicaraguan Government had declared martial law in response to the incident. (Ibid., D740376–0768) In telegram 4977 from Managua, December 28, the Embassy reported that the FSLN was demanding \$5 million, the repeal of all repressive laws, the release of imprisoned FSLN members, the publication of FSLN pronouncements, and safe passage to Cuba. (Ibid., D740376–0801) In telegram 4985 from Managua, December 30, the Embassy reported that Somoza had negotiated an agreement with the terrorists through the intercession of the Papal Nuncio and the Archbishop of Managua. (Ibid., D740377–0190) In telegram 4994 from Managua, December 30, the Embassy reported that the hostages had been released at the airport and that a plane had carried the terrorists, 14 released prisoners, and a ransom payment to Cuba. (Ibid., D740377–0869)

249. Telegram 119 From the Embassy in Nicaragua to the Department of State¹

Managua, January 9, 1975, 2332Z.

119. Subject: Impact of FSLN Terrorist Incident.

Summary: The audacious FSLN kidnapping incident of December 27–30 was received with surprisingly widespread approval. Approbatory reactions ranged from delight at Somoza's discomfiture among opposition and non-committed elements to sympathetic causes behind FSLN act even among some Somocistas. These reactions do not so much suggest positive acceptance of the Castroist FSLN as an alternative than dissatisfaction with the Somoza regime. Somoza's image of invulnerability has been shaken, and his officials have been touched for the first time by fear for their personal safety. However, he has shown admirable restraint during and in the immediate aftermath of the incident.

During the coming months, the President's political acumen will be sorely tested and though he is reportedly inclined to support fully reforms helpful to the campesinos, opinions are divided as to whether he will change his style or institute recommended political reforms. In basically moderate Nicaragua, legitimate opposition groups will for the next few months have the inside track for mobilizing the anti-Somoza sentiment galvanized by the successful FSLN operation. However, should the GON prevent them from channeling this sentiment into their organizations, the FSLN, especially if it mounts another sensational assault, could solidly establish its position as a viable opposition force. Legitimate opposition groups and organized labor may well test Somoza's willingness to provide a political safety valve through liberalization within the month.

[Omitted here is the remainder of the telegram.]

¹ Summary: The Embassy reported on widespread approval of the FSLN kidnapping incident of December 27–30 and concluded that the reaction reflected the depth of anti-Somoza sentiment more than it did any sympathy for the Sandinistas.

Source: National Archives, RG 59, Central Foreign Policy File, D750610–0688. Confidential; Immediate. Repeated to San José, Tegucigalpa, San Salvador, Guatemala City, USCINCSO for POLAD, and USIA for ILA. All brackets are in the original except those indicating text omitted by the editors. In telegram 122 from Managua, January 10, Warner emphasized that "except among students," he saw "no groundswell of support for the FSLN" and that the Nicaraguan Government was "firmly in control." (Ibid., D750010–1152)

250. Telegram 568 From the Embassy in Nicaragua to the Department of State¹

Managua, February 8, 1975, 1455Z.

568. For Assistant Secretary Rogers from Ambassador Shelton. Subject: Human Rights Reporting. Ref: State 28626.

I can well understand your concern over the reports of “arbitrary arrest, murder and even assassination” which you heard in Panama. Were these true I can assure you that we would gravely share your concern and would report them immediately. All of the elements of this Embassy are keenly aware of the problems regarding human rights and the necessity to be alert to this situation at all times. I am in constant touch with every element of the Embassy and the Embassy is in touch with all elements of Nicaraguan society, both governmental and opposition, and we have absolutely no evidence of any resort to murder or assassination. As far as we are aware, only a few people have been detained for investigation of suspected FSLN activities. Even the non-Castroist opposition, including the Communists, have made no charges such as those you heard in Panama. We are keenly aware here that there have been statements in the Panamanian press and on the Costa Rican radio which have pictured Nicaragua in a state of “near civil war” with the “borders closed” and a general picture of turmoil, repression and confusion. It is extremely difficult to determine the source of these allegations. It is my understanding that Costa Rican President Oduber in his discussions with President Somoza on February 6 expressed his concern and chagrin over these irresponsible statements being made in Costa Rica and promised Somoza that he would do everything he possibly could to reduce the flow of such irresponsible statements. As you know, since the December 27 terrorist attack, Nicaragua has been in a “state of siege.” The application of this state of siege has been limited almost entirely to censorship and the use

¹Summary: Shelton assured Rogers that there had been no major violation of human rights in Nicaragua.

Source: National Archives, RG 59, Central Foreign Policy File, D750047–0305. Confidential; Priority; Exdis. In telegram 28626 to Managua, February 7, Rogers stated that he had heard reports that Nicaraguan authorities had responded to the December 1974 FSLN kidnapping incident by making arbitrary arrests and killing opponents. Reminding Shelton of congressional interest in human rights, he asked Shelton for “a precise assessment of the extent to which the GON is meeting human rights standards.” (Ibid., D750046–0887) In telegram 598 from Managua, February 11, the Embassy provided a more extensive report on the human rights situation, observing that while “Nicaragua is not without its blemishes when it comes to human rights,” there had been “a distinct absence of widespread, assiduous, and severe repression of ordinary rights and liberties for the last two decades.” (Ibid., D750044–0590)

of military courts under certain circumstances. We do not know of anyone who has been denied freedom of movement since the December 27 incident. In general, while there are undoubtedly some aberrations, there are no major violations of human rights in Nicaragua. A detailed analysis of the degree of observance of human rights here will be forthcoming in septel.

Shelton

251. Telegram 1169 From the Embassy in Nicaragua to the Department of State¹

Managua, March 25, 1975, 1400Z.

1169. Subject: Security Assistance Objectives and Guidelines FY 1977–81. Ref: State 15489.

1. The Security Assistance Program for Nicaragua is justified for four reasons:

A. Under certain political contingencies, the Guardia Nacional, the country's only armed force, would play a major and possibly the decisive role in determining the outcome. Its attitudes toward the United States are therefore important.

B. The Guardia's ability to contain terrorism and insurgency are important in keeping this area of "America's backyard" free of problems which might require the distraction of our attention from major problems elsewhere.

C. The Guardia's professionalization and exposure to U.S. ideas and philosophies should be helpful in advancing respect for human rights.

D. Maintenance of close and friendly relations between the Guardia and the U.S. Armed Forces is also useful in preserving the ascendancy of U.S. military doctrines within the Guardia.

2. For these reasons I am convinced that the continuance of the modest program of security assistance recommended in the CASP is in

¹ Summary: The Embassy presented its justification for military aid to the Nicaraguan National Guard.

Source: National Archives, RG 59, Central Foreign Policy File, D750104–0592. Secret. Repeated to DOD, JCS, and CMDR US SOUTHCOM/J–5. In telegram 15489, January 22, the Department asked Chiefs of Mission to assess the need for and effectiveness of U.S. Security Assistance to their host countries. (Ibid., D750024–0986)

the interests of the U.S. At the same time I fully concur in the cutoff date of FY–1978 for grant assistance.

3. I do not consider that the large economic assistance programs, both U.S. and international agencies, have had an impact on Security Assistance requirements. Certainly, the GON has not, as a result of large economic assistance, diverted its own funds from reconstruction and development to increased military procurement.

4. Nicaragua is believed to receive minimal third country military assistance.

Shelton

252. Telegram 2529 From the Embassy in Nicaragua to the Department of State¹

Managua, June 30, 1975, 1400Z.

2529. Subject: Assessment: An Era of Better Political Feelings.

Summary: Political tempers which peaked in the first month after the December 27 FSLN attack at Los Robles have receded in the past several weeks. This has been manifested in less harassment of Pedro Joaquin Chamorro; greater freedom of debate in Congress and within the Liberal Party; and signs of rapprochement between the government and the Church and private sector. Tensions have been reduced by the GON's key handling of the construction workers strike in February, steps toward depersonalization and decentralization of the government, and the downgrading of some of the regime's more aggressive spokesmen. The process has perhaps been abetted by the media censorship imposed since December and definitely by the absence of a serious recurrence of FSLN activity in urban areas. It may have been slowed down, however, by the usual accusations concerning nepotism and misfeasance within the regime. Whether the softer mood will continue depends mostly on the government since the options available to

¹ Summary: The Embassy reported that the Nicaraguan political climate had improved somewhat since the tense period following the December 1974 FSLN hostage-taking incident.

Source: National Archives, RG 59, Central Foreign Policy File, D750226–0551. Confidential. Repeated to USIA, Guatemala City, Panama City, San José, San Salvador, and Tegucigalpa. All brackets are in the original except those indicating text omitted by the editors.

the nonviolent opposition are rather circumscribed. However, the neutralist forces of the Church and private sector may indirectly exert influence in determining how long the current mood will last, and certainly the FSLN, if it has the capability, could interrupt it abruptly. *End summary.*

[Omitted here is the body of the telegram.]

253. Letter From the Chief of the Political Section of the Embassy in Nicaragua (Sutton) to the Country Officer for Nicaragua (Gowen)¹

Managua, July 9, 1975.

Dear George:

Your worst apprehensions about the timetable for the ambassadorial change may be coming to pass. You will have heard by this time that the Government plans to hold a grand "homenage" for the Ambassador on July 23. Immediately after it was announced we heard rumors that what Somoza had in mind was a mass, outdoor, eminently political rally with compulsory attendance by government employees, commandeering of GN and Urban Planning vehicles, etc. National District Minister Valle Olivares, however, told us today that present plans have it being held in the Palacio Nacional, at night, with about 1,500 invited guests. If true, we can breathe a sigh of relief; but many of us still fear that it may balloon into something gargantuan.

The slippage on his departure based on the assurances that were given to Ambassador Ryan were fairly predictable and I think that he will try to delay even further. When Jack Barton was in the U.S. last

¹ Summary: Sutton noted that outgoing Ambassador Shelton was prolonging his stay in Nicaragua for as long as possible and presenting himself as Somoza's only friend in the U.S. foreign policy establishment, thereby creating difficulties for his successor.

Source: National Archives, RG 59, Central Files 1975, ARA/CEN, Nicaragua 1975 Subject Files, Chrons: Memos, 1975, Lot 78D69. Secret. The July 3 memorandum from Sutton to Shelton was not attached, but is *ibid.*, POL 1-2, Basic Policies and Guidelines (Briefing Papers), N-1975. In a February 28 conversation with Kissinger, Ford suggested replacing Shelton. (Memorandum of conversation, February 28; Ford Library, National Security Adviser, Memoranda of Conversations, Box 9, February 28, 1975—Ford, Kissinger) An undated briefing memorandum to Ford for a May 2 meeting with Sevilla Sacasa noted that the Nicaraguan Ambassador might request the retention of Shelton, who had been severely criticized in the U.S. press for being too friendly with Somoza. (*Ibid.*, NSC Latin American Affairs Staff Files, Box 5, Nicaragua—Political, Military) James Theberge was appointed to succeed Shelton on July 11.

week on R&R, he spoke with Jim Cheek by phone, who said he had been told by Theberge that although his target date was August 1, Ambassador Shelton had asked that he not come until after the August Fair on August 10. Meanwhile, the Ambassador has been minimizing the importance of Mr. Theberge's children being in school when it opens on August 11.

The extra time afforded to Shelton here seems to have been used to create a climate of invidiousness for Mr. Theberge. The Ambassador's theme—underlined by the plans for the testimonial—is that he is the only friend that Somoza has in the U.S. foreign policy establishment and is predicting that his successor's expected cooler attitude toward Somoza will impel him to change his unabashed pro-American orientation. This gloomy piece of news is reflected in the attitudes of the more reactionary and unsophisticated Somocistas, especially, but not exclusively, Guardia officers. Because of this, the regime will be much more suspicious of Mr. Theberge than it ought to be and will be extremely sensitive to his every word and action initially, expecting that the Shelton prophesy will be fulfilled. Our Monday evening group feels very strongly that Mr. Theberge should attempt to get here as soon as possible and be fairly callous toward Shelton's pleadings for more time.

As predicted, Mr. Theberge will arrive to find the representation coffers raided. The Ambassador spent \$1,800 for the Fourth of July extravaganza (where half the people could not even get a drink) as compared to less than \$1,100 last year. Since the Embassy is only allotted \$1,475 per quarter, we will be in miserable shape for the next four months unless the special circumstances are recognized and the fund is replenished.

Finally, attached is a memo I wrote making a pitch to elicit moderate words from Somoza on the canal treaty during his visits to the Deep South. The Ambassador expressed his reluctance to bring it up with Somoza last week, maintaining that Somoza was satisfied with recent congressional actions because he believes that any U.S. concessions on the canal would jeopardize Nicaraguan interests. I don't know whether or not he brought it up with Somoza before his departure for Louisiana on July 7.

With best personal wishes,

Sincerely,

Gerald M. Sutton

254. Telegram 3322 From the Embassy in Nicaragua to the Department of State¹

Managua, August 25, 1975, 1845Z.

3322. Subject: Reaction to Anderson Columns on Somoza. Ref: Managua 3321.

Summary: Jack Anderson's series of attacks on Somoza's business dealings have created strong ripples here. Somoza is outraged by the allegations and disturbed by reference to USG documents. He is thrashing about looking for scapegoats and ways to ameliorate a situation which is being viewed with glee by his opposition. U.S. relations with GON may be affected adversely unless we find way to allay Somoza's suspicion that we contributed to Anderson research.

1. Jack Anderson's recent columns on President Somoza's economic holdings and dealings have produced strong local reverberations. This despite the fact that the complete texts of the articles have been seen by very few people since the widely circulated air edition of the *Miami Herald*, which subscribes to Anderson's column, has as yet failed to carry it. But gist of columns has been carried by several wire services, and this, combined with rumors and speculation, have piqued general curiosity and sharply embarrassed President Somoza.

2. GON source tells us that Somoza is outraged principally by reference in column to his mistress Dinorah Sampson, and consternated by unremitting critical tone of article which lumps facts, hearsay and outright untruths together. Even Somoza's severest local critics (e.g. Pedro Joaquin Chamorro) believe that Anderson clearly overstepped the bounds of propriety and journalistic ethics with these columns.

3. Somoza has begun to swing wildly in reaction. There are rumors that First Secretary of the Nicaraguan Embassy in Washington has been relieved because of his inability to refute Anderson's assertions when he had the chance. On the other hand, when Presidential Press Secretary, Efraim Huezo, reportedly acting on Somoza's instructions, pre-

¹ Summary: The Embassy reported that Somoza was outraged by Jack Anderson's newspaper columns criticizing the Nicaraguan President's business dealings.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, Box 5, Nicaragua—State Department Telegrams, To Secstate—Exdis. Confidential; Immediate; Exdis. Columns by Jack Anderson charging Somoza with greed and corruption appeared in the *Washington Post* on August 18, 19, and 22. (Jack Anderson and Les Whitten, "Nicaragua Ruler is World's Greediest," *Washington Post*, August 18, 1975, p. C23; Anderson and Whitten, "Somoza Family's Power Is Pervasive," *Washington Post*, August 19, 1975, p. B13; Anderson and Whitten, "Economic Jolt Seen in Oil Decontrol," *Washington Post*, August 22, 1975, p. D15) In telegram 3321 from Managua, August 25, the Embassy reported that Somoza had raised the Anderson articles when Theberge presented his credentials on August 22. (National Archives, RG 59, Central Foreign Policy File, D750293-1038) Telegram 3201 from Managua was not found.

pared and began to disseminate to the foreign press a point-by-point rebuttal of the charges, the move was challenged by Secretary of the Presidency Carlos Dubon and others, as futile and counter-productive. We understand that as a result the hapless, but admittedly inept Huezio, has now been fired by Somoza for his poor judgment.

4. *La Prensa* publisher Pedro Joaquin Chamorro may again be singled out by Somoza as culpable. Chamorro told PolOff August 21 that he had been informed by Urban Planning Vice Minister Ivan Osorio two days before that Somoza was convinced most of the information had come from Chamorro (Anderson had referred to translated documents coming from Nicaragua). Osorio also warned Chamorro that a vindictive Somoza was likely to renew the personal persecution of Chamorro which he had relaxed five months ago. As predicted, Chamorro was unable to publish August 20 (Managua's 3201) and he has informed us that many of his distributors are currently being subjected to pressure and harassment by local National Guard officers. Chamorro has written Somoza a letter, which he previewed to us, proclaiming his innocence of any contact with Anderson, denouncing Somoza's tactics and claiming even where Anderson is clearly off base, Somoza has only himself to blame because of his undemocratic method of government and conflicts of interest.

5. Nicaraguan Ambassador to U.S. Sevilla-Sacasa has been designated as the official spokesman of the GON in the matter and is scheduled to make a statement when he returns to Washington from Managua on August 25.

6. Owing to the almost mystical belief by many that the key to the end of the Somoza dynasty lies in the attitude of the U.S., the Anderson articles have had a definite, albeit, incalculable effect, on the internal political situation. The articles have encouraged the simplistic hope that U.S. public opinion will force the USG to abandon Somoza and that this will render him vulnerable to a determined effort to oust him. There are indications that Somoza himself is aware of these ominous perceptions and is not likely to ignore them.

7. Our relations with Somoza are likely to be affected adversely by the articles, because of the reference to U.S. Government studies and his already deep-seated suspicion that an anti-Somoza clique in the Embassy and the State Dept. has existed for the past several years. The Anderson articles were clearly weighing heavily on him during the formal 15 minute chat with me at the presentations ceremony and he has made it known that he would like to talk about it more at length as soon as possible. (See reftel) Dubon volunteered to PolOff on same occasion that President was especially upset by reference to USG studies. Clearly we must find a way to allay his suspicions or be forced to deal with him in the future in a climate of deep distrust, hardly suitable for the pursuit of our interests.

Theberge

255. Telegram 203504 From the Department of State to the Embassy in Nicaragua¹

Washington, August 26, 1975, 2352Z.

203504. Subject: Jack Anderson's Articles.

1. Ambassador Sevilla Sacasa called on CEN Director Lazar this morning (August 26) to leave a copy of the press release he had issued the previous afternoon and to set forth his government's concern that Anderson possessed confidential USG reports critical of General Somoza. He later called to say that President Somoza was also concerned with Anderson's remarks implying diversion of AID funds to Somoza's businesses or personal benefit. Sevilla Sacasa asked that the Department deny in writing that it had passed on confidential information to Anderson and that AID funds to Nicaragua were improperly used.

2. Sevilla Sacasa will meet with Acting Secretary Ingersoll tomorrow to reiterate his government's concerns. Bureau is recommending that the Acting Secretary sign and deliver a letter to the Ambassador at that time stating that the USG has not released any confidential information to Anderson and that intensive audits have not revealed misuse of AID funds in Nicaragua. Text of letter, if approved, will be cabled.

3. Lazar told Sevilla Sacasa that further publicity, such as publication of a letter to Somoza, would only serve to awaken further interest and would likely result in another Anderson column. It is obvious, however, that Somoza's overriding concern is the need to counter internal opposition speculation that the USG is in fact shifting position and is feeding information to Anderson in this connection. Bureau's recommendation to Acting Secretary is based on this view.

4. Part of our difficulty in handling this matter derives from the fact that Anderson does have a State Department document detailing

¹ Summary: Sevilla Sacasa asked the U.S. Government to state publicly that it had not passed confidential information to Jack Anderson and to deny the journalist's claim that AID funds had been improperly used in Nicaragua. The Department noted that Somoza was concerned that opposition groups might see the Anderson articles as evidence of a shift in U.S. policy towards him.

Source: National Archives, RG 59, Central Foreign Policy File, D750295-0754. Confidential; Niact Immediate. Drafted by Lazar and Bova and approved by Lazar. In telegram 3364 from Managua, August 27, the Embassy reported that it had encouraged Somoza not to make a public issue of the articles but that Somoza saw the Department's response to the articles as a test of U.S.-Nicaraguan relations. (Ibid., D750297-0050) In telegram 212569 to the Embassy in Managua, September 8, the Department summarized Kissinger's note to Sevilla Sacasa assuring the Ambassador that no U.S. agency had provided documents to journalists and that AID had no claim against the Nicaraguan Government for improper use of funds. (Ibid., D750309-1112)

some of Somoza's financial holdings. We obviously don't know how he got it, but want to avoid prodding him into going into more detail, in print, on the exact nature of the document or other information it might contain. Equally obviously we cannot make any flat assertions, such as Somoza might wish, regarding improper use of AID funds. Anderson's phrase, "syphoning off," covers a multitude of activities not all of which are sins.

5. We have counselled Sevilla Sacasa to let sleeping dogs lie. He is not in a position to accept the advice. However, Carlos Dubon appears to be thinking along the same lines. At your discretion you might wish to encourage him in this view or even, if you can find an appropriate way to do so, suggest to Somoza that overreaction to Anderson allegations may in itself be newsworthy.

Ingersoll

256. Telegram 3595 From the Embassy in Nicaragua to the Department of State¹

Managua, September 12, 1975, 2330Z.

3595. Subject: Summit Aviation Sale of Aircraft to GON. Ref: State 216121.

1. Embassy perceives no objection to proposed sale of 10 Cesna C2–337G aircraft together with 30 rocket pods, 30 flare containers and related spare parts and training services. Embassy also has no objection to sale of flares, practice bombs and 1,000 2.75 inch rockets.

¹ Summary: The Embassy recommended approval for the sale of aircraft and munitions and the provision of training to the Nicaraguan Government, despite concerns that the transaction might be criticized as a form of support for Nicaraguan counterinsurgency efforts.

Source: National Archives, RG 59, Central Foreign Policy File, D750317–0985. Confidential. In telegram 216121 to Managua, September 11, the Department asked for the Embassy's views on the potential political sensitivity of the transaction, noting that Somoza reportedly viewed the case "as another test of USG attitude towards him." (Ibid., D750315–1115) In telegram 254493 to Managua, October 25, the Department reported that approval of the transaction was proceeding but that the transfer of incendiary white phosphorus ordnance would not be approved, in accordance with a new region-wide policy. (Ibid., D750372–0624) In telegram 4291 from Managua, November 6, the Embassy reported that Somoza had been furious about the denial of white phosphorus ordnance but that he would proceed with the transaction. The Embassy concluded that "there seems to have been no significant damage to U.S.-Nicaraguan relations." (Ibid., D750388–0456)

2. Aircraft are expected to be used for internal transport, medical evacuations, aerial reconnaissance of the Caribbean coastal area and Honduran/Nicaraguan frontier, and for light infantry support.

3. Both the sale of aircraft and provision of seven-man training team are likely to cause some criticism as showing U.S. support of counter insurgency efforts, both among those who sympathize with aims of FSLN and those who simply dislike Somoza. However, the Ambassador, DCM, Political Officer and Defense Attaché agree that this reaction will not adversely affect U.S. interests to an unacceptable degree. Not to permit the sale of the equipment and the provision of the required training would undoubtedly seriously damage our relations with the GON. The Department might consider requiring that a restrictive clause be placed in the munitions control approval of contract prohibiting the pilots to be provided by Summit Aviation from performing operational or combat flights.

4. Both Defense Minister Sanchez and Bruce Steadman of the Summa Corporation have told the Defense Attaché that in recent months the GON has been in contact with French and Italian manufacturers of aircrafts similar to the Cessna. We believe that if the Cessna sale were prohibited, the GON would purchase aircraft from those or other sources.

5. With reference to the alleged procurement of Belgian rifles, the Defense Attaché has no knowledge of recent purchases; however, he is aware that the GON is interested in purchasing modern small arms and automatic weapons. The GON did acquire an undetermined quantity of Belgian 5.56 millimeter assault rifles within the last three years. He has received indications that the GON has been hesitant to approach the United States for such weapons for fear of a rebuff.

6. The Embassy will again bring to the attention of the GON the FMS Act provisions governing transfer of FMS items to third countries. In this connection it should be noted that the B-26s were not received through FMS or MAP.

Theberge

257. Telegram 3875 From the Embassy in Nicaragua to the Department of State¹

Managua, October 6, 1975, 1800Z.

3875. Subject: FSLN Prospers in Gloomy Political Atmosphere. Ref: Managua 2325.

Summary: Sentiment in favor of the FSLN as the only active vehicle to challenge the regime seems to have grown in the past several weeks. This is generally attributed to the silencing of the overt opposition through censorship rendering it incapable of competing for the anti-government constituency. Overt opposition groups are experiencing grass roots pressures to cooperate with the FSLN as impatience among youth and unrest among campesinos makes itself felt. Although the FSLN is self-proclaimed Castro-Communist, its wider appeal is based on its ability to harass and humble the regime rather than on ideological grounds. However, the FSLN seems ill-equipped to exploit this new sympathy at the present time in view of the small number of men under arms, inefficient organization and lack of a political front. Much of the unfavorable atmospherics for the regime have been created by a series of real or imagined problems in the past several weeks and the GON's heavy handed attempts to cope with them. While the FSLN threat may be exaggerated at the moment, the growing skepticism about Somoza's willingness to liberalize politically seems likely to insure a large permanent constituency for advocates of violent change. *End summary.*

1. We have observed a change in the political mood over the past several weeks consisting of greater uneasiness, a more oppressive attitude of the regime towards its political opponents and a sense of desperation of the overt opposition. This has caused, or coincided with a rise in the stock of the clandestine opposition, the FSLN. By all reports, the degree of expectation about the potential for success of the Sandinistas has grown together with the number of people who seem to be sympathetic to them. The phenomenon, strongly felt among younger people, has created waves which are lapping at the feet of their elders as well. There follows an Embassy attempt, [*less than 1 line not declassified*] to analyse the phenomenon and place it in perspective.

¹Summary: The Embassy reported that support for the FSLN seemed to be growing, largely because the overt opposition to Somoza was weak and divided.

Source: National Archives, RG 59, Central Foreign Policy File, D750346–1126. Secret. All brackets are in the original except those indicating text that remains classified or was garbled in the original. Telegram 2325 from Managua is dated June 16. (*Ibid.*, D750210–1066)

2. The air is currently ripe with unfounded rumors of widespread FSLN activities and successes. Hardly a day goes by without a new canard; e.g., an assassination attempt on Somoza, battles involving dozens of casualties in the mountains, shootouts with Guardia in the suburbs of Managua. While the bulk of these stories are false or distorted beyond recognition, their persistence and velocity reflect either widespread wish-fantasizing or genuine disquiet among the citizenry. The acknowledged acts of the FSLN during this period, e.g., the taking over of a Managua radio station, clashes with National Guard in Leon, Nueva Segovia and Matagalpa, have tended to fuel speculation about "what is really happening" rather than to allay it. The admission by the GON of a clearcut defeat for the first time in a clash on September 9 (I 6 870 0960 75), rather than having the (presumably) intended effect of improving credibility, merely confirmed for many what they had been whispering about for many weeks.

3. The principal culprit is censorship. Applied under the state of siege at the time of the December 27, 1974 Los Robles incident as an understandable response to a public order threat of then unknown dimensions, it has been resorted to in the past several weeks as a means to blot out all media criticism of the regime. The Somozas have been reluctant in the past to invoke censorship out of respect for hemispheric opinion and recognition that a relatively free media has provided a political safety valve. But these transitional considerations appear to have yielded in the past few years before the temptation of governing in an environment free of media criticism. The disingenuous arguments cited for the prolongation of censorship long beyond its need in terms of the Los Robles affair encourage the impression that it will be around in some form for quite a while. Somoza stated in December that it would be maintained until he got to the bottom of the Los Robles incident. He later interpreted this privately to mean at the end of the military court of investigation. Although the real work of the court terminated three months ago, Somoza's son told us in June that the life of the court was being extended because of new evidence (Managua 2325). As that story appeared increasingly dubious as the weeks went by, Min-Government Mora confided to EmbOffs in July that censorship was continued out of fear of an unrestrained *La Prensa* during a time of potential labor conflicts this summer. When the labor conflicts gave evidence that they would be resolved peacefully, Somoza told Defatt in August that the state of siege had to be maintained so that all accused before the military court would be tried in one place. We have concluded that Somoza, and some of his ministers, who have vested interests in a controlled press, will be reluctant to give up the secure situation afforded by censorship.

4. The primary victim of these developments is the overt opposition—the Parliamentary (Paguagista) Conservatives, the Aguero Con-

servatives and UDEL. Already divided and hovering on the brink of credibility following the political events of the past three years, the open opposition has had to depend upon a minimum of tolerance from the regime in order to appear as worthy recipients of political support. Although the scale of political discontent so sharply illuminated by the public reaction to the Los Robles incident seemed to reveal potential constituency available to the group best able to exploit it, the three groups have been prevented by the state of siege from capitalizing on it. Aguero, dependent upon the radio for reports of his activities, has nearly become a shadow public figure. UDEL, which aimed to utilize *La Prensa* to trumpet its cause, has been stymied. And the Parliamentary Conservatives have debated corruption, political equity and censorship itself on the floors of Congress before a score of spectators. As few in the public are therefore aware of the activities of these groups they are being viewed increasingly as irrelevant. The fortunes and spirits of the traditional oppositionists have not been so low since the death of Somoza Garcia in 1956.

5. In the opposition to Somoza, only the Sandinistas seem to have benefited from the newly created situation. Politically interested students, who have been the object of intensive UDEL wooing, appear to have opted rather definitively for the FSLN. The 30-year-old Social Christian leader of UDEL in Managua who has been working with students recently told us that what began as a trickle in the immediate aftermath of the Los Robles attack has now become a stream of converts for the FSLN. UDEL has also been bombarded from within by young people attending its meeting urging it to come to terms with the FSLN. Two recent provincial meetings were disrupted by bullying on the FSLN question and a national level USDEL youth seminar in mid-August was barely held in control when the problem was debated. UDEL, however, has remained firm in its refusal to consider an alliance with the FSLN, but much of UDEL's present position towards the FSLN is predicated on the FSLN's rejection of UDEL as a bourgeoisie gradualist mechanism no different from the Somocistas. The most forthright opponent within UDEL has been the Communist Nicaraguan Socialist Party (PSN), which objects to the exclusivist philosophy of the FSLN, but whose hostility could vanish overnight if soundings for cooperation made through mutual Cuban contacts bear fruit. [*less than 1 line not declassified*]

6. Aguero, the strongest of the opposition leaders among the campesinos and the most vehemently anti-Communist, has also seen his strength in the countryside eroded by the wave of sympathy for the Sandinistas. He has told us that his cadres in Boaco, Leon and Matagalpa have come to him asking for "orientation" as to their relations with the FSLN. When Aguero was regaling the Ambassador two weeks

ago with tales of his still great popularity, one of his top advisors, sitting next to him, turned to an accompanying EmbOff and confided that his chief was living in the past and Aguero's former constituency was now largely in the Sandinistas' hands if they knew how to exploit it.

7. Although the Sandinista boom has certainly touched youth and all urban classes, it has made its biggest impact, unsurprisingly, in the rural areas of the departments of Matagalpa, Jinotega, Zelaya and Boaco. It is difficult to quantify the phenomenon accurately with the intelligence tools at our disposal, but nearly every anecdotal report that has reached the Embassy in the past few months supports the view that there is great unrest, growing cooperation between campesinos and guerrillas and increasing latent support of the FSLN cause. This was acknowledged at the two most (secret) meetings of the National Liberal Directorate in June and August. At the first, President Somoza expressed his concern about the alienation of the campesinos and for the first time asked his political leaders for advice. At the second meeting, it was accepted that a "Vietcongization" had taken place in certain areas (Jinotega and Matagalpa) wherein arms-bearing campesinos were joining the guerrillas for an occasional exercise while carrying on their normal activities. A liberal senator from the areas has told us that this has not been seen in Nicaragua since the days of Sandino.

8. None of this should be construed as meaning that a wave of sympathy for Marxist solutions is about to engulf the country. All are aware that the FSLN is a self-proclaimed Castro-Communist organization, but its growing popularity has taken place not because of, but in spite of its ideological orientation. Although Castro has an appeal for certain student elements and among some particularly embittered campesinos, populism, let alone Marxism, has had little resonance here traditionally and not much more now. The FSLN appearance is largely political, attracting those frustrated with their ability to end 40 years of the Somoza system. With the current eclipse of the overt opposition, the Sandinistas have emerged as the only political organization which appears to be challenging the regime. Many of the anti-Communist opposition look wishfully at the FSLN as a catalyst to either bring down the regime or demoralize it so much that it would be forced to make political reforms. They rationalize that many Sandinista activists are not Marxists, but scions of prominent liberal and conservative families opposed to Somoza on political grounds. Even if the FSLN is victorious in the field, they argue it would not be able to form a government in the absence of substantial ideological support and administrative experience. Nevertheless, if this kind of sentiment does not necessarily indicate positive support for communism, it does suggest a growing toleration among oppositionists of the presence of radical groups with whom they might share mutual short-term objectives. It is perhaps not sur-

prising in a country whose political maturation stopped in 1936 that there is a widespread inclination to accept an image of the guerrillas more in the context of the “freedom fighters” of 1950s than later despite the protestations of the guerrillas themselves that they have other things in mind.

9. Despite the acknowledged growth in their popularity and image, the FSLN “threat” may, ironically, be illusory. While estimates of Sandinista strength are rather tentative, [*less than 1 line not declassified*] the organization embraces about 140 trained in arms ([garble] of whom are out of the country) and a support network of approximately 160, principally peasants and students. In recent clashes with government troops, the guerrillas have shown courage, but not good training, especially high intelligence or great imagination. Their organization is loose and compartmentalized, which though minimizing the possibilities of effective penetration, also precludes a high degree of efficiency and coordination. While the FSLN controls the Revolutionary Students’ Federation (FER) at National University campuses and has recently begun to organize activities through front groups among secondary students, it has not even attempted to establish a broader-basic overt front as the political counterpart to its guerrilla apparatus. It is thus minimally equipped at the moment to absorb and exploit the latent support it seems to enjoy. The numbers of FSLN guerrillas currently in the mountains may actually be somewhat less than in other past periods of high guerrilla activity. However, there are more areas of activity than there have been in the past, there seems to be more money available to the FSLN than there has been before (the ransom money from the Los Robles attack appears to have been put at their disposal) and they possess a greater mystique than any guerrillas since Sandino. Consequently, they probably have greater potential for creating disorder.

10. Much of the change in atmosphere has been the result of a confluence of problems in the past several weeks and the GON’s own attempts to cope with real or imagined threats to its stability. More clashes with guerrillas, the Jack Anderson articles, the disproportionate fear of labor conflicts and the changes at the Embassy have had a disquieting effect on Somoza. He has viewed otherwise unrelated combinations of events as conspiracies conjured up by old nemesis Pedro Joaquín Chamorro and has reacted by suppressing Chamorro’s most effective weapon. The actual public order threat posed by the guerrillas seems to have been met not only with greater purely military activity, but if recent reports coming our way are to be believed, also with greater repression and brutality by the National Guard—especially by the Office of National Security. By these responses the GON has communicated its own uneasiness to a citizenry, many of whom already

were well disposed to accept the events as heralds of a new political age.

11. The events have coincided with reports from nearly every Embassy contact that corruption in government has taken a new lease on life in the past six months and is currently affecting all levels of government. The urban classes have reacted to this spectacle not only with disgust and chagrin, but with the gloomy perception that this may signal the decadence of the regime and its last efforts to extract wealth through their privileged position. Although individual businessmen are deeply concerned by these portents, organized private sector sentiment has been muffled by timely GON concessions on energy rates and appointments to key government posts. Similarly the other neutral force, the Church, has been silent and complacent encouraging the suspicion that Somoza has enticed it into an inoffensive posture through promises on Church reconstruction in Managua. Further, in a propaganda response to rural unrest, Somoza has also elected to identify the promising INVIERNO rural welfare program with the sectarian interests of the Liberal Party.

12. Somoza told former Ambassador Shelton in one of their last conversations in early August that he believed his power to be at its apogee. Indeed, with *La Prensa* silenced, the overt opposition in disarray, the Liberal Nationalist Party purged of nearly all critical elements, and world commodity prices again favoring Nicaragua, he can make a very strong case. Seen through different prisms, however, the same elements, by suggesting the lack of restraints on Somoza's autocratic tendencies, the polarization of political competition created by the diminution of the overt opposition and growing socioeconomic expectations contrasted with growing corruption, seem to characterize a very brittle strength. Somoza can, of course, reverse his field and instead of sliding gradually towards increased authoritarianism, he could either take steps to liberalize or move quickly and decisively toward establishing a more classic one-party dictatorship. But Somoza typically unwilling to take what he believes are unnecessary and potentially hazardous risks or commit himself to the exertions required by these ends, seems unlikely to do either. His political course, if plotted since his assumption of power in 1967, has been to chip away gradually at the freedoms fostered during the Schick government, backing off when challenged, but always returning to consolidate his power. As such, he may acknowledge the current Sandinista phenomenon and address it by again allowing the open opposition to operate. But those who are willing to give him the benefit of the doubt that he will eventually permit open political competition grow fewer with each shift. Those who believe that political change can only come about through more dramatic means, on the other hand, seem to be growing. Thus,

whether the short-term expectations toward the FSLN are commercial or not, the appeal of their methods guarantees it unwholesome viability in the newly emerging political dynamic.

Theberge

258. Telegram 316 From the Embassy in Nicaragua to the Department of State¹

Managua, January 21, 1976, 1510Z.

316. Subject: Secretary Kissinger's Trip to Latin America. Ref: State 12756, State 13815.

1. At the end of long luncheon for OAS Secretary General Orfila hosted by President Somoza on January 20th, the President informed me that Costa Rican President Oduber had called the day before to ask him if he was available to meet with Secretary Kissinger and the other Central American Presidents on February 23rd in San Jose. President Somoza told me that he agreed to attend the meeting.

2. President Somoza said that he saw no conflict between the meeting with Secretary Kissinger in San Jose and the meeting of Central American Chiefs of State that he planned to host in Nicaragua in February. According to the President, no firm date for the Chiefs of State meeting had been set. However, he suggested to President Oduber that the two meetings be held consecutively in San Jose to avoid unnecessary travel for him and his Presidential colleagues.

¹ Summary: The Embassy reported that while Somoza was willing to meet Kissinger in San José during the Secretary's upcoming Latin American tour, the Nicaraguan President had expressed his disappointment that Kissinger was not planning to visit Managua. The Embassy concluded that it was "impossible to exaggerate the psychological and political importance" to Somoza "of symbolic signs of friendship and acceptance by the United States."

Source: National Archives, RG 59, Central Foreign Policy File, P850023–1970. Secret; Priority; Nodis. Telegrams 12756 and 13815 were not found. In telegram 808 from Managua to Lima, February 19, the Embassy reported that Somoza had received a phone call from Oduber informing him that the Central American Presidents' meeting with Kissinger in San José had been changed to a Foreign Ministers' meeting. Somoza indicated Foreign Minister Montiel would go in his stead. (Ibid., D760062–0918) In telegram Secto 4046 to Managua, February 19, the Department indicated that a tight schedule would prevent Kissinger from stopping in Managua en route to Guatemala. (Ibid., D760062–0188) Kissinger later met with Montiel in San José on February 24. (Memorandum of conversation; *ibid.*, P820121–0678.)

3. Somoza expressed his keen disappointment that Costa Rica was singled out for special treatment by Secretary Kissinger, particularly in view of Costa Rica's failure to support the United States on some key issues and its flirtation with Castro and Torrijos. He complained that loyal and steadfast friends like Nicaragua would welcome being asked to host such a meeting but are bypassed in favor of less reliable countries.

4. I explained to the President that Secretary Kissinger clearly meant no offense in selecting Costa Rica as the host country, that Costa Rica was often chosen because of its central location, and that it was also a good friend of ours.

5. *Comment:* President Somoza is as sensitive to real and imagined slights by the United States as other Latin leaders, although he may not show it to the same extent. As a close friend of ours, he feels that he deserves more solicitous treatment than he sometimes receives. It is impossible to exaggerate the psychological and political importance of symbolic signs of friendship and acceptance by the United States. In the interest of maintaining the excellent, cooperative relations that exist between the USA and GON, it would be helpful if Secretary Kissinger (or other senior American officials such as Cabinet officers or Assistant Secretary Rogers) scheduled a stopover to meet with President at next convenient opportunity.

6. Department may wish to pass to Costa Rica for Ambassador only.

Theberge

259. Telegram 544 From the Embassy in Nicaragua to the Department of State¹

Managua, February 3, 1976, 1830Z.

544. Subject: Assistant Secretary Rogers Meeting with President Somoza. Ref: Managua 494.

1. *Summary*: On January 31, Assistant Secretary Rogers met with President Somoza, Foreign Minister Montiel and me for three hours in the President's office. The discussion covered a wide range of topics, but focused mainly on Cuban intervention in Nicaragua and Angola, U.S. press criticism of Somoza, Somoza's mediation of El Salvador–Honduras conflict, need for strong Opposition Conservative Party, and Somoza's gratitude for U.S. earthquake reconstruction aid. Rogers reassured Somoza of continuity of U.S. policy of friendship and cooperation, and reaffirmed our Rio Treaty commitments. Somoza came away impressed by Rogers friendly, low keyed approach and greatly appreciated this gesture of U.S. interest and attention.

2. Cuban Intervention in Nicaragua. Somoza said that Cuban intervention in Nicaragua was a continuing problem for his government. Radio Havana attacked him regularly and incited the Nicaraguan people to rebellion. Cuba continued to train and provide safehaven for Communist guerrillas. Since 1960 Cuba had instigated 45 attacks on Nicaragua, the most recent, significant effort was the terrorist attack a year ago in Managua that claimed several lives. He said that he was still trying to persuade Cuba to return the \$1 million ransom that he paid to the terrorists which Castro seized when they took refuge in Havana.

3. Cuban Intervention in Angola. Somoza told Rogers that he was concerned about the long-term impact of Cuba's military intervention in Angola, and the possible spread of pro-Soviet regimes in Africa. He said, that if the Cubans can get away with it in Angola, why not somewhere else? Cuba had become dangerous because of Soviet backing,

¹ Summary: During a meeting in Managua, Rogers reassured Somoza that the U.S. policy of friendship with Nicaragua remained unchanged and that the United States would fulfill its Rio Treaty commitment to protect the countries of the hemisphere from external aggression.

Source: National Archives, RG 59, Central Foreign Policy File, D760041–0121. Secret; Exdis. Telegram 494 from Managua was not found. In telegram 451 from Managua, January 29, Theberge briefed Rogers for his meeting with Somoza. (Ibid. D760034–0389) In telegram 478 from Managua, January 30, the Embassy reported that Montiel had expressed the hope that Rogers would reiterate U.S. security commitments in the wake of Cuban intervention in Angola; the Nicaraguan Foreign Minister reportedly described Nicaragua as “feeling cut away and drifting” in the face of growing doubts about U.S. willingness to resist Cuban aggression. (Ibid., D760036–0226) The Prewitt article is not further identified. For the Anderson articles see footnote 1, Document 254.

and the inability of the U.S. to react decisively. Rogers assured Somoza that the U.S. public viewed Angola and Latin America very differently. Until recently, most Americans had never heard of Angola, whereas U.S. security in Latin America had a long history. Rogers pointed out that the recent reaffirmation of our commitment to the Rio Treaty was a very important act. Somoza said that the Rio Treaty provided Nicaragua with the protection it needed. It was, he added, unfortunate that there was no Rio Treaty for Angola. Rogers assured Somoza that the U.S. Government had every intention to honor its Rio Treaty commitments.

4. U.S. Press Criticism of Somoza. Somoza expressed his unhappiness about the syndicated article of Virginia Prewitt that appeared at the end of December in U.S. newspapers. He said that Prewitt reported that U.S. policy towards Nicaragua was changing, and that it was up to the State Department to correct false statements about U.S. policy. He added that if Nicaragua was not under state of siege (i.e., press censorship), the opposition press would publish it and try to stir up trouble for him. Somoza alerted Rogers to the possibility that he may have to call on the Ambassador in the future to ask the Department to restate U.S. policy and get him off the hook. Rogers replied that the Department would be happy to issue a statement of U.S. policy towards Nicaragua, if that would be helpful. He pointed out, however, that all political leaders were subjected to distorted reporting and critical press treatment. Rogers said that he knew Virginia Prewitt and that she was sometimes very poorly informed. In any case, she is not carried in the influential newspapers, and not much attention was paid to what she said. The Ambassador told Somoza that it was often counterproductive to respond to unimportant press criticism and the best policy was usually one of maintaining a low profile. Somoza replied that there was a press campaign in the United States that was aimed at weakening him and his government, and he reminded us of the series of Jack Anderson articles last year. Rogers replied that Nicaragua rarely appeared in the American press and received only moderate critical attention. Other Latin countries received far more adverse publicity. Nicaragua was fortunate in that respect.

5. Somoza's Role as Regional Mediator. Rogers expressed admiration for Somoza's constructive efforts to mediate the El Salvador-Honduras dispute and encourage a prompt resolution of the conflict. Obviously pleased, Somoza reviewed his secret shuttle diplomacy last year that brought the two Presidents together in an effort to find a compromise solution. He told Rogers that he had warned both Presidents at the last Summit Meeting of Central American Presidents in Guatemala that the continued failure to resolve the conflict would lead to a breaking up of the Common Market. Somoza said that he sent Foreign

Minister Montiel to see both Presidents last week to reinforce his earlier threat to pull out of the Common Market unless the dispute was settled soon.

6. *Need for Strong Conservative Party.* Somoza spoke at length in a somewhat elliptical way about the history of Liberal Party ascendancy (i.e., rule by the Somoza family) in Nicaragua and his concern about the weakness of the Conservative Party, which he described as the legitimate opposition party. He stated that he felt it was not healthy for the survival of what he called Nicaragua's capitalist, property-owning, two-party system to have a feeble Conservative Party opposition, which encouraged conservatives and other opposition elements to turn to various leftist groups in frustration. He cited the example of Conservative Party supporters who had been found to be helping the FSLN guerrillas. Somoza said that his aim was to prevent Nicaragua from falling into the hands of the Communists. He believed the Conservative Party must be strengthened so that the two party alternative was preserved after he left office.

7. *Gratitude for U.S. Reconstruction Aid.* Somoza expressed his gratitude to the American people for the generous assistance given for the reconstruction of Managua after the 1972 earthquake. He said that the Nicaraguan people never had been offered the opportunity to formally express its appreciation, aside from the extraordinary outpouring of affection for Ambassador Shelton when he left Nicaragua. Somoza stated he would like to invite a high-level official, perhaps Secretary Kissinger, to visit Nicaragua so that the Nicaraguan people could convey their warm feelings towards America. Rogers said that he appreciated the President's offer and would give serious thought to it. He suggested that Somoza might wish to consider raising the question of such a visit with Secretary Kissinger when Somoza meets with him in San Jose.

8. *Comment:* Somoza was pleased that Rogers wanted to call on him and he appreciated this gesture of U.S. attention. He was not clear about the motives of the visit, although I had explained that it was simply a friendly, courtesy visit to exchange views on a wide range of topics of mutual concern. Somoza came away from the meeting impressed by Rogers and his friendly, low-keyed approach. He particularly appreciated the fact that Rogers came to listen and not preach at him. This reaction was confirmed by DefAtt who spoke to Somoza next day, February 1, at the Air Force Day ceremony.

9. The Rogers visit served the useful purpose of reaffirming U.S. policy of friendly, cooperative relations with Nicaragua and dispelling suspicion that Department considered Somoza a pariah. Somoza has been highly sensitive to the fact that the U.S. has not favored Managua as high-level meeting place and that no high-level U.S. official has come

to Nicaragua since Secretary of State Rogers trip to Managua after the 1972 earthquake. Rogers's call also provided persuasive evidence of continuity of U.S. policy towards Nicaragua, which is especially helpful to Somoza in countering rumors spread by opposition circles that U.S. had changed policy and was cooling towards him. My arrival in August, 1975 set off spate of rumors along these lines which have not yet completely ceased.

10. Somoza was impressed by Rogers reassurance of firmness of U.S. Rio Treaty commitments and that U.S. internal strength and cohesion was greater than impression conveyed in newspapers. In view of Somoza's concern about Cuban threat, these reassurances assuaged fears that U.S. might be cutting Nicaragua adrift to fend for itself. Rogers reinforced what I had been telling Somoza in recent months.

11. Somoza was stung by the Prewitt article. His hypersensitivity to any articles in the U.S. press that declare, or even insinuate, that U.S. is changing towards Nicaragua reveals Somoza's insecurity and almost morbid concern about the image as well as substance of U.S. policy. He is perfectly aware that there has been no change in the substance of our policy. Yet he has an exaggerated fear, or dislike, of press accounts, and even rumors, that U.S. policy is shifting. What Somoza wants is not merely the reality but the unchallenged image, of unconditional U.S. support and complete identification with his regime.

12. President was highly gratified by Rogers expression of appreciation and admiration for Somoza's constructive efforts to mediate the El Salvador-Honduras dispute. He was anxious to report the detailed story of his secret diplomatic efforts to bring about a resolution of the conflict, and he was quite obviously proud of himself. Somoza views himself as the elder statesman in Central America, a role for which he feels he is not given sufficient recognition. Whatever his motives, Somoza is a positive force for peace in Central America, and Secretary Kissinger should consider mentioning that fact in his private talk with Somoza in San Jose.

13. Somoza's statement about his interest in strengthening the conservatives must be taken with a grain of salt. On the one hand, for reasons he stated, as well as his insistence in using democratic rhetoric and portraying Nicaragua as a land of liberty, he feels constrained to produce a plausible opposition. On the other hand, his actions very clearly suggest that he will not tolerate a strong, viable opposition that is capable of challenging him in an open contest.

Theberge

260. Telegram 867 From the Embassy in Nicaragua to the Department of State¹

Managua, February 23, 1976, 2058Z.

867. Subject: FY 1977 Military Security Assistance Program for Nicaragua. Ref: State 36160.

1. As requested in reftel, para 6, an assessment of U.S. Military Security Assistance for Nicaragua is herewith submitted.

2. Nicaragua's Military Dependency. The USG is the traditional supplier of military equipment and training to Nicaragua which looks upon the U.S. as its protector and the guarantor of Central American-Caribbean stability. Small, weak countries like Nicaragua naturally seek the protection of a stronger neighbor, or some other system of alignment, which enables them to fulfill their perceived internal and external security requirements.

3. Nicaragua does not have, nor for the foreseeable future can it expect to have, an indigenous arms production capability or adequate training base to provide the military equipment and training skills needed to maintain a small, effective defense force. Therefore, Nicaragua remains highly dependent on outside sources of supply of arms and training.

4. The United States is the dominant foreign supplier of military equipment for Nicaragua, although small amounts of arms and equipment have been purchased from Belgium, the United Kingdom and Israel in recent years. Dependence on U.S. military training is nearly total, the only exceptions being third country training (such as in Mexico and Venezuela) in isolated skills not available in the United States because of our more modern or complex equipment and techniques.

5. Nicaragua's Security Threat. At present, the National Guard faces a low level threat from the pro-Castro FSLN (Sandinista National Liberation Front) which it has the capability to meet. For the immediate

¹ Summary: The Embassy concluded that U.S. military assistance to Nicaragua had a symbolic importance that was far greater than the relatively small amount of aid involved would suggest.

Source: National Archives, RG 59, Central Foreign Policy File, D760067–1037. Confidential; Priority. In telegram 36160, February 13, the Department asked Chiefs of Mission in Latin American countries programmed to receive military aid to provide an assessment of "the need for, the effectiveness of, and interrelationship between, the various elements of U.S. Military Security Assistance for FY 1977." (Ibid., D760056–1006) In telegram 186 from Managua, January 13, the Embassy reported that the FSLN guerrilla forces opposing the Nicaraguan Government were beset with internal conflicts and were winning less sympathy from the general public than they had a few months earlier. (Ibid., D760013–1194)

future, a serious subversive threat is not likely to develop although FSLN retains a diminished capability for conducting isolated attacks and incidents throughout most of the country. Despite political uneasiness over historic Costa Rican tolerance of anti-Somoza groups and Soviet-supported Cuban combat involvement in Angola, there exists no discernible external threat from its Central American or Caribbean neighbors.

6. The Military Security Assistance Program neither contributes to any regional arms race nor helps to build an offensive military capability that threatens neighboring countries. The National Guard is a small, professional, defensive force capable of coping with present internal security threats but lacking the resources and structure to contain an externally supported, widespread insurgency and/or support large sustained operations.

7. While we do not agree with the Nicaraguan view that a potential Cuban military threat exists at this time, there is evidence that Havana is providing limited support to the FSLN such as a guerrilla safehaven and training in Cuba. The Cuban threat to Nicaragua, and other countries of the region, is less likely to be a direct military one and more apt to take the form of political and ideological subversion. Now that Cuban foreign policy is closely aligned with that of the USSR, Havana believes that the fostering of an anti-capitalist and anti-imperialist (i.e., anti-U.S.) trend in the domestic and foreign politics of the Central American Caribbean States can best be achieved by providing support for orthodox Communist infiltration, propaganda and subversion, including the formation of popular front type coalitions where feasible.

8. MSAP Contribution to U.S. Policy. The FY 1977 Military Security Assistance Program (MSAP) can make an important contribution to the U.S. foreign policy objective of maintaining Nicaragua as a close friend and cooperative partner in regional and world affairs. It helps Nicaragua obtain the means to defend itself against internal and external threats to its national security, and also provides needed assurance of the continuity of the U.S. policy of friendly relations and military protection under the Rio Treaty. The Military Assistance Program can continue to make a positive contribution to Nicaraguan solidarity with the U.S., a solidarity that includes consistent, loyal support for the U.S. in the United Nations (viz., recent UNGA resolutions concerning Zionism, Korea and Puerto Rico), and other international and regional fora.

9. The U.S. Military Security Program for Nicaragua is our most cost-effective policy instrument for maintaining influence with the GON. The cumulative historical impact of this modest program on the National Guard, which is a fundamental institution of the GON, has been a profound one. It has contributed in a major way to the strong

pro-U.S. technical and cultural orientation as well as personal friendships and allegiances evident within the leadership of the National Guard.

10. The small military training program (averaging \$600 thousand in recent years) is particularly important for retaining U.S. influence and prestige within the National Guard and the GON. The gradual erosion of the training program due to inflation and repricing policies has been offset by GON efforts to supplement the program with its own resources. The importance accorded the training programs by President Somoza is illustrated by his recent decision to pay transportation costs for his students and to shift pilot training from the jet-oriented USAF programs to cheaper, but more appropriate to Nicaraguan needs, U.S. Army flight training.

11. My single reservation is a doubt that the training program, at its proposed level of \$600 thousand for FY 1977, will be adequate to maintain the program at its current effective level, even with possible additional GON participation in defraying student living costs and selective FMS course purchases.

12. Nicaragua's Need to Modernize. The bulk of Nicaragua's military purchases in recent years have been for the purpose of modernizing the National Guard after several years of neglect. The past two years have shown an accelerating participation in direct FMS sales, primarily in the purchase of spare parts for MAP provided equipment and common use items such as uniforms and rations. During FY 75 these single purchases and FMS open-end sales contracts exceeded \$1 million for the first time. The additional purchases generated by the available FMS credits will have the effect of further increasing FMS direct sales in future years.

13. President Somoza has been very explicit in stating that his goal is to modernize the National Guard in order to make it a more efficient and well-equipped force capable of defending against outside and internal threats and through civic action to support national development in the opening of the interior. Such a policy of gradual modernization is unlikely to have any effect on the arms balance in the region and makes a great deal of sense for the GON. The offer of \$2.5 million in FMS credit for FY77, which brings the cumulative three-year (FY1975–77) FMS credit level to a modest \$8 million, therefore is based on a justifiable need, and is compatible with U.S. policy objectives for Nicaragua.

14. Other U.S. Assistance. It is important to note that the Military Security Assistance Program is only one aspect, albeit in Nicaragua's case an extremely important one, of the structure of political-military relations between the U.S. and Nicaragua. As a result of the other factors that shape bilateral relations between the two countries, it is ex-

tremely difficult to separate out with precision the considerable impact of the military relationship.

15. However, in terms of the total flow of U.S. official resources (economic and military assistance) to Nicaragua, the Military Security Assistance Program is small, averaging less than \$5 million a year in FY 1974–76. The micro-economic impact on Nicaragua's \$1 billion national economy and balance of payments is insignificant. The U.S. Economic Assistance Program, which has averaged about \$35 million a year after the 1972 Managua earthquake, is of much greater economic importance, and of considerable political value to us, in maintaining mutually beneficial and cooperative relations with Nicaragua.

16. Impact of Changing Context of MSAP on Nicaragua. The international and regional context within which our Military Security Assistance Program operates is undergoing profound change which could have adverse long-term repercussions on U.S.-Nicaraguan relations, and, U.S. interests in Latin America more generally.

17. With respect to Nicaragua, the U.S. policy of East-West détente, the general perception of U.S. retrenchment and withdrawal under pressure, the sense of weakness and vacillation of U.S. policy in Viet Nam and the recent inability of the U.S. to react to Soviet-supported Cuban combat involvement in Angola have combined to create a strong sense of anxiety in GON circles that U.S. interest in Nicaragua's internal and external security may be weakening.

18. While the internal security threat posed by the FSLN guerrillas now is a minor one, having apparently diminished since the end of 1975, the GON views Cuban-supported guerrilla activity, and the Soviet-supported Cuban combat capability, as a serious potential threat.

19. Small countries like Nicaragua are extremely sensitive to perceived regional and global shifts in power balances. Their political and military vulnerability make it imperative for them to adjust their foreign policy to these changes. The GON perceives a Latin and Third World drift towards a policy of so called nonalignment, active bloc-formation by the LDC's (including the Latins), and the emergence of a global military capability of Russia and its Cuban client states.

20. Furthermore, the GON has various options open to it for the purchase of required arms, munitions and training. In fact, the regional trend has been towards gradual diversification of military relations and a declining arms dependence on the United States. Like other Latin American governments, the GON no longer need be dependent on the U.S. for arms supplies and training, although the U.S. still is the preferred supplier.

21. Therefore, it is not surprising that GON fears have been aroused that its pro-U.S. orientation may lead to its isolation in Latin

America and the Third World, and that the U.S. commitment to regional peace and stability may be wavering. The GON has begun to fear that it might be let down by the United States, its major friend and ally, and began in 1975 to reassess its foreign policy, including its relations with the U.S.

22. The willingness of the U.S. to maintain its Military Security Assistance Program in Nicaragua has in the present global and regional context a political and symbolic significance that far transcends the small amounts of military credits and training involved. Our military assistance is looked upon by many in the GON as an important sign of the U.S. will to help its friends to resist the expansion of communism in an area widely perceived to be the U.S. backyard, and of whether or not our professions of friendship and cooperation are sincere or only rhetoric.

23. The failure to nurture our military relations would be interpreted as evidence that we are unsympathetic to the GON's need for the means to satisfy legitimate national defense and internal security requirements. There are a few actions so certain to alienate Latin American governments, and the politically influential armed forces, as attempts to thwart their efforts to meet these needs.

24. Therefore, in the context of current GON uncertainty concerning the general drift of U.S. policy and fears that there may be a waning of the U.S. will to provide assistance against pro-Castro guerrillas, any sharp reduction or cutoff of U.S. credit sales or grant training assistance would likely have far-reaching political and psychological repercussions, given the small amounts of credit and assistance involved and the existence of alternative suppliers who would welcome the opportunity to develop political-military influence here.

25. As long as the USG continues its willingness to offer some military assistance, which reinforces the Guardia's perception of dependence on the friendship with the U.S. military, there will be very little pressure to seek third country assistance. As such, through the Military Assistance Program, the USMILGP and the USG maintain maximum influence with the GON with virtually no third country competition.

Theberge

261. Country Analysis and Strategy Paper¹

Managua, undated.

AMBASSADOR'S OVERVIEW

The fundamental objective of U.S. policy in Nicaragua is to manage our bilateral relations so as to insure that the present government, and its successors, maintains friendly, cooperative relations with the U.S. The various elements of the Mission—State, AID, USIA, MILGP, Peace Corps, IAGS—are making useful contributions towards the pursuit of this objective. No significant policy changes are recommended at this time, and the current moderate level of the AID and MILGP programs should be continued.

The global and regional systems within which U.S. bilateral relations with Nicaragua are conducted have entered a period of profound adjustment which may have adverse long-term repercussions on U.S.-Nicaraguan relations and U.S. interests in Latin America more generally. In the 1970s some countries in the immediate Caribbean area have moved towards neutralism in the East-West struggle, so-called Third World nonalignment (i.e., anti-West alignment) and positions of confrontation with the U.S. as a consequence of real and imagined grievances against the U.S., widespread perception of rising Third World and Soviet bloc power and influence, and a sense of U.S. retrenchment and withdrawal in the post-Vietnam period. More recently, the inability of the U.S. to react to Cuba's Soviet-supported combat involvement in Angola has further contributed to the shift in local perceptions. There is a strong sense of anxiety in GON circles that U.S. commitment to hemispheric collective security, and more particularly Nicaragua's security, may be less reliable or firm than before.

Small, weak countries like Nicaragua are extremely sensitive to perceived global and regional shifts in power balances, and particularly any decline in the position of the U.S., its principal ally and pro-

¹ Summary: Theberge outlined U.S. policy objectives in Nicaragua, suggested that Nicaraguan friendship and cooperation should not be taken for granted, and emphasized the importance of military assistance as a means of assuring the Nicaraguan Government of U.S. concern for the country's security. Theberge also recommended expanded contacts with moderate opposition groups in Nicaragua and called for continuing attention to human rights issues.

Source: National Archives, RG 59, Central Foreign Policy File, P760039-1506. Secret. Included as an enclosure to airgram A-16 from Managua, March 16. The rest of the Embassy's draft of the Fiscal Year 1977-1978 CASP for Nicaragua was pouched with airgram A-13 from Managua, March 19. (Ibid., P760034-2248) The CASP as approved by the National Security Council Interdepartmental Group was pouched by the Department to Managua in airgram A-3300, July 2. (Ibid., P760100-0297)

tector. Political and military vulnerability make it imperative for Nicaraguan policy to accommodate to these perceived changes. At the same time, the emergence of a more complex world of new global and regional power blocs and alignments offers a broader set of options for the structuring of its external relations and pursuing its development and security objectives. Arms, training, capital, technology and aid are now available not just from the industrial countries of Eastern and Western Europe, North America, Russia and Japan, but increasingly from the Third World.

The cumulative impact of successive shifts of individually weak and strategically unimportant countries towards positions that are cooler, and less cooperative to us and more receptive to alignments with our adversaries can ineluctably tilt the regional balance against the U.S. Other nations, even traditionally friendly ones like Nicaragua, will be compelled to accommodate their policies, to greater or lesser degree, to what is perceived as the dominant political trend. As a consequence of its especially strong political, economic and cultural ties with the U.S., Nicaragua is less likely than some other countries to drift into an openly antagonistic posture. Nevertheless, even small shifts in Nicaragua's attitudes towards the U.S., because of its strong identification with us, would likely be discerned beyond its borders as evidence of a further weakening of U.S. influence.

The extent to which U.S. policy of penalties for adventurism and confrontation and incentives for restraint and cooperation is successfully pursued at the global and hemispheric levels may prove to be the most potent factor in achieving our fundamental bilateral objective. But the effort cannot be successful unless we accept the notion that even in Nicaragua friendship and cooperation cannot be taken for granted, but must be promoted in a flexible and intelligent manner with all instruments at our disposal.

U.S. bilateral programs of economic and military cooperation are of great importance in maintaining cooperative relations with Nicaragua. They provide tangible evidence of U.S. support for Nicaragua's economic development and national security, primary policy concerns of any developing country. In small, developing countries like Nicaragua even modest bilateral aid programs serve as a positive inducement to cooperation and should be retained.

The AID program demonstrates our interest in the welfare of the Nicaraguan people, its humanitarian orientation helps to create a favorable local image in official and non-official circles, and it provides an incentive to the GON to dedicate resources to improving the welfare of the poorest sectors of Nicaraguan society. The INVIERNO campesino development program is especially significant in this context, and

is being closely monitored to ensure that it contributes in full measure to these aims.

The MILGP program assures the GON and the National Guard of our interest in Nicaragua's security in a way that words cannot do. Arms sales, training aid, and MILGP presence provide us with unique influence and access and have a stabilizing effect in the region. Precipitate or complete withdrawal of these key elements of our military relationship is not in our national interest. Such actions would raise further doubts about the U.S. will and ability to protect its allies.

Looking ahead, priority importance is attached to maintaining a continuing dialogue with moderate opposition forces and thereby contributing to the image and reality of a more even-handed and neutral approach as between contending political forces. It is important to keep open the possibility of future access and influence with all potential political successors. Maintaining good relations with the GON and a favorable attitude towards us on the part of the non-Marxist opposition forces will require continued Embassy efforts during the CASP period.

The pro-Castro FSLN is capable of isolated incidents of violence but for the foreseeable future too weak to mount a serious, sustained terrorist campaign. We are alert, however, to the possible long-term potential of such movements arising from the absence of a strong, moderate anti-Somoza opposition. Thus, the Embassy will continue to emphasize to the GON the need to develop favorable conditions for the emergence of a viable, moderate opposition.

There is no evident pattern of gross, systematic violations of human rights in Nicaragua, but the human rights situation apparently worsened somewhat during the last year. This less favorable situation may be reversed, however, during the CASP period with the decline in the FSLN threat and the ending of the military trials. The U.S. cannot and does not condone human rights violations, and we will continue to make our concern known as appropriate to the GON and encourage the lifting of state of siege and censorship.

Nicaragua's unusually consistent, loyal support of the U.S. in world and regional councils is the single most important benefit we gain through our present set of relations. This support should continue throughout the CASP period as long as we remain alert to emerging pressures and influences and are able to move quickly to counter them through our bilateral and global policies. Moreover, I believe that the goodwill that we currently enjoy in Central America could be better exploited to our advantage by more timely and better coordinated approaches to the five countries on issues of importance to us, and more skillful efforts to mobilize national leaders to promote our concepts amongst the others.

I believe that the level of personnel and resources devoted to the AID and MILGP programs are reasonably consistent with our objectives, although some scaling down of AID and MILGP personnel, as projected, should be possible over the next few years without adversely affecting our relations.

James D. Theberge
Ambassador

262. Airgram A–12 From the Embassy in Nicaragua to the Department of State¹

Managua, April 19, 1976.

SUBJECT

P.J. Chamorro Alleges Torture in Letter to Ambassador

REF

Managua 699

Pedro Joaquín Chamorro, publisher of *La Prensa* (the country's largest newspaper—circulation 60,000) and president of the Union of Democratic Liberation (UDEL), recently spent a night in a cell at police headquarters in Managua (Managua 699). The day after he was released from custody, he came to the Embassy chancery with a letter for the Ambassador which included a sworn statement (see enclosures) about alleged incidents of torture which he deduced had occurred

¹ Summary: Opposition leader Pedro Joaquín Chamorro visited the Embassy and presented allegations that torture was taking place at Managua police headquarters. The Embassy commented that it had no conclusive evidence of systematic violence against prisoners but that Chamorro's visit reflected an increasing awareness among Somoza's opponents of U.S. concern over human rights issues.

Source: National Archives, RG 59, Central Foreign Policy File, P760060–0104. Confidential. Attached but not published are a letter from Chamorro to Theberge and a statement by Chamorro on his observations as a detainee at the Managua police headquarters. According to telegram 699 from Managua, February 12, Chamorro had been arrested for disobeying a summons in a slander case. (Ibid., D760054–0134) In telegram 762 from Managua, February 17, the Embassy reported that Chamorro's visit to the Embassy on February 13, after his release from jail, "was something of a symbolic watershed in his relationship with the U.S., tacitly confirming his judgment that the American Embassy is no longer aligned exclusively with the regime;" the gesture thus represented "a not inconsiderable success in the Embassy's six-month old effort to project a more even-handed image." (Ibid., D760059–0915)

during his night in jail. Although Chamorro did not actually see torture performed, other sights, sounds and conversations with fellow cell-mates suggested it rather strongly.

In his letter, Chamorro also asked whether AID funds were used for jail construction in Managua. The Ambassador replied that no funds were supplied for such purposes under the Public Safety program terminated 20 months ago.

Comment: Chamorro was not an eyewitness to the alleged incidents of torture. In fact, all alleged incidents of torture brought to the Embassy's attention are based on second or third-hand reports.

There may, indeed, be physical abuse of prisoners in Nicaragua. But it is important to note that there is insufficient evidence of a GON policy of systematic or widespread physical violence directed against prisoners. It is, of course, extremely difficult to evaluate the accuracy and truthfulness of reports of interested parties. Nevertheless, the Embassy continues to be alert to evidence of inhumane treatment of prisoners.

Chamorro's keen interest in bringing the alleged torture incident to the Embassy's attention reflects not only the traditional dependent/paternalistic nature which often characterizes our relations here, but also the relatively recent local discovery of the USG's concern about human rights. Publicity given to this concern by the media plus the curiosity registered by Embassy officers in private interviews appear to be making both Opposition and Government forces aware of us as a collector or protector in this field. To a great extent as a response to the Embassy's interest, the Nicaragua Conservative Party (PCN/P) and UDEL (as well as the Communists) have established human rights committees, attempting to collect and disseminate as much information and details on violations as is possible. Although we are receiving more and better information on human rights violations than ever before, it is sometimes difficult to judge whether this is because such violations are increasing, or merely because more people are collecting it with the object of apprising us. While this phenomenon is welcome to the extent that intelligence collection on this subject is especially difficult, implicit in the minds of those who convey the information to us is the hope or expectation that we will somehow act on it. Although ever mindful of congressional and other interest in this subject and anxious to comply with instructions, we must now also be alert to the possible risk we run of being nudged from our position as spectators on the sideline and onto the field of play as a result of our continual and demonstrated concern.

Theberge

263. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to Vice President Rockefeller¹

Washington, undated.

CALL ON NICARAGUAN PRESIDENT ANASTASIO SOMOZA

Tuesday, April 20, 1976, 5:30 p.m.

I. Purpose

To recognize the presence of President Somoza in Washington and reassure him of the strength of our hemispheric commitment.

II. Background, Participants & Press Arrangements

A. Somoza will be in Washington visiting his 81-year-old mother who is recuperating in the Washington Hospital Center from a broken leg. The leg was broken while visiting her son-in-law (the President's brother-in-law) Ambassador Sevilla Sacasa. An operation was necessary and she was quite ill but is now recovering. Somoza is going on to Chicago on the 21st where he will be received by Mayor Daley, attend the Chicago World Trade Conference, and undoubtedly receive considerable publicity. A biography is attached at Tab A.

Anastasio Somoza Debayle, third in his line, has been President or *de facto* ruler since 1967. He remains firmly in control, although discontent with his centralized political control has grown since the earthquake which destroyed Managua in 1972. A small leftist guerrilla organization, the Sandinista National Liberation Front, seeks to overthrow the regime. With the exception of a spectacular terrorist attack in Managua in December 1974, the National Guard has managed to limit the guerrillas to sporadic and ineffective operations in the mountains. So-

¹ Summary: Scowcroft briefed Rockefeller on Nicaraguan affairs and U.S.-Nicaraguan relations in advance of an April 20 courtesy call on Somoza at the Nicaraguan Ambassador's residence in Washington.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, Box 14, Vice President, 7. Confidential. Somoza's biography (Tab A) is not attached and not found. In an April 16 memorandum to Davis, Jon Howe of the Office of the Vice President requested a briefing paper. (Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, Box 14, Vice President, 7) In an April 17 memorandum to Scowcroft, Low noted that "Sevilla Sacasa wanted a Presidential meeting [between Ford and Somoza] but was not encouraged by State." (Ibid., Box 11, President Ford—General, 3) Ford telephoned Somoza on April 20 and noted that he "had a very good 10 minute conversation." (Notation on undated paper entitled "Recommended Phone Call"; *ibid.*) According to an April 21 memorandum for the record by Stuart Rockwell of S/CPR, Somoza stated at the conclusion of his conversation with Ford "that he was very pleased that the President should have taken the time to call him." (*ibid.*) The April 19 Department of State briefing paper for Rockefeller is *ibid.*, White House Central Files, Subject File, Box 39, Nicaragua.

moza's moderate political opposition is divided and ineffectual. The security situation is stable. Still, martial law and tight media censorship have been in effect for a year primarily in order to insulate the government from public criticism. The regime's overall human rights record is about average for Latin America, with occasional abuses directed against those suspected of cooperating with the guerrillas, and against union organizers. This record has come in for increasing criticism in the Congress and U.S. media over the past year, and Somoza has grown increasingly irritated on this score.

Somoza has expressed his concern recently over the strength of our commitment to the defense of Latin America in the face of new evidence of Cuban expansionism.

The American Ambassador to Nicaragua is James D. Theberge, who, as you know, was responsible for the Latin American section in the Critical Choices Study.

B. *Participants*: Captain Howe and Ambassador Sevilla Sacasa.

C. *Press Arrangements*: There will probably be photographers present when you arrive.

III. *Talking Points*

1. I understand you are here to see your mother. I was sorry to hear about her accident. That sort of fracture can be especially difficult for an older person. Mrs. Rockefeller and I both hope her recovery will be rapid and without complication.

2. Ambassador Theberge reports on the good state of our relations. I am glad to hear that and I want to add that we have been gratified by the continued staunch support you give us in the UN and elsewhere. We hope to continue our traditional cooperation.

3. We are greatly concerned over the Cuban adventure in Angola and we have no intention of permitting Castro to get away with anything of that kind here in this hemisphere. Insofar as our relations with Nicaragua are concerned, they have been traditionally close and mutually helpful and we do not plan to make any changes.

264. Telegram 3118 From the Embassy in Nicaragua to the Department of State¹

Managua, July 2, 1976, 1536Z.

3118. Attn: Weissman (ARA/CEN). Subject: Draft Report on Human Rights Situation in Nicaragua.

1. A copy of the draft report on human rights situation in Nicaragua prepared by the Department for future transmittal to Congress was delivered to us by George Gowen during his recent visit to Managua.

2. The draft report has been reviewed by the Mission. In the interest of greater accuracy and precision, it is strongly urged that the following modifications be incorporated into the report prior to transmittal:

3. Page 1: (Begin underline) An extreme leftist guerrilla and terrorist (end underline) organization known as the Sandinista National Liberation Front (FSLN), (begin underline) whose members have obtained refuge, training and limited support from Cuba, (end underline) seeks. . . (insert underlined words).

4. This group carried out a successful terrorist attack in Managua in December 1974, (begin underline) killing four people, taking. . . (insert "killing four people" so that the violent nature of the FSLN is clear to the reader).

5. Since then, while the Sandinistas appear to have suffered substantial reverses as a result of official security measures and factional disputes, (begin underline) the FSLN continues to maintain a rural guerrilla organization which would threaten civil authority in certain isolated regions if left unchallenged, and there has been an increased number of clashes between guerrillas and GON forces as the latter attempts to reestablish its authority. (End underline, insert underlined words).

6. Page 5: Political exiles have been permitted to return and live normally so long as they abstain from (begin underline) violent (end underline) political activity. . . (insert violent in place of covert, since it is violent activity that the GON resists).

¹ Summary: Commenting on a draft report on human rights in Nicaragua, the Embassy recommended revisions that would emphasize the violent, pro-Castro, and anti-U.S. nature of the FSLN.

Source: National Archives, RG 59, Central Foreign Policy File, D760258–0076. Confidential. The draft report on human rights brought to Managua by Gowen and the draft report to Congress has not been found.

7. (Begin underline) there is (end underline) an active trade union movement not controlled by the government (begin underline and it has (end underline) been. . . (insert underlined words).

8. Page 6: These commentaries included (begin underline) false (end underline) charges of involvement by U.S. Army Rangers and: "Green Berets" in counter-guerrilla activities and (begin underline) unsubstantiated accusations (end underline) of the operation. . . such charges are not given credence by spokesmen of (begin underline) opposition political forces (end underline) of UDEL or the Conservative Party. (Insert underlined words)

9. *Comment:* The opportunity to review and comment on the draft report prior to making public is appreciated and helps us to avoid unnecessary distortions and inaccuracies.

10. The FSLN has not been dormant since December, 1974, as implied in the draft report. On the contrary, despite the internal disarray in its urban forces, the FSLN has been able to expand its rural guerrilla organization and GON efforts to eliminate the guerrillas produced a significant increase in armed contacts in May and June. This trend will probably continue for some months.

11. The FSLN is not, it should also be stressed, simply an anti-Somoza guerrilla group seeking power by violent means. It is a pro-Castro, anti-U.S. organization which aims at expelling all U.S. influence in Nicaragua.

12. These facts should be stated clearly, if briefly, in the report, as indicated above.

Theberge

265. Telegram 3490 From the Embassy in Nicaragua to the Department of State¹

Managua, July 22, 1976, 2023Z.

3490. Subject: Ambassador Discusses Alleged Human Rights Abuses with Somoza. Ref: State 162407.

1. At my request, I met with President Somoza in his office on the afternoon of July 21. He is just recovering from what he indicated was a two-week bout of gastrointestinal problems. He looked thinner and somewhat subdued. The discussion lasted an hour and a half.

2. I began by expressing our concern over the increasing number of allegations of National Guard abuses of human rights brought to the Embassy's attention in recent months. I mentioned the Bishop of Zelaya's Pastoral Letter of May 20, reports we had received from priests and others, and the letter of the Capuchins of June 13. I told President Somoza that we recognized that some charges of abuses were politically motivated and therefore suspect. However, evidence concerning National Guard misconduct was mounting. Not all of the charges could be easily dismissed as politically inspired. I mentioned the sincere concern of moderate Catholic priests and others, about the disappearance of parishioners and friends.

3. I explained to Somoza that the persistence of allegations of serious abuses ran the risk of straining our friendly and cordial bilateral relations, including our economic and military cooperation. I emphasized that the government's legitimate right to combat local terrorism and violence was not being questioned. However, terrorizing, torturing or killing suspected collaborators of the FSLN detained by the National Guard was repugnant to the American people, to our government, and to me personally. We deplored human rights violations because it runs counter to our conviction that governments draw their legitimacy from their respect for individual rights and human dignity.

¹ Summary: Theberge told Somoza that cordial U.S.-Nicaraguan relations would depend on the Nicaraguan Government providing better information on cases in which human rights abuses were alleged to have occurred.

Source: National Archives, RG 59, Central Foreign Policy File, D760282–0875. Confidential; Immediate. Telegram 162407 to Managua is dated June 30. (Ibid., D760253–1099) In its annual report on the human rights situation in Nicaragua, transmitted in airgram A–17 from Managua, March 15, the Embassy stated that “Nicaragua’s record in the human rights field may not be exemplary among Latin countries but neither has the record been particularly objectionable in recent years.” (Ibid., P760038–2094) In telegram 1626 from Managua, April 6, the Embassy reported that Somoza had complained about what he characterized as a double standard under which Nicaragua was criticized for its human rights record while other countries were not. Somoza also asserted that the United States “had no business telling friendly countries how to govern, or to intervene in their internal affairs.” (Ibid., D760132–0134)

4. The doctrine of nonintervention, which is strongly supported by our government and the American people, does not preclude our expressing our views about matters that we consider of vital importance. Human rights is such an issue. We do not pretend to impose our standards on others. However, the policy of nonintervention does not imply approval of human rights abuses anywhere.

5. I made clear to Somoza that the maintenance of our traditional cordial relations required that the GON be more forthcoming with information concerning persons alleged to have been tortured or killed by the National Guard, or whose fate after detention is unknown. It would be increasingly difficult for us to deal effectively and frankly with rising criticism of our bilateral relations with the GON unless we were better informed. More complete information also was needed concerning the nature and scope of the guerrilla problem in the North, including FSLN clashes with the National Guard.

6. I referred to the President's own commitment to avoiding human rights abuses. I added that we were aware that he had instructed the National Guard on several recent occasions to act with restraint. From the evidence, his admonitions were not being heeded. It appeared that stricter control over National Guard treatment of persons detained in counterinsurgency operations was called for. I also suggested to President Somoza that it might be useful to establish an informal channel of communication between the Embassy and someone in the National Guard specifically designated to provide us with available information and answer questions we might have.

7. Somoza replied by saying that he was in complete agreement that human rights abuses could not be tolerated. He repeated his well-known view that he considered such abuses as counter-productive. He said that he had a meeting this morning with the departmental commanders of the National Guard during which he warned them against mistreatment of detained persons for any reason. He told the officers that detainees must be interrogated and processed under martial law. The guilty will be punished according to the law, and the innocent will be released. That was his government's policy.

8. He added that the USG must realize that the GON faced a long guerrilla struggle supported from Cuba, and constant attack overseas inspired by opposition elements, including some priests. He said that the Catholic Church, or parts of it, was "up to its ears in politics." He claimed to have proof that a Nicaraguan priest had provided Jack Anderson with material to be used against him and his government. He faced a war on two fronts: at home against the FSLN terrorists and abroad against those who hoped to be able to exploit the human rights issue against the Nicaraguan Government.

9. What disturbed him most, he said, was the political manipulation of the human rights issue in the United States, by the U.S. Congress and media. He understood the pressure being brought to bear on the State Department. He added that the Department was becoming a policeman on human rights. You are becoming an investigative agency for the Congress, and a policeman who tells its friends how to manage their internal affairs. If this continues, the United States will have few friends left anywhere.

10. I replied that we did not see it that way. It was our duty to make our position perfectly clear. It was important that the GON had a clear grasp of the implications of persistent charges, whatever their objective validity, of human rights abuses by the National Guard. The cumulative impact of these allegations could only be unfavorable for the continuation of our good relations.

11. In conclusion, President Somoza agreed with the desirability of supplying the Embassy with available information concerning serious abuses as well as National Guard contact with the FSLN. He would immediately appoint General Reynaldo Perez Vega, G-1, to act as a channel of communication with the Embassy. He asked for the name of the Embassy officer who would serve as our point of contact, and wrote it down.

12. The discussion was cordial throughout. President Somoza seemed to have understood our position completely, and showed a willingness to cooperate. The new Embassy Political Officer will be assigned the liaison role with the G-1, who is well-informed and close to Somoza, and the situation will continue to be observed closely.

Theberge

266. Telegram 3798 From the Embassy in Nicaragua to the Department of State¹

Managua, August 12, 1976, 1430Z.

3798. Subject: Ambassador Discusses Human Rights Situation with President Somoza. Ref: (A) Managua 3490, (B) Managua 3686, and (C) State A-3590.

1. At President Somoza's request, I lunched alone with him today (August 10) in his office. The meeting lasted over two hours, and we discussed the following range of topics: (A) Human rights situation in Nicaragua, (B) Father Everisto Bertrand case, (C) U.S. Security Assistance to Nicaragua, (D) U.S. position on IDB loan to FED and, (E) Exim-bank financing of U.S. road building equipment. Our discussion focused on human rights issues, the subject of this telegram. Reports on the other topics will be sent in separate dispatches to the Department.

2. The conversation began with my expression of satisfaction that the President had appointed General Reynaldo Perez Vega to maintain close communication with the Embassy on human rights issues. I added that it was our hope that the GON would make available to the Embassy information on alleged human rights abuses of the National Guard. It was necessary for U.S. to have the government views, and available information on these charges, so that the Embassy and the Department were able to answer congressional and other inquiries with some depth and perspective on the problem. It was also necessary for the President to help us in our effort to maintain our traditional friendly relations.

3. The President was informed of our concern over the human rights situation in Nicaragua. I explained that it was my responsibility to bring to the President's attention that continuing charges of human rights abuses, particularly in the Rio Blanco area, were placing an increasing burden on our relations. Whatever the precise truth of the charges, they appeared to be increasing in number, and the image of the government, at home and abroad, had suffered as a result. I pointed

¹ Summary: Reporting on a meeting with Somoza in which he had reiterated the U.S. Government's concern over alleged human rights abuses, Theberge observed that Somoza was not being frank and forthcoming and did not "seem to fully grasp the importance of creating the friendly American public opinion so essential to our good relations."

Source: National Archives, RG 59, Central Foreign Policy File, D760310-0935. Secret; Immediate; Limdis. Telegram 3490 from Managua is Document 265. Telegram 3686 from Managua is dated August 3. (National Archives, RG 59, Central Foreign Policy File, D760299-1100) Airgram 3590 to all posts is dated July 20. (Ibid., P760107-2331) In telegram 3504 from Managua, July 23, the Embassy reported that an officer had met with General Reynaldo Pérez Vargas to establish the channel for contacts on human rights agreed upon on by Theberge and Somoza on July 21. (Ibid., D760283-0108)

out that the Embassy had received what we believe to be reliable reports concerning mistreatment of prisoners, terror tactics, and disappearances of persons detained by the National Guard. Again, the Rio Blanco command seemed to be the major source of problems to the government. The Rio Blanco command appears to be acting against the President's own instructions to exercise restraint and allegations of mistreatment of persons imprisoned or detained for interrogation continued to be made.

4. Somoza replied that the Rio Blanco area was an active zone of FSLN indoctrination of the campesinos in recent years. He said that 47 armed men had taken over the town of Rio Blanco a few years ago. It was a dangerous area, and the National Guard had to defend itself. He denied that he had any knowledge of human rights abuses occurring in that area. In response, I said that whatever was happening there, the National Guard was the subject of widespread criticism by many individuals and groups living in the area. The prudent course would appear to be for the President to keep well-informed and maintain tight control over that command. Somoza expressed his general agreement.

5. Speaking frankly, and as a friend, I told the President that the National Guard's handling of interrogations of suspected FSLN collaborators seemed to be counterproductive. National Guard personnel pick up persons for interrogation, and they disappear from sight, often for prolonged periods. There is no established procedure for informing the families and friends of persons detained as to their whereabouts, nor are next of kin allowed to have access to them while they are in detention. It is natural that families become terrified, turn to their priests, or otherwise register their anxiety concerning the fate of their loved ones. Until their release by the National Guard, the worst fears are entertained about their treatment by the government. Families become antagonistic or hostile to the government and the National Guard, and anti-government sentiment spreads in the countryside.

6. In a small country like Nicaragua, I continued, rumors and allegations concerning human rights abuses circulate freely. Furthermore, Nicaragua was not isolated from the rest of the world. In fact, there are many family, business, and other ties between Nicaragua and the United States, so that whatever happens here is soon known in the United States. I mentioned the case of Mr. Jose Dolores Lavo, from Matagalpa, whose detention while the President was in the United States was immediately relayed to relatives in Tennessee. In turn, Mr. Lavo's relatives contacted the State Department, the Nicaraguan Ambassador in Washington, my Embassy, and at least two U.S. Congressmen, in a frantic effort to discover Mr. Lavo's whereabouts and assure that he was not being harmed by the National Guard. In the end, Mr. Lavo was released without incident, but only after involving the time and atten-

tion of many people, and risking further charges of arbitrary conduct by the GON. I suggested that if the National Guard had followed a humane procedure of informing the families where their kin are being detained, permitting access to them by their relatives, and demonstrating that they were being treated properly, such incidents need not occur.

7. The President pointed out that the government was acting in accordance with military law in holding persons incommunicado for long periods. However, he did admit that it would be "good public relations" to inform families where their relatives are being held for interrogation. He did not say that he would give instructions to that effect, but he did leave me with the impression that he might take action. It was reasonable to presume, I said, that some of the local fears about the National Guard's treatment of prisoners would be dissipated if families were able to visit them.

8. It was my understanding, I told the President, that the Catholic Episcopal Conference of Nicaragua soon was going to make public another declaration deploring the situation of human rights and social justice in the country. I pointed out that the Capuchin missionaries' letter of June 13, 1976, had not been answered by the President. No information on missing persons has been revealed as was promised and no investigation of National Guard misconduct has been undertaken. There seemed to be a general feeling within the Church and outside that abuses had not diminished since that time. Another statement critical of the GON at this time is unfortunate.

9. It would be helpful, I added, if the GON would release whatever information it has about the persons named in the Capuchin missionaries' list of missing persons. I repeated my hope that such information would be released to the Capuchins and to the Embassy. Somoza was reserved and noncommittal.

10. Finally, I told the President that we were aware that it would be impossible to stop politically motivated charges against the GON, some of them reckless and irresponsible. However, there was increasing criticism of moderate church groups acting out of reasons of conscience and pastoral duty, that could not be dismissed as politically-inspired or irresponsible. It was our belief that it was in the interest of the GON to mitigate the fears of this segment of the Nicaraguan community, to establish some procedure to inform families of the whereabouts of their kin, to stop all mistreatment of those incarcerated, by punishing those responsible, and to closely control the departmental commands accused of misbehavior.

11. The President listened without interruption as I underlined the seriousness of the situation in which I think the GON finds itself in. Strictly speaking, I said, the incarcerations and arrests of Nicaraguans were none of my concern. Nevertheless, they made an unfavorable im-

pression on my fellow citizens, the news media, and the U.S. Congress. A friendly public opinion in the United States was essential to our friendship. I stressed that I was making our position clear in the interest of maintaining our traditional, friendly relations.

12. The President said that he fully understood our situation and the pressures the USG was facing. He said that he believed that the anti-Somoza groups and the Communists were trying to make a test case of Nicaragua. They are attempting to see how far “pressure tactics” on the administration will be successful in forcing a change in administration policy towards Nicaragua. If they are successful, they will redouble their efforts. He said that his government was “sandwiched” between a U.S. administration facing intense congressional pressure on human rights issues and the FSLN, with Cuban support, involved in insurgency inside of Nicaragua. If the government takes measures of self-defense, it is accused of human rights abuses.

13. I answered by saying that it seemed the prudent course to act in such a way in the counterinsurgency campaign so as to not bring unnecessary criticism upon the GON, or to alienate more campesinos, thereby providing more fertile ground for FSLN indoctrination. The President said that he had evidence that the FSLN was trying to provoke the National Guard into actions against innocent campesinos, to add to the discontent and fears.

14. I left a copy of the abridged version of section (J) of the report on U.S. Security Assistance (reftel C) with the President, explaining that this was the latest demonstration of the depth of congressional concern about the human rights situation in countries receiving U.S. Security Assistance. I also left a copy of Senator Kennedy’s comments in the July 19 *Congressional Record*, which carried an English translation of the Capuchin letter, and attachments. The President thanked me for bringing this material to his attention.

15. *Comment:* While Somoza listened respectfully, at no time did he convey the impression that he was particularly disturbed or concerned about the recent adverse drift of events. He did not react to our encouragement that he take action to attenuate, if not end, National Guard abuses and reduce local tensions, particularly with the missionary and other church groups. He did not show any special concern about Nicaragua’s international image nor did he seem to fully grasp the importance of creating the friendly American public opinion so essential to our good relations. He spoke in generalities and was ill-informed about the details of the mounting human rights criticism of his government. He continues to view the human rights problem as a natural result of the counterinsurgency campaign, with internal pacification taking precedence over a scrupulous regard for the treatment of FSLN suspects or collaborators. Somoza is not being completely frank with us, and he

shows no signs of being more forthcoming with information about National Guard clashes with the FSLN. He admitted as much today when he said he wished to avoid alarming the public by releasing all information on the National Guard-FSLN contacts. It remains to be seen, of course, if the GON responds to our requests for additional information and clarification of alleged human rights abuses. But this meeting did nothing to raise my expectations.

Theberge

267. Telegram 3900 From the Embassy in Nicaragua to the Department of State¹

Managua, August 18, 1976, 1837Z.

3900. Subject: FMS Transactions with GON: M-16s and M-60s. Ref: (A) Managua 3794 (B) State 189779 (C) State 251114 (D) Managua 3798.

1. Embassy has taken note of the Department's position in reftel concerning the deferral and final approval of sale of M-16 rifles and M-60 machine guns to Nicaragua.

2. Embassy wishes to point out that Ambassador has made two strong *démarches* to President Somoza on human rights issue since July 21. Although, as indicated reftel (D), Somoza did not seem to be on top of issue nor did he commit himself to take any affirmative action on the question, it is worthy of note that the entire issue of human rights

¹ Summary: The Embassy recommended that a proposed sale of M-16 rifles to Nicaragua not be delayed, noting that deferral of the transfer would diminish U.S. influence and weaken bilateral relations. The Embassy added that the Nicaraguan Government appeared to have received the message that the U.S. Government was concerned about human rights.

Source: National Archives, RG 59, Central Foreign Policy File, D760317-0881. Confidential. Telegram 3794 from Managua is dated August 12. (Ibid., D760310-1298) Telegram 25114 to Damascus is dated October 8. (Ibid., D760381-0203) Telegram 3798 from Managua is Document 266. In telegram 3342 from Managua, July 13, the Embassy reported that the purchase of the rifles was to standardize the National Guard's equipment and to counter an arms build-up in Honduras. (National Archives, RG 59, Central Foreign Policy File, D760270-0170) In telegrams 189779 and 206945 to Managua, July 31 and August 19, the Department responded that the interests of the United States and Nicaragua would best be served by temporarily deferring the sale, that it preferred to wait until the conclusion of congressional hearings on human rights before proceeding, and that "the delay should not be interpreted as a 'threat' or 'pressure.'" (Both *ibid.*, D760295-0972 and D760319-0587) In telegram 3985 from Managua, August 24, the Embassy concurred in the deferral. (Ibid., D760323-0878)

has been quiescent here recently. In past several weeks no reports or complaints have been forthcoming nor has the Embassy received either correspondence or visitors on human rights issue. This could indicate an easing off of repressive measures by the GON or it could be merely coincidental. There seems to be little doubt, however, that the message of our concern has been received by the GON. Yesterday's (August 17) *Novedades*, the pro-government daily, published the entire text in Spanish of *Time* magazine's August 16 cover story on "Torture as an instrument of state policy."

3. With reference to the above-mentioned démarches to President Somoza, it must be recognized that there are strictly circumscribed limits to diplomatic pressures designed to change internal policies of sovereign governments on human rights or other issues. Our judgment is that further diplomatic pressure at this time (i.e., prolonged delay in approving FMS transactions for the major part of the desired weaponry) will prove counterproductive. The result will likely be: (A) GON purchases of desired arms supplies from Belgium, Germany, Israel or other countries; (B) A decreased receptivity of GON to our position on human rights and (C) A serious weakening of our traditional cooperative bilateral relations with Nicaragua. None of these probable outcomes is in the U.S. interest.

4. Furthermore, U.S. threat not to sell small arms, such as M-16s and M-60 machine guns, unless GON accommodates its internal policies to our liking is an empty one, since some 25–30 countries around the world manufacture and export the desired arms. In the past, the GON has purchased Belgium 5–56 mm cal. assault rifles and Israeli Arava aircraft, and has adequate funds to make third-party purchases at any time. Last month, the GON discussed the purchase of machine guns, assault rifles, grenade launchers, and other equipment with representatives of Heckler & Koch, GMBH, a German supplier. An Israeli military sales representative is currently visiting Managua with regard to a possible purchase of portable radios. As we know, U.S. equipment usually is preferred but is not indispensable.

5. Finally, as noted in reftel (A), President Somoza has been told that Department has approved in principle sale of M-16s. In view of this fact, a posture of prolonged delay in approval of FMS transactions will be interpreted as tantamount to a rejection of that request, and will place extremely serious and unnecessary strain on our bilateral relations and push the GON to other competitive suppliers. This in turn will weaken the close U.S. MILGP–GN working relations which puts us in a position to urge moderation on the GN and the GON in the counterinsurgency campaign. Our future leverage would be seriously undermined if we take action now to punish the GON for acts that we

disapprove while the human rights situation still appears to be less than critical.

Theberge

268. Telegram 4395 From the Embassy in Nicaragua to the Department of State¹

Managua, September 20, 1976, 2213Z.

4395. Subject: Assistant Secretary Shlaudeman's Meeting with President Somoza, September 18, 1976. Ref: Managua 4281.

1. *Begin summary:* Assistant Secretary Shlaudeman's reaffirmation of U.S. policy of cooperative relations with GON based on mutual interest was well-received. However, Somoza expressed concern at what he believes is an "anti-Somoza faction" in the Department and alleged expressions of hostility towards him and his government by Department officers. Continuing U.S. concern about human rights violations (physical abuses of persons by governments) in U.S. administration, Congress and public was underlined. Somoza stated that state of siege likely would be terminated in November. He also showed interest in aid program levels projected for Nicaragua over next few years and again questioned delay in approval of export license for purchase of M-16s and other arms. *End summary.*

2. President Somoza received Assistant Secretary Shlaudeman, accompanied by the Ambassador, in his office at noon on September 18, 1976. The meeting which included lunch, lasted nearly three and a half hours.

3. While the discussion ranged over a wide variety of topics, the most important points raised may be summarized briefly as follows:

¹ Summary: During a visit to Managua, Assistant Secretary Shlaudeman reassured Somoza of the U.S. Government's policy of maintaining friendly, cooperative relations with Nicaragua. Somoza expressed concern about reports that Department of State officers in Washington and at the Embassy in Managua were hostile to him.

Source: National Archives, RG 59, Central Foreign Policy File, D760357-0513. Confidential; Limdis. Telegram 4281 from Managua is dated September 10. (Ibid., D760343-0545) In telegram 242823 to Managua, September 30, the Department stated it had approved the sale of rifles to Nicaragua, adding that the decision was based on a perception that Somoza had responded to U.S. human rights concerns by bringing the National Guard under tighter control. (Ibid., D760370-0373)

A. U.S. Policy. Shlaudeman explained the purpose of his visit to Central America and reaffirmed U.S. policy of friendly, cooperative relations with Nicaragua based on mutual interest. Somoza replied that he appreciated this frank restatement of U.S. policy towards Nicaragua and his government. Nevertheless, he said, he was disturbed at continuing reports he has received that Department officers, in the Embassy and in Washington, were hostile to him and his government. He mentioned Gerald Sutton, former Embassy Political Officer, as an example of an Embassy officer known for his antagonism towards his government and open sympathies with the anti-Somoza opposition. He added that just last month he had received another disturbing report from an American friend who had received a Department briefing on Nicaragua. His friend claimed that highly critical statements about his government had been made by the Nicaraguan Desk, which allegedly had been described as "corrupt." Somoza expressed surprise and dismay that a Department officer would engage in such characterizations. Shlaudeman said that he was not aware of any bias against his government, and assured the President that the Department does not pass judgment on friendly governments.

B. Human Rights and State of Siege. Shlaudeman outlined the Department's views on the general question of human rights, which he said was an issue of continuing concern to the U.S. administration, Congress, and the American public. He drew a clear distinction between our concern about physical abuses of persons (torture, killings and the like), and the forms of government existing in particular countries, which was a domestic affair. U.S. policy was to avoid involvement in attempts to change internal political structures. Somoza described FSLN activities and their costs in terms of human suffering, mentioning a figure of about one thousand persons killed (including FSLN members, National Guard personnel, and others) over the past fifteen years. He pointed out that the state of siege had been introduced as a result of the FSLN Los Robles attack in December, 1974. He said that the FSLN continued to foment internal unrest with Cuban support, but lacked a popular base. He asserted that the state of siege would be lifted soon, probably November, as the military tribunal's interrogations and indictments come to an end.

C. Approval of M-16s and Other Arms Purchases. Somoza raised the question of Department approval of the sale of M-16s and other arms to his government. He said that these arms were required to replace old equipment, and indicated his concern over the delay in obtaining export license approval. He pointedly remarked that his government's relations with the United States was based on mutual cooperation. Nicaragua was prepared to help its friends and expected the same treatment in return. Shlaudeman replied that he would look

into the matter upon his return to Washington to see what action might be taken soon. Somoza said that he would appreciate it if Shlaudeman would give this matter his personal attention.

D. Projected aid program levels. The President said that he wished to gain a clearer notion of the magnitude of foreign aid resources that might be available to the GON over the next few years. He was particularly interested in knowing what aid program levels were projected for Nicaragua. Shlaudeman said that this matter was presently under review and that the Ambassador would be able to provide a better idea of what to expect upon completion of the program review.

4. *Comment:* While the conversation was cordial, Somoza showed his continuing sensitivity to what he is convinced is an active "anti-Somoza" faction within the Department. The Assistant Secretary's visit clearly was appreciated and seemed to reassure Somoza of the USG's interest in maintaining mutually advantageous and cooperative relations. It is difficult to know how serious Somoza is about bringing an end to the state of siege, an often repeated but thus far unfulfilled intention. There are some signs of loosening of censorship and the work of the military court is nearing completion. But an upsurge in FSLN activity and renewed counterinsurgency sweeps would produce a fresh crop of prisoners that could be used to justify continuation of the state of siege, as has been the pattern in the past. Somoza conveyed in strong terms his growing concern over delays in approval of export licenses of the M-16s and other arms purchases, repeating what he had recently told the Ambassador (see reftel).

Theberge

269. Telegram 288351 From the Department of State to the Embassy in Nicaragua¹

Washington, November 24, 1976, 2110Z.

288351. Subject: IDB Loan to GON and Human Rights in Nicaragua. Refs: (A) Managua 5201, (B) Managua 5104, (C) Managua 4395, (D) Managua 4141, (E) Managua 3798.

1. Executive Directors of the Inter-American Development Bank (IDB), including U.S. Director, voted November 18 to approve 15 million U.S. dollars agro-industrial loan for Nicaragua. USG decision to support the loan followed careful consideration of human rights situation in Nicaragua, in keeping with provisions of Harkin Amendment in the IDB Act.

2. As Embassy is aware, decision to approve the Nicaraguan loan required careful weighing of information indicating improvement in human rights picture against other, less encouraging signs. As Ambassador pointed out to President Somoza in August, complaints from Nicaraguan Church based on events in Siuna area raised serious question of whether GON had engaged in consistent pattern of gross violations of human rights, as referred to in Harkin amendment. Consideration also given to issues of detention incommunicado, treatment of detainees, provision of fair trials, etc. While trends over past few months are encouraging, underlying problem may very well persist. Congressional criticism of the GON and our bilateral dealings with

¹ Summary: The Department stated the U.S. Director on the board of the Inter-American Development Bank had voted to approve a loan to Nicaragua on the understanding that the human rights situation there had improved somewhat, but added that the Nicaraguan Government should be aware that any departure from recent encouraging trends could force the United States to oppose such loans in the future.

Source: National Archives, RG 59, Central Foreign Policy File, D760439–0228. Confidential. Drafted by Gowen; cleared by Charles Bray in ARA, and in draft by Weissman, Kenneth Hill in D/HA, and Charles Runyon in L/HR; and approved by Shlaudeman. Telegram 5104 from Managua is dated November 1. (Ibid., D760408–1095) Telegram 4141 from Managua is dated September 1. (Ibid., D760332–0620) Telegram 4395 from Managua is Document 268. Telegram 3798 from Managua is Document 266. In telegram 272372 to Managua, November 5, the Department requested an updated assessment of the human rights situation to determine if support for a proposed IDB loan was in keeping with provisions of the Harkin amendment, which required a negative U.S. vote on assistance to any country engaged in a consistent pattern of gross violations of human rights. (National Archives, RG 59, Central Foreign Policy File, D760412–0957) In telegram 5201 from Managua, November 8, the Embassy reported that there was no evidence of a pattern of gross violations at any time, that the situation appeared to have improved in the preceding months, and that it was receiving no new reports of abuses. (Ibid., D760416–0763) In telegram 131 from Managua, January 10, 1977, the Embassy reported that the substance of telegram 288351 had been communicated to Somoza. (Ibid., D770009–0148)

Nicaragua will certainly continue, probably in heightened form, and support of this loan proposal may become one specific point of controversy.

3. You should seek an interview with President Somoza at the earliest opportunity to discuss the background of our decision on the agro-industrial loan. You should reaffirm Assistant Secretary Shlaudeman's statement to Somoza (reftel C) that we seek to preserve a cooperative relationship with the GON based on mutual interest. In this instance, we were gratified that recent developments in the human rights field permitted us to vote affirmatively on the agro-industrial loan. It should be noted that we are required by statute to base decisions on IDB loans on measurement of government practices with respect to internationally recognized human rights, as enumerated in the Universal Declaration of Human Rights. Reference should also be made to the restatement of the U.S. commitment to defend these rights made by Secretary Kissinger at Santiago. As noted by Shlaudeman, the Harkin amendment reflects a preoccupation with human rights standards which the Executive Branch shares with the Congress and the American people.

4. It should be emphasized that the concern evidenced by the Harkin amendment will continue and may well be accentuated in the future. Consequently, we will have to carry out similar determinations when future loan proposals come up in the IDB for Nicaragua and other recipients. The GON should be aware that any serious departure from recent trends on the human rights front could force us to vote against such loans, when they cannot be demonstrated to be of benefit primarily to the needy, as we did in July in the case of a Chilean application.

5. In discussing this matter with Somoza, you should stress our desire to avoid such a negative outcome. In this regard, it would be most helpful to us, and would seem to serve our mutual interests, if the GON could consider additional concrete steps to end the practice of holding suspected FSLN detainees incommunicado, without access to their families and legal counsel. Also helpful would be continued efforts to end mistreatment of detainees (including efforts to discipline or prosecute those who mistreat detainees) and the clearing up of the numerous cases of disappearances brought to Somoza's attention by the Nicaraguan bishops in August (reftel D).

6. On a more general level, you should again ask Somoza about his intentions to carry through with his announced intention to lift the state of siege (reftel B). In light of recent GON successes against the FSLN, including elimination of Carlos Fonseca and other leaders, this seems propitious moment to terminate the suspension of constitutional rights and press censorship. Full restoration of regular judicial system and

press freedom would do much to ameliorate GON's continuing image problem here and elsewhere.

Robinson

270. Staff Notes Prepared in the Central Intelligence Agency¹

Washington, December 27, 1976.

[Omitted here is material unrelated to Nicaragua.]

Nicaragua: State of Siege to End

President Somoza, having effectively neutralized the Sandinist guerrillas, plans to lift the two-year state of siege shortly. Somoza will be giving up little if any of his political control in a move that he probably hopes will improve his country's image abroad.

The state of siege was imposed in December 1974 when the Sandinist National Liberation Front (FSLN) took several prominent Nicaraguans hostage and forced President Somoza to release imprisoned compatriots and fly them to Cuba. Since then, an aggressive counter-insurgency campaign has led to the death of its national leader, Carlos Fonseca Amador, and the capture of several other prominent leaders.

Interrogation of these leaders and subsequent investigations have yielded indictments against 111 members and collaborators, of whom 36 are being held. The 75 still at large will be tried in absentia. The military trials are expected to end by mid-January at the latest.

The state of siege has had several benefits for Somoza. It has allowed him to submit suspected terrorists and supporters to military rather than civilian courts. In addition, the censorship provisions have enabled him to muzzle principal opposition leader Pedro Joaquin Chamorro, owner of the major daily *La Prensa*. By shutting off this opposi-

¹ Summary: The CIA noted that the terrorist threat in Nicaragua had receded and that Somoza planned to lift the state of siege that had been in effect since December 1974.

Source: Central Intelligence Agency, FOIA Electronic Reading Room. Secret. All brackets are in the original except those indicating text omitted by the editors. In telegram 5858 from Managua, December 22, the Embassy reported that Somoza had made the first public announcement that the end of the state of siege was imminent; he stated at a press conference that the state of siege would be lifted upon the conclusion of an ongoing trial of FSLN members, which was expected to end in January 1977. (National Archives, RG 59, Central Foreign Policy File, D760470–0555) Martial law was not lifted until September 1977. (Telegram 4320 from Managua to the Department, September 19, 1977; *ibid.*, D770340–0240)

tion outlet, he has prevented dissemination of any criticism by the Congress—infrequent though it has been. Also, the censorship has cut off publicity for Chamorro's anti-Somoza political coalition, the Union of Democratic Liberation, thereby contributing to its general ineffectiveness.

As the terrorist threat has receded, so has the justification for the state of siege. The FSLN has been all but destroyed. It is completely on the defensive and is beset by internal divisions. For the moment, it appears to have adopted a strategy of protracted struggle which, for all practical purposes, means a long period of minimum activities.

Somoza probably also hopes that lifting the state of siege will improve the image of his government. Domestic church groups have criticized him for military excesses under the state of siege and Nicaragua has been a target of international human rights groups.

The lifting of the state of siege is unlikely to have major domestic impact. While Chamorro and other opponents will be permitted to resume their criticism of the Somoza government, there is no real prospect for change in the tradition of political and economic control that the Somoza family has exercised for 40 years.

Caribbean

Cuba

271. Memorandum From Serban Vallimarescu of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Scowcroft)¹

Washington, February 13, 1973.

SUBJECT

Hijacking Agreement with Cuba

The U.S. and Cuba have reached agreement on the text of an agreement on hijacking. Attached for your information is a copy of the agreed text. (Tab A)

The most recent hijacking incidents involved hijackers of a clearly criminal nature, and the Cuban Government thereafter issued a statement indicating its willingness to enter negotiations with the U.S. on the air piracy problem. In response we indicated our willingness to hold talks through the Swiss Embassy in Havana but stressed that this represents no change in our overall policy toward Cuba. The first meeting between Cuban and Swiss officials was held in Havana November 25. The Cubans presented a draft agreement at that meeting. Subsequent meetings negotiated the text which has now been approved.

Previous attempts at negotiating an agreement with the Cubans on this problem foundered over Cuban insistence that any such agreement

¹ Summary: Vallimarescu informed Scowcroft that the United States and Cuba had reached an agreement on the handling of hijacking cases.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 780, Cuba, Vol. II. Confidential. Sent for information. Attached (Tab A) is the text of the U.S.-Cuba hijacking agreement, published with this memorandum as Document 142 in *Foreign Relations*, 1969–1976, volume E-1, Documents on Global Issues, 1969–1972. In airgram A-1746 to all diplomatic and consular posts, February 26, the Department transmitted the text of a February 15 note from Secretary of State Rogers to Czechoslovak Chargé Jaroslav Zantovsky that contained the agreement with the Cuban Government on hijacking. (National Archives, RG 59, ARA/CCA Files, Lot 78D189, POL 40 Costa Rica, 1973)

also cover the return of illegal exiles, including those already in the U.S., and the prohibition of any acts of piracy against Cuban territory by émigré groups. The approved proposal does deal with the Cuban concerns but rules out *retroactive* action, thereby protecting Cuban émigrés already in the U.S. It also provides for exemption from the provisions of the agreement for cases of political asylum. It covers the hijacking of both aircraft and vessels. In brief, the parties agree to:

- give serious consideration to extraditing hijackers instead of prosecuting them in the country in which they land;
- provide for the continued protection and ongoing travel of passengers, aircraft and the like which have been diverted;
- provide for the return of funds or property obtained illegally;
- try, in accordance with national laws, any person or group who conducts acts of piracy against the territory of the other country;
- hold open the possibility of granting political asylum in some cases where no financial extortion or physical injuries are involved.

The agreement is to be in force for five years and may be extended for an additional five years if both parties so agree. It may be terminated with six months written notice by either party.

The agreement will probably enter into force by means of an exchange of notes which would be handled through the Swiss and Czech Embassies in Havana and Washington respectively. Cuba is conducting talks on the hijacking problem also with Canada and Mexico.

272. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, March 2, 1973.

SUBJECT

Release of Captain Villa

You will recall the case of Captain Villa who was captured by the Cubans when they seized the *Johnny Express* in December 1971. You met Mrs. Villa and one of their daughters at Key Biscayne just after the seizure and promised to do all you could to secure the Captain's release.

We have been working on this through a variety of channels. Two weeks ago, William Jorden, my assistant for Latin American Affairs, discussed the matter in detail with Panama's General Torrijos. The General promised to send a trusted aide to Cuba to argue with Fidel and get Villa out of jail.

We were informed by phone last night that the Torrijos's assistant had gone to Cuba and had returned to Panama with Captain Villa. This has been confirmed by CIA. We are informed that Villa is in good health.

We do not yet know whether Villa can be returned to the United States immediately, or if the Cubans have insisted on some kind of token confinement for a short time in Panama. We are following this up.

But the main point is that Captain Villa is now out of Cuban hands and will soon be joining his family. I thought you would want to know.

¹ Summary: Kissinger informed President Nixon that Cuba had released the U.S. captain of the *Johnny Express*, a merchant ship seized in December 1971 after the vessel had allegedly been involved in attacks on the Cuban coast.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 781, Latin America, Cuba, Vol. IV, 1972. Secret. Sent for information. A notation on the memorandum reads: "The President has seen." At the bottom of the document, Nixon wrote, "[Kissinger:] (1) Inform his family (through [Nixon's friend Charles "Bebe"] Rebozo), (2) Agree to 'token' confinement in Panama, (3) If he is released be sure we handle it in way that I meet his family again & point up our follow through." In a March 5 memorandum, Scowcroft informed Jorden of Nixon's notations on the memorandum and asked Jorden to monitor the case. (Ibid.) In a March 5 memorandum to Kissinger, Jorden noted that Villa would be required to remain confined in Panama "for a reasonable time" but that his detention there would be "the equivalent of house arrest." (Ibid.)

273. Circular telegram 43380 From the Department of State to Certain Diplomatic Posts¹

Washington, March 9, 1973, 0032Z.

43380. Subject: U.S. Policy Toward Cuba. For Ambassador.

1. At the earliest opportunity you are instructed to call on the Foreign Minister to give him the following message from the Secretary: Quote Dear _____:

As you know, the United States and Cuba have recently concluded an agreement on hijacking which we are hopeful will serve as an effective deterrent to this serious crime. We are aware, however, that the agreement may have raised some question about our general position on Cuba.

It is important that there be no misunderstanding on this matter, and for this reason President Nixon has asked that I assure you that the United States Government firmly supports the OAS sanctions respecting Cuba and intends to continue doing so until Cuba alters its policies toward the hemisphere. If Cuba's policies and actions should some day warrant a change on our part, I also wish to assure you categorically that we would not proceed unilaterally but only in concert with our fellow members in the OAS after full and prior consultation with you. Sincerely, William P. Rogers. Unquote.

2. In discussing this letter with the Foreign Minister you should emphasize that in his February 15 statement on the signing of the hijacking agreement the Secretary carefully pointed out that this does not

¹ Summary: The Department instructed Ambassadors to many Latin American countries to inform their host governments that the hijacking agreement with Cuba did not signal a change in U.S. policy and that the United States still firmly supported OAS sanctions against Cuba.

Source: National Archives, RG 59, Central Files, 1970-1973, POL CUBA-US. Limited Official Use. Drafted by Philip Johnson in ARA/CCA; cleared by Hurwitch, Norbury, Ford, and Meyer; and approved by Rogers. Sent to Asunción, Bogotá, Buenos Aires, Brasilia, Caracas, Guatemala City, La Paz, Managua, Panama City, Bridgetown, Georgetown, Kingston, Lima, Port of Spain, Mexico City, and Santiago. In a March 23 memorandum to Kissinger, Eliot reported that the Latin American governments that received this message appreciated the U.S. statement but that their reactions had indicated that the OAS sanctions policy was on an uncertain footing. (Ibid., Nixon Presidential Materials, NSC Files, Country Files, Box 781, Latin America, Cuba, Vol. IV, 1972) In telegram 58440 to Asunción, Bogotá, Buenos Aires, Brasilia, San Salvador, Guatemala City, La Paz, Managua, Montevideo, Port-au-Prince, San José, Santo Domingo, and Tegucigalpa, March 29, the Department requested that Ambassadors reemphasize the United States' position on Cuba "if you now have any doubts about your host govt's intentions." (Ibid., RG 59, Central Foreign Policy File, [no film number]) Telegram 171684 was not found. Telegram 203974 to Mbabane is dated October 15. (National Archives, RG 59, Central Foreign Policy File, [no film number]) Telegram 224911 to Marshall Islands is dated November 14. (Ibid.)

quote constitute a change in our overall policy toward Cuba unquote and in his press conference following the signing the Secretary repeatedly made it clear in response to questions that, quote this (the agreement) does not foreshadow a change of policies as far as the United States is concerned toward Cuba unquote and that, quote we don't notice any change in the policies and attitudes (of Cuba) and therefore our position remains the same unquote. In this connection you may also wish to recall the President's comment on Cuba in an interview with the *Washington Evening Star* published after the election that quote there will be no change whatever (in U.S. policy toward Cuba) unless Premier Castro changes his policy toward Latin America and the U.S.—and I do not anticipate this will happen. Unquote.

3. Should the Foreign Minister raise questions about the specific Cuban policies to which we object you may say that they include Cuba's hostile attitude toward the U.S., its efforts to assist subversion in other hemisphere countries as well as its military ties with the USSR. As appropriate, additional material you may wish to draw on includes: the still valid statements on Cuba in the President's February 1972 *Report to the Congress on U.S. Foreign Policy* and in the Secretary's Annual Report on U.S. Policy for 1971; Deputy Assistant Secretary Hurwitch's vision article of September 9 which discusses the policy at some length (State's 171684); Mr. Meyer's comments on Cuba in a November 8 Associated Press interview (State's 203974); and the Department's reaction to the establishment of diplomatic relations with Cuba by Jamaica, Barbados, Trinidad and Tobago, and Guyana stressing our view that any change in application of the OAS sanctions should only result from collective action by all OAS member states after the OAS has decided that Cuba is no longer a threat to the peace and security of the hemisphere (State's 224911).

4. Please report the reactions of the Foreign Ministers.

274. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon¹

Washington, June 6, 1973.

SUBJECT

Caribbean Protective Operations

You will recall that following the seizure in international waters of two Bahamas Line ships—*Johnny Express* and *Layla Express*—you directed special operations be conducted in the Caribbean to protect Bahamas Line merchant ships from similar attacks. Last May Defense recommended termination of those special operations or at least a gradual standdown. You approved a gradual reduction of the operation as outlined by the Department of Defense and directed that a final review be conducted before termination of the more limited protective measures.

In the memorandum at Tab A, former Secretary of Defense Richardson reports that the authorized reductions in operations were completed in September. Since that time, third-phase operations using one patrol craft on standby plus the normally based ready aircraft at Guantanamo and Key West have been committed to this exercise. In addition more U.S. ships have been routed through the area of most concern. Richardson feels that termination of the special operations is now in order for the following reasons.

—There is no evidence of Cuban reaction to any of the phased reductions in the level of protective operations.

—In the 16 months of protective operations there have been no known Cuban operations which threatened Bahamas Line ships.

—The Cuban Government has released to Panama the two captured Express ships. Remaining Bahamas Line ships have been conducting business as usual with no indication of Cuban interest in the ships. So long as the owners of the Bahamas Line continue to refrain

¹Summary: Kissinger recommended terminating measures to protect merchant ships from Cuban attack that had been instituted after the December 1971 seizure of the *Layla Express* and the *Johnny Express*.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 781, Latin America, Cuba, Vol. IV, 1972. Top Secret. Sent for action. A note on the memorandum reads: "The President has seen." Nixon initialed his approval of the recommendation. Jordan transmitted a draft of this memorandum to Kissinger under a May 30 memorandum, not published. Attached (Tab A) is a May 21 memorandum from Richardson to Kissinger requesting authority to discontinue the use of forces to protect merchant shipping in the Caribbean, not published. (Ibid.) In a June 11 memorandum, Kissinger transmitted the President's decision to Rogers and Clements. (Ibid.)

from supporting anti-Castro operations, there appears to be no significant Cuban threat to the ships.

I agree that termination of the operation is now warranted. We have made our point to Castro. We will continue to utilize forces normally available in the area for contingencies. LANTCOM forces will maintain a presence in the area with routine transits and operations which should demonstrate to Cuba continued U.S. resolve to protect U.S. citizens and to maintain freedom of the seas in the Caribbean.

Recommendation:

That you authorize termination of operations in the Caribbean to protect merchant ships of the Bahamas Line from seizure.

275. Memorandum From William Jorden of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, August 22, 1973.

SUBJECT

Cuba-Latin America Relations

Brent Scowcroft informed me that two recent items in the Daily Brief had caught the President's eye and elicited some concern. They were:

—August 3 item: "Cuba Invited to Join Latin Group"

—August 8 item: "Venezuelan Démarche on Cuba"

The attached memo gives the President a picture of the current state of play on the Cuba matter.

¹Summary: Jorden drafted and attached a proposed memorandum to President Nixon on relations between Latin America and Cuba, noting that OAS sanctions against Cuba would probably remain intact over the short term but that "the trend in Latin America as regards Cuba is moving rather fast in the wrong direction."

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 781, Latin America, Cuba, Vol. IV, 1972. Secret. Sent for action. Kissinger wrote, "File—No sense stirring up a hornet's nest," on the memorandum. The draft memorandum from Kissinger to Nixon on Latin American moves to restore relations with Cuba is published as an attachment to this document. The second-to-last paragraph of the draft memorandum beginning, "In my judgement," was lined out by hand.

Brent mentioned a possible directive to State outlining the Administration's views on this subject. As noted in the attached memo, State is fully aware of our views and is working hard to counteract the Venezuelan initiative. I have been monitoring the effort closely. I think everything is being done that can be done. I therefore believe that a special directive on this is not needed for it could say nothing new. If I felt State was dragging its heels, of course, I would favor setting them right. But they are not doing so on this one.

Incidentally, while I believe we will come out all right on the present initiative, I am sure you realize that the trend in Latin America as regards Cuba is moving rather fast in the wrong direction. It is inevitable that a majority in the OAS will at some time in the next year support dropping sanctions—or at least letting each country make its own decision as regards relations with Havana.

Recommendation:

That you sign the attached memo to the President.

Attachment

Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Nixon

Undated.

SUBJECT

Cuban Relations with Latin America

You expressed an interest in recent developments on this front. The current state of play is as follows:

At the United Nations, Cuba was admitted in March to the Latin American group on an "informal" basis to take part in Law-of-the-Sea consultations. The action was taken on the basis of Cuba's UN membership.

In Geneva, the Latin American caucus accepted Cuban participation earlier this month for discussions in the Seabeds Committee. This was done over vigorous Brazilian objections but was supported or accepted by the others (we, of course, do not belong to either group).

The latest development is the so-called Venezuelan initiative. The Venezuelans have drafted a memorandum and a resolution for possible submission to the OAS Permanent Council next month. It is also identical to the proposal Peru made in June. It would free member states of the OAS to establish relations with Cuba based on their indi-

vidual evaluations of their national interests. We have vigorously opposed the Venezuelan proposal on juridical grounds (it is an effort to circumvent the two-thirds vote requirement for resolutions under the Rio Treaty) and on political grounds (there is no evidence Cuba has changed its attitude or behavior, including intervention in the affairs of other countries). Brazil has taken a similarly tough stand.

Our assessment is that the Venezuelan proposal will get the support of all seven OAS members that now have relations with Cuba (Argentina, Barbados, Chile, Jamaica, Mexico, Peru and Trinidad-Tobago). They can also expect the votes of Colombia (which has been trying hard to improve relations with Venezuela), Ecuador (same reason), and Panama (to placate local leftists). Thus, with its own vote, Venezuela can count on 11 ayes.

Nays will come from: Bolivia, Brazil, Costa Rica, Dominican Republic, Haiti, Honduras, Nicaragua, Paraguay, Uruguay, and the United States. Thus, ten votes against.

Both El Salvador and Guatemala have indicated that they oppose the Venezuelan proposal on juridical grounds but will probably abstain on a substantive vote.

We are working hard, both in Washington and in the two capitals, to convince El Salvador and Guatemala to vote “no” instead of abstaining. We are also encouraging Somoza to intervene with his neighboring presidents (with whom he has considerable influence) to change their position.

Costa Rica is a special problem. While opposing the Venezuelan plan, its Foreign Minister has come up with an initiative of his own. He would have the OAS Organ of Consultation meet and consider whether the reasons for the original sanctions against Cuba still exist. Unless it found that there had been no change—and supported that finding by a two-thirds vote—the sanctions would terminate. We are, of course, opposing this move strongly.

We are also lobbying hard with others who may be wobbly, notably Colombia and Ecuador. But both appear to have given their pledge of support to their neighbor, Venezuela.

If we can swing Guatemala and El Salvador around to a negative vote—and hold Costa Rica in line—we will have the twelve votes to defeat the Venezuelan move. In that case, it is likely that they will not even introduce the resolution formally (you will recall that they dropped the matter once before when it became clear they did not have a majority).

Everyone concerned in State and in the field understands our vigorous opposition to this kind of proposal. And they are working overtime to beat it back. We are cooperating closely with the Brazilians and others of like mind. My staff is monitoring this effort closely.

In my judgement, a special directive outlining our views on this matter is not needed at this time. I am persuaded that all concerned understand fully the importance we place on defeating the Venezuelan proposition.

Two other matters should be noted: (1) Venezuela itself clearly intends to open relations with Cuba before the end of the year, and probably in the next month, to influence the left-wing vote in the national elections early in 1974; (2) even if the Venezuelan proposition won a majority of votes, we can and will continue to fight it on juridical grounds as a violation of the provisions of the Rio Treaty. And on this, we will have support even from many of those who may be inclined to vote for the Venezuelan resolution on political grounds.

276. National Intelligence Estimate 85-73¹

Washington, November 1, 1973.

[Omitted here is a title page and a map of Latin America.]

CONTENTS

	Page
PRÉCIS.....	1
THE ESTIMATE.....	4
I. THE STATE OF THE REVOLUTION.....	4
The Economy	4
The Style and Structure of Leadership	5
The Export of Revolution	5
II. THE LATIN AMERICAN RELATIONSHIP.....	6
The Changing Climate.....	6

¹ Summary: This estimate analyzed the improving relations between Cuba and Latin America and outlined possible courses of action.

Source: National Archives, Nixon Presidential Materials, NSC Files, NSC Subject Files, National Intelligence Estimates, Withdrawals, Box 362, Folder 2. Secret. All brackets are in the original except those indicating text omitted by the editors. According to a note on the cover sheet, the Central Intelligence Agency, the intelligence organizations of the Departments of State and Defense, the NSA, the AEC, and the Department of the Treasury participated in the preparation of this estimate. All members of the U.S. Intelligence Board concurred in the Estimate except the representative of the FBI, who abstained because the subject was outside of his jurisdiction. This Estimate superseded Special National Intelligence Estimate 85-71. Page references in the Table of Contents reflects pagination in the original.

The Ending of Cuba's Isolation	7
Castro's Shifting Tactics	8
III. THE MOSCOW CONNECTION	9
The Tie That Binds.....	9
The Soviet Military Presence	9
IV. CASTRO'S COURSE: CONSTRAINTS AND OPPORTUNITIES.....	10
V. THE OUTLOOK.....	12
VI. IMPLICATIONS OF VARIOUS UNITED STATES COURSES OF ACTION.....	13
ANNEX A: CUBAN INVOLVEMENT WITH GUERRILLA GROUPS IN LATIN AMERICA.....	19
ANNEX B: SOVIET ECONOMIC AND MILITARY INTERESTS IN CUBA.....	23

CUBA AND ITS LATIN AMERICAN RELATIONSHIP

PRÉCIS

Key developments affecting the policies of the Castro regime in recent years include:

- A drop in revolutionary ardor and a more realistic attitude toward problems at home and abroad.
- Increased dependence on Soviet assistance and policy guidance.
- Improved relations with Latin America.

Soviet-Cuban ties over the next few years will be characterized by:

- Castro's disinterest in a general accord with the U.S., and his perception of no alternative to heavy dependence on the USSR.
- Efforts by the Soviets to step up the frequency and, over time, the size of their naval deployments to the region.
- Soviet concern about provoking a strong U.S. reaction and, thus, the likely avoidance of such actions as establishing a base for ballistic missile submarines.

Castro's relations with Latin America will be characterized by:

- Disinclination to undertake any broad program of support for guerrillas and terrorists, in part because of poor prospects for success.
- Emphasis instead on building bridges to established governments showing independence of U.S. influence.
- Continued attraction to the principle of violent revolution and selective support for the few insurgent groups which may demonstrate an ability to operate successfully on their own.
- Regard for Chile as a special case, with assistance to extremists who attempt to resist the military junta.

Over the next several years, Castro's course in Latin America will be shaped by important constraints as well as opportunities:

—The larger and more influential Latin American countries, except for Brazil and Chile, will have diplomatic ties with Cuba by the end of 1974.

—There will be some growth of Cuban influence in regional councils and with certain Latin American governments seeking to establish anti-U.S. or independent positions, particularly on economic issues.

—Castro's dependence on the USSR, Cuba's small size and large domestic problems, and the drive for regional influence by the major Latin American countries will nonetheless serve as formidable constraints on Cuba's activities against U.S. interests in the hemisphere.

The extent to which Havana—and Moscow—would still be able to turn local situations to their advantage will depend in good measure on the kinds of policies the U.S. pursues toward Cuba and the region. Section VI of the Estimate examines the likely implications of a range of illustrative U.S. courses of action:

—Course A: *Take a Tougher Stance* involves stepped-up pressures on certain Latin American and West European governments and on Japan to maintain Cuba's isolation. While this course would please anti-Castro elements in various Latin American countries and strengthen their determination to oppose him, it would stimulate Castro himself to expand rather than contract his efforts to turn the region against the U.S. In the end, the repercussions of such a U.S. policy change would tend to widen the gulf between the U.S. and Latin America and possibly also stiffen Soviet support for Castro.

—Course B: *Hold Essentially to Present Posture* would continue U.S. resistance to Latin moves to lift OAS sanctions, and it would make Castro work hard for any gains at U.S. expense. But the U.S. would have to be prepared to move toward acceptance of the collapse of sanctions after the fact. Castro would still pursue various anti-U.S. activities in the hemisphere. If presently required punitive actions were undertaken by the U.S. against countries lifting sanctions, negative reactions from affected governments would give him additional opportunities to spread his anti-U.S. line. In any case, U.S. assistance to threatened smaller countries and actions by the major countries in their own interests would work to limit Castro's success.

—Course C: *Take Some Steps to Ease Relations* involves U.S. participation in a phaseout of OAS sanctions and a decision to scale down the economic denial program, while exploring possibilities for *ad hoc* accommodations with Cuba as a basis for working out practical improvements in U.S.-Cuban relations. Castro would be prompted to move quickly to expand Cuba's political role in the region; but over time, he would be checked by a variety of factors, especially those noted above, i.e., Castro's dependence on the USSR, Cuba's small size and large domestic problems, and the drive for regional influence by the major Latin American countries.

—Course D: *Move Forthwith to Normalize Relations* involves abandonment of efforts to contain Castro's role in the hemisphere and generous inducements for Cuba to accept rapprochement with the U.S. Reactions to a turnabout in U.S. policy of this magnitude would produce formidable problems, including strains in U.S. relations with certain

anti-Castro governments in Latin America. Furthermore, this course would be unlikely either to induce a cooperative attitude on Castro's part or to stem Cuban and Soviet anti-U.S. activities in the hemisphere.

[Omitted here are the body of the estimate and Annexes A and B.]

277. Telegram 220625 From the Department of State to the Embassy in Brazil¹

Washington, November 8, 1973, 1817Z.

220625. Subject: Cuba in the OAS—Venezuelan Initiative Quiescent. For Ambassador Crimmins.

1. We have consulted informally and frequently with Brazilian OAS delegation on Cuba sanctions question and they share our view that Venezuelan and Costa Rican initiatives are quiescent for the time being. It might be useful, however, to have an exchange of views in Brasilia at this juncture because ranking Mexican Foreign Office official has told us privately that his government wishes Cuba to be discussed in some fashion during forthcoming Latin Foreign Ministers meeting in Bogota.

2. You will recall that prior to the Chilean coup it was only lack of agreement on formula that prevented a majority vote in the OAS in favor of relaxing sanctions. The new Chilean Government would almost certainly vote against a change in sanctions, which deprives the Venezuelan formula of a crucial vote and Cuba of an aggressive advocate in hemispheric forums. Neither indications of Cuban involvement in internal affairs of Allende government nor Foreign Minister Roa's outrageous behavior at the UN have helped Cubans. In this atmosphere no one seems inclined to push the sanctions issue for the time being.

¹Summary: Instructing Ambassador Crimmins to exchange views with the Brazilian Government on initiatives to relax OAS sanctions against Cuba, the Department noted that Venezuelan and Costa Rican proposals to allow the reestablishment of relations with Cuba were stalled but that the issue was likely to surface again.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. Drafted by McNeil; cleared by Jova, in draft by Watson, Hoffenberg, and Devine, and in substance by Gantz; and approved by Shlaudeman. All brackets are in the original except "[3.]", added for clarity. In telegram 227685 to all American Republic diplomatic posts, November 19, the Department reported "the Cuban question was shunted aside" during the November 14–16 meeting of Latin American Foreign Ministers in Bogotá. (Ibid.)

[3.] We understand events in Chile, more than anything else, have caused Venezuela (and others, like Costa Rica) to temporarily de-emphasize and slow down their campaign to relax sanctions. Venezuelan OAS delegation has told us repeatedly that they would not present Cuba case for Council consideration unless they were certain of having at least a simple majority, i.e. twelve votes, which without Chile they do not have. If Copei wins the December elections, we would expect them to renew their efforts to get a majority of OAS members to vote for qte optional unqte sanctions or else go ahead and resume relations with Cuba on their own. If Accion Democratica were to win, we would expect them to be less interested in renewing relations with Cuba, but we are not sure what their attitude would be on the question of sanctions per se, nor could we foreclose a move by an outgoing Copei government to get the OAS sanctions modified before it turned over the reins.

4. In sum, we have gained a useful respite because of events in Chile, lack of agreement on a formula, and our representations (which have had some effect in Central America). On the other hand, the basic voting picture apparently remains unchanged, except for the defection of Chile, i.e., those who truly support mandatory sanctions are in a minority. Despite the fact that most Latin governments have little use for Castro, mandatory sanctions per se are disliked by many Latins on philosophic grounds and we can expect the issue to surface again.

Rush

278. Memorandum From Acting Secretary of State Rush to the Assistant Secretary of State for Inter-American Affairs (Kubisch)¹

Washington, January 21, 1974.

SUBJECT

“U.S.-Cuban Policy—Effects of Sanctions on Our Third Country Relations”

At my request, S/PC has coordinated the preparation of several “Issues Papers” in ad hoc study groups outside the normal channels of the Department.

I attach the most recent of these, “U.S.-Cuban Policy—Effects of Sanctions on Third Country Relations,” which was prepared by a group of officers under Brandon Grove’s chairmanship.

The paper proposes several options. I would like to be able to forward it to the Secretary along with ARA’s recommended position with respect to these options. I would therefore appreciate ARA’s preparing a companion paper recommending a position, and relating it, if appropriate, to the Secretary’s meeting in Mexico next month. This paper should be completed and forwarded to me by January 28, in time for the Secretary’s consideration prior to the Mexico Conference.

Kenneth Rush

¹Summary: Rush submitted a paper prepared by the Policy Planning Staff presenting options for reducing the negative impact that sanctions against Cuba had on U.S. relations with other countries.

Source: National Archives, RG 59, Central Foreign Policy File, P850053–0117. Secret; Limdis. An attached list of supporting documentation and an annex on the legislation and regulations constituting the U.S. program of economic denial against Cuba are not published. In a February 2 memorandum to Rush, Kubisch agreed that “our present sanctions policy has become a net liability to the United States” but noted that Kissinger had made clear “that he is not contemplating any change in our policy on Cuba at this time.” Kubisch stated that of the options presented in the paper, ARA favored either the “acquiescence” option or the “move with” option. (Ibid., P850051–2424)

Attachment

Issue Paper Prepared by the Policy Coordinating Staff

Washington, January 18, 1973.

U.S. CUBAN POLICY: EFFECTS OF SANCTIONS ON OUR THIRD COUNTRY RELATIONS

Introduction and Summary

While we continue to have long-term problems with the Castro regime, and with the Soviets over their important military presence in Cuba, *the difficulties arising out of our Cuban policy that are currently most pressing are those which constitute harmful irritants in our relations with third countries.*

These irritants result from the continued strict enforcement of our economic denial program against Cuba and from our continued strong support of the companion OAS sanctions policy. They stem from the restrictions we impose (a) on third countries in their relations with Cuba; and (b) on dealings with Cuba by subsidiaries of U.S. firms operating in third countries and subject to their laws.

This paper examines this situation and concludes that, with appropriate preparation and consultation, the time is right for the U.S.:

- 1) to move to eliminate the extraterritorial reach of *its* sanctions against Cuba, including seeking necessary changes in legislation; and
- 2) to move with other members of the OAS to relax mandatory aspects of OAS sanctions against Cuba, while enabling countries like ourselves to continue to apply their own sanctions on a voluntary basis.

The paper suggests that the Foreign Ministers' meeting in Mexico, scheduled in February, provides a convenient, timely and appropriate setting for the Secretary to inform the Latins that we are prepared, moving in tandem with them, to take these actions.

I. CURRENT POLICY FACTORS

A. Background

The United States has no vital interests in Cuba. We have not had diplomatic relations since January 1961.

Our naval base at Guantanamo is an important deep-water training facility, but could not easily be defended. Its limited strategic value lies in its location astride the sea lines of communication between the U.S. East Coast and Panama.

Castro is entrenched in Cuba, and a successor regime would probably pursue some variant of his brand of socialism.

We are a haven for some 650,000 Cuban refugees. Although their emotional and family ties to Cuba remain strong, their hopes of repatriating to Cuba diminish as they recognize the permanence of Castro's regime and become assimilated in American communities.

Operationally, the heart of U.S. policy toward Cuba is our economic denial program, a comprehensive body of legislation and regulation covering every aspect of our commerce with Cuba, and much of that of third countries.²

When we failed in the early 1960s to accomplish our original policy objective—the overthrow of the Castro regime—we took the lead in the Organization of American States in 1964 in imposing mandatory economic and diplomatic sanctions against Cuba as a means of maintaining pressure on Castro, and of keeping him isolated in the hemisphere. We still strongly enforce our denial program and consider ourselves largely responsible for the enforcement of OAS sanctions.

This Administration, in line with its policy of dealing with governments as they are, has emphasized Cuban behavior toward us and other hemisphere nations, rather than the existence of a communist regime in Cuba, as the rationale for U.S. policy. This emphasis has not, of course, abated our concern over the Soviet military role in Cuba.

B. OAS Sanctions

Our economic denial program is separable from, and antedates, the mandatory multilateral sanctions voted by the OAS in 1964. Earlier the OAS, in 1962, had excluded the Castro regime from participation in the inter-American system. In 1967, it also approved strong recommendations urging non-member nations to refrain from trading with Cuba.

Under the Rio Treaty, the OAS sanctions are to remain in effect until the Foreign Ministers or the Permanent Council of the OAS, “by an affirmative vote of two-thirds of the members,” determine that Cuba has “ceased to constitute a danger to the peace and security of the hemisphere.”

From July 1964 until November 1970, Mexico was the only Latin American country to maintain diplomatic relations with Cuba, but it too suspended commercial relations.

In recent years, support for mandatory sanctions has declined as Latin perceptions of the threat posed by Cuba have diminished.

In November of 1970 relations with Cuba were reestablished by the Allende government—to be broken again when Allende was

² See Annex. [Footnote in the original. The annex is not published.]

overthrown. Chile was followed by Peru, Barbados, Guyana (not an OAS member), Jamaica, Trinidad and Tobago, and Argentina. At the non-diplomatic level, e.g., in culture, information and sports, contacts have increased steadily, particularly in Panama and Venezuela.

During the last half of 1973, the outgoing Venezuelan Government pressed for a majority vote in the OAS on a resolution that would, in effect, *render sanctions voluntary* by freeing each member of the OAS to establish relations with Cuba if it so wished. Costa Rica has suggested the *removal of sanctions altogether*.

As of late 1973, of the 23 active members of the OAS only 8 (including Brazil) remained fully committed to sanctions. Eleven countries overtly favored relaxing or lifting the sanctions. Several others leaned toward abstention on a sanctions vote, an indication of non-support.

A majority vote (12) in favor of making sanctions voluntary would have the practical effect of ending the mandatory aspect of OAS sanctions, notwithstanding the requirement for a two-thirds vote under the Rio Treaty.

The competing Venezuelan and Costa Rican formulas delayed a vote. More recently, events in Chile caused both formulas to be put aside temporarily. The recent Venezuelan elections have further clouded the voting picture by bringing into office leaders critical of Castro in the past.

While the issue of Cuban sanctions is thus not now a pressing item on the OAS agenda, its temporary eclipse provides an opportunity to review the U.S. position, to choose among options should we decide on change, and to influence positively the course of future OAS deliberations.

Important trade-offs are involved. U.S. support of a voluntary sanctions formula would remove some of the restraints on the expansion of Castro's relations in the hemisphere. This can be offset, however, by the favorable atmosphere our move would create elsewhere in Latin America. On the other hand, Castro's reincorporation into the Latin American community over U.S. opposition—another possibility—would of course be damaging to us.

The current debate over the Rio Treaty itself gives the problem an added dimension. An OAS Special Committee to reform the inter-American system is considering, inter alia, proposals for radical and undesirable modifications of the treaty. These could probably be headed off by U.S. support for a compromise on what many Latins see as a key problem: a voting system under which *one-third* of the membership can block the modification or lifting of OAS sanctions (e.g., the case of Cuba)—against the will of a *majority*.

C. *Soviet Interests*

The Soviets attach importance to the *political* benefits of their position in Cuba: a presence they view as a factor, albeit small, in the world balance of power; a symbol of their great power status; and a visible counterpart to the U.S. military position on Soviet borders.

Cuba also has a real if limited *military* value to the USSR as a base for naval reconnaissance aircraft, a replenishment and maintenance facility for naval ships and submarines and, potentially, as a forward base for ballistic missiles and attack submarines.

In an all-out war situation such facilities would be highly vulnerable and thus of questionable value beyond the strategic build-up period prior to the outbreak of hostilities. Despite this, the Soviets will seek to retain their military presence in Cuba, even though it does not appear to be an essential element of their strategic posture.

Modification of this presence would be primarily a function of U.S.-Soviet and not U.S.-Cuban relations. The Soviets might even view variations in their Cuban presence as potential bargaining chips in bilateral negotiations with the U.S.

Chairman Brezhnev's visit to Cuba illustrates the strengthening of Soviet-Cuban ties over the past four years. Cuba's economy is intimately linked to the Soviet economy. Cuba's accession to membership in COMECON in 1972 suggests closer economic ties with Eastern Europe.

Keeping Castro in business has become increasingly costly to the Soviet Union. Moscow's expenditures are now estimated to be well over \$1.5 million a day. Our economic denial program has had little direct bearing on current Soviet costs, which derive mainly from Cuba's balance of payments needs. Our policy has had no apparent effect on Soviet determination to continue to bear these and other costs in Cuba.

The Soviets would welcome relaxation of OAS sanctions against Cuba. They would presumably also welcome a U.S. decision to seek improvement in relations with Cuba as this would diminish the potential for conflict in the area, slightly ease the Soviet economic burden, and promote acceptance of a communist state in the hemisphere.

Cuba's dependency now appears to be such that Moscow perceives no immediate threat to Soviet military and political interests in Cuba from the prospect of better U.S.-Cuban relations.

II. ASSESSMENT OF THE POLICY

A. *Policy Accomplishments*

The U.S. economic denial program has contributed somewhat toward:

—complicating Cuban attempts at subversion abroad, thereby inhibiting the export of revolution which has declined markedly in recent years;

—making more difficult Cuba's efforts to increase commercial and financial relationships with non-Communist countries outside the Western Hemisphere, e.g., in Western Europe and Japan;

—discouraging some Latin American countries from reestablishing relations with Cuba;

—increasing Soviet costs of maintaining the Cuban economy; and

—demonstrating to Cuban refugees in the U.S. our support of their cause.

Despite this, Castro has not only survived: he has consolidated his position in Cuba, strengthened his ties to the Soviet Union, and has become increasingly acceptable in the hemisphere and in international councils.

B. *Policy Costs*

1. *Third Country*

In an ever more nationalistic Latin America, where U.S. pressure has been primarily responsible for keeping mandatory OAS sanctions alive, many Latins view our Cuban policy as contradicting our advocacy of a more mature partnership.

The consistent application of our economic denial program interferes, sometimes seriously, with the conduct of our relations with OAS and other third countries who wish to carry on normal commercial and other relations with Cuba.

The extraterritorial reach of our economic denial program in recent years has impinged upon the sovereignty of, and come into direct conflict with, foreign and commercial policy interests of Argentina, Australia, Belgium, Canada, France, Italy, Japan, Mexico, the Netherlands, Peru, Spain, the UK, Venezuela, and other nations.

In an important spillover, our policy is increasingly affecting the operations of U.S. business subsidiaries abroad.

Argentina: A Critical Example

In August of 1973, the Argentine Government (GOA) extended to Cuba a one-year \$200 million line of credit for Argentine capital goods, potentially renewable for five successive years. It did so to stimulate Argentina's economy and to demonstrate political independence of the U.S.

Subsidiaries of U.S. firms (including Ford, General Motors, Chrysler, Borg-Warner, Clark Equipment Company, and Goodyear Tire) are now under GOA pressure to sell to Cuba under this credit. They have expressed strong concern over possible penalties against them if they are prevented by our Cuban Assets Control Regulations

from exporting to Cuba. Our decision on license applications from GM, Borg-Warner and Chrysler is pending.

Although fully informed about our economic denial program, the GOA shows no signs of exempting U.S. subsidiaries from participation. It has told us that U.S. companies which seek the advantages of incorporating subsidiaries as Argentine companies must also subject themselves to Argentine laws or face unfortunate consequences. Our investment stake in Argentina amounts to about \$1.3 billion, mostly in manufacturing.

Our Embassy commented on December 13, 1973 as follows:

“Argentina is committed, as a matter of high national priority, to expanding its exports of manufactured goods. The GOA’s attempt to enlarge its share of the market in Cuba is a part of that effort. U.S. sanctions will not deter the GOA from carrying out its Cuba policy, though their application by the U.S. may succeed in embittering our relations.”

In addition to complicating our relations with Argentina, this problem carries broader implications for us. Forced participation of U.S. subsidiaries in Argentine exports to Cuba will make it considerably more difficult for U.S. companies to resist similar pressures on subsidiaries elsewhere, e.g., in Peru, Mexico, and Canada. The affected companies, and others, will be less likely to continue to adhere to our economic denial program—and more likely to press for further relaxation in its application.

Venezuela: Another Example

Shortly before its hotly contested Presidential election last December 9, Venezuela purchased 5,000–6,000 tons of sugar from Cuba and sent a Venezuelan naval vessel to Havana to effect shipment.

Our Embassy in Caracas was instructed to inform the GOV that under the Foreign Assistance Act of 1961, as amended, shipping Cuban sugar in Venezuelan vessels would make Venezuela ineligible for further U.S. assistance—including MAP training for which \$1 million is programmed for FY 1974. Ineligibility can be waived only by the President, but no such waiver has previously been given for violations of the Cuban sanctions.

Managing this problem, as yet unresolved, is a difficult undertaking for us. During the election campaign the matter was handled discreetly by both our Embassy and the GOV, which chose not to make our representations public. However, the issue could easily become public—unavoidably so if we should apply sanctions—and thus complicate our relations with both outgoing and incoming Venezuelan administrations, the latter manifestly more in tune with our foreign policy objectives than the former.

2. *Bilateral*

U.S. policy toward Cuba, and Cuban policy toward the U.S., have assured that relations between us remain hostile, subject to continuing tensions that reinforce this hostility and sometimes affect other countries.

We have exerted the strongest diplomatic and economic pressures against Castro without securing either his downfall or acceptable behavior toward us.

Our policy in effect tends to freeze both our options and Castro's. At the same time, it continues to provide him a scapegoat to alibi Cuba's economic performance and a convenient target for his propaganda abroad. An atmosphere of mutual suspicion and distrust all but ensures Castro's continued dependence on the Soviet Union.

C. *Conclusions*

Our sanctions policy has now become a net liability to the United States:

1) It has not prevented Castro from consolidating his power in Cuba, strengthening his ties to the Soviet Union, or becoming increasingly acceptable in the hemisphere and elsewhere.

2) It carries the potential for damage to important bilateral relations with other countries, adversely affects U.S. business interests abroad, and weakens the effectiveness of the Rio Treaty.

3) It deprives Castro of a viable alternative to his close ties to the Soviet Union.

III. OPTIONS FOR CHANGE

A. *Rationale*

The three options of this paper primarily address those aspects of our policy toward Cuba that affect third countries, because our most pressing and time-sensitive problems lie in this area.

Under all of these options, our bilateral policy toward Cuba would not change.

The options are predicated on the assumption that continued good relations with third countries, particularly in the hemisphere, are more important to us now than improving our bilateral relations with Cuba.

They also assume that relevant legislation can be amended at acceptable domestic political costs.

With regard to timing: the current temporary respite from Latin pressures in the OAS makes it easier now for us to shift our stance on OAS sanctions, and to modify our own economic denial program as it affects third countries. *We can do this as a positive and unforced contribution to the new dialogue that will begin in Mexico.*

Operationally, as long as our bilateral relationship with Cuba remains unchanged, a voluntary OAS sanctions formula (rather than out-

right lifting of the sanctions) would best serve U.S. interests. It would retain the international legal basis for the continuance of sanctions by us and others wishing to maintain them.

While even a U.S. *abstention* in a vote on sanctions in the OAS might give us limited influence in determining the kind of resolution to be adopted, we could probably assure a two-thirds vote (per current Rio Treaty provisions) for a resolution satisfactory to us by making known in advance that we would *vote for* voluntary sanctions.

Tactics aside, *we would under each option continue to implement our own economic denial program as it affects Cuba directly, but would waive application of (or amend, as necessary) legislation or regulations affecting dealings with Cuba by third countries or by U.S. commercial entities in and subject to the laws of third countries.*

We would cease pressuring third countries that are not subject to U.S. legislation or regulation, e.g., Japan, against dealings with Cuba.

Also implicit in the following three options is the requirement that we meet our oft-repeated commitment to consult OAS countries on any decision to modify our policy toward Cuba *before* implementing such a decision. The Mexico meeting provides a unique opportunity to begin such consultations.

Finally, the domestic as well as foreign policy repercussions of these options require consultation with key congressional leaders, perhaps even before Mexico. Any movement on Cuba will generate both positive and hostile public reactions.

In terms of our *bilateral* relations with Cuba, the varying degrees of movement inherent in these options can serve to:

- open possibilities for an improvement in the tone of our relationship with Cuba; and

- clear away underbrush impeding possible future moves to improve the relationship itself.

Lessened tension and hostility would, if opportunities arose, permit the exploration of such moves.

In considering changes in U.S. policy, the following possible options have been *rejected*:

- a unilateral “*stand pat*” option, because it is inconsistent with the findings of this paper;

- a bilateral “*rapprochement*” option, because it would be premature, it would be inconsistent—and in conflict—with our commitments to OAS countries, and it would exaggerate the importance we attach to Cuba *per se*;

- a trilateral “*Soviet good offices*” option, because it would be undesirable to accord the USSR the role of “honest broker” in the Western Hemisphere, and because such an approach might convey the impres-

sion that we are more tolerant of Soviet military presence in Cuba than is the case.

B. The Options

1. The "Acquiescence" Option

Under this option, the U.S. would acquiesce passively in moves by OAS countries and others to carry on activities they deem to be in their interest with regard to Cuba. The Secretary would inform the Latins at Mexico that we would lobby neither for nor against efforts to modify OAS sanctions, that we would abstain on any vote on this issue in the OAS, but that we would seek to eliminate applicability of the U.S. economic denial program to third countries, and to U.S. subsidiaries in third countries.

This option would:

- give us some limited influence over the manner in and degree to which change in OAS policy toward Cuba would take place;
- remove serious irritants in our relations with Latin American and some other countries;
- ease the propaganda effect of an eventual public defeat of our present position in the OAS;
- prevent issues arising out of our Cuba policy from clouding the proposed new dialogue between the U.S. and Latin America;
- remove a complication in U.S.-Soviet relations by enabling us to permit Soviet vessels in the Cuban trade to bunker in U.S. ports;
- provide potential incentive for Castro to modify his attitude toward us;
- show that we are willing to let the Latins take the lead on an important hemispheric matter; and
- facilitate further movement away from our current bilateral policy when and if conditions become appropriate.

It would also:

- represent a shift in the U.S. position perhaps significant enough to impel the OAS toward an early modification of sanctions, though not necessarily by a two-thirds vote;
- remove constraints on some Latin American governments wishing to reestablish diplomatic relations with Cuba, and on other third countries wishing to expand commercial relations with Cuba;
- be interpreted by Castro and others as at least partial "capitulation" by us without necessarily lessening the hostility between the U.S. and Cuba or enhancing our ability to deal with practical problems between us;
- perhaps signal the Soviets an acceptance of their presence and military activity; and
- generate momentum toward the removal of sanctions altogether, either in the initial OAS vote or later.

2. The "Move With" Option

Under this option, we would actively move with the sentiment to make OAS sanctions voluntary. We would attempt to assure a two-thirds vote on

the issue by making it known to the Latins in Mexico that we would vote with the OAS majority in order to facilitate our third country relations as these are affected by our Cuban policy, and to preserve the integrity of the Rio Treaty. We would also indicate our intent to eliminate applicability of the U.S. economic denial program to third countries and to U.S. subsidiaries in third countries.

This option would:

- give us strong influence over the manner in and degree to which change in OAS policy toward Cuba would take place;
- enhance the other advantages of the previous option;
- be an earnest of our resolve to engage in a fruitful new dialogue with Latin America;
- endow us with greater flexibility in dealing with proposed modifications of the Rio Treaty;
- transfer the onus for isolation of Cuba from U.S. pressure to Castro's own behavior;
- contribute to potential improvement in the general atmosphere between Cuba and the U.S., leading to a possible easing of the hostility between us; and
- provide the Soviets with an opening to nudge Castro, if they wish, toward a less hostile relationship with the U.S.

It would also:

- remove international constraints on Latin America and third countries wishing to establish or expand relations with Cuba;
- afford Castro the short term propaganda advantage of claiming that we had finally been forced to accept the Cuban revolution;
- antagonize anti-Castro and anti-Communist sentiment in the U.S. and Latin America, e.g., in Brazil, Chile, Paraguay and Haiti; and
- encourage immediate pressures from within the U.S., including from business groups, to move toward normalization of our bilateral relations with Cuba.

3. *The "Take the Lead" Option*

Under this option, we would take the lead in the OAS by proposing to the Latins in Mexico that the Organ of Consultation be convoked under the Rio Treaty and offering our own draft resolution to make OAS sanctions voluntary. We would also seek to eliminate the applicability of the U.S. economic denial program to third countries and U.S. subsidiaries in third countries.

This option would:

- enhance most of the advantages of the previous two options; and
- provide Castro with an unequivocal signal of a positive policy change by the U.S. which could facilitate a future decision to move gradually toward improvement in our bilateral relations.

It would also:

- be subject to the interpretation that we have fully accepted Castro and his revolution, as well as the Soviet presence in Cuba;
- enhance other disadvantages of the previous options; and
- encourage Castro to sit back and await further “concessions” from us.

279. Memorandum From the President’s Assistant for National Security Affairs (Kissinger) and Secretary of the Treasury (Shultz) to President Nixon¹

Washington, March 14, 1974.

SUBJECT

Canadian Request for Foreign Assets Control Exemption

Under the Cuban Assets Control Regulations, American officials of U.S. firms abroad are prohibited from allowing the foreign subsidiary to trade with Cuba without a Treasury license. In selected cases, however, where special agreements or circumstances have required, exemptions have been granted on a case-by-case basis and licenses issued. In the particular case of U.S.-owned firms in Canada, our policy is conditioned by the Eisenhower-Diefenbaker Agreements of 1958. Under this agreement the United States agreed to issue licenses to

¹ Summary: Nixon rejected Kissinger and Shultz’ recommendation that a license be issued to allow the Canadian subsidiary of a U.S. company to export locomotives to Cuba.

Source: Ford Library, National Security Adviser, Scowcroft Daily Work Files, April 19–30, 1974, Box 6. Secret. Sent for action. A note on the memorandum reads: “The President has seen.” Nixon initialed his disapproval. In a February 16 memorandum informing Kissinger of Canada’s request for approval of the sale, Hartman and Armstrong recommended approval, while Kubisch advised disapproval; Kissinger wrote, “Agree with ARA unless P [President?] approves,” and initialed his disapproval on February 21. (National Archives, Nixon Presidential Materials, NSC Files, Box 1338, Unfiled Material, 1974) In a February 23 memorandum to Kissinger, Hartman reported that Canadian officials regarded the denial as “explosive.” (Ibid.) In a May 13 memorandum to Kissinger, Clift reported that the Canadian subsidiary’s directors had voted to proceed with the sale. (Ibid.) In a January 29 memorandum to Nixon, published in *Foreign Relations*, 1969–1976, Volume E–11, Part 2, Documents on South America, Document 12, Kissinger recommended that licenses for trade with Cuba be issued to subsidiaries of U.S. firms in Argentina when it could be demonstrated that the companies would be subject to retaliation for refusing to do business with Cuba; Nixon initialed his approval, while recording his preference for the “disapprove” option.

cover transactions with Cuba of non-strategic goods which cannot be produced except by U.S.-owned Canadian firms and which are important to the Canadian economy. On eleven occasions in the past, exemptions have been granted and licenses issued to permit the sale of small quantities of goods to Cuba.

On February 13, 1974, the Canadian Government requested that an exemption be made to the Foreign Assets Control Regulations in a case involving the export of Canadian locomotives to Cuba. The particular interest of the Canadian Government in this case derives from the impact the sale would have on the economy of Quebec, which is now experiencing serious unemployment. An exemption in this case could be authorized under the Eisenhower-Diefenbaker Agreement, but due to the magnitude of the contract (\$13 million), which far exceeds the level of earlier cases, it could be viewed by other firms and by Latin American countries as a breach of U.S. policy on trade with Cuba.

The Canadian Government has made it clear in official representations to the State Department, and in a call by Finance Minister Turner to Secretary Shultz, that a refusal to issue a license in this case would result in a very unfavorable political reaction in Canada. Further, the Canadian Government has drawn attention to recently enacted legislation—Canadian Foreign Investment Review Act—permitting reprisals against U.S. firms that practice extraterritoriality in Canada.

A similar situation arose recently with regard to the Argentine Government's threats of retaliation against U.S. firms in Argentina which could not under U.S. law accept contracts for sales to Cuba. Your decision in that case was to authorize waivers of the Foreign Assets Control Regulations on a case-by-case basis if the corporations concerned could demonstrate that they faced serious retaliation by the Argentine Government for refusing to sell to Cuba. Because of the possibility of misinterpretation of U.S. Cuban policy at the time of the Mexico City Foreign Ministers's meeting, this decision has not yet been implemented.

The fact that the Argentine and Canadian cases would become public knowledge in the same time period substantially accentuates the impact this would have. Therefore, reviewing both of these cases together, in our judgment:

—There will be serious political and economic repercussions with Canada if we do not authorize an exemption in the pending case.

—On the other hand, granting the license will be interpreted, especially in conjunction with the Argentine case, as a breach of our policy toward Cuba.

If the exemption for the Canadian firm is granted, the decision must also be made as to whether a small amount of U.S. exports to

Canada associated with the manufacture of these locomotives would be authorized. In the past, Commerce has granted such export licenses in similar cases where the percentage of the total sale represented by U.S. exports has been small. In our view, if we grant the license for sale to Cuba, it would be inappropriate to block the small volume of exports from the U.S. to Canada associated with this transaction. Commerce Secretary Dent will be consulted once the basic decisions have been taken.

Decision Required

The following factors require consideration in making a decision on the Canadian case:

In favor of the Canadian Sale

—Canada clearly attaches great importance to this sale.

—Canada would react favorably and would not move against U.S. foreign investment (as might be expected if the license were not approved).

—The decision, when made public, could be qualified to indicate that it has been taken on its merits, is in keeping with past policy and that future decisions will continue to be taken on a case-by-case basis.

—There are parallels with the Argentine case.

Against the Canadian Sale

—Despite the qualifications accompanying a favorable decision it might be interpreted as a relaxation of the Cuban embargo.

—OAS member states and other countries would regard this decision as being inconsistent with U.S. assurances that no changes are planned in U.S. policy toward Cuba.

Because of the very great importance attached to this issue by the Government of Canada, and bearing in mind Canada's forthcoming and helpful role on energy matters at present, we recommend that you approve issuance of the license allowing the Canadian firm to sell locomotives to Cuba.

Peter M. Flanigan concurs. Bill Timmons recommends against approval.

280. Transcript of Secretary of State Kissinger's Staff Meeting¹

Washington, April 25, 1974, 3:13–4:16 p.m.

IN ATTENDANCE

Secretary of State Kissinger	
D	Mr. Rush
P	Mr. Sisco
EA	Mr. Ingersoll
EUR	Mr. Hartman
L	Mr. Maw
S/AM	Mr. McCloskey
AF	Mr. Easum
INR	Mr. Hyland
NEA	Mr. Atherton
S/P	Mr. Lord
S/P	Mr. Boeker
SS	Mr. Eagleburger
S/S	Mr. Springsteen
S/PRS	Mr. Anderson
EB	Mr. Enders
ARA/LA	Mr. Kubisch
C	Mr. Sonnenfeldt

[Omitted here is discussion unrelated to Cuba.]

Jack, what about the Cuban export business?

Mr. Kubisch: Well, in the week since we announced the exception for those three automobile companies in Argentina, we've had a reaction around the hemisphere and around the United States. There haven't been any real surprises that it wasn't a necessary step—and, if anything, it may be a little late.

The only real criticism of it—well, there have been two kinds of criticism: the criticism that we did it has come really from only one person—Senator Gurney from Florida. He said, "You shouldn't do it. You should rescind it." He sent letters to three Cabinet officers—Commerce, Treasury, and you, I think.

But whereas Fасcell and the *Miami Herald* and others down there realize that this was a step we had to take, press reaction has been crit-

¹ Summary: During a discussion of reaction to the granting of exceptions to the U.S. ban on exports to Cuba in the case of certain Argentine companies, Kissinger stated that Castro would have to begin making concessions before the U.S. Government moved further towards an improvement in relations.

Source: National Archives, RG 59, Transcripts of Kissinger Staff Meetings, Entry 5177, The Secretary's Principals and Regionals Staff Meeting, Thursday, April 25, 1974. Secret; Nodis. All brackets are in the original except those indicating text omitted by the editors. The newspaper articles mentioned in the discussion are not further identified.

ical—of the editorials that I’ve seen, there’s one—Monday, Tuesday and Wednesday of the *Post*—and the *Baltimore Sun*. Those are the only one’s I’ve seen thus far. They said that this was a fine step. We’ve gone in the right direction. But you’ve marred a splendid performance in Latin America by not going farther and re-examining more our whole policy.

Secretary Kissinger: They’re idiots. Even Venezuela, which talks as if we should go further, as you remember, told us privately we shouldn’t do what we should under the sanction. Isn’t that right?

Mr. Kubisch: That’s right. And Brazil too.

Secretary Kissinger: Yes. But Brazil doesn’t want to go further.

Mr. Kubisch: In the Congress—aside from Senator Gurney—four Congressmen—Congressman Wayland and some others—are introducing a resolution asking us to re-examine our policy and loosen up on policy. And on the Senate side, the Senate Foreign Relations Committee voted, 13 to nothing, since the resolution that Javits proposed.

Secretary Kissinger: But this does give us the greatest options. We can move towards Cuba if we want to, but we can hold tough without OAS pressure. We can get through this week without the OAS taking a stand.

I saw Rabasa yesterday. He tells me it’s the first OAS meeting in nearly a decade where there was no attack on the United States.

Mr. Rush: That message—it was the first time that an American State has been praised in his time. They’ve all been ignored or criticized.

Mr. Kubisch: He’s been really full of praise—and, even, really, of the U.S. business community—including Donald Kendall, President of Pepsi Cola. He testified before the Senate Banking Committee and recommended that the United States discard the policies of trying to enforce its laws abroad on subsidiaries and so on.

Secretary Kissinger: Bob, I interrupted you.

Mr. McCloskey: I’m so unaccustomed—I forgot what I was going to say.

The *Wall Street Journal* had the same kind of an editorial one day.

Secretary Kissinger: Not far enough.

Mr. McCloskey: Not far enough. And somehow or other, then imputed a meanness in the way that we handled it.

Secretary Kissinger: Why?

Mr. McCloskey: That on the face of it it’s really a change of policy—well, it’s a chink in the change of policy.

Secretary Kissinger: Certainly.

Mr. McCloskey: That the Department wouldn’t acknowledge that.

Secretary Kissinger: That's right. We had to position ourselves between those who didn't want to change the policy—those who pretended to want to change the policy and the very few who actually want to change the policy—which may be two or three countries: Argentina, Peru, Mexico maybe. Mexico wants to get credit for our change of policy. I'm not sure they give a damn for what actually happens. Who else wants to change the policy? Nobody.

Mr. Kubisch: Although with the new more liberal governments in Venezuela and Colombia, during the course of the year they'll probably swing around. They've been making allowances along that line.

Secretary Kissinger: Well, that's exactly where we positioned ourselves. If we hadn't gotten out ahead, we would have panicked everybody there.

Mr. Kubisch: There's some of the editorial reaction in Latin America saying "change," "slow change," "opening possibilities," and so on. The same thing in Europe—Germany and London.

Mr. McCloskey: What kind of reaction and comment was there in Cuba?

Mr. Kubisch: No official reaction so far.

Secretary Kissinger: Who gives a damn at this stage? But, secondly, the Cubans understand what we're doing and the Cubans know damn well if they pop off they'll blow something. So will the Japs.

We're going to sell every step along this route. Why should we give it away to please the editorial writers of the *Times*?

We're going to be driven step by step in this direction—for a price.

Mr. Kubisch: I think, as we can expect—

Secretary Kissinger: It's not the first Communist country to which we open. No—right now we have to give ourselves the option without exercising it. What would we gain for it? Nothing. We'd gain nobody's goodwill. We got maximum goodwill from Argentina for what we did. We're in good shape with Peru. Venezuela—we're doing exactly what Venezuela wants. We are in good shape with Brazil.

Who's driving us? Nobody.

Mr. Kubisch: We'll find probably that other businesses and other businessmen will begin pecking away at this field—

Secretary Kissinger: All right.

Mr. Kubisch: —and, as of now, your authority is on a case-by-case basis to see if you want to make any more exceptions.

Secretary Kissinger: That's exactly right. And before we go to an irreversible point, Cuba has to start paying something. We're not going to do it just for the goodwill of Castro. We don't need the goodwill of

Castro. They don't understand the policy. Whose goodwill would we have gained by going one inch further than we did? Nobody.

In fact, as you know, we were prepared to go a slight step further, and everybody urged us not to do it.

Mr. Kubisch: Precisely. It didn't happen. So the one thing that was potentially—

Secretary Kissinger: We've got to sell the connection between political and military things again—six times. (Laughter.)

Mr. Kubisch: The one thing that could have made a real disaster for us right here in Washington and split that conference right down the middle was Cuba.

Mr. Sisco: You didn't get my suggestion? It was "Partners, yo'all." (Laughter.)

Secretary Kissinger: I like the Chinese system. Their Under Secretaries don't speak. (Laughter.)

[Omitted here is discussion unrelated to Cuba.]

281. Memorandum From Stephen Low of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Scowcroft)¹

Washington, June 19, 1974.

SUBJECT

VOA Broadcast to Cuba

Since 1961 the VOA has beamed a special broadcast at Cuba called "Cita Con Cuba" (CCC). The daily one-hour program was supposed to be tailored to the Cuban audience and contain the message we wanted to get across to them. Besides programs to Brazil (in Portuguese), this is the only special country broadcast to Latin America. For various

¹ Summary: Low reported on plans to phase out a Voice of America radio program directed at Cuba.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, Box 2, Cuba—Political, Military 1. Limited Official Use. Sent for information. At the bottom of the memorandum, Low wrote, "On Nov 21 SL [Stephen Low] gave OK to Culver Gleysteen for full cut off as of Dec 1 when other cutbacks being made." In a June 7 memorandum to Shlaudeman, Little proposed dropping "Cita Con Cuba;" Shlaudeman wrote, "OK with me. Please do check with Steve Low." (Ibid.)

reasons, including budgetary and personnel, it was never possible to attain the quality broadcast necessary to attract real audience interest in Cuba. As far as VOA can tell, its regular Latin America program gets a greater response from the Cubans than CCC.

As a result of the lack of success of the program, it was reduced in 1973 to a half-hour evening program, repeated the following morning. There was no observable reaction either in Cuba or Florida to this reduction. Now USIA wants to drop CCC in stages—eliminating the morning rebroadcast on July 1, and the evening half-hour on October 1 when it restructures its normal program activity.

In State's view, there is no danger that elimination of the program would give a misleading signal that we are modifying our policy of isolating Cuba.

Anne Armstrong's office, however, is concerned about the reaction within the Cuban community in Florida of the final phase-out of the program on October 1. They agreed to eliminating the rebroadcast in July, but suggested that we wait until a later date for final elimination of the program. I saw no reason why we should not go along with their request to postpone final elimination of the program until later and so informed the State Department, telling them we would be willing to look at it again at the end of the year.

282. Memorandum From the Central Intelligence Agency to the 40 Committee¹

Washington, July 6, 1974.

SUBJECT

Radio Programs Targeted at Cuban and Other Latin American Youth

1. *Introduction*

a. On 8 December 1967 the 303 Committee endorsed in principle the continued need for a specialized voice to Cuba to supplant Radio

¹ Summary: The Central Intelligence Agency proposed terminating a clandestine program that had produced radio broadcasts designed to appeal to Cuban youth.

Source: National Security Council, Nixon Intelligence Files, Subject Files A–I, Box I008, Cuba 26 April 1969–4 September 1974. Secret; Eyes Only. All brackets are in the original except those indicating text that remains classified. In a September 4 memorandum, Ratliff sought Kissinger's authorization to record termination of the radio broadcasting program in a minute that would be sent to 40 Committee members; Kissin-

Americas, which had engaged in hard-hitting, unrelenting criticism of the Castro regime for several years and which had become widely known as a CIA facility. A lower-key approach to propaganda aimed at Cuba was required. By mid-1968 the Agency had established a program-tape production company, operating as a normal commercial facility, to produce Spanish-language radio programs designed to appeal especially to Cuban youth.

b. The programs, designed to appeal to young people in the 14–25 years of age range, evolved as a mixture of music, news, interviews, and commentaries with the objectives of informing Cuban youth in a subtle fashion of the substantial social, economic, and political changes and progress taking place elsewhere in Latin America and inspiring comparison with their own restricted and controlled opportunities in these fields. The programs are ostensibly directed to audiences in the countries where the transmitting stations are located. Although heard in Cuba, they carry no material identifiably addressed to Cuban audiences.

c. A regional Caribbean program is now carried weekly on stations [1 line not declassified]. The Spanish-language programs are being broadcast by 35 stations in 10 Latin American countries. Analysis of listener response has shown that the themes selected have been of interest and concern to the target audiences both in Cuba and elsewhere in the hemisphere.

d. Reviews of this activity by the 40 Committee in December 1968, March 1970, April 1972, and November 1973 reaffirmed the original objective of broadcasting to Cuban youth. Two additional objectives were approved: (1) programming for other Latin youth to encourage them to work toward positive change in their societies through nonviolent means; and (2) the maintenance of a standby operational capability in the Caribbean, given the increasing Cuban influence there.

e. The Acting Assistant Secretary of State for Inter-American Affairs, the Deputy Assistant Secretary of State for Inter-American Affairs, and the Director of the Voice of America were briefed on the status of this activity and endorsed its continuation for FY 1974. No briefings have been given since the FY 74 approval.

2. Current Status

a. As the sixth year of operation draws to a close, changing circumstances—particularly with respect to budget and manpower—have led to a reevaluation of the activity in terms of overall priorities. Cuban so-

ger initialed his approval, and a notation indicates that the minute recording the decision was dated September 19. (Ibid., Ford Intelligence Files, Subject Files M–Z, Box I012, Youth and Students, 4 Sep 1974)

ciety today is somewhat less ingrown and limited in outlook than was the case when this effort began, and we can even anticipate a time when Cuba will once more be exposed to a number of diverse outside influences. Various pressures within and upon the society in general and youth in particular appear to be operating in the same direction as our own effort. The latter is believed to have contributed to this trend, but its net effect relative to other factors is now beginning to diminish. Elsewhere in the Caribbean and Latin America, with some exceptions (notably Argentina), the involvement of youth in terrorist and other violence seems to be lessening. The need for this type of activity in the hemisphere therefore no longer appears to be as great as in the past.

b. It is accordingly desired to withdraw from the activity during the course of Fiscal Year 1975. The process must be gradual in order to permit orderly liquidation of the program-production company, so that it may appear to go out of business in a normal commercial manner and thus protect the security of the operation.

c. The greatest risk in this activity continues to be disclosure of U.S. Government involvement in the production company and its activities. Termination will be effected in such a manner as to minimize this danger.

3. Termination Plan

a. As the first step toward termination, the two witting officials of the two U.S. firms which have ostensibly sponsored these radio programs [*less than 1 line not declassified*] will be contacted to coordinate the timing for the cutoff. These two firms have marketing interests which must be protected by an orderly withdrawal. The nominal trustee of the company will be briefed on the cover story for the termination; namely, that the company has found competition to be stiff and has not been able to make enough money. Existing contracts for programs will be reviewed to determine how rapidly outstanding commitments can be liquidated. On the basis of this determination a schedule for cessation of business activities will be established. Employees will be given notice that the company is going out of business, with individual separation dates to be dependent on the length of time during which programs must be produced to meet existing commitments.

b. Employees will be afforded ample time to find other employment. Return transportation of their families and household effects to their point of origin or any intermediate point chosen will be paid for as provided in their contracts. They will also be given separation payments equal to two months' salary to assist them in making the transition to another field of activity.

c. The legal dissolution of the company will be effected in accordance with the statutory requirements [*less than 1 line not declassified*].

d. The maximum anticipated costs of the foregoing plan would be approximately as follows:

(1) Employee salaries, termination bonuses, and relocation	[dollar amount not declassified]
(2) Production expenses, broadcast fees, air time costs, and possible penalty and forfeiture payments	[dollar amount not declassified]
(3) Office operating expenses	[dollar amount not declassified]
(4) Office rent (remaining four years of lease)	[dollar amount not declassified]
(5) Federal and state taxes and insurance	[dollar amount not declassified]
(6) Travel and transportation expenses	[dollar amount not declassified]
	<hr/>
TOTAL	\$335,000

4. Costs

Fiscal Year 1973 costs were [dollar amount not declassified]. It is estimated that Fiscal Year 1974 costs will be \$335,000 and that Fiscal Year 1975 costs for termination will not exceed this amount.

5. Recommendation

It is recommended that the 40 Committee approve the termination of this activity in Fiscal Year 1975.

283. Paper Prepared in the Department of State¹

Washington, August 15, 1974.

LATIN AMERICA

Cuba Policy

Background

United States policy toward Cuba is enmeshed in the workings of the inter-American system and has broad implications for our relations throughout Latin America and the Caribbean.

The essence of that policy, the diplomatic and economic isolation of Cuba, is written into the sanctions adopted ten years ago by the Organization of American States (OAS) acting under the provisions of the Inter-American Treaty of Reciprocal Assistance (Rio Treaty). The policy is also codified in a complex and thorough body of U.S. executive and legislative prohibitions.

OAS sanctions are binding treaty obligations for its member states and have constituted the foundation of our policy over the years. They are now under heavy assault.

A majority of countries has now concluded that the cost of maintaining sanctions outweighs their benefits. The range of reasons indicates that the dimensions of the “Cuba problem” are far wider than Cuba’s limited influence in the hemisphere:

—For those countries *where left-wing nationalism or third-world identification is dominant* (Argentina, Mexico and Peru among others) *the sanctions symbolize U.S. hegemony in the hemisphere.* They are pressing to dismantle the policy in order to signal a new era of more equal relations between the U.S. and Latin America. The effort to include Cuba in next March’s meeting of Foreign Ministers is part of their strategy and will be difficult to resist.

—Several former strong supporters of sanctions (including notably Colombia and Venezuela) *now see the policy as a relic overtaken by détente and the fading of the Cuban threat,* as well as a bar to greater Latin American unity.

¹ Summary: The Department prepared background material on Cuba policy for use in briefing President Ford on foreign affairs.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Box 2, Latin America—General 1. Secret; Nodis. Sent to Scowcroft under an August 15 covering memorandum signed by Barbian for Gammon. Additional Department of State and Department of Defense briefing material on Cuba policy was sent to Low under an August 17 covering memorandum from Davis. (Ibid., Latin American Affairs Staff Files, Box 11, President Ford—Briefings, August–September 1974)

—Some of the smaller nations (such as Costa Rica and Ecuador) fear that the erosion of the policy is undermining their own security which they see as linked to the integrity of the Rio Treaty. They want Cuba's situation in the hemisphere "regularized" to preserve the treaty as a viable instrument for collective action.

—Only Bolivia, Paraguay, Chile and perhaps Brazil continue to resist any change in the status quo without pressure from the United States.

Fidel Castro still perceives Latin American rejection of United States leadership as the ultimate guarantee of his revolution. Since 1968 he has pursued that objective primarily through selective diplomacy directed at establishing state-to-state relations rather than by the promotion of continental revolution. His strategy now seeks relations and trade with "independent" governments as a means of legitimizing his revolution, while diminishing U.S. influence and weakening the OAS.

The Soviet Union has brought Castro along during these last six years to an acceptance of the necessity to institutionalize the Cuban revolution, to integrate it further into the Soviet system and to follow the Soviet lead in discarding revolutionary adventurism as a policy for Latin America. *The USSR evidently hopes Cuba's growing acceptance by other Latin American countries will help legitimize the Soviet role in Cuba and through expanded trade (particularly in Venezuelan petroleum) might relieve some of the economic burden it now carries.*

From our own standpoint maintenance of the sanctions has been increasingly complicated by their effect on the third-country operations of American corporations. Our controls on trade with Cuba involving U.S. subsidiaries is regarded in a number of Latin American countries as a direct challenge to national sovereignty. Opposition to the policy has also been growing in the Congress and among opinion makers in this country.

U.S. Strategy

The U.S. has two basic interests: to limit Castro's influence in the hemisphere and to prevent the Cuban issue from disrupting our effort to build a new and more cooperative relationship with Latin America. The policy of isolation has served the first of these well but now poses a threat in terms of the second. We have followed a dual track of protecting the policy within the OAS while seeking to separate the issue from the new dialogue. We have succeeded so far in postponing the issue and by a few careful concessions (notably licenses for automobile exports from Argentina) keeping it within the multilateral framework. Our strategy at this point is to control the timing of OAS consideration of the Cuban problem so as to be able finally to shape the process by which it is resolved.

The Situation Now

Cuba's isolation in the hemisphere is rapidly coming to an end. Seven countries now have full ties with Cuba (Mexico, Argentina, Peru and the English-speaking states of the Caribbean). Panama, urged on by Castro's call to demonstrate its independence, could follow suit in the next few days or weeks. Costa Rica has been pressing for an OAS committee of inquiry to establish whether a basis still exists for sanctions. Colombia and Venezuela are insisting on OAS action this year. We have reached tentative agreement with the last three countries to hold off any substantive OAS action until late in the year, but with Panama's defection could well be forced to accept a committee of inquiry at an earlier date.

We can probably no longer prevent some kind of OAS action to modify or lift the sanctions. When the OAS meeting on Cuba is convoked we will be faced with a majority against continuance of the sanctions. It may be possible to keep together a blocking third to prevent formal lifting of the sanctions under the treaty, but the registration of majority sentiment would make the sanctions unsustainable as an OAS obligation. The OAS itself as an organization has neither mandate nor machinery to enforce the sanctions.

Issues and Choices

In developing a strategy to deal with the Cuban issue as it is evolving we keep in mind that *the procedural choices we make now within the OAS will go a long way toward determining how much influence we ultimately have on the outcome. The options in the OAS context are roughly as follows:*

—To try to maintain the sanctions in the formal sense by insisting that a two-thirds vote is required to lift them. We might possibly succeed with the juridical argument and could probably put together a blocking third. This course would continue to offer some justification for maintaining our current policy. The cost would be very high in terms of the OAS as an institution, of the new dialogue and even perhaps of our bilateral relations with Venezuela and Colombia among others. We would probably be forced in any case to relax trade controls as they apply to U.S. subsidiaries in third countries.

—To structure a form of optional sanctions in which each member state would decide whether to continue its own sanctions. This would meet the minimal requirements of Mexico, Peru and the other "progressives." It would also maintain a possible residual bargaining chip for later use with Castro in the bilateral context. Unless we modified our own sanctions as they apply to third parties, however, we would still face mounting conflicts. In addition, optional sanctions would give Castro a free hand to pick and choose among the Latin American states—to

pursue his objective of a Latin American bloc outside the inter-American system. This course would leave the U.S. with little influence over how Castro fitted himself into the Latin American scene.

—*To acquiesce in lifting the sanctions entirely.* This response would terminate the issue in all its hemispheric manifestations and reduce Castro's leverage somewhat. It would also end his isolation and, in time, unravel the legislative and administrative controls we have imposed to that purpose—controls which continue to hurt the Cuban economy badly.

In some measure the choice we make among these alternatives depends on our calculation of the possibility for an eventually acceptable bilateral arrangement with Cuba. The intelligence reporting indicates that Castro hopes for a rapprochement with the United States that would at least give him access to spare parts and other supplies from this country. His regime is now sufficiently self-confident to contemplate a reconciliation on a businesslike basis. However, we would foresee no substantial Cuban concessions, political or otherwise.

Next Steps

We will want to examine in depth over the coming month the implications of these choices and prepare a new strategy in the light of recent developments both in Latin America and the United States. An important step in the process will be the Secretary's consultations with the Brazilian Foreign Minister at the UNGA with whom we are committed to keep in touch on this issue. In the shorter term if our agreement to hold off until toward the end of the year comes unstuck we must be prepared to deal with the Costa Rican proposal for a Committee of Inquiry. That device does have the attraction of permitting a delay in addressing the substantive issue for several months while we develop our strategy.

284. Memorandum of Conversation¹

Washington, August 15, 1974, 9 a.m.

PARTICIPANTS

President Ford

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for
National Security Affairs

Lt. General Brent Scowcroft, Deputy Assistant to the President for National
Security Affairs

[Omitted here is discussion unrelated to Cuba.]

Kissinger: We need to talk about Cuba.

The President: I noticed Panama attempting to rustle up support. It was turned down by Colombia.

Kissinger: Yes. But that won't hold. Brazil is our only ally.

The President: Do you have any suggestions for a Cuban policy change?

Kissinger: There have been many appeals from Cuba. Castro wants to meet with me.

The Latin American Foreign Ministers are meeting in Buenos Aires next March. If we don't violently oppose it, a consensus would probably develop to let the Cuban delegates come. They may quiet it. Or I could say we won't be ready by March, but would discuss it then.

We have to loosen up or we isolate ourselves. But not high visibility like a Castro meeting; that would be a drastic policy change.

The President: What would we get out of it?

Kissinger: We would move grudgingly and hint of a change. We should work closely with Brazil. We should treat Cuba low-key as just another country.

The President: Would we give back the sugar quota?

Kissinger: Yes, but we shouldn't do it. The issue is the trade embargo. We can lift it slowly or be blackmailed through U.S. subsidiaries. We don't have to move for three months.

Nixon had strong personal views on Cuba. This would be a change of his policy.

¹Summary: Kissinger and Ford discussed the possibility of a change in policy toward Cuba.

Source: Ford Library, National Security Adviser, Memoranda of Conversations, 1973–1977, Box 5, August 15, 1974—Ford, Kissinger. Top Secret; Nodis. All brackets are in the original except those indicating text omitted by the editors. The meeting was held in the Oval Office.

We should keep the initiative and not look like we were forced grudgingly.

[Omitted here is discussion unrelated to Cuba.]

285. Memorandum From Stephen Low of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, August 30, 1974.

SUBJECT

Cuba Policy

Events are now forcing us to make piecemeal decisions relating to our sanctions policy. Decisions already taken on licenses for Argentine subsidiaries and agreement for an OAS Committee of Inquiry have moved us beyond the policy framework within which we had previously been operating. We are called on to make recommendations and decisions on such matters as Cuban participation in the Detroit Energy Conference, validation of passports for travel to Cuba, continuing requests for licenses to U.S. subsidiaries for trade with Cuba, and the like. With the change in the Presidency, each isolated action in this area is taken by the press and foreign observers as a straw in the wind pointing to a new policy—and each is given an importance out of proportion to its real significance.

In fact, we may not wish to modify our bilateral policy toward Cuba in the absence of some real concessions. These might include renewed assurances from the Soviets on military activity in Cuba, in addition to commitments from Castro on such problems as the \$1 billion in expropriated and uncompensated U.S. assets, U.S. political prisoners in Cuba, maintenance of Guantanamo, the reunification of families, the loosening of Cuba's travel controls and so on. At least exploration of

¹Summary: Low noted that events were forcing the administration to make piecemeal decisions relating to its sanctions policy and recommended that a full study of Cuba policy options be undertaken.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Box 3, Cuba 1. Confidential. Sent for action. Kissinger initialed his approval for the preparation of an options paper on policy toward Cuba. The options paper has not been found.

the possibility for progress in these areas would probably be necessary before modifications should be contemplated.

However, there are strong arguments for reducing the problem to manageable proportions by disentangling it from the workings of the inter-American system. A majority of the countries in the hemisphere now oppose OAS sanctions; the constant intrusion of the Cuban issue threatens to distort the new dialogue; and the enforcement of our trade denial sanctions on third countries now costs us far more than it costs Castro. The Cuba issue is also complicating our relations with Canada and some of the European and Asian countries.

In agreeing to the OAS Committee of Inquiry, we have already moved toward extracting the issue from the inter-American context. The requirement now is to determine how this process can best come out in terms of U.S. interests. The Committee of Inquiry will predictably find either that the sanctions should be eliminated entirely or that the member countries should be set free to make their own decisions. We should examine the implications of these two outcomes while there is still time to influence the process. The terms of reference under which the Committee operates will have a significant effect and these will be decided within the next two to three weeks.

In addressing these tactical decisions, we have to think ahead to a restatement of U.S.-Cuba policy after the sanctions have been lifted or modified. That policy will have to deal with maintenance of a bilateral position as well as current legislative and executive sanctions against third country trading with Cuba. As more countries normalize their trade and diplomatic relations with Cuba, pressures on us to modify these laws and regulations will increase. That policy must also deal with our bargaining position vis-à-vis the Soviet Union and Cuba and pressures from the Congress to move quickly toward normalization of bilateral relations.

If you agree, I would propose to draw up an options paper dealing with the various alternatives involved. The project should be held very closely. I would plan to work with only one person each from CIA, State and Defense. We would hope to submit the paper for your and the President's consideration within the next few days.

Recommendation:

That you approve drawing up an options paper as outlined above by NSC, CIA, State and Defense and on an extremely restricted basis for submission to the President.

286. Memorandum From Stephen Low of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, September 5, 1974.

SUBJECT

Visas for Cuban Delegation to the Ninth World Energy Conference

In late July President Nixon decided against admitting Cubans to the U.S. in order to participate in the World Energy Conference (WEC) in Detroit, September 23rd (Tab A). This decision was communicated to the State Department on August 2nd and the Conference organizers were informed that visas would not be issued.

Subsequently President Ford received a letter from Walker Cisler, a personal friend and president of the WEC, appealing for authorization of visas to permit entry of the Cuban delegation (Tab B). George Schultz has also called Brent Scowcroft a number of times in Cisler's support.

The Conference has the support of the Congress and the Executive. President Ford will make its opening address. Refusal to admit the Cubans will undoubtedly occasion adverse publicity because of the high visibility of the meeting, the non-political nature of WEC, and USG vigorous support for the meeting. The State Department has reviewed the matter and again recommended in favor of admitting the Cubans. It contends that their participation would not be a sufficiently significant departure from present practice to signal a basic change in policy, and that the attention which may be aroused can be dealt with in terms of the worldwide nature of the Conference and its similarity to the type of gatherings we normally permit Cubans to attend (Tab C).

¹ Summary: This memorandum raised the question of attendance by Cuban representatives at an upcoming World Energy Conference and recommended reaffirming the decision not to make an exception to rules limiting the issuance of visas to Cubans.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974-1977, Country Files, Box 3, Cuba 1. Confidential. Sent for action. Attached but not published are: an undated, unsigned draft memorandum from Kissinger to Ford (Tab I), an August 2 memorandum from Kissinger to Ingersoll reporting Nixon's decision not to admit Cuban attendees (Tab A), an August 23 letter from Chairman Walker Cisler of the International Executive Council of the World Energy Conference to Ford asking that visas be made available for a Cuban delegation to the meeting (Tab B), and a September 5 memorandum from Springsteen to Scowcroft giving the Department of State's view that the Cubans should be permitted to attend (Tab C), and a September 12 note from Scowcroft to Low that reads: "The decision is reaffirmed. Cubans will *not* be invited." (Ibid., NSC Latin American Affairs Staff Files, 1974-1977, Box 3, Cuba—Scientists' Problems 2)

On the other hand, the Cubans have made known their intention to send a high-level delegation headed by a vice minister. They will undoubtedly draw considerable attention. Their participation, together with the story, which would undoubtedly become known, that President Ford had reversed a decision of President Nixon on the matter, would be taken as a clear signal of our intention to modify our bilateral Cuban policy. This would lead to increased pressure on us from exporters, academic and other groups seeking full resumption of diplomatic and trade relations with Cuba. Undecided Latin countries would also take such a decision as further evidence that we were modifying our basic Cuba policy, causing a weakening of the bargaining leverage we retain in the OAS.

Recommendation

Based on the above considerations, I recommend that you sign the attached memorandum to the President, recommending against permitting Cuban entry for the WEC (Tab I).

Dave Elliott and Clint Granger concur.

287. Paper Prepared in the Department of State¹

Washington, undated.

The Cuba Issue

This paper presents in option form the strategic and tactical choices with regard to the Cuban issue which were discussed in our memorandum of September 6. It does not contain recommendations.

We have rejected continued intransigence in the OAS as an option on the grounds that it is both unworkable and unwise. An attempt to put pressure on other OAS members to vote against lifting the sanctions would destroy the credibility of the New Dialogue. Even maintaining an anti-Cuban front with Brazil and the smaller conservative regimes—a blocking minority—would be costly and, in the end, unproductive as the OAS sanctions will become a dead letter as soon as even a bare majority votes to lift them.

We therefore see three gross options with implications for our actions in the OAS: (1) *grudging acquiescence* in the disappearance over time of sanctions against Cuba, (2) *graceful acquiescence* in that process, (3) *moving now* to position ourselves to deal with the Cuba problem in a bilateral context.

There are two tactical options in the OAS: a formula for *voluntary sanctions* or *one which repeals the sanctions outright*. There appears to be a third option—failure of the OAS to take definitive action—but we have rejected it on the grounds that it would be the worst of both worlds: it would continue the Cuban issue on the inter-American agenda and have no practical effect in deterring Venezuela and others who are now intent on renewing relations with Castro. A majority of less than two-thirds to repeal sanctions would fall in this category. We could con-

¹ Summary: In a paper transmitted to Kissinger, the Department outlined possible strategies for handling the Cuba issue in the OAS.

Source: National Archives, RG 59, Central Foreign Policy File, P820097-1646. Secret; Nodis. Drafted by Bloomfield on September 10, and cleared by Shlaudeman, Feldman, and Einaudi. Kissinger did not indicate a preference for any of the options presented in the paper. Sent as Tab A under a September 11 covering memorandum from Bowdler to Kissinger, which noted that the options in the paper would be discussed in a September 12 meeting to be attended by Sisco, Rogers, Bowdler, Shlaudeman, Mailliard, Lord, Feldman, Einaudi, and Anderson. No other record of the meeting has been found. Also attached to the covering memorandum but not published is a September 11 memorandum from Mailliard to Kissinger outlining an alternative set of decisions to be made on U.S. policy toward possible OAS action on Cuba (Tab B). The paper is based on a longer study of the Cuba issue transmitted by Bowdler to Kissinger under a September 6 memorandum. (Ibid., P820097-1467)

tinue to insist on the legality of our sanctions but their political foundation would have been destroyed.

Our choice of tactical options depends to some extent on our choice of strategic options: a decision for unconditional repeal would make a policy of grudging acquiescence difficult. A decision for voluntary sanctions, on the other hand, leaves open our choice as to the three strategic options.

The strategic options are:

Option 1: Pursue a policy of grudging acquiescence. Lift our sanctions only under pressure.

Pros:

- would give the least offense to Brazil and Chile;
- would defer any necessity for bilateral negotiations with Castro, which, given the lack of advantages for the U.S. in resumption of relations with Cuba, might not be worth the domestic problems such negotiations would create;
- would arouse the least antagonism of domestic groups which are strongly anti-Castro.

Cons:

- would preserve Castro as a symbol of the U.S. desire to dominate the foreign policy of Latin American states, thereby damaging the credibility of the New Dialogue;
- would preserve the Cuban issue as one on which Latin American regimes can demonstrate their “independence” of the U.S.;
- would lead to a series of confrontations over our third-country sanctions as an increasing number of Latin American states reestablish trade relations with Cuba;
- would provide a continuing series of apparent U.S. defeats at the hands of Castro, as our own sanctions inevitably erode under domestic and international pressure.

Option 2: Pursue a policy of graceful acquiescence; eliminate our third-country sanctions; retain bilateral sanctions; wait for Castro to move toward rapprochement.

Pros:

- would reduce drastically Castro’s symbolic role and be consistent with the New Dialogue’s emphasis on Latin America’s freedom of action;
- would allow the U.S. to adjust its sanctions at its own pace.

Cons:

- would be difficult to hang on to bilateral sanctions as other countries rapidly dismantled theirs;
- might prolong the issue domestically.

Option 3: *Maneuver toward bilateral negotiations by beginning now to drop our minor sanctions (e.g. the travel ban), dismantling our third-country sanctions immediately after the OAS vote, and signaling a willingness to end our trade embargo in the context of bilateral negotiations.*

Pros:

- would put an end to Castro's symbolic role and be consistent with the New Dialogue's emphasis on Latin America's freedom of action;

- would have a dramatic impact in Latin America and elsewhere in the world as demonstrating the Administration's willingness to take bold initiatives;

- could turn the tables on Castro by putting the burden on him to show a willingness to deal with us.

- elimination of sanctions would avoid increasing legal difficulties for U.S. companies operating abroad.

Cons:

- would displease Brazil and Chile;

- would arouse opposition and criticism from domestic right-wing groups and their congressional sympathizers;

- would raise a number of difficult issues domestically regarding the substance of the U.S. position in negotiating with Castro.

The tactical options in the OAS:

Option 1: *Work for a formula for lifting the mandatory OAS sanctions which preserves some international legal basis for continued bilateral sanctions against Cuba.*

Pros:

- meets the minimal requirements of Brazil and Chile;

- heads off predictable attempts to charge us with economic coercion under the OAS Charter if we maintain bilateral sanctions;

- defers the question of bilateral negotiations and allows us to proceed more slowly in lifting our own sanctions.

Cons:

- leaves the possibility of future and fruitless debate within the OAS on the juridical status of voluntary sanctions;

- voluntary sanctions would be anomalous under the Rio Treaty which contemplates *collective* action.

Option 2: *Work for an unconditional repeal of sanctions by the OAS.*

Pros:

- extracts the issue once and for all from the deliberations of the OAS;

- provides a clear juridical solution to the benefit of the Rio Treaty and its machinery;

- puts the pressure on Castro to negotiate with us.

Cons:

—Would tend to force U.S. policy to move toward an accommodation with Castro at a pace faster than we or a number of other countries might wish.

Immediate Decisions

There are a number of immediate tactical decisions which we have to make:

Decisions in the OAS

1. *Do we oppose convocation of a November MFM, do we abstain, or do we vote for?*

Voting against would be intransigent, “no-budge” position which we believe is not a viable option. Voting in favor would be more apt to signal that the U.S. was getting ready to change its Cuba policy than would abstention.

Oppose _____

Abstain _____

Vote For _____

2. *Do we oppose establishment of a Committee of Inquiry, abstain, or vote for?*

Same considerations apply as under 1, above.

Oppose _____

Abstain _____

Vote For _____

3. *Do we press for terms of reference for the Committee of Inquiry that require a finding as to whether Cuba has ceased to be a threat to the peace and security of the hemisphere or broader language which avoids a confrontation on the issue of the authority of the Rio Treaty?*

As our memo of September 6 explains, it would be extremely difficult for a number of countries for internal reasons to have to vote either way as to whether Castro remains a menace under the peace and security provisions of the 1964 resolution. Also, a finding that he is not would carry the implication of a collective decision that individual bilateral sanctions were no longer justified. On the other hand, a broader criterion relating the decision to changing conditions in the world (détente and the New Dialogue), as Facio and others have in mind, would make no connection with the original 1964 resolution. We could try for terms of reference that fall somewhere between these two formulations but it will not be easy to bridge the gap.

Insist on a determination under the 1964 resolution _____

Allow Latins to work it out as they wish _____

Work for an intermediate formula _____

(We have in mind a formula that would avoid forcing a vote on whether Castro remains a threat, but which does not completely ignore the 1964 resolution.)

Decisions Regarding Bilateral Restrictions

1. *By September 14.* Should restriction on the use of U.S. passports for travel to Cuba (and to North Korea and North Vietnam) be renewed by this date or allowed to lapse?

Renew _____

Allow lapse _____

2. *By September 16.* Should we allow Cuban delegates to attend the World Energy Conference later this month or do we reaffirm President Nixon's denial of the request?

Allow them to attend _____

Reaffirm denial _____

3. In replying to Senator Fulbright's request for Administration views on a bill that would eliminate prohibitions of U.S. assistance to countries that (a) furnish assistance to Cuba, (b) trade with Cuba, or (c) allow the use of their ships and aircraft in the Cuban trade, do we:

—tell him we prefer to take no position at this time _____

—tell him privately that we find the proposal useful and will support it publicly at the proper time _____

—tell him we would support language making the third-country sanctions dependent on the OAS sanctions _____

—notify him that our policy holds and we oppose the change his bill would signal _____

288. Memorandum From Stephen Low of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, September 27, 1974.

SUBJECT

Timing of Contact with Cubans

The following are some thoughts over timing of a possible bilateral contact with the Cubans. Specifically, whether such contact should be made before the Quito meeting or after.

Can contacts be kept quiet? There would be four parties involved: the U.S., the Cubans, the third party under whose auspices the contacts are made, and at some point those Latin Americans whom we inform because of promises we have given that they would not be faced with surprises (Brazil, perhaps Argentina). Even if efforts are successful to keep leaks from occurring from our side, or from the party under whose auspices the contacts are made, it is difficult to believe that the Brazilians, Argentinians or others would maintain silence. More important, however, are the Cubans themselves, who would have good reasons to see that any pre-Quito contact was publicized in order to show our lack of reliability to the other Latins, to demonstrate our contempt for the OAS sanctions, and to stimulate a bandwagon atmosphere among other Latins to restore normal relations with Cuba. It seems difficult to believe, therefore, that any contacts with Cubans before Quito could be kept from becoming public.

What could be gained? Initiation of contacts with the Cubans could keep us from being the last to do so and maintain some initiative and leadership in our own hands. It is doubtful, however, that we could get anything from the Cubans before Quito from such a contact. They are not likely to offer us anything in return for dropping the OAS sanctions. They think the sanctions will be lifted even without our coopera-

¹ Summary: Low outlined a strategic framework for possible future contact with the Cuban Government.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Country Files, Box 3, Cuba 1, 8/9/74–2/28/75. Secret; Outside the System. In telegram 3375 from USUN, September 24, Kissinger noted apprehension among Latin American representatives at the UN that the United States might be contemplating direct contacts with Cuba, and he instructed the Ambassadors at all American Republic posts to seek an early opportunity to reassure host country officials that the United States would not act unilaterally on Cuban relations. (National Archives, RG 59, Central Foreign Policy File, D740269–0342) See Documents 24, 25, and 26 for information on the November 1974 Quito meeting of OAS Foreign Ministers, referred to in this memorandum.

tion. Furthermore, they know that determined opposition would drive a further wedge between us and the other Latins. Any success we might have in thwarting OAS action to lift sanctions would result in a weakening of the OAS as a result of unilateral actions to normalize relations which would follow. The Cubans might see an effort by us to establish contacts prior to Quito as an indication of weakness and of acting under pressure to beat the OAS deadline.

What are the costs? The cost of taking such initiative would be considerable. Any contact before Quito would be contrary to the sanctions voted in 1964 which we have urged the Latins to observe. The Latins (particularly the three sponsors of the resolution) would be annoyed that they had been prevailed on to postpone the Quito meeting to November in order to avoid unilateral action, only to have us go ahead unilaterally ourselves. Public knowledge of any contacts would certainly stimulate a bandwagon atmosphere within the hemisphere. It would decrease our bargaining position in Quito and result in further demeaning of OAS procedure. These reasons of course would be on top of any domestic considerations.

A Strategy Framework

Contacts should be considered in a framework of a broad strategy towards Cuba. The elements of such a strategy might be the following:

- 1) Cooperate within the OAS with the conservatives and resolution sponsors to maintain maximum leverage at Quito in order to produce the most satisfactory possible resolution there.

- 2) Following Quito restate our determination to retain bilateral sanctions until the Cubans show a willingness to attempt to resolve outstanding issues between us, including matters of security, investment, political prisoners, Guantanamo, etc. In recognition of the OAS action indicate our willingness to support legislative action to remove those sanctions applying to third countries.

- 3) Impress on the other Latins (particularly Venezuela, Colombia, Argentina and Mexico) the significance of our cooperation within the OAS for the orderly lifting of the sanctions resolution as a gesture on our part towards them and towards hemispheric relations, and urge them to press Castro for concessions on his part.

In the context of such a strategy the most appropriate time for bilateral contacts would be following Step (3) after representations from the other Latins had been made. This would not only put us in the strongest position *vis-à-vis* Castro but also with the other Latins.

289. Interagency Memorandum¹

Washington, November 1, 1974.

The Status of Cuban Subversion in Latin America²

SUMMARY

Cuban efforts to overthrow Latin American governments are at a low ebb. Tangible support of armed revolutionaries is negligible, training in clandestine and guerrilla methods has been sharply reduced, and exhortative propaganda has been virtually eliminated. The relatively large number of Cuban intelligence officers in the region are focused primarily on espionage and on promoting Cuban interests overtly and clandestinely. Castro's shift from violent to more conventional methods in recent years reflects a fundamental shift in his view of Cuba's role in the hemisphere. He now collaborates with governments and groups that conform to his loose definition of "patriotic and independent," having withdrawn from his previously intimate relationships with the revolutionary factions of the 1960s. Castro is not likely to endanger the gains he has made in the region for the sake of any marginal revolutionary group. He could decide in the future, however, to support armed revolutionary groups in a few countries if the groups became well organized and seemed to pose a significant threat to the governments. Since this is unlikely, the outlook for the next few years is for a continuation of present trends.

DISCUSSION

1. After sponsoring revolutionary groups in Latin America for nine years, Castro began to reappraise his methods and objectives in 1968. Successive and costly failures by revolutionary groups and their poor

¹ Summary: This memorandum analyzed the status of Cuban subversion in Latin America, concluding that Cuba had significantly scaled back its support for revolutionary movements in the region.

Source: Central Intelligence Agency, National Intelligence Council Files, Job 79R01099A, Box 19, Folder 2. Secret; [*handling restriction not declassified*]; Background Use Only; Controlled Dissem. All brackets are in the original except those indicating text that remains classified. A May 2, 1975, paper updated this study, noting that Cuba had further "broadened the range of governments with which it is willing to conduct relations through accepted and orthodox means" since the November 1974 Quito meeting of OAS Foreign Ministers, at which a majority of representatives supported a resolution that would have discontinued diplomatic sanctions on Cuba. (Ibid., Office of Current Intelligence Files, Job 85T00353R, Box 1, Folder 17) See Documents 24, 25, and 26 on the Quito meeting.

² This memorandum was prepared under the auspices of the National Intelligence Officer for Latin America. It was drafted in CIA and has been reviewed with representatives of CIA, DIA and INR and endorsed by them. [Footnote in the original.]

prospects for the future, increasing Soviet pressure, rapidly changing conditions in the hemisphere, and domestic problems gradually persuaded him to eschew violent methods. Subsequent efforts to extend Cuban influence through more conventional means succeeded dramatically, and a significant change in Castro's view of his role in the region became apparent. For a time he continued to assert that he would establish formal ties only with "revolutionary" governments, but by the early 1970s he had broadened his definition of the term to include "patriotic" regimes "independent of the U.S."

2. Castro is now willing to include a majority of Latin American and Caribbean governments in this category; eight of them maintain diplomatic ties with Cuba. Because he believes that there is more to gain by developing relations with Latin American governments than by supporting the armed revolutionary groups that oppose them, Castro has loosened his ties with the latter. Partly because of Cuban urging and partly because of their own desire to function independently, existing revolutionary groups have become largely self-sustaining through such means as robbery and kidnaping, and they no longer receive Cuban support.

3. Other indications also support the view that Cuban efforts to overthrow governments in the region are at a low level. Intelligence reports received from several sources in Latin America this year confirm the shift of Cuban policy, and indicate that Havana is making it clear to revolutionaries that they can no longer expect Cuban support. [4½ lines not declassified] Three international front organizations created by Havana in the 1960s to support and coordinate subversive activities have been dismantled or allowed to atrophy. The content of Cuban propaganda meanwhile, has shifted from the clarion calls to revolution common in the 1960s to more moderate if slanted and self-serving discussions of international issues.

4. At the same time, Havana's diplomatic activity has provided greater opportunities for some types of intelligence and political activity. [4 lines not declassified] In contrast to earlier years, however, when the emphasis was on supporting armed subversion, the activities of the Cuban intelligence service now appear to be largely confined to espionage and to promoting Cuban interests both overtly and clandestinely among legally constituted groups, such as student and labor organizations. Currently, the main thrust of Cuban policy is to undermine U.S. influence in Latin America and in regional organizations.

5. In Argentina and Mexico, the only two Latin American countries where significant guerrilla or terrorist groups have been active this year, Cuba maintains good relations with the governments and is not known to support opposition groups. Havana supports Mrs. Peron's government and, although concerned about its rightward drift, is more

anxious to take advantage of large Argentine credits and expanding bilateral trade than to support revolutionaries. The People's Revolutionary Army (ERP) is in contact with the Castro regime and may have acquired forged documents and other technical support from Cuban intelligence experts. The other principal Argentine subversive group, the Montoneros, is not known to receive Cuban support.

6. Of the remaining countries with which Cuba has relations, Havana considers the Peruvian military regime its closest ally in Latin America. There is no evidence of Cuban support for anti-Velasco elements, and Havana favors the government-sponsored labor movement instead of the Communist union. Similarly, as bilateral ties with the Burnham government in Guyana have expanded, Castro's previously close ties with Cheddi Jagan's Marxist Opposition Party have suffered; and when Cuba and Panama renewed relations in August, Havana did not even notify the local Communist Party. There is no evidence of Cuban meddling in the internal affairs of Barbados, Jamaica, and Trinidad-Tobago, the remaining countries in the region that have official ties with Havana.

7. Several other countries now considering the establishment of formal ties with Havana—Venezuela, Colombia, Costa Rica, and Ecuador—are also acceptable to Castro. Cuba apparently no longer supports local revolutionaries in any of them. On July 26, Castro responded favorably to remarks by Venezuelan Government spokesmen advocating the normalization of relations with Cuba. He indicated that he expects other governments in the region to re-establish ties with Havana in coming months, and pledged that this would be done "on the basis of absolute reciprocal respect and fraternal cooperation." Although not an explicit renunciation of armed subversion, this was Castro's most unequivocal effort to date to reassure "patriotic" Latin American leaders that he will not interfere in the internal affairs of their countries.

8. Flexibility and pragmatic calculation have also characterized Havana's policies toward some other Latin American governments. Castro has promoted cultural, sports, and educational exchanges, and exploits opportunities to make a show of Cuban good will. In the aftermaths of the Nicaraguan earthquake in 1972 and the recent hurricane in Honduras, for instance, he donated large amounts of aid and sent medical teams. Castro also seeks to enter into profitable commercial deals without regard to ideology. He recently dispatched a trade delegation to Honduras in an effort to expand the commercial ties established last year when the Lopez government bought Cuban sugar. He is even willing to discuss economic issues with Cuba's philosophical opposites in the hemisphere—including the Brazilian Government.

9. There are, nevertheless, a few governments that Castro is reluctant or unwilling to deal with. He is contemptuous of the military-dominated regimes in Uruguay, Bolivia, Paraguay, and Guatemala and could decide in the future to support opposition revolutionary groups if they became well organized and seemed to pose a significant threat. The Uruguayan Tupamaros reportedly received Cuban support last year. They undoubtedly remain in touch with Havana and may still be receiving training in Cuba, but there is no recent evidence of other Cuban support to that shattered group. Even Guatemala reportedly is not now the target of Cuban subversion as it was for a number of years, partly because of the disarray of the extreme Left. [4 lines not declassified]

10. Castro's strongest enmity is reserved for the Chilean military government. Prior to the Chilean coup, Castro took advantage of favorable conditions under the Allende government to support extremists from other Latin American countries resident in Chile, many of whom were working against the governments of their respective countries. In September 1973 after the demise of the Allende government, Castro promised anti-junta Chileans "all the aid in Cuba's power to provide." As the prospects of the Chilean left have declined since then, however, Havana apparently has become resigned to the realities of a situation it has little ability to influence. [3½ lines not declassified] In the unlikely event that revolutionary Chileans were able to piece together a viable opposition force, he would probably try to provide them with significant support.

11. Castro's willingness to adopt new methods for the new times in Latin America is the result of his reappraisal of international conditions, Soviet pressures, and personal and domestic considerations. At 48, Fidel is no longer the romantic revolutionary that he was during his early years in power. Instead, he has increasingly demonstrated a desire to find compromise solutions for Cuba's problems. Today he manages limited national resources more frugally and, preoccupied with domestic development priorities and the institutionalization of the revolution, he appears to have little interest in quixotic policies or personalities at home or abroad.

12. The outlook for the next few years is for a continuation of present trends. It is unlikely that for the sake of any marginal subversive group, Castro will compromise the formal ties he has worked so persistently to acquire in Latin America. He will be increasingly mindful of Cuba's improving image throughout the region and anxious to capitalize on it. Even when his intrinsic revolutionary sensitivities are strained by governments he is contemptuous of, he will remember the deleterious effects that proof of Cuban subversion would have on his entire foreign policy. He could decide in the future, how-

ever, to support armed revolutionary groups if they became well organized and seemed to pose a significant threat in a few countries. This would be particularly true in Chile, where the Cubans would probably see support of a viable revolutionary group as doing only limited damage to their total foreign policy while actually garnering support from many quarters.

290. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, December 2, 1974.

Cuban Travel

Problem

At the moment we validate U.S. passports for travel to Cuba only for athletes, journalists, medical specialists, scholars (in a narrow sense), representatives of the Red Cross and humanitarian cases. In the other direction, we permit travel to the U.S. by Cubans only if they are coming for inter-governmental meetings or a sports competition.

I suggest a modest relaxation in both the passport restrictions and in our visa policy, to permit travel either way for cultural, scientific or religious purposes.

The change would be implemented on a case-by-case basis, and need not attract particular public attention. In all events, since its purpose would be to quicken the flow of ideas, it should not be taken, either here or in Cuba, as a particular favor to Castro. Ours is the open society, not his. We would remain in full compliance with the 1964 OAS resolution on sanctions, and we would maintain the bar to business and tourist travel.

¹ Summary: This memorandum proposed loosening travel restrictions between the United States and Cuba.

Source: National Archives, RG 59, Central Foreign Policy File, P820113–1621. Confidential; Exdis. Drafted by Simon, Gleysteen, and Shlaudeman and cleared by Gantz and by Frederick Smith in SCA. The first recommendation was disapproved; the second was approved. Not attached and not found are: Tab A—Background Memos re Passport Restrictions, Tab B—Department Regulations, Tab C—Request by Federation of American Scientists, and Tab D—Pending Request from American Society of International Law.

Discussion/Analysis

In September, you extended the existing U.S. passport restrictions without change until March 15 (Tab A). Under that authorization the Department continues to administer regulations (Tab B) with which most U.S. citizens comply, even though the courts have ruled we have no legal authority to prevent U.S. citizen travel to any foreign country. The ban on travel in the cultural area draws particular fire in light of our policy of approving travel to Cuba by athletes, journalists and scholars. We were recently criticized for refusing to validate the passport of the U.S. ballerina, Cynthia Gregory, for travel to an international dance festival in Havana. (She ultimately went without validation.) Earlier this year, we refused passport validations for the U.S. citizen members of the Canadian Royal Winnipeg Ballet to perform in Cuba—to the considerable unhappiness of that company and the Canadian Government.

We currently have a request from the Federation of American Scientists for validations on behalf of a group headed by Herbert F. York, former Director of Defense R & D under the Eisenhower Administration (Tab C). Strict application of the regulations in force would not permit us to validate the passports of Dr. York's party unless the purpose of the travel was directly related to research for subsequent public dissemination, which does not appear to be the case.

This apparent irrationality in our policy could be removed by your determination that the list of exceptions should be extended to include persons of recognized standing in our cultural, scientific or religious communities when the travel involved is for a serious purpose. This would be accomplished by recourse to 22CFR 51.73 (c) which reads: "In the discretion of the Secretary, an application may be considered to be in the national interest of the United States . . ." No change in the passport regulations is required. I believe it is in the national interest at this point to permit selected travel to Cuba in the scientific, cultural and religious fields. The ban on validations for business or tourist travel would continue.

A mirror problem exists regarding Cubans wishing to visit the U.S. With a few humanitarian exceptions, we issue visas only to those Cubans coming to attend international conferences or internationally-sponsored sports competitions. Our policy has been to deny visas to individuals invited to attend non-governmental conferences or events of a cultural, scientific or religious character.

We recently reviewed and rejected the request of the Cuban theologian, Dr. Sergio Arce, whose projected visit had strong support from U.S. academic and religious circles. You may recall our refusal last January of a visa for a Cuban film director to receive a legitimate film award in New York, a refusal which generated considerable criticism

across the country. A pending request (Tab D) from the American Society of International Law asks for visas for Cuban law students to participate in moot court competitions next year.

I believe it is desirable to alter our practice of turning down visa requests to Cubans invited to attend conferences or events in this country sponsored by respectable cultural, academic or religious organizations. A change here would forestall criticism by members of Congress and others that we are impeding the free flow of information. No change in the wording of our visa regulations would be required. ARA would screen applications in these categories carefully.

It is unlikely that these minor modifications would be seen elsewhere in the hemisphere as a significant departure from our Cuba policy. Some Latin American Governments might note this small shift, but in our opinion would attach little importance to it—particularly in the wake of the far more dramatic exception made for Senators Pell and Javits.

Recommendations:

That you authorize ARA and SCA to act jointly to validate passports on a case-by-case basis for Americans of recognized standing in the cultural, academic and religious communities wishing to go to Cuba for legitimate and serious purposes.

That you authorize the issuance of visas to Cubans wishing to come to the United States to attend non-governmental conferences or events of a religious, scientific or cultural character.

291. Telegram 279669 From the Department of State to the Embassy in Argentina¹

Washington, December 21, 1974, 0119Z.

279669. Subject: Letter from Secretary Kissinger to Foreign Minister Vignes.

1. Please pass the following message from Secretary Kissinger to Foreign Minister Vignes:

2. *Begin text.* Dear Mr. Minister: I greatly appreciate your thoughtful letter on the Buenos Aires meeting. Bill Rogers has told me of his subsequent meeting with you in Lima on that subject. It is obvious that we are in agreement that the meeting can and must be a success. You may rely on my cooperation to that end.

3. We are also evidently of the same mind on the need to treat the Cuba matter during informal discussions in closed meetings at Buenos Aires, as you rightly put it. I am prepared to participate in the airing of the problem in that way.

4. The actual participation of Cuba's Foreign Minister is a more difficult matter. The results of Quito were a reminder that several nations of the hemisphere feel that they still do not have adequate assurances as to Cuba's behavior. Furthermore, as I reflect on the substantive topics which might be on the agenda for the Buenos Aires meeting, it is difficult for me to see how Cuba would be able to make a constructive contribution. Cuba's position on the Organization of American States is well known. Its views on transnational enterprises and the transfer of science and technology are not likely to be helpful. I should think, therefore, that Cuba's presence would be at best largely symbolic, at worst potentially divisive. I gather from Bill Rogers that Foreign Minister Roa's deportment in Lima last week did not provide much evi-

¹ Summary: This telegram contained a letter from Kissinger to Argentine Foreign Minister Vignes expressing concern over the possibility of Cuban participation in the Buenos Aires meeting of Western Hemisphere Foreign Ministers scheduled for March.

Source: National Archives, RG 59, Central Foreign Policy File D740371-0671. Confidential; Immediate; Exdis. Drafted by Rogers and approved by the Secretary. Vignes's November 25 letter to Kissinger was transmitted to the Embassy in Buenos Aires in telegram 265812, December 4. (Ibid., D740351-0459) Kissinger's letter was delivered to Vignes on December 26. (Telegram 9274 from Buenos Aires, December 26; *ibid.*, D740375-0251) In telegram 9105 from Buenos Aires, December 17, the Embassy informed the Department of Argentina's views on Cuban participation at the MFM. (Ibid., D740367-0437) On January 3, 1975, in a meeting with Kissinger, Orfila conveyed Vignes's response to Kissinger's letter. Orfila stated that Argentina did not want the Cubans to attend the MFM, but noted that if Cuba was not invited it would entail domestic political costs. (Telegram 1966 to Buenos Aires, January 6, 1975; *ibid.*, D750004-0798) The MFM was later postponed indefinitely as a result of Latin American objections to the Trade Act of 1974. (See Document 28.)

dence that Cuba would be willing to play a respectful role in sessions like ours.

5. As long as this is the case, I am inclined to think it would be best for the success of our deliberations on the future of the hemisphere at Buenos Aires if we could discuss the Cuban matter frankly among ourselves, but without Roa. We could examine whether it is unreasonable for other countries to expect some demonstration from Havana that it does not and will not support guerrilla and terrorist insurgent movements. And we could then determine whether there is a generally felt need that Cuba should be prepared to pledge its respect to all countries and governments represented, as you so clearly put it, not merely at meetings such as those in Buenos Aires but thereafter, and to make its actions consistent with that pledge.

6. The foregoing does not, of course, reflect any intention to impose a particular point of view. If there were to be a genuine consensus among my colleagues that Cuba should be represented at Buenos Aires, we would be prepared to reconsider our own position. I assume at this point that such a consensus is not likely to develop in the absence of public assurances from Havana that Cuba intends to conduct itself, both in the meeting and beyond, as a responsible member of the inter-American community.

7. I would welcome your further thoughts on this issue.

8. And I have taken note of your decision to create a working group in Washington on the Buenos Aires meeting. Bill Rogers will stay in close touch with your Washington Embassy. Warmest regards,
Henry A. Kissinger. *End text.*

Kissinger

Sisco

292. Memorandum of Conversation¹

Washington, January 7, 1975, 9:18–10:18 a.m.

PARTICIPANTS

President Gerald R. Ford

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for
National Security Affairs

Lt. General Brent Scowcroft, Deputy Assistant to the President for National
Security Affairs

[Omitted here is discussion unrelated to Cuba.]

Kissinger: On Cuba, there is a Foreign Ministers' Meeting in March. The Argentines want to invite Cuba. I think we should oppose. Instead I think we should agree there that the lifting of the OAS embargo can be done by a majority. If there is no movement in the OAS, more and more of them will recognize Cuba individually and the OAS will look ridiculous.

Secondly, Cuba has sent us a message through Frank Mankiewicz that they want to talk—through a New York emissary. I thought we could say we are willing to listen. This will get a slow-paced dialogue started. Right now we have no means to communicate with them. We should stay a half step behind Brazil. We shouldn't push Brazil and we should support our friends who backed us.

The President: What would be the settlement down the road?

Kissinger: I am not sure you want to restore relations before the 1976 elections. I think we should tell them to pipe down in the press. They had cartoons with Nixon's name written with a swastika. We may have to permit American companies in third countries to trade with Cuba. We will have to try to get something from Cuba—release of prisoners, settle some claims, open emigration—something. We can keep them out of the meetings in 1975.

The President: If we could get an ease of emigration and some claims settled . . .

¹Summary: Kissinger and Ford discussed the possibility of establishing a slow-paced dialogue with Cuba.

Source: Ford Library, National Security Adviser, Memoranda of Conversation, Box 8, Ford—Kissinger 1/7/75. Secret; Nodis. All brackets are in the original except those indicating text omitted by the editors. The meeting took place in the Oval Office. Eagleburger met with Cuban officials Ramón Sánchez Parodi and Nestor García at LaGuardia Airport in New York on January 11 after Sánchez Parodi requested an appointment through Frank Mankiewicz, a freelance journalist who had carried messages between Kissinger and Castro during the summer of 1974. (Kissinger, *Years of Renewal*, pp. 773–779)

Kissinger: Maybe a statement of non-intervention. Castro wants to meet with me. I am opposed to doing that.

The President: I agree. Let's talk about those three things.

Kissinger: This week we will send a note to them saying we are willing to explore what do they have in mind. This will test their security.

[Omitted here is discussion unrelated to Cuba.]

293. Paper Prepared in the Department of State¹

Washington, undated.

LATIN AMERICA

Cuba Policy

BACKGROUND

Since 1961 *United States policy* has sought to isolate Castro's Cuba within the hemisphere and to deny it economic support from the West generally. That policy *is now no more than marginally effective* at best.

—Argentina, Mexico, Venezuela, Peru, Panama and the English-speaking Caribbean countries now have full diplomatic and trade relations with Cuba.

—The Federal Republic of Germany had decided to resume full relations; Spain, France and Argentina have among them recently extended Cuba about \$2.5 billion in commercial credits over the next few years; Canada and the UK are pushing trade with Cuba hard. Japan is also very interested.

—At the Quito meeting in November a majority of the OAS countries voted in favor of lifting the OAS sanctions on Cuba. Although the proponents of change fell short of the two-thirds required by the Rio Treaty, *the OAS sanctions are clearly no longer enforceable as binding obligations on member states.*

¹ Summary: This paper reviewed the state of U.S. policy towards Cuba and outlined the issues and choices confronting the United States.

Source: Ford Library, National Security Adviser, Presidential Country Files on Latin America, 1974–1977, Country Files, Box 3, Cuba 1. Secret; Nodis. Drafted by Shlaudeman on February 7, cleared by Rogers and Gleysteen, and in draft by Bloomfield and Einaudi. Transmitted under a February 7 covering memorandum from Springsteen to Scowcroft indicating it was for use by Kissinger in briefing President Ford.

—Our own bilateral sanctions are under heavy pressure, particularly the travel ban and the restrictions on exports to Cuba by foreign subsidiaries of American corporations. Senator Sparkman has called for a new Cuba policy and support for the old has weakened markedly in the Congress and among the American public.

These developments reflect a widespread perception that *Castroism* is no longer an external threat and that the policy of isolation cannot be sustained in a world of *détente*. Normalization of relations with Cuba is also attractive to a number of governments in the hemisphere, both as a low-cost means of placating disaffected elements in their own societies, and as an opportunity to bring some measure of influence to bear on the future evolution of Castro's regime.

For his part, *Castro* has begun to probe for an opening to negotiations with the United States. He has let it be known through intelligence sources and public statements that he may be ready to compromise on two key issues: (1) his longstanding precondition that the U.S. "blockade" must be dropped unilaterally before talks could be held with us; and (2) his previously declared refusal to consider compensation for properties expropriated from U.S. owners. *The Cuban regime now suggests that lifting the "blockade" could be approached in "phases,"* and that compensation might be subject to bargaining if an appropriate payment formula were devised.

Castro's mutually reinforcing objectives are:

- to end Cuba's isolation and obtain access to U.S. goods and technology;
- to seal the legitimacy of his regime with U.S. recognition; and
- to lessen his dependency on the Soviet Union.

Although *Castro* still seeks to discredit the OAS and the historic leadership role of the U.S. in the hemisphere, he *has gradually abandoned the export of revolution to Latin America*. Cuba now maintains or seeks state-to-state relations throughout the hemisphere except with those governments that directly oppose normalization of relations (Brazil, Chile, Uruguay and Paraguay). By establishing normal relations with other Latin American governments, *Castro* maneuvers them into conflict with U.S. policy and undermines the purportedly mandatory OAS sanctions. *While signalling an interest in dialogue, he is probably prepared to go slow with us, calculating that the trends are all moving in his direction.*

Although a few Latin American governments continue to fear Cuban intervention, even those most antagonistic to *Castro* now seem resigned to a more normal role for Cuba in inter-American affairs. (Cuba was recently readmitted to full membership in the Latin American Caucus at the UN). *These governments do continue to attach importance to our firm commitment to forswear unilateral moves or "surprises" on*

the Cuba question and to decide on how to deal with the Cubans in concert with the other members of the OAS.

The Soviet Union now appears confident of the stability of the Castro regime and of the ties between Cuba and the USSR. Moscow presumably hopes that the normalization of Cuba's relations in the hemisphere will help legitimize the Soviet role there and perhaps relieve it of some of the economic burden it carries.

U.S. STRATEGY

The U.S. has two basic interests: to remove the disruptive Cuba issue from the inter-America agenda and to confine Castro's capacity and inclination for mischief and disruption in the hemisphere. Both require that we exert a measure of control over the evolution of the Cuba issue. *Our strategy at this point is to shape a consensus within the OAS that will permit us to eliminate the multilateral sanctions which so trouble our relations in the hemisphere without compromising our own position vis-à-vis Cuba.* We seek a step-by-step approach that will preserve our own ultimate bargaining advantages, while leading Castro to make concessions along the way.

THE SITUATION NOW

The immediate problem is our restrictions on U.S. subsidiaries abroad. We have informed Canada and Mexico that these restrictions are under review. A license application by a U.S. subsidiary in Canada to ship office furniture to Cuba should be dealt with this week. We will have to inform the Mexicans shortly whether we are prepared to permit U.S. subsidiaries to participate in a Havana trade fair next month. In all, we are coming fairly rapidly to the point where a definition of policy on this particular issue will be required.

In the OAS, informal consultations have commenced on how the Cuba issue should be handled in the General Assembly next April. Further unilateral defections from the sanctions are unlikely in the interim, but Colombia, Ecuador, and Costa Rica at least will be pressing for collective action in April. They (and others) remain concerned that failure to lift the mandatory sanctions will further undermine the juridical integrity of the OAS and the Rio Treaty.

ISSUES AND CHOICES

—*With respect to the subsidiary ban,* we can continue to consider licenses on a case-by-case basis, granting applications only when serious confrontations with friendly countries are impending. Or, we can decide now to grant licenses as a general rule when the subsidiary is located in a country whose policy favors trade with Cuba.

—*On the multilateral sanctions,* we can continue low-key consultations with key OAS members looking toward the April General As-

sembly. On that occasion the Foreign Ministers could limit themselves to a formal endorsement of the proposal their OAS representatives have already embraced to amend the Rio Treaty by dropping the two-thirds requirement for lifting sanctions. The stage would then be set for elimination of the Cuba sanctions, once the long process of ratification by governments is completed. Or, we could indicate that we would support the Colombian formula, by which the Foreign Ministers would instruct the OAS Permanent Council specifically to dispose of the Cuba sanctions earlier, on the basis of a majority vote. This would produce definitive action before the summer.

—*On the bilateral front*, we can await the evolution of the Cuba issue in the OAS before deciding what if any response to make to Castro's apparent overtures. Or, we can begin to signal on our own through a step-by-step relaxation of the subsidiary restrictions, the travel ban and the other more minor U.S. sanctions. (How we play the first of these will be important. A statement that the USG will take into account third-country policies in deciding on licenses for subsidiary trade would probably be taken in Havana as a clear signal.)

NEXT STEPS

We should decide within the next two or three weeks how to move the OAS toward a consensus that will get the Cuba issue off the inter-American agenda. More intensive consultations with the other members will be required. An early policy decision on subsidiary trade is also indicated. By acting before individual exceptions thoroughly erode the current policy, we can attain maximum political impact and avoid further squabbles with third countries.

294. Memorandum From Stephen Low of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, February 25, 1975.

SUBJECT

Restrictions on Subsidiaries of U.S. Companies Trading with Cuba

Attached at Tab A is a memorandum from the Deputy Secretary to the President transmitting a recommendation by the Under Secretaries Committee that the President authorize modification of our regulations to permit subsidiaries abroad of U.S. companies to trade with Cuba when their refusal to do so would be contrary to the law or policy of the host country. At Tab I is a memorandum from you to the President describing the problem, suggesting three options, and seeking approval for the Under Secretaries' recommendation.

State, Defense, Treasury, Commerce and CIA have all concurred in the Under Secretaries' recommendation. In transmitting his concurrence, however, Secretary Dent points out that the problems are only mitigated and a number will still remain (Tab A). He notes that the effect of the recommendation would be to lift restrictions on trade with Cuba in countries which encourage such trade, while continuing them in more cooperative countries which continue to abide by the OAS sanctions. He also points out that, since the licensing procedure would be maintained on trade in goods a substantial proportion of which were manufactured in the U.S., another effect of the modification would be to discriminate against U.S.-based firms in favor of their foreign subsidiaries. While recognizing that we may not wish to go too far at this stage, he believes that the most straightforward thing to do would be to lift all restrictions. He would prefer that the present recommendation propose lifting the licensing regulations on subsidiaries whether the host country trades with Cuba or not. This is a somewhat academic question, however, since we are not likely to get license ap-

¹ Summary: Low transmitted an interagency recommendation to ease restrictions on trade with Cuba by foreign subsidiaries of U.S. companies.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, Country Files, Box 2, Cuba—Economic, Social—Sanctions 2. Confidential. Sent for action. At the bottom of the memorandum, Scowcroft wrote, "HAK [Kissinger] says he does not want to do anything before the OAS meeting." A February 25 memorandum from Ingersoll to Ford transmitting a recommendation from the Under Secretaries Committee, is attached but not published (Tab A). Tab I, a draft memorandum from Kissinger to Ford, is not attached and not found.

plications from subsidiaries in countries which still prohibit trade with Cuba.

The options as set forth in the paper are either (1) continue granting licenses on a case-by-case basis only when faced by host governments determined to favor trade with Cuba; or (2) modify the regulations so as to permit licensing in countries which trade with Cuba. Under the second option there are two variants: the first (2A) would continue the policy of applying moral suasion to companies in order to urge them to refrain from trade, while the second (2B) would eliminate such moral suasion and announce both to the host governments and publicly that there was a change in our regulations. Variant (2B) would also modify sanctions on licenses which continue to be required (in cases involving strategic goods or substantial U.S. componentry) so as to apply them against the parent company rather than against the U.S. citizen-directors or officers. Since changing individual directors of subsidiaries has been a means of avoiding the application of licensing restrictions, State believes the change to holding the U.S. parent company responsible would be considered a tightening of restrictions on subsidiaries, unless it were accompanied by abandonment of moral suasion and a public announcement of the practice of granting licenses to subsidiaries in countries favoring trade with Cuba. State felt that this last provision could not be applied in variant (2A) so long as moral suasion were being exercised because it would appear that we were tightening the regulations rather than loosening them.

Since it is quite possible that the OAS General Assembly in May will succeed in finding a way to lift the 1964 Cuban sanctions, the question arises of whether we should proceed before the OAS. Following are pros and cons:

Pros:

—As a result of the publicity surrounding granting the Argentine subsidiaries' licenses, this would be considered only a formalization of previous action.

—Pressure from Mexico and Canada is building rapidly. Every week presents a new case there or elsewhere.

—The change can be accomplished immediately by Executive action.

—The OAS may not succeed in finding a formula to lift the sanctions or may only go halfway, delaying the final, formal vote for a further period.

—Proceeding might give some encouragement to OAS members to believe that the U.S. would not look unkindly on lifting 1964 sanctions.

Cons:

—There is an implication of weakening the 1964 sanctions which we supported so strongly.

—If we waited till after the OAS action we have a rationale to lift all third-country sanctions, instead of doing it piecemeal and leaving us open to the question, “Why now?”

The exact timing of when to announce these changes would depend on the developing situation relating to the OAS sanctions, considerations relating to your trip, and Castro’s actions. Therefore, the memo to the President explains that if he approves the recommendations in (2B), you would proceed on a step-by-step basis, first dropping the moral suasion requirement which gives us most difficulty and then moving to approving pending cases, making the public announcement and changing to holding parent companies responsible.

The action that is being recommended will only relieve some of the pressure. In effect, the area of friction will shift to those cases involving U.S. componentry. The Canadians have drafted a regulation “naturalizing” U.S. components once they enter the country, which may be aimed at avoiding denial of licenses for export of goods by subsidiaries when the U.S. proportion is substantial. Problems can be expected over this matter soon. There will be increasing pressure from U.S. business objecting to a policy the effect of which is to favor firms with subsidiaries abroad and their subsidiaries over domestic manufacture. The charge that U.S. laws are being applied extraterritorially will continue to be made at any arbitrary cut-off level for U.S. componentry, particularly below fifty percent.

Recommendation:

That you initial the memorandum to the President recommending that he approve a modification of our regulations so as to permit subsidiaries abroad of U.S. companies to engage in trade with Cuba if the host government has a policy of permitting such trade.

295. Memorandum From Stephen Low of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, March 10, 1975.

SUBJECT

SR-71 overflights of Cuba

In June 1974 the USIB approved an intelligence requirement of overflights of Cuba at the rate of one every three or four months. On August 15, 1974, you approved a request to replace the U-2 overflights of Cuba with SR-71s, but directed that there be a mission every month to six weeks. Before making this shift, we had reduced the frequency of U-2 flights to one every three months. The substitution has now been accomplished and five SR-71 flights have been flown. These flights are different from the U-2 in that the plane is not visible, but a slight noise and pressure impact can be felt from the sweep of the sound barrier. Whether for this reason or other, the Cubans have protested the SR-71 flights by formal note and made token attempts to interfere with the flights. Their tracing of the flights has improved. The only U-2 protests on record date from the 1964 period.

Though the risk of effective interference with these flights by the Cubans is small, the lack of any significant intelligence-gathering need for the flights raises the question of whether we want to continue them at the present level of frequency. The following are pros and cons of reducing the frequency from the present 10 to 12 annual flights, to 4 to 6.

PROs:

—The primary intelligence needs are served by satellite coverage. There is no intelligence requirement for the flights, though they do provide supplementary data.

—The point has now been made with the Cubans that the SR-71 has been substituted for the U-2. They know that we are maintaining surveillance.

¹ Summary: Low recommended a decrease in the frequency of U.S. reconnaissance flights over Cuba.

Source: Ford Library, National Security Adviser, Outside the System Chronological Files, Box 2, 3/2/75-3/10/75. Secret. Marked, "Outside System." Sent for action. No decision is recorded on the memorandum. In April 22 and July 22 notes to the Department of State, sent through the Embassy of Switzerland in Havana, the Cuban Foreign Ministry protested against April 9 and July 17 violations of Cuban airspace by SR-71 reconnaissance planes. (Both *ibid.*, NSC Latin American Affairs Staff Files, 1974-1977, Country Files, Box 2, Cuba—Political, Military 2)

—Though we believe the flights are virtually impregnable from missile or aircraft attack, the frequency of 10 to 12 flights a year creates a comparatively larger exposure to error or equipment failure.

—Reduction of frequency fits into the climate created by the more conciliatory tone of recent statements by Cuban leaders and gives an indication of a response without the need for public actions or statements.

—Maintaining the flights still provides us with flexibility to make further gestures at a later date.

—The sonic “boomlet,” though slight, provides a target against which Castro may feel a need to react.

CONS:

—According to our best information, there is no way in which Cuba can interfere with the flights. They are carefully managed so as to abort in case of malfunctioning. Thus, the chance of something going wrong is not great.

—The greater frequency gives us more flexibility in terms of the kind of message we want to send the Cubans.

—The continued high level of flights is an indication to the Cubans that we are not prepared to bargain lightly.

I am personally persuaded by the lack of any significant intelligence need for the flights and the unnecessary exposure to error which this number of flights creates, that there is merit in stretching out the interval between flights to 8 to 10 weeks, which would result in an annual level of 4 to 6 flights.

Recommendation:

That you approve a lengthening of the interval between flights from 4 to 6 weeks, to 8 to 10.

This memo has been coordinated with Rob Roy Ratliff.

296. Memorandum From Stephen Low of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Scowcroft)¹

Washington, April 25, 1975.

SUBJECT

State Proposals on Cuban Sanctions

Attached is a copy of a telegram which went to Buenos Aires on Wednesday instructing the Ambassador to discuss with Vignes four alternative ideas for handling the Cuban sanctions problem at the OAS General Assembly May 8 and thereafter. They are:

1) A straight vote on lifting sanctions as in Quito, which would probably fail since there is no change in position—i.e., the U.S. would again abstain.

2) The two-step formula (a decision by two-thirds of the members that a simple majority could govern, then a later majority vote to lift the sanctions). There is increasing opposition to this from Brazilians and others who feel it is too devious and legally questionable.

3) A "freedom of action" formula which either permits members to handle the matter as they please or declares that it is a bilateral question to be handled by each State according to its national interests and includes a reaffirmation on non-intervention.

4) A special OAS conference outside of Washington to complete the Rio Treaty amendment (declaring a simple majority adequate for lifting sanctions) which at the same time could lift the sanctions under a generally acceptable formula—either "freedom of action" or directly lifting.

The telegram instructs the Ambassador to inform Vignes that we prefer the last of these alternatives.

Vignes will undoubtedly ask us whether we are willing to support a "freedom of action" formula at the OAS. He will interpret our prefer-

¹ Summary: Low expressed concern about a Department of State proposal on policy toward Cuba that appeared to indicate a willingness to take the lead in lifting regional sanctions.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974-1977, Box 2, Country Files, Cuba—Economic, Social—Sanctions 1. Secret. Sent for information. Scowcroft wrote, "I agree," on the memorandum. Telegram 93365 from the Department to Buenos Aires, April 23, is attached but not published. In an April 23 memorandum to Scowcroft, Low noted that he was "bothered" by the position outlined in the cable because he was "not convinced it had been thought through" and because he wondered if Ford was "prepared to agree to a U.S. vote in favor of lifting the sanctions." He noted, too, that he understood Kissinger intended to make an announcement on the licensing of U.S. firms abroad to trade with Cuba apparently without receiving formal Presidential approval. (Ibid., Presidential Country Files for Latin America, 1974-1977, Box 3, Cuba 2)

ence for the last of the alternatives as agreement to support some formula at a later meeting outside Washington.

I am concerned by two things:

—the procedure by which ARA gets the Secretary's approval on matters like this and wings it out without consulting us;

—the proposal itself, which comes close to offering to manage the lifting of sanctions for the Latins ourselves.

297. Memorandum of Conversation¹

Washington, June 9, 1975.

SUBJECT

Cuba Policy: Tactics Before and After San Jose

PARTICIPANTS

The Secretary

Mr. Eagleburger, Deputy Under Secretary, M

Mr. Rogers, Assistant Secretary, ARA

Mr. Lord, Assistant Secretary, S/P

Mr. Gleysteen, ARA/CCA—notetaker

The Secretary: What?

Mr. Rogers: Decisions are needed on two levels. First, whether we probe the Cubans again before San Jose. If we don't know what's on the Cubans' minds:

—we'll get nicked and dined by the Canadians;

—Congress will get ahead of us on Cuba policy.

¹ Summary: Kissinger and Department of State officials discussed the possibility of establishing contact with the Cuban Government prior to the upcoming San José meeting of OAS Foreign Ministers.

Source: National Archives, RG 59, Central Foreign Policy File, P860114–0120. Secret; Nodis. Drafted by Gleysteen. Approved by James Covey in S/S on October 29. In a May 17 memorandum to Kissinger, Rogers outlined Cuba policy options and recommended a secret advance probe to gauge Castro's interest in dialogue with the United States in advance of the San José meeting of the OAS, scheduled for July; Kissinger disapproved the recommendation on May 22. (Ibid., P830114–0976) The Hartman memorandum to Kissinger on pending Canadian subsidiary applications for licenses to trade with Cuba, June 5, is *ibid.*, P810048–0859. Lawrence Lunt was a U.S. citizen jailed in Cuba for espionage from 1965 until 1979. Allan MacEachen was the Canadian Secretary of State for External Affairs.

The Secretary: So what! Cuba is not a popular issue.

Mr. Rogers: Also for resolution is whether we decide to seek a prior agreement on compensation, or whether we are to agree on terms to negotiate compensation and establish diplomatic relations, leaving settlement on compensation until later.

The Secretary: No. Absolutely not. This is out of the question. It is not my style of work.

Mr. Rogers: This was the way it was done with China. A relationship was established before compensation was agreed upon. There could be a machinery for a dialogue with Cuba which was less than a full relationship.

The Secretary: I would like to explore with the companies whether they can not delay another six weeks.

Mr. Rogers: We'll explore if the Babcock and Wilcox license can be held up; we have told the companies to hold their applications.

The Secretary: Is this straight?

Mr. Rogers: Yes it is.

The Secretary: Yes, it is straight if we haven't already told the Canadians that we'll lift the sanctions after San Jose.

Mr. Rogers: I can't speak for EUR but will check with Art Hartman. I'm sure not.

The Secretary: I thought you people put EUR up to that memorandum.

Mr. Rogers: We had nothing to do with sending it up; I just concurred.

To get back to the probe with the Cubans; we have few cards to play now; after San Jose, we'll have even fewer.

Mr. Lord: Yes. The Cubans know what will happen in San Jose.

Mr. Eagleburger: The Cubans have never replied to the message to a diplomat in New York.

The Secretary: The Chinese played with exchanging messages for a year.

Mr. Eagleburger: There have been four messages to the Cubans and no reply.

The Secretary: I don't see what we can gain tactically by a probe.

Mr. Rogers: The cards in our hands are declining in number.

The Secretary: What can we give them anyway; lifting of third-country sanctions?

The Secretary: What other basis?

Mr. Rogers: Something less than having an Ambassador in Havana.

The Secretary: It was 1½ years of contact with China before we reached agreement to exchange missions:

—Cuba is not important.

—I will not cater to the propensity of the Democrats to make unilateral concessions;

—Cuba can do nothing for us except to embarrass us in Latin America—and we thought we had successfully taken care of this.

—I would prefer not to lift the third-country sanctions until San Jose.

—What about the Hartman memo? I was told by MacEachen there would be six more weeks before something builds up again. But now I am told to do something immediately.

Mr. Rogers: You have told the Canadians it is better to wait until August before pressing us again.

The Secretary: My answer was negative because MacEachen does not expect any pressure as suggested in the memos.

Mr. Rogers: MacEachen apparently misunderstood, thinking third-country sanctions might be lifted in June instead of August. Ambassador Porter phoned today and got this confirmed.

The Secretary: The Canadians want to show that they can make the Secretary back up. Have we encouraged them to do this? Is there any reason why another foreign firm should get the contract?

Mr. Rogers: Sure. There are other manufacturers of boilers in Germany and Japan. The main issue is the price. Canada could lose the contract.

Mr. Rogers: We could indicate we have some discretion in determining this.

The Secretary: What would you say if the Cubans said, “screw you!” Suppose they don’t answer? I don’t see how we can make any threats about not supporting the lifting of sanctions at San Jose.

Mr. Rogers: Well, there are the third-country sanctions—proposals for a basketball team to Cuba, etc.

The Secretary: I thought it was baseball?

Mr. Rogers: McGovern was dickering for a college-level basketball team to Cuba this summer and a baseball team in the autumn. Incidentally I have to reply to Baseball Commissioner Bowie Kuhn on the latter proposal. Also outstanding is a request for our shipping food and medicines by a religious group. This comes to \$10 million worth to Cuba.

The Secretary: I suppose you already granted it.

Mr. Rogers: No, not yet. The point is that our position is being continually chiselled away by Congress.

The Secretary: Don’t let them. This should be easy.

Mr. Rogers: A Kennedy bill to abolish all the sanctions could pass.

The Secretary: That would be a great one to veto.

Mr. Eagleburger: Or you could hold your nose and let it go through.

The Secretary: I find it intriguing that Kennedy would let his name be attached to "soft on communism." Let us find out:

- Who is in favor of it?
- What do we lose by it?
- Is this statesmanship?

Mr. Rogers: There could be some political credit for playing the humanitarian card in Congress; there is an issue there.

The Secretary: I favored a probe with Cuba last year but there was no answer; what new now can be said?

Mr. Eagleburger: Before San Jose, just tell them you're going to do it.

The Secretary: What happens if the Cubans announce that we have probed before San Jose.

Mr. Eagleburger: We'd be better off telling them what we are going to do—as we did with the Chinese.

The Secretary: Castro told Manckiewicz that the mere fact that Cuba had survived was a victory for them and a defeat for us. They treat us with contempt. But since all these things are going to happen, we might as well start a dialogue:

- Just before San Jose;
- do it in 4 weeks;
- better not bargain when you are going to vote to leave the countries free on the sanctions, if you are going to do it anyway.

Mr. Rogers: There are 20–25 unacted-upon subsidiary licenses.

The Secretary: Do a message to Castro, but get it up to me before it leaks; as it usually does before I get it.

Mr. Rogers: There are no leaks on Cuba from ARA in the last six months. We have a good record.

The Secretary: Yes, that's true. It is better to deal straight with Castro. Behave chivalrously; do it like a big guy, not like a shyster. Let him know.

- We are moving in a new direction;
- we'd like to synchronize;
- New York City under the UN mantle would be the place;
- steps will be unilateral;
- reciprocity is necessary;
- we shall stop until we get some reciprocity.

This should handle the McGovern problem. When the Democrats scream about our Cuban policy, we can say we've already done points

1, 2 and 3. This will keep the Cubans off guard and we can warn the legislative branch of negotiations with Cuba.

Mr. Rogers: Remember what I told you when McGovern came back from Havana. McGovern quoted Castro as saying he was doing the following favors: allowing Luis Tiant's parents to visit the U.S. for Senator Brooke and releasing the \$2 million of Southern airways hijack money for Senator Sparkman. Then McGovern said he would like some political prisoners released for himself. Castro replied, if I do this, what will I give to Kennedy when he comes here? That's a true story.

The Secretary: It better be, because when you told it to me the last time I told it to Kennedy. Kennedy responded—that he is sure there will be one more hanging by his thumbs with a sign "For Kennedy" on his chest.

Mr. Rogers: The release of Lunt is all but set.

The Secretary: I am seeing Jackie on Saturday night and it would be nice to say something to her about this if I can; say, 24 hours before Lunt's release.

—(To Rogers) You should draft a message for the Cubans before San Jose.

—When am I going to Latin America?

Mr. Eagleburger: When your schedule allows it.

The Secretary: I really do have to do this this year.

Mr. Rogers: Last week in August might be a time.

The Secretary: That's my thinking; if not then, then in October. Can't go in September because of the UNGA.

—There are also the European Security Conference and the trip to China. The latter will be an excruciating bore if Chou En-lai is not on hand.

—Have that message to the Cubans before San Jose—in three weeks.

298. Telegram 158509/Tosec 50138 From the Department of State to Secretary of State Kissinger in the Virgin Islands¹

Washington, July 4, 1975, 0020Z.

158509/Tosec 50138. Subject: Briefing Memorandum: Unusual Cuban Exercise in Politeness. To the Secretary from Rogers.

1. The Swiss Embassy informed us July 2 that Dr. Raul Roa, the Cuban Foreign Minister, called in Serra, the Swiss Ambassador in Havana on June 30 to request him to convey to the Department of State the appreciation of the Cuban Government for the courteous treatment accorded to Cuban participants in the Ninth International Congress of Mediterranean Agriculture in Los Angeles June 14–22. It was clear from the démarche (copy of Swiss Embassy Havana's reporting telegram attached) that Roa was thanking the U.S. Government for issuing visas to the Cuban delegation. The phrasing is effusively polite.

2. My analysis of this unusual, if not unprecedented Cuban step is as follows:

—In accordance with standard policy guidelines we issued visas to the Cubans, after checking with the hosts of the conference in Los Angeles, that the Cubans would be welcome;

—The Cubans may have contrasted the Los Angeles conference with our refusal to permit Cubans to attend a comparable conference on sugar cane in 1971 and World Energy Conference in September 1974, and may only belatedly perceived our policy to liberalize issuance of visas to Cubans to attend non-governmental conferences or events in accordance with your decision last December;

—However, we did grant visas to Cuban law students to participate in a moot court at Johns Hopkins in April and also in April informed the American Ballet Company in New York that we would be prepared to issue a visa this month to the famous Cuban ballerina Alicia Alonzo to participate in their 30th anniversary celebrations;

—It thus seems more likely that the Cuban Government is responding to your recent public statements that we will discuss changes in attitude with Cuba in private (June 16 Public Broadcasting inter-

¹Summary: The Department informed Kissinger of a Cuban expression of gratitude for the courteous treatment of a delegation to a conference in Los Angeles, observing that the Cuban note might reflect a belated recognition that U.S. policies on visa issuance for Cuban officials had been liberalized or that it might represent a response to recent statements by the Secretary indicating a willingness to establish contacts with the Cuban Government.

Source: National Archives, RG 59, Central Foreign Policy File, D750231–1001. Confidential; Immediate; Exdis. Drafted by Gleysteen, cleared by Luers and Barbian, and approved by Rogers.

view) and that Castro knows how to get in touch with us (May 7 *Today* show).

Attachment:

(Informal translation of telegram dictated in French, on the phone, to ARA/CCA by Swiss Embassy Washington on July 2, 1975)

1. Minister of Foreign Relations, Dr. Roa, summoned me Monday, June 30, in the afternoon, upon his return from Santiago de Cuba where he had accompanied the Prime Minister of Sweden during his visit here. Roa wanted to stress his government's gratitude for the help and excellent treatment received by the Cuban delegation which participated in the meeting of the non-governmental organizations of agricultural producers in Los Angeles.

2. Minister declared that this delegation returned delighted after a prolonged visit in the United States where it had been able to move freely, visit various factories of canning, port facilities and others regarding transportation and commercialization of agricultural products. Contacts were extremely cordial and educational.

3. Although necessary visas had been requested through the Czechoslovakian Embassy in Washington, Minister wanted that your Embassy be the one to express to the Department of State appreciation of Cuban Government for the gracious reception and confidence shown to the above mentioned delegation.

Sisco

299. Telegram 164011/Tosec 60117 From the Department of State to Secretary of State Kissinger in Bonn¹

Washington, July 11, 1975, 2300Z.

164011/Tosec 60117. Subject: Meeting with Cubans. For the Secretary from Eagleburger and Rogers.

1. We held our meeting with the two Cubans on Wednesday in New York, as planned.

2. Eagleburger led off by mentioning that you had told him the evening before that, if the GOC thought it appropriate, you would consider meeting with a senior Cuban official in New York during the UNGA sessions. The Cubans said they would take this suggestion back. We ruminated with them whether the meeting would be public or private and, if intended to be private, whether we could keep it so. Both sides were clear that such a meeting did not preclude further talks at the working level. They were close to enchanted that you were thinking about coming into the picture.

3. Rogers began the substantive discussion. His initial presentation for our side was based squarely on the talking points we had prepared beforehand. He said that the process must be reciprocal, that we recognized the recent gestures made by Cuba and that we were prepared to allow the baseball visit and to support movement at San Jose. We think talks can now be useful about the reciprocal process of improving relations. Hostility is not a permanent feature of our nature. These talks should examine a number of issues. He then touched on the nine points as follows:

(A) Claims against Cuba: These are important. We are prepared to discuss compensation for expropriated private U.S. property realistically and with flexibility. We do not insist on an immediate cash settlement. Further discussions should also consider compensation for our

¹Summary: Eagleburger and Rogers transmitted an account of a July 9 meeting with Cuban officials during which the two sides exchanged views on relations between the United States and Cuba.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Secret; Immediate; Cherokee; Nodis. Drafted by Egan and Rogers, and approved by Eagleburger. Kissinger was in Bonn to meet with German officials and Israeli Prime Minister Rabin. A July 5 memorandum from Eagleburger and Rogers to Kissinger outlined matters for discussion at the July 9 meeting with the Cubans. (Ibid., Henry A. Kissinger Office Files, Nodis Miscellaneous Documents, Telegrams, etc., 1973–1977, Box 1, Folder 3) Telegram 161411/Tosec 60008 to Kissinger, July 9, reported that the meeting's "atmosphere was good." (Ibid., Central Foreign Policy File, [no film number]) The Cuban officials with whom Rogers and Eagleburger exchanged views were Ramón Sánchez Parodi and Nestor García. (Kissinger, *Years of Renewal*, pp. 775–779)

interests in the Nicaro nickel mine, the return of outstanding ransom payments, the Cuban postal debt and the issue of defaulted bonds.

(B) Cuban claims to blocked assets in the U.S. These also should be discussed.

(C) Third-country subsidiaries: We are prepared to support a resolution at San Jose which would leave each state free to determine its own diplomatic and trade relations with Cuba. If such a resolution should pass, we will eliminate current U.S. prohibitions which apply to export sales to Cuba of goods manufactured by U.S. corporations in third countries.

(D) Third-country shipping: If the OAS sanctions are lifted, we will consider a general waiver of the ban on foreign assistance to countries whose vessels serve Cuba.

(E) U.S. prisoners: We would hope that the eight U.S. citizens now held in Cuba on charges of political offenses would be released.

(F) AmCits: We would hope that Cuba could consider requests from the approximately 800 U.S. citizens in Cuba (many considered by the Cuban authorities to be Cuban citizens) to return to the United States.

(G) Family visits: We should consider steps to ease the strain on divided families. For example, the two sides might arrange 100 visits per week in each direction. We will begin to permit the travel of U.S. artists and scholars to Cuba.

(H) Mutual respect: We do not deny Cuba the right to defend its own sovereignty but will assume during our discussions, and will verify, that Cuba will not be a base for offensive military operations or threats against the United States. Puerto Rico is also important. And there must be an appropriate way for Cuba to show that it will abide by the principle of mutual respect toward other nations in the hemisphere.

(I) Press: We suggest it would be appropriate to consider press accreditation in Washington for “Prensa Libre” and in Havana for U.S. wire services and news media.

4. Eagleburger then added that we were engaged in a process of mutual accommodation but that Cuba was not the single most important issue on our foreign relations agenda.

5. The Cubans responded as follows: We have taken account of the note you sent us, and we think it reflects a positive attitude. We welcome further conversations, and we think they will be useful. Like you, we see no virtue in perpetual hostility. But we cannot neglect the OAS sanctions. As long as they are in effect, our two countries are not in equal condition. We cannot negotiate in those circumstances. We are aware that the OAS may lift the sanctions. This will represent a partial solution. But even then we cannot negotiate. We are willing to discuss

with you particularly how we can solve the (U.S.) blockade. We will do so at every opportunity. We recognize that there are internal political problems. It may be essential to move step by step. It must be realized that there cannot be perfect reciprocity. Since we have no blockade against the U.S., we cannot reciprocate the elimination of the U.S. block-ade against Cuba. Furthermore, it is important to note that we have already taken some steps, particularly the hijacking treaty. But have nothing like the innumerable regulations and executive decrees you have against Cuba (at which point they brought out from their briefcase a gigantic loose leaf notebook with an analysis in exquisite detail of the U.S. regulations directed against trade and financial transactions with Cuba). We don't fully understand your view of the relationship between the (OAS) sanctions and the (U.S.) blockade, and how you can favor the elimination of the one and contemplate the continuation of the other. Furthermore, we do not think that the blockade is any longer of benefit either to the U.S. or to Cuba. There is no gain in it, and its continuation, we think, is in contradiction with the removal of the OAS sanctions. We are interested, in short, in the elimination of the (U.S.) blockade. We do not insist that all measures be dropped. We are not intransigent. And we are prepared to talk about a solution. As long as there is a situation of inequality we can't negotiate. But we can talk, and these discussions will serve a useful purpose in permitting each side to exchange views as to what it perceives to be the claims and issues which are outstanding. In short, we agree to talk. And here are our views on the nine points you raise:

(A) Political prisoners: We agree that this issue can be discussed between us. In fact, we believe something can be done. "This is not a very difficult issue."

(B) Mutuality of respect: This issue must be discussed from both sides. We are not a military power and thus pose no threat to the U.S. by ourselves. We, therefore, assume your point is related to our arrangements with the Soviet Union. Our policy has never been to promote aggression. Our defense measures are based on the legitimate interests of our own national security. In the absence of aggressive U.S. activities in the hemisphere, our approach will be along similar lines. It is a question of reciprocal respect for the principle of non-intervention. We will abide by that principle, as we have with those who extend such respect toward us. We have already offered relations to those states who supported the lifting of the OAS sanctions against Cuba, as part of the process of normalizing our relations in the hemisphere. Cuba and the United States must begin to discuss aggressive CIA activities directed against Cuba from bases in Miami, Nicaragua, and Costa Rica. Furthermore, we must also discuss the attitude of the United States towards Bay-of-Pigs-type incidents, and towards countries in Latin

America such as Chile, the Dominican Republic, and Guatemala. We must be sure that the events of the past are not repeated. These specific issues, and the question of Guantanamo, must be included on the agenda for discussions between Cuba and the United States under the mutuality of respect heading.

(C) The U.S. blockade: As we said, the blockade must be “essentially lifted” before the U.S. and Cuba can begin negotiations repeat negotiations on the wide range of bilateral issues. But in the process of normalizing U.S.-Cuban relations discussions repeat discussions can and should continue. If the San Jose meeting determines that the individual member states will be free to pursue their diplomatic and trade relations with Cuba as they see fit, what is then done by the United States afterwards will be extremely important. Such an OAS resolution itself, however, does not “solve the blockade issue essentially.” While we do not consider a step-by-step reduction of U.S. trade barriers the best way to resolve the issues between the two countries, we would not reject such an approach. The modification of your shipping regulations is a part of lifting the embargo. Should San Jose pass a freedom of action resolution, Cuba will regard this as positive and have a discreet attitude and will not use the resolution as a pretext to attack the United States.

(D) Compensation: We agree that compensation must be discussed. A formula should be worked out to resolve the many issues involved. The subject, however, is not one-sided. Cuba has claims against the United States for Bay of Pigs and CIA damages among others.

(E) U.S. Citizens in Cuba: We consider many of these to be Cubans, but we are prepared to discuss them, since some may have U.S. citizenship rights. We arranged this issue with Spain through discussions, and the question of dual nationals was much more complex in that case.

(F) Travel: We believe that we can also discuss the question of travel between our two countries, and develop a common migration policy on family visits in both directions. Perhaps something can be worked out.

(G) Press: This can also be discussed.

6. They then added that there were items not on our agenda which they would like to discuss. These include Guantanamo.

7. They said that they did not plan to use Congress as a substitute for discussions with the Executive. The difficulty was that so many Congressmen wanted to go to Cuba.

8. And they summed up as follows: First, a lifting of the blockade is essential, in order to create conditions of equality. Second, in the meantime we are willing to have discussions and exchanges of views. Third, the U.S. actions after San Jose will be very important. Those you have

told us about are very positive, but they do not solve the blockade problem entirely, only partially. If the blockade is to be removed step-by-step, we will not object. Until there is a situation of equality, we can continue to exchange points of view.

9. *Comment:* The meeting provided considerable grist for analysis. Some preliminary observations:

(A) The other side had thought about the issues we raised. Their ability to respond substantively and responsibly to our agenda was all the more remarkable for the fact that we had not provided beforehand, as we had originally thought we would, the list of topics. Nevertheless, they had trenchant responsive comments to make. This suggests not only forethought but two other factors of significance to these conversations: (1) the two participants are intelligent men, able to respond adroitly and with flexibility to new issues as they arise; (2) they also enjoy rather more discretion than we had originally anticipated. We had expected a more conventional and mechanical response than we received.

(B) The meeting was free of polemics. This could suggest that the Cuban representatives are closer to Carlos Raphael Rodriguez than to Raul Roa. In all events, there is in this a distinctly hopeful sign for future conversations. And it indicates that they have not taken lessons from the Soviets in the conduct of relations with the United States.

(C) The meeting accomplished its first objective:

—To break the stalemate which was publicly evident from Castro's public position (that we had to dismantle at least part of our "blockade") and our public position (that we were prepared for movement if it were reciprocal). The Cubans have now clearly laid it down as a rule that they will not negotiate until we reduce the blockade, but they are quite prepared to discuss. This was the verbal breakthrough we had anticipated. It would not do to overstate the foresight; the distinction had been foreshadowed by some verbal hints from Havana. The important thing was that the distinction was laid down so clearly and emphatically in this meeting.

(D) The Cubans have also made it clear that they understood exactly what we are talking about when we urged them not to negotiate through Congress. Their response on this point was as well phrased as we could desire: that they do not see the Legislative Branch as substitute for government-to-government negotiations. Rather good, for a nation which had not enjoyed the luxury of legislative participation in foreign relations recently.

(E) They also are prepared to cooperate with us in the public handling of the San Jose meeting. Their direct statement that they would not celebrate it as a public triumph is helpful, and should increase our confidence in our present strategy with respect to that meeting.

(F) It may be interesting that the Cubans have not taken up the practice of delivering personal messages. As you know, in our last two meetings we have communicated personal messages from you. They have not responded. It will be interesting to see if they do in the next meeting, in which they must focus on the statement that you are prepared to meet at the UN, and if so, whether that message comes from Castro, Carlos Raphael Rodriguez, or Raul Roa. That clue may be significant in terms of a further analysis of the organizational structure behind these probes. This could help us more precisely to forecast likely procedures and options to be opened by the Cubans in the future.

(G) Several things were specifically not mentioned by the Cubans: Lunt, the overflights, the expansion of the hijacking treaty to cover non-commercial craft, possible low-level cooperation between weather or coast guard services. Since the meeting was unprecedented, no traditions were available for it and we do not read very much into the omissions this time. But it will be interesting to see whether they push ahead into these areas at the next meeting. On the issues not on our agenda which they raised on their initiative—Guantanamo and the counter-claims for the embargo—we had anticipated the need to respond.

(H) You had suggested last week the possibility that we say we conceivably could do something in food and medicines. We did not go that far. The point was not made in our direct presentation. When the other side rejoined with its statement about the importance of eliminating not only the third country sanctions but the total U.S. embargo as well, we stated that we had noted the Prime Minister's statement about food and medicines as an important first step. They said that that was indeed the case. We can carry the point further in later meetings if we want.

10. We left open the question when to meet again, and will want to discuss that issue after your return.

11. A verbatim account will be available when you return.

Ingersoll

300. Memorandum of Conversation¹

Washington, August 7, 1975, 9:30–10:21 a.m.

PARTICIPANTS

President Gerald R. Ford

Dr. Henry A. Kissinger, Secretary of State and Assistant to the President for
National Security Affairs

Lt. General Brent Scowcroft, Deputy Assistant to the President for National
Security Affairs

[Omitted here is discussion unrelated to Cuba.]

Kissinger: You know we have been talking with the Cubans. You know we said we are willing to move on the basis of reciprocity. I said we would get in touch with them, but I have now said the next move is up to them.

President: I saw the Southern Airways going down to pick up their money.

Kissinger: Maybe I could meet with the Foreign Minister if he comes up for the UN session.

President: It would be all right if they have made some moves and if you do it privately.

Kissinger: It might leak.

President: Maybe not. They have been good so far, but it would be better if it is private.

Kissinger: The other issue is third-country trade with Cuba. We now have little reason for it. We could either change the rule or grant item-by-item exceptions. There are 21 pending.

President: Can we do it without fanfare?

Kissinger: There will be some.

President: I think it is better to change the rule than do it one by one.

[Omitted here is discussion unrelated to Cuba.]

¹ Summary: Kissinger noted recent contacts with Cuban officials, and he discussed with Ford the possibility of private exchanges at a higher level.

Source: Ford Library, National Security Adviser, Memoranda of Conversation, Ford—Kissinger 8/7/1975. Secret; Nodis. All brackets are in the original except those indicating text omitted by the editors. The meeting took place in the Oval Office.

301. Memorandum From the President's Assistant for National Security Affairs (Kissinger) to President Ford¹

Washington, August 19, 1975.

SUBJECT

Third-Country Sanctions against Cuba

With the deterioration in our relations with Castro in the early 1960s, we began to impose a series of restrictions on trade and travel between the U.S. and Cuba. Then, in 1962 and 1964, the OAS at our urging passed resolutions obliging its members to place similar sanctions on contacts with Cuba. Partly on the basis of the OAS action, the U.S. imposed further punitive measures against those countries which engaged in trade or permitted their ships or planes to be used in transport to or from Cuba.

These third-country sanctions consist of the following measures:

- Executive regulations prohibiting trade with Cuba by subsidiaries abroad of U.S. companies;

- Legislation requiring the Executive to terminate economic and military assistance to any country permitting its ships and planes to engage in the transfer of goods to or from Cuba;

- Legislation denying P.L. 480 Title I programs to countries permitting their vessels or planes to trade with Cuba or engage in government trade with it;

- Executive regulations prohibiting the bunkering in U.S. ports of ships engaged in the Cuba trade.

On July 29, the OAS Conference meeting in San Jose, Costa Rica, voted by two-thirds majority, including the U.S., to permit its members to terminate the obligatory sanctions on trade, travel and diplomatic

¹ Summary: Kissinger recommended that U.S. regulations imposing punitive measures on third countries that engaged in trade with Cuba be modified or repealed in light of the resolution passed at the San José meeting of OAS Foreign Ministers in July.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, Country Files, Box 2, Cuba—Economic, Social—Sanctions 3. Confidential. Ford initialed the memorandum and approved its recommendation. No attachments were found, but the documents described as attachments include a February 25 memorandum from Ingersoll to Ford and an August 12 memorandum from Kissinger to Ford. (Ibid., Cuba—Economic, Social—Sanctions 2; and *ibid.*, Presidential Country Files for Latin America, 1974–1977, Box 3, Cuba 2) In telegram 3187/USDel 50 from San José, July 30, published as Document 33, the Embassy reported on the OAS Foreign Ministers' lifting of mandatory regional sanctions on Cuba. In an August 21 statement, the Department announced modifications to its Cuba denial policy, noting that in the future licenses would be granted for "transactions between U.S. subsidiaries and Cuba for trade in foreign-made goods when those subsidiaries are operating in countries where local law or policy favors trade with Cuba." (Department of State *Bulletin*, September 15, 1975, p. 404)

contact with Cuba, and allow each nation to follow its own policies in this matter. As a result, the political and legal justification for our sanctions against those countries deciding to trade with Cuba has been removed. Furthermore, our support for the resolution carried with it a presumption that we will refrain from taking punitive action against a country which takes an action based on it. We have also found that our regulations prohibiting trade with Cuba by foreign subsidiaries of U.S. companies in countries where such trade is permitted create resentment and friction with otherwise friendly countries and place U.S. investors abroad in a difficult position between conflicting policies and regulations. Friendly foreign governments point out that the extraterritorial application of U.S. laws and regulations to prevent trade with Cuba violates their sovereignty.

I therefore propose that we take steps to modify those regulations and laws imposing sanctions on third countries as soon as possible in order to make clear that we are implementing an OAS action passed by the overwhelming majority rather than taking a step towards Cuba. I believe, however, these steps will be recognized as constructive ones by Castro and will put the onus on him to take the next conciliatory gestures towards us. Our purely bilateral sanctions would be left intact.

Attached at Tab A is a Department of State memorandum recommending that you approve the termination of U.S. third-country sanctions by modifying current regulations and laws relating to third-country trade with Cuba. The proposed modifications are laid out in the Under Secretaries Memorandum to you of February 25, 1975 (also at Tab A).

In brief, the specific steps which I would propose taking now are the following:

1. *Licenses for U.S. subsidiaries.* It is our current policy to consider each application for a license to permit a foreign subsidiary of a U.S. company to trade with Cuba on a case-by-case basis, and for the most part, to refuse to issue them. As a result of threats to nationalize U.S. subsidiaries in Argentina if they did not conform with Argentine policy of trading with Cuba, President Nixon authorized exceptions in the case of Argentine subsidiaries of U.S. automobile manufacturers in early 1974. A few other exceptions have been made in the case of Canadian and Mexican subsidiaries of U.S. firms. These exceptions have received considerable publicity and, as a result, more applications have been submitted which are now pending.

The Under Secretaries Committee, including representatives of State, Defense, Commerce, Treasury and CIA has met to review this problem and is unanimous in recommending that we begin issuing licenses permitting subsidiaries to trade with Cuba when it is the policy of the local government to do so. We would continue to deny licenses

for strategic goods or for goods in which there was a substantial proportion of component parts manufactured in the United States. The licensing of American banks located abroad also would continue to be more stringently restricted than that of non-banking firms in order to avoid providing U.S. financial assistance to Cuba.

2. *Assistance to countries trading with Cuba.* The Foreign Assistance Act contains a waiver provision. The proposal therefore is that, as Secretary of State, I would waive the suspension of assistance under the Foreign Assistance Act for countries which permit their ships and aircraft to carry goods to or from Cuba, when that becomes necessary. This was done recently with Argentina, without public attention having been called to it. It may become necessary with Panama, but not until they actually engage in the trade.

3. *P.L. 480 Title I.* We would begin informal discussions with appropriate members of Congress aimed, at a minimum, at seeking broader waiver authority of the requirement to suspend P.L. 480 Title I food shipments to countries trading with Cuba.

4. *Bunkering.* The Commerce Department would take the necessary action to change their regulations to lift bunkering restrictions on non-U.S.-flag vessels in the Cuba trade.

These actions would be taken in as low-key a manner as possible. The changes in regulations involved in issuing the waiver and licenses to subsidiaries of U.S. companies and permitting bunkering would be published in the *Federal Register*. We would advise countries like Canada, Britain and a few others which have been pressing us to permit U.S. subsidiaries located within their boundaries to trade with Cuba, and we would issue licenses for applications which are pending. A low-key press statement tying the actions to implementation of the OAS decision at San Jose would have to be made. It would be made clear at the same time, however, that restrictions on U.S. trade and travel remain in effect as long as outstanding problems with Cuba remain unresolved.

Recommendation

That you approve modifying those regulations and laws imposing sanctions on third countries that trade with Cuba.

302. Telegram 201916/Tosec 100134 From the Department of State to Secretary of State Kissinger in Alexandria¹

Washington, August 25, 1975, 2044Z.

201916/Tosec 100134. Subj: Cuba. Ref: Secto 10062. For Adams for the Secretary from Eagleburger. Communicator: Deliver all copies and tapes to Adams in sealed envelope.

1. On second thought I have decided not to transmit to my Cuban contact in New York by telephone the message called for in reftel. Consequently I have arranged to have Egan travel to New York tomorrow morning to deliver the message in a sealed envelope to the contact, and will meet him at the airport.

2. Following for your clearance is the text of the protest which will be delivered. If I have not heard from you by tomorrow morning, I will assume it is ok.

3. Quote. Recent informal discussions between the Government of the United States and the Government of Cuba have been pursued on the American side with a view toward exploring ways in which bilateral relations between the two countries could be improved. Recent actions on the part of the United States to relax travel restrictions and to lift third-country sanctions were designed, among other things, to contribute to an improvement in the atmosphere in which those talks take place.

4. During these informal discussions the United States has made clear that the issue of Puerto Rico and its relationship to us was particularly important and sensitive. The Cuban spokesman, in turn, indicated that while Cuba's attitude toward the Puerto Rican issue was fundamentally different from that of the United States, Cuba's position was not designed to cause problems for, or create disturbance with, the U.S.

¹Summary: Eagleburger transmitted to Kissinger the text of a protest against Cuban efforts to promote Puerto Rican independence that was to be delivered to a Cuban Government contact in New York.

Source: National Archives, RG 59, Central Foreign Policy File, P840083-0926. Secret; Immediate; Cherokee; Nodis. Drafted and approved by Eagleburger. In telegram 201436/Tosec 100079, August 23, to Kissinger, who was then in Alexandria, Egypt, the Department recommended that he authorize an exploration of possible retaliatory measures against Cuba in response to its effort to raise the question of Puerto Rican independence in the United Nations. (Ibid., D750292-0174) In telegram Secto 10062, August 23, Kissinger, who had travelled from Egypt to Damascus, Syria, responded by instructing Eagleburger "to send the Cubans a tough note via your channel on their actions re the Puerto Rico resolution." (Ibid., P850011-1634, N750003-0394) In telegram 201478/Tosec 100085, August 23, Eagleburger informed Kissinger that he would make the requested approach on Monday, August 25. (Ibid., N750003-0396)

5. The United States does not ask or expect that the Government of Cuba change its basic view with regard to Puerto Rico. But recent Cuban actions to introduce in the UN Committee of 24 a resolution on Puerto Rico which would give special status to the Puerto Rican independence movement are, in our view, inconsistent with the Cuban assurances referred to in the paragraph above.

6. We have noted Prime Minister Castro's August 21 statement that the lifting of third-country sanctions is a positive step by the United States in the normalizing of relations with Cuba. We also so regard it. It is in this context of steps toward the normalization of relations that we believe it important that it be understood that the United States Government must view a continued pressing of claims by Cuba, in the United Nations and elsewhere, that the present relationship between Puerto Rico and the United States is the result of suppression, and that Puerto Rico is a colonial issue, as a distortion of the facts and an interference in the internal affairs of the United States. Continued efforts by the Government of Cuba to play upon the Puerto Rican issue in public fora must be considered by the United States Government as anything but a "positive step" in keeping with the relationship we have both been trying to develop, and as harmful to a further improvement of relations between our two countries. Unquote.

Ingersoll

303. National Security Decision Memorandum 305¹

Washington, September 15, 1975.

TO

The Secretary of the Treasury
The Secretary of Defense
The Secretary of Agriculture
The Secretary of Commerce
The Deputy Secretary of State
The Administrator, Agency for International Development

SUBJECT

Termination of U.S. Restrictions on Third Countries Trading with Cuba

Following the meeting of the Organ of Consultation of the Organization of American States in San Jose which terminated mandatory prohibitions against trade and other contacts with Cuba, the President reviewed U.S. legislation and regulations relating to other countries' contacts with Cuba. He has decided that, in view of the OAS action, the U.S. should take such actions as are necessary to terminate its restrictions on third countries which trade with Cuba. The steps should include the licensing of subsidiaries abroad of U.S. companies to trade with Cuba when it is the policy of the local government to do so and when the goods involved are non-strategic and do not contain a substantial proportion of component parts manufactured in the U.S.; relief from legislation requiring termination of assistance or provision of P.L. 480 Title I programs to countries permitting their ships or planes to engage in trade with Cuba; and modification of regulations prohibiting bunkering in U.S. ports of ships engaged in Cuba trade.

The Under Secretaries Committee should be responsible for coordination of the implementation of this NSDM. When appropriate, it should make clear that the actions taken are in conjunction with the OAS Resolution rather than our bilateral policies towards Cuba. All actions taken by the Under Secretaries Committee under this NSDM should be reported to the President through the Assistant to the President for National Security Affairs.

Henry A. Kissinger

¹ Summary: This memorandum informed administration officials of a Presidential decision to terminate U.S. restrictions on third countries that traded with Cuba.

Source: Ford Library, National Security Adviser, NSDM and NSSM, 1974–1977, Box 1, NSDM 305—Termination of U.S. Restrictions on Third Country Trade with Cuba. Confidential. Copies sent to the Director of Central Intelligence, the Chairman of the Joint Chiefs of Staff, and the Chairman of the Under Secretaries Committee.

304. National Intelligence Estimate 85–1–75¹

Washington, October 16, 1975.

[Omitted here are a title page and a table of contents.]

CUBA'S CHANGING INTERNATIONAL ROLE**PRÉCIS**

During the last five years, Fidel Castro has wrought dramatic changes in national plans, priorities, and methods of governing Cuba. As a result:

—His revolution has become more institutionalized, with the Communist Party assuming an expanding policy-making role.

—Economic conditions are better than at any time since 1959; however, the economy has recently benefited from exceptionally high sugar prices and remains heavily dependent on Soviet trade and assistance.

—A new governing consensus has emerged which better relates policy and its implementation to current Cuban needs.

—Castro's power and popularity have increased.

These accomplishments—combined with Castro's view that the world power alignment is changing in favor of the Socialist bloc—seem to have persuaded him that the revolution is secure and successful, and to have reinforced his conviction that Cuba is triumphing over “imperialism.”

As a consequence, he has had increasing success in fulfilling the often divergent roles of:

¹ Summary: This estimate examined Cuba's changing international role, concluding that Castro would be willing to make concessions on some issues in talks with the United States but would not jeopardize broader foreign policy objectives in order to resolve bilateral problems.

Source: Central Intelligence Agency, National Intelligence Council Files, Job 79R01012A, Box 499, Folder 6. Secret; [*handling restriction not declassified*]. All brackets are in the original except those indicating text omitted by the editors. According to a note on the cover sheet, the Central Intelligence Agency, the intelligence organizations of the Departments of State, Defense, and Treasury, and the NSA participated in the preparation of this estimate. All members of the U.S. Intelligence Board concurred in the estimate except the representative of the FBI, who abstained. A July 23 memorandum prepared in the Office of Current Intelligence, CIA, concluded that Castro desired to negotiate an improvement in relations but did not want to appear anxious for reconciliation. (*Ibid.*, Office of Current Intelligence Files, Job 79T00865A, Box 26, Folder 17) Defense Intelligence Notice 2951–75, November 14, concluded that Cuban interest in a rapprochement was waning, as indicated by recent statements by Cuban officials and by Cuban involvement in Angola. (Washington National Records Center, OSD Decimal Subject Files, 330–78–0058, 092 Cuba 14 Nov 1975) Telegram 1527 from Luanda, October 10, reported the landing of Cuban troops in Angola to support the MPLA. (National Archives, RG 59, Central Foreign Policy File, D750352–1190)

—a leader of the Latin American and Caribbean communities and a spokesman for Third World and revolutionary causes, while remaining a loyal member of the Soviet camp; and

—an intermediary between Third World and Communist countries and a catalyst in forging a greater convergence of interests among them.

Castro desires a normalization of relations with the U.S. because he believes it will:

—confirm to the world the legitimacy and permanence of his revolution;

—give him access to U.S. products and markets; and

—facilitate the accomplishment of his foreign policy objectives.

In maneuvering toward normalization, he will weigh the sometimes divergent views of his leading advisers:

—Hardliners support normalization but with serious misgivings; they are likely to urge Castro to take strong positions and to move slowly.

—Pragmatists in the leadership want to secure the economic benefits that they believe would result from a lifting of the sanctions, and would concede the most to reach a settlement soon.

We believe that Castro is ready to enter into preliminary discussions with the U.S. now, but he probably calculates that a negotiated settlement with the U.S. is unlikely soon, and that a protracted process of negotiation would be more to his advantage than to that of the U.S. We believe that he will not agree to negotiations on substantive issues without further action by the U.S. to lift its sanctions against Cuba. There is a better-than-even chance that a partial reduction in the scope of U.S. sanctions would be enough to lead Castro to engage in substantive negotiations. He would of course expect that one consequence of the negotiations would be the complete lifting of the sanctions, and he might believe that the conduct of negotiations would of itself improve the climate for trade.

Castro will be prepared to make concessions on some issues. He:

—will probably be willing to pay a small percentage of the claims for compensation for expropriated U.S. properties after a great deal of hard bargaining.

—will probably be willing to curtail some of Cuba's activities in behalf of Puerto Rican independence, but Cuba can be expected to continue lending propaganda support to the Puerto Rican independence movement, though increasingly through international front organizations.

—will be less conciliatory on issues relating to Cuban sovereignty, and is likely to demand a definite commitment by the U.S. to relinquish the naval base at Guantanamo Bay and to terminate overflights.

Castro will be inflexible about negotiating Havana's relationship with the USSR and he will not jeopardize his broader foreign policy ob-

jectives in Latin America, the Third World, and the Communist camp simply to get quick solution to his bilateral problems with the U.S. Rather, he hopes that rapprochement will enable him to pursue a more energetic foreign policy in these areas and enhance his prestige as a leading Third World statesman.

[Omitted here are the discussion section and an annex on the Cuban economy.]

305. Telegram 295722/Tosec 240257 From the Department of State to Secretary of State Kissinger in Paris¹

Washington, December 16, 1975, 0216Z.

295722/Tosec 240257. Memorandum (S/S 7524690). For the Secretary from Sisco.

1. In separate message you are receiving our recommendation for a concrete proposal to make to the Soviet Union on Angola. I believe it is essential, and Schaufele and Rogers agree, that we make a strong démarche to the Cubans to put them on notice of the seriousness with which we view the present situation. Among other things, I believe we are utterly vulnerable with the Congress if we have not made any serious approach to the Cubans.

¹ Summary: Sisco transmitted a proposed statement to the Cuban Government that would highlight the seriousness with which the U.S. Government viewed Cuban involvement in Angola.

Source: National Archives, RG 59, Central Foreign Policy File, P850012–2147. Secret; Immediate; Nodis. Drafted and approved by Sisco and cleared by Rogers, Schaufele, Ortiz, and Barbian. Kissinger was in Paris attending the Conference on International Economic Cooperation, December 15–17. In telegram Secto 24102, December 16, Kissinger told Sisco and Ingersoll that he was “disturbed by the apparent tinges of panic evident in the tone” of telegrams on Angola, and he instructed them to take no action until after he had discussed the situation with Ford on December 18. (Ibid., P840083–0668) That discussion is recorded in a memorandum of conversation published as Document 153 in *Foreign Relations*, 1969–1976, Volume XXVIII, Southern Africa. Cuban involvement in the Angolan conflict was not discussed. In telegram Tosec 240270, December 16, Ingersoll and Sisco assured Kissinger “that the Angola business is in fact being pursued by all those principally concerned in the Department in a calm, sober, dignified, rational and professional manner.” (National Archives, RG 59, Central Foreign Policy Files, P850012–2140) In a November 24 speech in Detroit, Kissinger had stated with reference to Cuban involvement in Angola that “a policy of conciliation [with Cuba] will not survive . . . armed intervention in the affairs of other nations.” (Department of State *Bulletin*, December 15, 1975, p. 844)

2. Following message has been cleared both by Schaufele and Rogers. Rogers feels that it ought to be sent immediately through the Swiss Embassy in Havana. Hope I can get prompt approval:

Begin text:

The Government of the United States calls attention to the fact that the Cuban Government has in recent weeks intervened with combat troops in the civil war in Angola.

Cuba has done this for no evident legitimate purpose of the Republic of Cuba. Rather, it is doing so to carry out the policies of a non-Western Hemisphere power in a part of the world far removed from Cuba.

The fact that Cuba is prepared, to this end, to organize its own military forces in a major deployment across thousands of miles of ocean to take sides in a war between rival forces in Angola raises profound apprehensions about Cuba's intentions toward other countries in this hemisphere and throughout the world.

The Government of the United States has made clear, in recent public statements, that hostility to Cuba is not a permanent aspect of its foreign policy. It has been prepared to improve its relations reciprocally with the Republic of Cuba. But Cuba's actions in Angola cannot fail but seriously to jeopardize the prospects for an improvement in Cuba's foreign relations with the United States and with other nations committed to the principles of non-intervention and mutual respect.

We call on Cuba to cease sending any more combat troops and weapons to Angola. We call on Cuba to stop immediately the intervention of the Cuban troops now on Angolan soil in the internal conflict in that country, and to withdraw those Cuban troops forthwith. And we call on Cuba to lend its full support to initiatives for a ceasefire, to search for an African solution to the conflict and to the efforts for peaceful negotiations among the warring factions in Angola. *End text.*

Approve message.

As amended.

Disapprove.

Ingersoll

306. Telegram 303698/Tosec 250038 From the Department of State to Secretary of State Kissinger in Ocho Rios¹

Washington, December 29, 1975, 2052Z.

303698. Tosec 250038. Subject: Family Visits to Cuba. For the Secretary from Eagleburger and Rogers. Code room: Please deliver in sealed envelope to Mr. Barbian for Secretary Kissinger. Destroy tapes.

1. We have revised the talking points for the meeting with the Cubans along the lines you suggested Christmas Day, as follows:

2. —Mr. Kirby Jones has told us that when he was in Havana in November he was advised that Cuba might be willing to permit a limited number of family visits on a humanitarian basis. When he asked for further details, he was told, we understand, that the United States might pursue the matter, if it wished to do so, through our established special channel. We have asked for this meeting in response to that message.

3. —In our meeting on July 9, we suggested such an exchange of family visits, as an element in a process of reciprocal improvement of relations between Cuba and the United States. We therefore appreciate this indication that Cuba would look favorably on a humanitarian exchange of visits between family members. We would like clarification of the message and elaboration of the plan which Mr. Jones has told us about.

4. —How many Cuban family members in the United States would Cuba be prepared to admit?

5. —During what period?

¹ Summary: In talking points prepared for a meeting with Cuban officials, the Department expressed its willingness to consider allowing family visits to Cuba but added that Cuban intervention in Angola made normalization of relations impossible.

Source: National Archives, RG 59, Central Foreign Policy File, N750006–0699. Secret; Immediate; Cherokee; Nodis. Drafted by Rogers and approved by Eagleburger. Kissinger was vacationing in Jamaica. Kirby Jones, who carried a message from Castro to the U.S. Government in November 1975, was the former press secretary for the Presidential campaign of George McGovern and an advocate of improved U.S.–Cuban relations. In telegram Secto 25007 from Ocho Rios, December 30, Kissinger, approved the talking points with slight changes to paragraph 10; he struck the word “limited” from the phrase, “limited plan for family visits,” and revised the final sentence to read: “But Cuba’s dispatch of combat troops to take part in an internal conflict between Africans in Angola is a fundamental obstacle to any far-reaching effort to resolve the basic issues between us at this time.” (Ibid., N750006–0711) Ford had stated in a December 20 press conference that he had ended efforts to improve relations with Cuba in light of Cuban interference in Puerto Rico and Angola. (Kissinger, *Years of Renewal*, p. 784) Rogers held an inconclusive meeting with García at Washington National Airport on January 12, 1976. (Ibid.)

6. —For how long?

7. —Would Cuba also permit family members in Cuba to visit relatives in the United States for short periods?

8. —If so, how many?

9. —We said during our July 9 meeting that hostility to Cuba is not a permanent and organic element of the foreign policy of the U.S. But we also emphasized that any improvement in relations between Cuba and the United States—and with other nations as well, we believe—must depend in major part on whether Cuba is prepared now to manifest the respect and mutual regard which are essential to relations between states.

10. —Therefore, though we welcome word through Mr. Jones that Cuba will consider humanitarian family visits between our two countries, it must be clear, from what the President and the Secretary of State have said recently, that no fundamental improvement in relations between Cuba and the United States is possible under present conditions. We are ready to respond to Cuba's message in this instance, and we will consider a limited plan for family visits between our two countries when we receive clarification from you on the details of what you have in mind. But Cuba's dispatch of combat troops to take part in an internal conflict between Africans in Angola makes it impossible for us to contemplate any far-reaching effort to resolve the basic issues between us at this time.

Approve

Disapprove

Robinson

307. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, February 10, 1976.

Cuban Family Visits

1. Nestor Garcia now suggests a one-shot series of ten family visits from the U.S. to Cuba, as a “gesture.” No “continued flow.” I think we should sit tight until after March 9.

2. In Larry’s Memorandum of Conversation of his February 7 meeting with Garcia, Garcia mentioned “the proposal made by Mr. Rogers.” This must be a reference to the suggestion we made in July in New York to the two Cubans for family visits, of as many as 100 per week. That proposal, of course, was one of a series of ideas for a reciprocal, across-the-board improvement in relations, none of which have prospered.

Attachment

Memorandum of Conversation²

New York, February 7, 1976.

PARTICIPANTS

Lawrence S. Eagleburger
Deputy Under Secretary for Management, Department of State

Mr. Nestor Garcia
Cuban Mission to the United Nations

Mr. Garcia read from a typed document and told me I could take notes but that he was not permitted to leave the document with me. The thrust of the document was as follows:

¹ Summary: Rogers reported on a February 7 meeting between Eagleburger and a Cuban official in which the possibility of allowing U.S. residents to make visits to family members in Cuba was discussed.

Source: National Archives, RG 59, Central Foreign Policy File, P860112–0119. Secret; Nodis; Sensitive. Drafted by Rogers. Sent through Eagleburger who wrote, “I agree,” next to the first paragraph. The meeting between Eagleburger and García took place in New York. (Kissinger, *Years of Renewal*, pp. 784–785)

² National Archives, RG 59, Central Foreign Policy File, P860112–0120. Secret; Nodis.

The Cuban Government is prepared to permit visits of families to Cuba for humanitarian reasons. However, the proposal made by Mr. Rogers goes beyond what they thought reasonable. Conditions are not favorable to starting a continued flow of visits to Cuba, much less the establishment of a regular airlift between the United States and Cuba for that purpose.

The Government of Cuba reiterates its willingness to admit, as a part of the plan being proposed, up to ten visits by Cuban families selected in the USA. The visits could take place within a reasonable term of three or four months (the three or four months to run starting with the date of the first visit).

The number of persons in each family could be up to six individuals, provided they are a father, mother, and sons or daughters who come to Cuba to visit their parents. The only necessary condition is that they be individuals not involved in activities against the Cuban revolution. Although dealing with trips in which the essential motivation is a human one, the Government of Cuba will give preference to the aged, or those affected by serious non-infectious ailments, as well as those families who come to visit old or ill parents or grandparents.

The maximum stay would be ten days for each visit.

The proposal should be formulated by the USG, and should provide the last home address in Cuba of the head of the family before leaving the country.

Visits by persons who left Cuba illegally will not be accepted.

The proposal must include the name of the principal relative to be visited, the reasons for the trip, and the name of all travelers.

The GOC will provide an answer on each case in a term not longer than one month.

In order to facilitate the fulfillment of visits within the three or four months proposed, it is best that several proposals be presented together, although the trips will be organized separately.

The visitors should travel to Cuba using regular airline flights, whether through Mexico, Jamaica, etc. The expenses are to be paid by the visitors.

Family travel from Cuba to the U.S. is not included in this proposal. Such trips will continue to be decided by Cuba in accordance with its norms, and will proceed in the manner now pertaining.

No publicity will be necessary on the part of Cuba. The USG, if it suits its interests, may release the news that the trips have been authorized.

This is our stand. It constitutes a gesture which indicates that, on the part of Cuba, there is not an attitude of permanent hostility toward the United States.

308. Memorandum Prepared in the Central Intelligence Agency¹

Washington, February 26, 1976.

SUBJECT

Fidel Castro's Expanding Role as a Broker Between the Communist and Third Worlds

Fidel Castro stands out as a protean and commanding figure among the Soviet-style Communist Party leaders gathered in Moscow this week. Bearded, and in the khaki-green attire of the guerrilla movement that he led to victory 17 years ago, his credentials are currently as good with the heads of Third World governments and revolutionary groups as they are with his more stolid Communist counterparts. While in Moscow, and later in Eastern Europe, Castro will seek to exploit these unique bona fides to win support for his increasingly assertive and global foreign policy.

Unlike the four visits Castro made to the USSR in earlier years when he was cast in the role of an underprivileged client seeking Soviet beneficence, he will consult with Soviet leaders this time from a position of greater strength. The Cuban revolution is more secure and successful than ever before, (although still dependent on massive Soviet aid) and he is at the peak of his power and prestige. Decisive Cuban victories with the Popular Movement in Angola underscore for many the wisdom of his audacious decision to project Cuban military power 8,000 miles across the Atlantic.²

While these and other solid Cuban accomplishments undoubtedly impress the leaders of the other Communist parties, Castro's credibility with them is probably better enhanced by important steps he has taken recently to accept Soviet orthodoxy. The first congress of the Cuban Communist Party last December was a final step in the pervasive institutionalization of the revolution along lines recommended by Mos-

¹ Summary: The memorandum commented on the increasingly assertive and global foreign policy being pursued by Castro and predicted that a significant Cuban military force would remain in Angola indefinitely.

Source: Central Intelligence Agency, Office of Current Intelligence Files, Job 85T00353R, Box 1, Folder 25. Confidential. All brackets are in the original except those indicating text that remains classified. In a March 2 memorandum to Luers, Gleysteen noted that CCA was generally in agreement with this paper's conclusion that Cuba was likely to seek to expand its presence and influence in southern Africa, but in a handwritten notation, Luers recorded his view that the paper overstated the extent to which Cuban intervention in Angola had added to Castro's prestige in the Third World. (National Archives, RG 59, Central Foreign Policy File, P820134–2096)

² This paper was prepared by the Office of Current Intelligence [2½ lines not declassified. Footnote in the original].

cow. In recent weeks, moreover, Havana has abandoned ten years of silence in the Sino-Soviet dispute by loosing a vicious propaganda barrage against Peking.

Castro's remarkable success in simultaneously augmenting his credibility as a Communist and Third World leader will better enable him to carry out the more expansive foreign policy he is now embarked on. He aspires not only to continue enhancing his dual credentials in the Communist and Third Worlds, but to act as a bridge between them. He seems genuinely to believe that in this manner he can help to forge a greater convergence of interests between the two, and once again become a major player on the world stage.

Castro is encouraged to pursue this ambitious design because he believes that the international balance of power has shifted during the last few years. The U.S. failure in Southeast Asia, Watergate, revelations about and investigations of the U.S. intelligence community, and other developments have persuaded him that "imperialism" is in eclipse and that Communist and Third World forces have gained the upper hand. Cuban successes in Angola have strongly reinforced that view.

Castro also is encouraged by the increasing compatability of Cuban and Soviet objectives and methods in the Third World, and by Moscow's apparent satisfaction that his efforts there work to its advantage as well as his. The economic, technical, and security assistance that Cuban advisers provide the governments of several countries, including Algeria, Congo, Equatorial Guinea, Guinea, Guinea-Bissau, Sierra Leone, Somalia, Tanzania, and Zambia, contributes to the fulfillment of both Cuban and Soviet objectives. Castro may even believe that he helped to persuade the Soviet leaders to more actively support Third World causes. This heightened degree of mutual trust has resulted in increased Soviet willingness to delegate to the Cubans immediate responsibility for advancing the objectives of both countries in certain Caribbean and African countries.

Cuba's Future Role in Africa

All of these factors strongly impel Castro to capitalize on Cuban successes in Angola by continuing to perform as a major power broker in Africa. At least 12,000 seasoned Cuban troops are believed to be in Angola even now after the fighting has all but ended. Castro may be keeping them there primarily as a reminder to the white minority governments of southern Africa that he is irrevocably committed to support wars of national liberation in the area.

The extent of the support Cuba eventually will provide to guerrilla movements in southern Africa will depend largely on how much of a commitment Castro can win from the Soviets. His ambitions for that

part of the world undoubtedly will be one of the central topics in his discussions with Soviet leaders during his stay in Moscow. The presence in his entourage of Osmani Cienfuegos, Cuba's senior troubleshooter in Africa and the Middle East, and Carlos Rafael Rodriguez, the regime's top foreign policy official, seem to emphasize the priority that Castro places on his African pursuits.

Castro will probably seek Soviet backing to begin providing material support and training to the faction of the African National Council that supports Joshua Nkomo in his efforts to negotiate a settlement with the Smith government in Rhodesia. Moscow has long aided Nkomo, and may agree to funnel arms and money through the Cubans. If there is any truth in reports that Cuban military personnel and Soviet military equipment have been sent to Mozambique from Angola, then such a decision may already have been made. Cuban efforts will be hampered, however, by the poor organization and small size of the group, and by the fact that Peking supports another faction of the Council that is stronger and more active than Nkomo's.

Initially, therefore, the Cubans are likely to confine their efforts in behalf of the Rhodesian guerrillas to training and organizational areas while seeking to build up the group's capability. A small number of Cuban advisers could be expected to engage in guerrilla operations, but it is not likely that regular Cuban troops will become involved without strong endorsements from Moscow and major African nations.

Cuba is also likely to provide training and material support to the South West African People's Organization in concert with the expected efforts of the Angolan Popular Movement to support insurgency in Namibia, even if an accommodation is reached with Pretoria. The levels and types of Cuban assistance would depend here, as in Rhodesia, on a variety of external factors. In balance, it seems unlikely that in the next few months Cuban personnel will become involved other than as advisers with guerrilla units.

Cuban efforts in support of the Katangan secessionists who oppose the Mobutu government in Zaire also are possible, but restraints that extend well beyond those discussed in the above cases apply here. Despite his antipathy for Mobutu—against whom Che Guevara fought a guerrilla action in 1965—Castro would support a struggle against a legitimate Black African government only in the extremely unlikely event that its opponents enjoyed the overwhelming support of other black nations.

In the longer term, Cuba also can be expected to expend considerable and growing energy—both diplomatic and subversive—against white minority rule in South Africa. The possibilities for Cuban meddling are more limited there than elsewhere in southern Africa, but Havana may endeavor to establish and support a guerrilla force—perhaps

from bases in Mozambique—in the hopes of generating support in the international arena for more direct involvement. Despite the triumphant mood that Castro and most of his military commanders are in following their success in Angola, however, few of them have illusions about how much more difficult and costly a conventional war with South Africa would be.

During the remainder of the year and beyond, the Castro regime can be expected to perform in Africa in a manner somewhat reminiscent of the European colonial powers of the last century. A growing number of Cuban guerrilla advisers are likely to be assigned with African liberation groups, diverse Cuban aid programs probably will be expanded, and large numbers of Cuban advisers will work in Angola to help pattern a system modeled on Cuba's.

Unless the Neto government strongly objects, moreover, a Cuban military contingent of at least several thousand is likely to remain indefinitely in Angola both as a defensive force and to unsettle nearby white minority governments. In concert with these efforts, Cuban officials and the media will concentrate on a theme that Castro broached late last year: "Cuba is not just a Latin American country, but also a Latin African country. African blood flows abundantly in our veins."

309. Telegram 61342 From the Department of State to Certain Diplomatic Posts.¹

Washington, March 13, 1976, 0414Z.

61342. Inform Consuls, Embassy distribute to State officers only.
Subject: Cuban Troops in Angola.

1. Following is text of INR Report No. 352 titled “Cuban Troops in Angola: How Much Longer?” dated March 9, 1976:

2. *Begin summary.* Cuban military intervention in Angola probably did not result from any single decision or event, but rather from a series of decisions in response to the evolving situation there.

3. Castro has claimed that no Cubans were fighting in Angola until South African forces began their push north on October 23, but some Cuban troops probably were involved to a limited degree in MPLA combat operations during October and possibly earlier. South African actions apparently had little effect on the Cuban troop buildup of perhaps 2,000 men during September and October; direct Zairian and indirect Chinese involvement probably influenced Cuba’s decisions strongly.

4. The big Cuban influx beginning in November may well have been caused largely by the South African-led offensive and the loss by the MPLA of strategic areas of south-central Angola. November also saw a change in the nature of the Cuban involvement as Cuban units began conducting their own combat operations separately and in conjunction with MPLA forces.

5. For the next several months, Cuba probably will maintain a large, but gradually diminishing, military force in Angola. The nature of the Cuban role and the size of its troop contingent will depend largely on the MPLA’s ability to resolve conflicts with domestic rivals and hostile neighboring countries. Accommodations with UNITA and South Africa probably would hasten Cuban troop withdrawals, but

¹ Summary: The Department transmitted an analysis of Cuban involvement in Angola that had been prepared in the Bureau of Intelligence and Research.

Source: National Archives, RG 59, Central Foreign Policy File, D760096–0470. Secret; Noform; Nocontract; Eyes Only. Sent to all European diplomatic posts, all American Republic diplomatic posts, the Liaison Office in China, and the Embassies in Japan, Egypt, Guinea, South Africa, Tanzania, Zaire, Nigeria, Mozambique, Zambia, Ethiopia, Kenya, Somalia, and Gabon. Drafted by David Smith; cleared by Godfrey Summ in INR/RAR, Gary Chafin in ARA, Raymond Ewing in EUR, Jeffrey Cunningham in EA, Ann Griffin in NEA, and Theodore Ford in AF; and approved by Kirk. An earlier chronology of the Cuban buildup in Angola is in telegram 43033 to Stockholm, Addis Ababa, Copenhagen, Cape Town, Dar es Salaam, Helsinki, Kinshasa, Maputo, Lusaka, Moscow, Oslo, Pretoria, Reykjavik, the Mission to NATO, and the Mission to the UN, February 23. (Ibid., D760070–0874)

Cuban influence is likely to be felt strongly in Angola for a long time to come. *End summary.*

6. Background: To mid-1975.

7. For at least a decade, Cuba provided trainers and advisers to the MPLA, along with a limited amount of material assistance. Until 1975, the total number of Cubans working with the MPLA probably did not exceed 100 at any given time. Most of these apparently were based in the Congo (Brazzaville), though a few may have been infiltrated into Angola.

8. As a result of developments in Portugal during 1974, Cuban (and other foreign) attention to Angola increased, while all three Angolan independence movements began jockeying for position and seeking foreign assistance.

(A)—In November 1974 the FNLA, which had been receiving Chinese and Zairian support, began moving troops into Luanda and northern Angola. The MPLA also brought troops into the Luanda area.

(B)—In late 1974, and more seriously during March and April 1975, fighting broke out between the FNLA and the MPLA. The Cubans have admitted to sending about 230 advisers to Angola in late spring 1975, probably to assist MPLA efforts to oust the FNLA from the Luanda area and Cabinda.

(C)—In late June 1975, the Cuban Communist Party official responsible for military relations with the MPLA met in Mozambique with Agostinho Neto, presumably to coordinate future operations.

(D)—Some time during July, 42 Cuban military personnel reportedly arrived in the Congo to assist in reassembling Soviet weapons being supplied to the MPLA.

(E)—Also in mid-July, Zaire sent a commando company and an armored car squadron into Angola in support of the FNLA, which had been all but eliminated from Luanda.

(F)—During the second week of August, two Zairian paratroop companies were also sent to Angola, and South African forces occupied the Cunene Dam complex in Southern Angola.

9. In this context, according to a reliable clandestine source, MPLA representatives in late July-early August asked for Soviet troop support, were turned down, and were told to approach the Cubans instead. Senior Cuban officials in Luanda allegedly were receptive to the idea of supplying Cuban combat forces and pressed the issue in Havana, using both practical and ideological arguments to convince Castro, who reportedly was reluctant at first. The decision to send combat forces reportedly was made in mid-August. At the time, neither the Cubans nor the MPLA apparently were concerned about the entry of South Africa into the conflict, which they considered improbable.

Rather, they reportedly feared a Zairian intervention and considerably overestimated Zaire's military capabilities.

10. The initial buildup: September–October, 1975.

11. In early September the first Cuban ship, carrying about 120 troops, left Havana, arriving in Pointe Noire (Congo) on September 24. Four other ships carrying men and military matériel left Cuba in mid- and late September, arriving in Congo and Angola in early and mid-October. These may have carried as many as 1,500 men.

12. On September 30, the Cubans also began sending troops by air. The flights continued at the rate of one flight per week through the end of October. These five flights probably carried about 400 men to Brazzaville and/or Luanda by October 28.

13. The Cuban troops were assigned a variety of tasks. Many were detailed either as individuals or in small groups to MPLA units throughout the country as trainers and advisers. Others were given support roles in communications, logistics, medical services, anti-aircraft defenses, and defensive positions around Luanda. The Cubans also reportedly set up infantry training camps near Benguela and Luso to give crash infantry training to MPLA forces.

14. Evidence concerning Cuban participation in combat operations during this period (September–October) is inconclusive. Some Cuban troops probably went into combat against the FNLA and Zairians in the north with the MPLA units to which they were attached. Cubans assigned to defensive positions near Lobito and other towns on the Benguela railroad also engaged in combat when the UNITA/South African offensive began during the last week of October. There is no evidence, however, that Cubans were conducting autonomous combat operations during this period.

15. During September and October, the Zairian and South African presence in Angola also increased:

(A)—In mid- and late September two understrength Zairian battalions were sent to Ambriz, and in late October or early November another battalion entered.

(B)—In September, South African shipments of military matériel to the FNLA and UNITA began, and South African military advisers established a small training base for the FNLA in southeastern Angola.

(C)—In the last half of October, a South African strike force entered Angola and captured the major southern cities and Lobito-Benguela.

16. The massive buildup: November 1975–January 1976.

17. It is not clear whether there was a causal relation, but after the events of late October, Cuban troop movements to Angola increased.

(A)—During November and early December the airlift stepped up markedly and averaged five flights per week.

(B)—During December, the sealift also increased, with 10 Cuban vessels arriving in the Congo-Angola area. The number of troops they carried is unknown, but they could have accommodated perhaps 3,000.

(C)—Both airlift and sealift continued through late January, until the total number of Cuban troops in the area reached 10,000–12,000, at which point it apparently leveled off.

18. The nature of Cuban involvement also changed, as Cuban combat units began to engage opposing forces in central and northern Angola—sometimes, but not always, in conjunction with MPLA forces. By mid-December and January, the Cuban forces were clearly in control and bearing the brunt of combat operations.

19. What next?

20. The MPLA's military victory presents Havana with several options:

(A)—Withdrawal of all or a substantial part of its military forces;

(B)—Maintenance of a large, but gradually diminishing, force to assist counterinsurgency efforts and to help secure the country until the MPLA achieves a political consolidation;

(C)—Extension of the war into South African-held Namibia;

(D)—Maintenance of a relatively small guerrilla-training cadre to improve the capabilities of insurgent groups in Namibia;

(E)—A shift in focus of Cuban activities to assist Rhodesian insurgents, but from bases in Mozambique rather than Angola.

21. Withdrawal appears unlikely in the near term. Both the MPLA and the Cubans remain suspicious of Zairian and South African intentions, and Castro has refused to withdraw his troops in response to the Zairian pullout. The continued presence of South African forces in extreme Southern Angola also would probably weigh against withdrawal. During his February 28 meeting with Zairian President Mobutu, Agostinho Neto reportedly said that he could not give up the assistance of Cuban troops as long as foreign troops remained on Angolan soil.

22. UNITA-organized guerrilla operations will also encourage the MPLA to maintain a large Cuban military presence in Angola. The Cuban forces have been well-trained in counterinsurgency at home, and they probably would assist MPLA forces in conducting such operations. If the MPLA's political consolidation proceeds reasonably smoothly, Havana may begin reducing its forces in Angola gradually, probably replacing some combat troops with smaller numbers of technical and political advisers.

23. Extension of Cuban military operations into Namibia is a possibility, but the Cubans have shown some reluctance to engage South African forces directly in Angola and would have to expect an all-out response from Pretoria if they crossed into South African-held territory. A military defeat at the hands of the South Africans would remove much of the luster from Cuban victories to date. Moreover, direct Cuban operations in Namibia would lack the quasi-legal justifications that Havana has given for its Angolan involvement. The Cubans, however, are likely to provide training and other forms of support to SWAPO guerrillas from bases in Angola.

24. Cuba may well give similar assistance to Rhodesian insurgents, but Mozambique would be a much more convenient base for such activities. Various reports suggest that Cuban military personnel have recently conferred with the Mozambican Government about providing advisers and arms to Zimbabwe guerrillas. Samora Machel's decision to sever all links with Rhodesia and aid the insurgent forces has increased the likelihood that some Cuban military personnel will be permitted to operate in Mozambique. The use of Cuban combat units against the Smith regime's military forces does not appear imminent, but it is a distinct possibility at some later date.

25. Political developments in Angola itself will strongly influence Cuba's decision. Castro has suggested that he would remove Cuban military forces if the MPLA government so requested.

(A)—An agreement between the MPLA and South Africa over the Cunene hydroelectric complex and a subsequent pullout of South African forces would increase the likelihood of a Cuban withdrawal.

(B)—Recognition of the MPLA government by Zaire, Zambia, and other previously hostile African and Western nations, including the U.S., probably would do much to assuage MPLA and Cuban fears about future foreign interventions.

26. Even if Cuban military forces are phased down, however, the presence of large numbers of political and technical advisers will assure a strong Cuban influence in Angola for a long time to come, and Cuban assistance to other liberation movements in southern Africa would enable the Castro government to play a major role in the region's affairs.

Kissinger

310. Memorandum of Conversation¹

Washington, March 15, 1976, 9:23–10:06 a.m.

PARTICIPANTS

President Ford

Henry A. Kissinger, Secretary of State

Brent Scowcroft, Assistant to the President for National Security Affairs

[Omitted here is discussion unrelated to Cuba.]

Kissinger: I think sooner or later we have to crack the Cubans. I talked to Yamani last Friday and even the Iranians are worried about the Cubans getting into the Middle East countries. I think we have to humiliate them. If they move into Namibia or Rhodesia, I would be in favor of clobbering them. That would create a furor and we might have to come out for Black rule. But I think we might have to demand they get out of Africa.

The President: What if they don't?

Kissinger: I think we could blockade. But I think we need a WSAG and maybe an NSC. But I don't think we have to identify where they might move—just examine contingencies for wherever they might act.

The President: I am for that. Can we do it right away?

[Omitted here is discussion unrelated to Cuba.]

¹ Summary: Kissinger and Ford discussed possible action against Cuba if Cuban forces expanded their activities overseas.

Source: Ford Library, National Security Adviser, Memoranda of Conversations, 1973–1977, Box 18, March 15, 1976—Ford, Kissinger. Secret; Nodis. All brackets are in the original except those indicating text omitted by the editors. The meeting took place in the Oval Office. According to a March 13 memorandum of a conversation with Saudi Petroleum Minister Ahmad Zaki Yamani, referred to in this document, Kissinger stated that the “next time Cuba attempts something like Angola, they will get into massive trouble. The War Powers Act gives us 60 days to do something and I think we could take care of Cuba in that period.” (National Archives, RG 59, Central Foreign Policy File, P820117–1608) According to a February 26 memorandum of conversation, Kissinger told Pakistani Prime Minister Zulfikar Ali Bhutto that he firmly believed “that the Cubans have to be taught a lesson.” (Ibid., P860112–0876)

311. Transcript of Washington Special Actions Group Meeting¹

Washington, March 24, 1976, 10:48–11:10 a.m.

Part I of II

SUBJECT

Cuba

PARTICIPANTS

Chairman

Henry A. Kissinger

State

Robert Ingersoll

DOD

Donald Rumsfeld

William Clements

JCS

Gen. George S. Brown

CIA

Lt. Gen. Vernon Walters

NSC Staff

Lt. Gen. Brent Scowcroft

William G. Hyland

Michael Hornblow

Secretary Kissinger: Today we are going to discuss two subjects—Cuba and Lebanon. Cuba will be first. We want to get planning started in the political, economic and military fields so that we can see what we can do if we want to move against Cuba. We should get a range of op-

¹ Summary: The Washington Special Actions Group made preparations to draft a study on possible measures that could be taken against Cuba.

Source: Ford Library, National Security Adviser, NSC Institutional Files, Box 20, WSAG Meeting—Cuba and Lebanon—March 24, 1976, 2. Top Secret. The meeting took place in the White House Situation Room. All brackets are in the original except those indicating text omitted by the editors. Under a March 23 covering memorandum to Kissinger, Rogers transmitted a paper on deterring Cuban intervention in southern Africa that had been prepared for use by Deputy Secretary Ingersoll at this WSAG meeting. (National Archives, RG 59, Central Foreign Policy File, P840014–0842) According to the minutes of an April 7 National Security Council meeting, Ford asked about the status of contingency plans on Cuba, and Kissinger informed him that they were being revised. (Ford Library, National Security Adviser, NSC Meeting File, 1974–1977, Box 2, NSC Meeting—April 7, 1976) According to an April 21 memorandum of conversation, Kissinger told Ford that the “contingency plans aren’t doing well” and that “no one but you and I are in favor of cracking the Cubans; Ford authorized Kissinger to order the inter-agency group to produce the contingency plans whether they favored action against Cuba or not. (Ibid., Memoranda of Conversation, Box 19, April 21, 1976—Ford, Kissinger)

tions. Later there will be an NSC meeting to discuss our objectives. Now we have to look at our capabilities so that the President can make a political decision of what to do, and how to plan it. This should be done in such a way as to minimize the danger of leaks. So far in State there has been no planning.

Gen. Brown: In doing this it might be helpful to narrow the alternatives and look at one or two alternative courses.

Secretary Rumsfeld: Are you talking in terms of military planning?

Secretary Kissinger: There are a number of things that we can do which should be looked at. In the military field there is an invasion or blockade.

Secretary Rumsfeld: The other thing that should be considered is the effect this would have on our relations with the Soviet Union.

Secretary Kissinger: Right and that is the reason for our current threatening noises.

Gen. Walters: There is a paper now on the way to the OAG regarding covert action against Cuba.

Gen. Brown: I don't understand. I thought there already was a working group paper that had looked at a number of options.

Secretary Kissinger: What I am talking about is a planning group with a very restricted number of people. The members of the group would be at a reasonably high level so that we can avoid horrible platitudes in the paper. This is serious business. A blockade could lead us into a confrontation with the USSR.

Secretary Rumsfeld: We should lay out our political goals regarding Cuba, and Africa and then focus in on them. There are an infinite number of things we can list of a political, military and covert nature which would affect Cuba's position in Africa. How you do these things depends on your goals in Africa.

Secretary Kissinger: That is not necessarily so. The President may not want to or be able to carry out a plan just because he has one.

Mr. Clements: I am appalled at the way Cuban military forces are being used overseas. Are we just going to sit here and do nothing?

Secretary Kissinger: That is not for this group to decide. Those questions will be discussed at a full meeting of the NSC. Rhodesia is a lousy case but it is not the only problem of its kind in southern Africa. If the Cubans destroy Rhodesia then Namibia is next and then there is South Africa. It might take only five years and the South Africans just won't yield. They are stubborn like the Israelis. The problem is that no matter how we build our policy in southern Africa anything that happens will appear to have resulted from Cuban pressure. We could make it a proposition that it is unacceptable to us to have the Cubans as the shock troops of the revolution. When I saw Yamani a few weeks ago

we of course talked about oil but he seemed more concerned about Cuban troops in South Yemen. And then when I saw Bhutto in New York he said to me “When are you going to humiliate the Cubans?” This is a strategic problem regardless of our African policy. During my South American trip the President of Colombia arranged a small private dinner meeting. There were just four of us. We talked about Cuban intervention in Africa and he said he was frightened about the possibility of a race war. This could cause trouble in the Caribbean with the Cubans appealing to disaffected minorities and could then spillover into South America and even into our own country.

Secretary Rumsfeld: How do you prevent Cuba from doing that?

Secretary Kissinger: You deter them from even trying it. We must get it into the heads of the leaders of African countries that they can’t have it both ways. They can’t have both the Cubans in Africa and our support. It was the same situation we had with Egypt a few years ago. I told them they could not have both the Soviet presence and our support and now the Soviets have left. We have to know what we want to do. We should consider two or three likely courses of action and go into them in detail and see what problems would result. We don’t necessarily have to consider an invasion but we should look at various forms of blockade.

Gen. Scowcroft: This would be a two step process. There are a variety of things like an invasion which could be ruled out.

(11:01 a.m. Secretary Rumsfeld left the meeting for another appointment.)

Secretary Kissinger: I would hate to have to implement operations against Cuba as a reaction to some event. It should be well planned. George (Brown), you should pick two or three types of operations. If we decide to use military power it must succeed. There should be no halfway measures—we would get no award for using military power in moderation. If we decide on a blockade it must be ruthless and rapid and efficient.

Gen. Brown: I agree. There is of course the congressional angle. There is no sense in taking a course of action unless it can be completed in less than 60 days. There is no sense in starting an operation unless it can achieve its objectives quickly.

Secretary Kissinger: The President must know what would be involved in a blockade and what impact it would have on Cuba and the USSR.

Gen. Scowcroft: And Congress.

Secretary Kissinger: One thing that might be considered is a selective blockade, a blockade on outgoing stuff from Cuba and not on incoming items, except for purely economic things.

Gen. Brown: That was the sort of thing we did during the Cuban missile crisis. It was a quarantine involving only Soviet ships. One of the problems of just having a blockade on outgoing things is that most of the military equipment they are using in Africa comes directly from the Soviet Union.

Secretary Kissinger: That is the sort of thing we have to study. This is not the place to make a decision. If there is a perception overseas that we are so weakened by our internal debate so that it looks like we can't do anything about a country of 8 million people, then in three or four years we are going to have a real crisis. It is important to get public support. So far there has been a good response from my speech in Dallas.

Mr. Clements: The public is way ahead of us on this Henry. They are mad about the Cubans.

Secretary Kissinger: I have received a lot of favorable mail recently. What we now need are plans. In State we will draw up some economic and political plans. There should be only one person from each Department working on this. There will be one person at State. George, we need military plans.

Gen. Brown: We will have to have more than one person working on this. I could get together a small team.

Gen. Walters: And we are submitting covert plans.

Gen. Scowcroft: There should be one representative of each principal on a coordinating group.

Secretary Kissinger: Yes. Hyland will be the coordinator. There will be two people working on this from State.

Mr. Clements: I want to emphasize the problems of leaks. The leakage of the contingency plans for the Middle East really hurt us. The reporters are like a pack of wolves at Henry's feet asking him all the time what we should do about Cuba.

Secretary Kissinger: That is something also for the Cubans to worry about. They should know that we plan to do something. We should have another meeting of this group ten days from now in order to review progress. Now let's have an update on Lebanon.

[Omitted here is discussion unrelated to Cuba.]

312. Memorandum From the Coordinator for Cuban Affairs (Gleysteen) to the Assistant Secretary of State for Inter-American Affairs (Rogers)¹

Washington, April 19, 1976.

SUBJECT

Warning to Miami Exile Militants—*ACTION MEMORANDUM*

In light of the recent attacks on two Cuban fishing vessels, and FBI reports that FLNC may be planning attacks on Cuban Embassy personnel, Soviet vessels, and Cubana planes, we think it prudent to reiterate the warning that U.S. law enforcement agencies will vigorously enforce U.S. laws prohibiting the use of U.S. territory as a base for military actions against foreign countries.

In the past in 1970, '72 and '74 we issued similar warnings in response to specific incidents or to intelligence reports of plans in the works.

The warnings would:

- discredit unfounded rumors in Miami that CIA is behind the attacks or that the USG condones them;
- discourage Miami based militants from carrying out other hit-and-run attacks on Cuban ships and diplomatic establishments, bombings, score-settling assassinations, etc;
- show Cuba that we are serious about the hijacking agreement, the continuation of which is of more interest to the U.S. than Cuba.

In the past, the Department has released the warnings to the press on background through PAF with Justice, FBI, CIA, and Coast Guard concurrence. The Department is not a law enforcement agency but has

¹ Summary: In the wake of an attack on a Cuban fishing boat, Gleysteen proposed that the U.S. Government issue a warning to exile groups that might be planning further attacks.

Source: National Archives, RG 59, Central Foreign Policy File, P820131–1674. Confidential; Urgent. Drafted by Holladay and cleared by Gantz and Dixon. Rogers initialed his approval of the recommendation. Attached but not printed are a draft warning to Cuban exiles and the text of a May 12, 1970, Department statement reminding residents of laws prohibiting the use of U.S. territory as a base for “military expeditions against foreign country.” (Ibid., P820131–1676 and P820131–1677) In a note to the Department, April 9, the Cuban Foreign Ministry protested an attack in international waters upon the Cuban fishing boat *Ferro 119*, presumably by Cuban exiles based in U.S. territory. (Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974–1977, Country Files, Box 2, Cuba—Political, Military 3) In an April 16 message to the Cuban Foreign Ministry, the Department condemned illegal attacks upon innocent persons while rejecting the allegation that statements by U.S. officials encouraged such attacks. (Ibid., Box 2, Cuba—Cubana Airlines Overflights 1)

served as a lightning rod for exile dissatisfaction with administration Cuba policy.

We think it appropriate that high ranking Justice and Coast Guard people in Miami issue the warning publicly this time. Coast Guard thinks Admiral Wagner of Miami Seventh District might fill the bill, especially since Coast Guard bears the burden of enforcement at sea. They have their hands full with drug and search and rescue operations and it is in their interest to use a little preventive medicine on the exiles. Wagner could act jointly with Justice, for the best effect.

Recommendation:

That we request Justice and Coast Guard to act jointly to release the attached warning.

313. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, May 5, 1976.

SUBJECT

Cuba Suffers Some Reverses

While the Cuban adventure in Angola has met with initial success and Castro's prestige in much of the third world has increased, this has not been accomplished without some cost.

Prior to September 1975, the Cubans had made great progress in gaining acceptance in Latin America and Europe. They had been reintegrated into the Latin American caucus of the UN; they had established good working relations with nations of the Western world; their trade with the West and access to its technology, markets, and even credits, had grown (Since 1973 their trade with non-Communist countries had

¹ Summary: This memorandum reported on signs that Cuban involvement in Angola was hindering Cuban efforts to gain acceptance in Europe and Latin America and forcing Castro back into a position of dependence upon the Soviet Union.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974-1977, Country Files, Box 3, Cuba 5. Confidential. Sent for information. Ford initialed the memorandum, and a notation reads: "The President has seen." In an April 13 memorandum, Low presented this information and analysis to Scowcroft, who instructed Low to prepare a memorandum to Ford on the subject. (Ibid.)

tripled). They had even taken some steps toward relaxing tensions with us.

There is evidence that some of this progress, however, is beginning to unravel and that Cuba is slipping back into the position of confrontation and total dependence upon the Soviet Union from which it presumably had hoped to escape. The accumulation of evidence is interesting.

I. Cuban Setbacks

1. Cancellation of the Latin American Chiefs of State (Amphibiotic) Conference in Panama scheduled for June.
2. Iranian breakoff of relations.
3. Cancellation of Castro visit to Mexico.
4. Cancellation of Vice Premier Carlos Rafael Rodriguez's visit to Panama.
5. Norwegian decision against further new assistance to Cuba after 1977.
6. Japanese agreement to refuse to purchase Cuban nickel.
7. Venezuelan cancellation of negotiations with Cuba for commercial flights and oil supply.
8. Announcement by Honduras that it would not reestablish diplomatic relations with Cuba because of the Angola intervention.
9. Deterioration in relations with the PRC.
10. Two Cuban defectors to Portugal.

II. Hemispheric Leaders Who Have Recently Criticized Cuban Intervention or General Intervention in the Cuban Context

- President Banzer of Bolivia
- President Bordaberry of Uruguay
- Secretary General Orfila of the OAS
- President Perez of Venezuela
- President Echeverria of Mexico
- President Somoza (including charges of Cuban subversion in Nicaragua)
- President Oduber and Foreign Minister Facio of Costa Rica
- Prime Minister Trudeau of Canada
- President Lopez of Colombia
- President Pinochet of Chile
- Prime Minister Williams of Trinidad and Tobago stated that the people of the Caribbean should stay out of Africa.

While the above actions and commentaries can be considered minor when compared to the increased prestige which Castro derives

from the success of his operation, over the long term the costs of the Angolan venture may begin to be felt and to stimulate domestic criticism in Cuba where there was support for the pre-September policies seeking accommodation with the Western world.

314. Study Prepared in the Central Intelligence Agency¹

Washington, undated.

CUBAN CONTINGENCIES

Summary

This study considers possible U.S. reactions to a further Cuban-Soviet, Angola-type intervention. It discusses:

1. Those political-economic, non-military actions which might be taken now or over the next few months to dissuade Castro from further intervention by isolating and exerting pressure on him;
2. Intermediate actions to be taken prior to an actual further intervention which foreshadow possible further application of military force and which are intended to give more credence to our warnings; and,
3. A set of possible military options predicated on the assumption that deterrent actions have been unsuccessful and that the Cubans have already taken or are in the process of taking an interventionist action.

Our basic objective is to prevent the creation of a pattern of international conduct in which Cuba and the USSR arrogate to themselves the right to intervene with combat forces in local or regional conflicts. We are already engaging in such an effort through public warnings, signals to the USSR, changes in our African policy and some measures designed to isolate Castro.

If this is not successful, we will have to decide between two broad courses: actions intended to make the Soviets and Cubans pay a political price over the longer term, or actions intended to terminate the

¹Summary: A study of possible U.S. reactions to further Cuban intervention overseas, prepared as a follow-up to the WSAG meeting of April 22.

Source: Central Intelligence Agency, DCI Files, Job 79M00467A, Box 9, Folder 11. Secret; Nodis. Attached to a memorandum from Davis of the NSC to Kissinger, Rumsfeld, Bush, and JCS Chairman Brown. All brackets are in the original except those indicating text omitted by the editors.

Cuban action including measures involving application of differing levels of force.

It is difficult to determine in advance a precise threshold which would determine our response to a Cuban provocation. It would obviously be lower in a U.S. territory like Puerto Rico or in this hemisphere than elsewhere. Furthermore, intervention may be a gradual matter beginning with advisers and progressing to training, shipment of arms, and actual combat forces. The situation which the U.S. confronts may, therefore, be ambiguous and involve a flow of bloc supplies with Cuban personnel support.

There are four categories in which the courses of action available to us can be placed.

1. *The first relates to political and economic measures* affecting Cuba. Some are immediate and unilateral actions like confining their diplomats to a radius of 25 miles from New York City, increasing our intelligence overflights, and reinstituting special broadcasts to Cuba. Economically, we can try to persuade western European nations to terminate aid programs, encourage Argentina, Spain, Japan and others to limit credits and attempt to restrict the trade of friendly countries with Cuba. Supplementary measures involve Cuba and other countries and should be keyed to some further Cuban move. They include sending a message to Castro and raising the issue in the UN, the OAS, NATO, and EC 9.

2. The second category of action relates to the *Soviet Union*. It is easier to bring pressure on Cuba, as the closer and weaker partner in a tightly interwoven relationship, than on the Soviet Union. Nevertheless, any action taken against Cuba will inevitably affect U.S.-Soviet relations. Furthermore, Cuba could not undertake further intervention without Soviet willingness to run high risks of crises with the U.S. Therefore, if we believe that we can achieve our objective more effectively by broadening our pressure, we can begin such measures as postponing low substantive exchanges and delaying the opening of Consulates in Kiev and New York. Then we could cease licensing computers. More severe long-term actions would include delaying additional grain purchases, renouncing some of the bilateral agreements, and breaking off SALT and MBFR negotiations.

3. The third category relates to *preventive actions* involving disposition of military forces in the Caribbean, intelligence, and psywar operations which have a logical stopping point short of hostilities. Such actions include increasing air and sea intelligence surveillance, reinforcing Guantanamo, jamming of Cuban communications and navigation aids, signaling interest in economic or military targets to clandestine sources in Cuba and to exiles in Florida, increasing force presence in the Caribbean and reorganizing our force posture there to establish a

command in Puerto Rico and reopen bases there and at Key West. Such force adjustments would not degrade other commitments. It is intended to demonstrate the seriousness of our purpose.

4. Finally, there are a series of military actions on a graduated scale of seriousness which involve the possibility of hostilities and would be considered acts of war. In all cases, a preliminary decision would have to be taken whether to evacuate some 4,000 dependents and non-essential employees from Guantanamo and reinforce the 500-man defense force there in view of the great vulnerability of the base to attack from Cuban forces.

All four options contain the possibility of engagement of Soviet naval or air personnel and none would have an immediate and direct impact upon Cuban support for its military intervention force overseas. Military requirements would involve a large part of the force allocated to CINCLANT (2 carrier task forces) and the U.S. would be hard pressed to confront the Soviets or other opposing forces militarily elsewhere in the world while engaging in such operations.

The lowest level of application of force would be a series of blockade-type actions ranging from a quarantine of war matériel entering or leaving Cuba, to a quarantine of all POL entering Cuba and finally to a total blockade of all material except food and medical supplies. Since 95% of Cuba's trade moves on foreign ships, two-thirds of which are Soviet, we would quickly be brought into confrontation with them. Normally, there are about 113 ships a month or 3 to 4 a day that would be involved. It is estimated that Cuba has a two-month POL reserve and that it could extend this to as much as six months by applying measures of severe austerity. A concurrent air quarantine/blockade would have to be considered. There are seven civilian airlines serving Cuba, three of which are free world, flying about six flights a day. Neither the Soviets nor the Cubans have the capability of maintaining an effective oil airlift and only about 5% of Cuba's total imports could be supplied by airlift.

Another possibility would be the mining of Cuba's ports through naval and air impalement. This would probably result in from 50 to 60 ships being imprisoned in Cuban ports. Air superiority would be required prior to minelaying. This would involve probable engagement of Cuban and possibly Soviet air defenses. Interdiction of some airfields would also be required.

The last measure contemplated would be a punitive airstrike to destroy selected high-value Cuban military targets. All targets are located within defended areas. Some U.S. losses could be expected as well as engagement of Soviet personnel. All military actions would have to be accompanied by a series of complementary political measures in-

volving Congress, our allies in Europe and Latin America, the UN, and the Soviet Union.

[Omitted here is the body of the study.]

315. Letter From Acting Secretary of State Robinson to Attorney General Levi¹

Washington, May 24, 1976.

Dear Mr. Attorney General:

Recent disturbing developments in the Cuban exile community in Miami, some of which have foreign policy implications, prompt me to suggest possible action you might take to assert a positive influence on this unhealthy psychological atmosphere.

On April 4, unknown persons believed to be Miami based exiles attacked two unarmed Cuban trawlers in international waters leaving one crew member dead. Four survivors and the deceased were transported to Miami and repatriated to Cuba without delay through the cooperative efforts of INS, FBI and Coast Guard. Because the attacks involved possible Neutrality Act violations by persons subject to U.S. jurisdiction, Coast Guard and FBI jointly began an intensive investigation into the incident which has not yet turned up its authors. Two militant exile groups publicly claimed responsibility for the attacks.

Cuba registered a strong protest, charging that the 1973 Memorandum on Hijacking of Aircraft and Other Offenses had been violated, and indicating that only the strictest U.S. compliance could guarantee its continuation.

In the wake of the incident at sea, a rash of exile score settlements and other terrorist activities in Miami culminated in the April 31 attempt on

¹ Summary: Robinson asked the Attorney General to issue a statement condemning recent acts of violence carried out by Cuban exiles based in Miami.

Source: National Archives, RG 59, Central Foreign Policy File, P820131–1685. Secret. Drafted by Holladay and Gleysteen and cleared by Gantz and Hurwitz. A draft of this letter was sent to Robinson under a May 21 covering memorandum from Ryan. (Ibid., P820131–1687) In a June 10 letter to Robinson, Assistant Attorney General Richard Thornburgh replied that he did not believe a statement by the Attorney General condemning exile terrorism would be appropriate in view of pending legal cases against defendants facing charges in connection with recent bombings in Miami. (Ibid., P820131–1682) For the 1973 memorandum of understanding between the United States and Cuba, see *Foreign Relations, 1969–1976*, volume E–1, Documents on Global Issues, 1969–1972, Document 142.

popular exile broadcaster Emilio Milian who had recently been critical of exile terrorism. Milian lost both legs when a bomb exploded in his car. Previously, on April 13 Ramon Donestevéz, who had made several visits to Cuba to promote family reunification, was shot dead in his office, and two other controversial exile leaders were killed in 1975. In the last two years about a hundred bombs have exploded in Miami.

The Milian bombing precipitated an unprecedented outcry from Miami media, civic leaders and congressional representatives, deploring this and previous incidents and calling for the arrest and punishment of their authors. The FBI and local authorities have been diligent in investigating the sporadic round of bombings and assassinations but have had little success in developing sufficient information to make arrests. Exiles generally do not cooperate with the authorities because they fear reprisals, a psychology which may have its roots in the atmosphere in Havana during Batista's days.

We understand that it is the FBI's view that anti-Castro exiles are behind the terrorism, but even some responsible Florida political leaders have implied that Castro agents, not local radicals, are responsible. Blaming Castro could provide a convenient alibi for those whose motives were purely criminal.

In any event, the current atmosphere in the Cuban exile community could breed continued bombings of foreign ships and consular properties, which could have serious foreign policy repercussions. Under these circumstances I believe it would be beneficial if you were to issue a statement condemning exile terrorism and instruct the FBI to undertake full support of local law enforcement efforts in order that this atmosphere be turned around.

Sincerely,

Charles W. Robinson

316. Memorandum From Director of Central Intelligence Bush to Secretary of State Kissinger¹

Washington, June 5, 1976.

SUBJECT

Fidel Castro's Statements on Angola, Relations with the U.S., Intervention in Latin America and Panama Canal Treaty Negotiations

1. I want to bring the attached four intelligence reports to your attention prior to your departure for Latin America. I commend these to you [*1 line not declassified*] because we are reasonably confident that this is what Castro said.

2. [*less than 1 line not declassified*] the remarks made by Castro concerning Cuban relations with the United States are interesting. The report originally included the following paragraph:

"Castro [*2 lines not declassified*] hopes President Ford will be re-elected and that Dr. Henry Kissinger will remain as Secretary of State because they are reasonable men with whom it is possible to negotiate problems. He expressed particular concern about the possibility of Ronald Reagan becoming President."

We are not, of course, including this paragraph in any formal dissemination. I am, however, sending along a copy of this memorandum and the attached intelligence reports to Brent Scowcroft.

3. [*less than 1 line not declassified*] indicates Castro's willingness to intervene militarily in another country in Latin America if he is asked to do so.

George Bush

¹Summary: Bush provided information indicating Castro considered Ford and Kissinger to be reasonable men and that the Cuban leader was concerned Ronald Reagan might be elected President.

Source: Central Intelligence Agency, DCI Files, Job 79M00467A, Box 9, Folder 11. Secret; Sensitive. William Wells signed for Bush. A copy was sent to Scowcroft. All brackets are in the original except those indicating text that remains classified. Four attached intelligence reports are not published.

317. Memorandum From Stephen Low of the National Security Council Staff¹

Washington, June 29, 1976.

MEMORANDUM FOR

Morton Abramowitz
Admiral Samuel H. Packer
William H. Luers
Clifton R. Strathern

Attached is the Cuba paper.

We would like your comments on this draft. When we redo it, I would be inclined to include a paragraph suggesting that the action items be applied one at a time in order of their increasing public relations seriousness. In this way they would be perceived as part of a gradual escalation of pressure following on those measures already taken—as described in the paper. I would list the actions in the following order:

1. Step up overflight,
2. deny ITT equipment,
3. initiate USIA Con Cuba,
4. reactivate Key West,
5. confine UN diplomats to 25 miles,
6. continue denial of overflight,
7. initiate psychological warfare.

¹ Summary: Low transmitted an updated draft of a National Security Council study outlining measures that might be taken to punish Cuba for its involvement in Angola.

Source: Ford Library, National Security Adviser, NSC Institutional Files, Box 25, Miscellaneous Meeting Materials—Cuba 7. Secret; Sensitive. A handwritten note reads: "Brent [Scowcroft]: This is about all that is left of Cuban contingency study; do we circulate it?" Next to this, a note reads: "No circulation." The draft was returned to Low and Brownell under an undated note from Hyland that stated, "This is now OBE, kept it dormant for now." (Ibid., Box 110, Folder 3) For the U.S.-Cuba Hijacking Agreement, see Document 271.

Attachment

Draft Inter-Agency Memorandum

Undated.

SUBJECT

Interim Measures on Cuba

The Cuban Contingencies paper sets forth possible courses of action if Cuba decides to embark on military intervention in another foreign country. Meanwhile Castro has announced publicly that Cuba has begun to withdraw its forces from Angola. He has tried to convey the message that he does not plan further interventions, but the language he has used is vague. We have no confirmation that there has been in fact a net reduction in the Cuban expeditionary force in Angola. There is considerable evidence that Cuba is bogged down in Angola and ambiguity about ultimate Cuban intentions there.

Apart from public statements by high officials the U.S. has registered in various minor ways its irritation with Cuba for its intervention. These include a tightening up of restrictions on Cuban travel to the U.S., a slowdown in the implementation of the August 21, 1975 decision to terminate third-country sanctions on trade with Cuba, delay in granting permission for overflights to Montreal, and diplomatic activity to undercut Cuba in international organizations and its credit rating with western lenders. Whether or not all of these actions have been perceived by Castro is difficult to determine. On the other hand we have had several indications that Castro has taken seriously the public warnings by the President and Secretary of State against further military adventures.

To underline the cost of the Angolan venture to Cuba and to demonstrate further our opposition to it there are a number of actions we could take right away to annoy Castro. They are not of such a level of importance, however, to have an affect on the rate of Cuban withdrawal from Angola. The dynamics of such withdrawal lie primarily in the Angolan internal situation and secondarily in African and other non-aligned perceptions of Cuba's international role and in the Soviet-Cuban relationship.

Actions taken to harass and punish Cuba could be rationalized publicly as mirroring the deterioration of U.S.-Cuban bilateral relations and the suspension of efforts to improve them. Some of them also could be defended as precautionary measures against possible further Cuban military adventures or as improving our capability for monitoring the Cuban withdrawal from Angola.

The following measures could be adopted:

1. *Reconfine the Cuban UN diplomats to a radius of 25 miles from the center of New York City.* On February 14, 1975 we expanded the radius Cuban UN diplomats can travel from 25 to 250 miles. This was done as a gesture to demonstrate our interest in opening a dialogue with Cuba, a gesture the Cubans told Senators Javits and Pell they would appreciate.

Advantages:

- would be a clearcut symbol of the deterioration of U.S.-Cuban bilateral relations;
- would be understood in the U.S. as the withdrawal of a gesture made to Cuba when we were interested in starting a dialogue;
- would cut down Cuban lobbying activities on Capitol Hill and university campuses; and,
- would hamper Cuban intelligence gathering.

Disadvantages:

- might be regarded as ill-timed, coming after Cuba has claimed it is withdrawing forces from Angola and not while it was building up those forces;
- would be interpreted as petty; and,
- could provoke criticism that we are exploiting our position as host to the UN Headquarters for national ends.

2. *Reactivate USIA "Con Cuba" broadcasts from Florida.* During the 60s this program was specially programmed for Cuban audiences and beamed directly at Cuba. It was the only individual country program and as such suffered in quality compared to the broader general Spanish language program. In 1974 USIA considered that its general Spanish language broadcasts sufficiently covered our specific information objectives in Cuba and as a result cancelled the Cuban program on cost-effective grounds.

Advantages:

- would be interpreted by Castro as evidence that the U.S. was returning to a policy of hostility;
- would provide an additional channel for funneling information into Cuba about the diplomatic and other costs of the Angolan venture; and,
- would please the anti-Castro Cuban exiles who thought the termination of the broadcasts in 1974 was a gesture towards Castro although actually it was for cost-effective reasons.

Disadvantages:

- would saddle us with a program that USIA considered ineffective; and,

—might mislead Cuban exiles into thinking that the U.S. has settled back into implacable and undying opposition to the Castro regime *per se*.

3. *Psychological warfare operations to convince Cuba the U.S. is planning covert operations against it.* In the early 1960s Cuban exiles were used extensively for covert operations. When these operations ended, some exiles continued them on their own and probably combined them with criminal activity for their personal benefit. The operations involved would include increases in clandestine short wave radio traffic about selected economic and military targets and discussions with a Cuban exile organization leader to initiate efforts to acquire vulnerability data on selected Cuban targets.

Advantages:

—might throw Castro off balance as he evidently does not believe the U.S. Government is behind such actions as the shoot-up of two Cuban fishing vessels on April 5, the bombing of the Cuban Embassy in Lisbon and Cuban UN Mission in New York. Making it clear we were resuming covert operations by using Cuban exiles would seriously upset Castro and he would regard it as resumption of a policy of hostility irrespective of possible Cuban disengagement from Angola.

Disadvantages:

—would be difficult to control the exiles and keep them on a tight leash;

—would be exploited by criminal elements to maintain or heighten the existing psychological climate in the Miami area—where witnesses are afraid to give evidence out of fear of reprisals, where crime sometimes is committed in the name of anti-castroism; and where there is widespread belief that elements of the U.S. Government are behind these actions;

—would discourage those elements of the exile community which favor ultimate normalization of U.S. relations with Cuba;

—could lead Castro to suspend the U.S.-Cuba Hijacking Agreement as he has threatened; and,

—would make it more difficult for the Justice Department and local law enforcement authorities to solve a growing number of assassination and bombing cases.

4. *Continue to withhold permission for regular Air Cubana flights to overfly U.S. territory en route to Montreal.* On March 5, 1976 the Cubans requested through diplomatic channels—the Swiss—permission to conduct twice-weekly regular overflights. We have informed the Cubans through technical channels—the FAA—that we are still considering the matter. We are obligated under international air transit agreements of which both the U.S. and Cuba are parties to grant the request. Aware of this, the U.S. airline industry has urged us to authorize the overflights fearing that if we do not Cuba might interfere with the 50 or

more U.S. commercial and private overflights of the island which take place daily.

Advantages:

- would signal to Havana that there is no diminution in U.S. irritation over the Angolan intervention and that we are not impressed by claimed troop withdrawals;
- would probably not lead to Cuban retaliation by denying overflight privileges to U.S. planes flying over Cuba; and,
- would not upset the Canadians who seem resigned to our denial of overflights privileges to the Cubans.

Disadvantages:

- is a violation of an international obligation;
- is regarded with apprehension by U.S. carriers; and,
- would be most difficult to defend publicly when the matter surfaces.

5. *Continue to delay a decision or to refuse a license to ITT to replace out-worn communications equipment in Havana.* ITT together with ATT jointly own probably the only American company left in Cuba. The company maintains troposcatter and cable communication lines between Cuba and the U.S. These lines represent Cuba's main communication link with the non-Communist world. The equipment has deteriorated badly and is in danger of breakdown. In 1966, 1969, and 1973 we licensed ITT to ship spare parts necessary for the maintenance of these facilities. ITT wishes to obtain an additional license for \$150,000 worth of spare parts, urgently needed to guarantee continued operation of the communications.

Advantages:

- demonstrates to Castro the seriousness of our statements about Angola and Puerto Rico;
- could lead to serious disruption of Havana's communications with the non-Communist world; and,
- would be consistent with our overall continuing embargo on trade with Cuba, except that through subsidiaries located abroad.

Disadvantages:

- could cut off our communication with Havana through the Swiss Embassy;
- might shut off important hurricane warning information which is received normally through this channel;
- could risk the nationalization of the ITT facility believed to be the only U.S. business not nationalized in 1960, and deprive us of an interesting argument in future negotiations on compensation;
- would be inconsistent with our previous practice in licensing replacement operations to ITT.

6. *Make decision to keep open Naval Air Station Key West, scheduled for closure next year.*

Advantages:

- would signal ultimately to Cuba that its Angolan venture has led us to maintain a greater force presence in the Caribbean;
- would maintain a greater capability for surveillance and, if necessary, military operations; and,
- would have broad public support.

Disadvantages:

- would be expensive and not cost-effective.

7. *Increase SR–71 reconnaissance flights from the current schedule of 1 every 7 to 8 weeks to 1 every other week.* Until one year ago such flights were conducted monthly. The frequency was reduced as a signal to Castro in the summer of 1975. While satellite photography renders the overflights less important and we could now do without them, they do provide useful additional information.

Advantages:

- would provide marginally increased coverage of Cuban military activity, possibly even including information about Cuban troop withdrawals from Angola;
- would signal to the Cuban military establishment, as well as to the top leaders, our suspicions about Cuban intentions;
- would probably remain outside the domain of U.S. public interest unless Castro chose to disclose them, which he probably would not in order not to publicize his impotency to interdict the flights; and,
- would show the Soviets we are not satisfied with performance on Cuban withdrawal from Angola.

Disadvantages:

- would triple the miniscule possibility that a SR–71 might be brought down by a lucky hit if, as deemed unlikely, a serious effort were made to shoot a plane down; and,
- create an embarrassment of major proportions for the Administration if the fluke occurred and a SR–71 was shot down;
- could strengthen popular support for Castro in Cuba and stiffen resentment of U.S. as result of the slightly audible sonic boom which sweeps the island with each overflight.

318. Message From the Department of State to the Swiss Embassy in Havana¹

Washington, August 17, 1976.

Ref: H-4378

Request Embassy deliver the following message to MinRex by note:

Quote:

The United States Government refers to the Government of Cuba's Note of August 3, 1976 concerning the Memorandum of Understanding on Hijacking of Aircraft and Vessels and Other Offenses dated February 15, 1973 and affirms its continuing commitment to it, consistent with well-known United States policy.

Regarding the vessels referred to in the note, the Government of the United States wishes to inform the Government of Cuba that the United States Coast Guard has recovered the two vessels which were involved in the first and third cases. They are presently in United States Government custody and the United States is prepared to return them to Cuban authorities as soon as arrangements can be made. Upon confirmation of receipt of this note, the United States Coast Guard will coordinate the return of these vessels to Cuba with Cuban authorities via the Aeronautical Fixed Telecommunications Network.

The vessels involved in the second and fourth incidents referred to in the Note of the Government of Cuba did not enter the territorial waters of the United States and are presumed lost at sea. The two vessels never came into United States Government custody.

The United States Government has investigated the circumstances surrounding the incidents referred to in the Government of Cuba's Note and has determined that no further action is required of it as contemplated by Article First of the Memorandum of Understanding. The United States Government wishes to draw attention to the fact that in

¹ Summary: The U.S. Government offered to return two stolen boats to Cuba but rejected the Cuban Government's assertion that those who had stolen the vessels in order to reach the United States should be punished under the terms of the 1973 U.S.-Cuban agreement on hijacking.

Source: Ford Library, National Security Adviser, NSC Latin American Affairs Staff Files, 1974-1977, Country Files, Box 2, Cuba—Hijacking. No classification marking. Drafted by Willis and F. Abbot in L/ARA and Holladay; cleared by Brownell, Lazar, Luers, Gleysteen, and Dixon; and approved by Shlaudeman. In an August 2 message, H-4378, to the Department, the Cuban Foreign Ministry cited four cases in which Cubans stole boats in order to reach the United States, and it noted that a failure to punish the individuals responsible for the thefts might be interpreted by the Cuban Government as a U.S. denunciation of the 1973 hijacking agreement. (Ibid.) For the 1973 memorandum of understanding, see Document 271.

the second and fourth instances referred to the vessels involved never entered the territorial waters of the United States and therefore no act occurred which would be subject to United States jurisdiction. The other two cases, in which vessels entered United States waters, involved two small dinghies. Moreover, ascertainable facts in all four cases reveal no use of firearms or coercive threats of any kind against crews or other persons.

The Government of the United States reiterates its firm desire that the memorandum be interpreted and implemented faithfully and meticulously by both parties in accordance with their respective laws. It wishes to reassure the Government of Cuba of such intention on its part.

319. Memorandum for the Record¹

Washington, October 8, 1976.

SUBJECT

ARA/CIA—Weekly Meeting

PARTICIPANTS

ARA—Assistant Secretary Harry W. Shlaudeman, Mr. William Luers, Mr. Joseph Grunwald, Mr. Charles W. Bray (part of meeting)

CIA—Mr. George Lauder; INR/DDC—Francis De Tarr

[Omitted here is material unrelated to Cuba.]

Bombing of Cubana Airlines plane near Barbados

Mr. Lauder said that the CIA did not have any information concerning the Cubana Airline crash beyond what has already been reported. They have no traces at all on the two persons who have been picked up. The CIA has been out of the Cuban exile business for a long

¹Summary: This memorandum recorded State Department and Central Intelligence Agency officials' discussion of the bombing of the Cuban airliner that crashed off of the coast of Barbados.

Source: Department of State, INR/IL Files, ARA–CIA Weekly Meetings, 1975–1976. Secret; Sensitive. Drafted by De Tarr. All brackets are in the original except those indicating text omitted by the editors or that remains classified. Telegram 2616 from Port of Spain, October 8, reported that the two persons detained in connection with the Cuban bombing were Venezuelan nationals José Vázquez García (an alias for Hernán Ricardo Lizano) and Freddy Lugo. (National Archives, RG 59, Central Foreign Policy File, D760378–1121)

time. Many of the Cuban exiles are now American citizens; others have green cards. They are a problem, therefore, for the FBI.

Mr. Lauder added that we may be in for a rough time with the Cubans. In retaliation for violence against them they could, for example, blow up a TWA plane or kill somebody in one of our embassies. The FBI has sources in Cuban exile organizations. The FBI and the Department of Justice must come to grips with the problems that the exile organizations are causing. If they can't stop the violence, we will be in deep trouble.

Saying that he did not think that Orlando Bosch is an American citizen, Mr. Luers said that we should get him back and put him in jail. Bosch is now in Venezuela [*less than 1 line not declassified*]. It would be helpful if the CIA could find out about Bosch and the two persons in Trinidad. The latter were carrying Venezuelan passports.

Mr. Luers also raised the question of the North Korean briefcase (concerning which a telegram had just arrived). Assistant Secretary Schlaudeman said that an ideal solution would be to get it from the Barbadian security people with whom the CIA is in contact. Mr. Lauder said that he would check on this possibility.

[Omitted here is material unrelated to Cuba.]

320. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to Secretary of State Kissinger¹

Washington, October 12, 1976.

*Allegations of USG Complicity
in Sabotage of Air Cubana Flight from Barbados*

Apparently as the result of a bomb explosion, a Cubana plane went down near Barbados October 6, with the loss of all aboard (78 persons, reportedly including Cuban, North Korean, Russian, Venezuelan, Guyanese, and British passengers).

Fanned by Cuban allegations, the Caribbean press—and to some extent, Caribbean governments—are increasingly suspicious that the CIA may have had a hand in the affair. Guyanese leaders are particularly upset by the event and the allegations of USG involvement.

Two key suspects detained in Trinidad had in their possession the name and telephone number of our legal attaché in Caracas. At least one and possibly two anti-Castro Cuban organizations with Miami links have claimed credit for the bombing. These facts are known to Caribbean governments.

We have further intelligence linking a wanted fugitive from U.S. justice (previously incarcerated for bombings in Miami) Orlando Bosch, with the bombing of the October 6 Cubana flight. We have asked the President of Venezuela to deport this man to the U.S. He has not yet responded, and Bosch may have fled the country.

October 8 our press spokesman said we have offered the Barbadian authorities our assistance in investigating the crash and reiterated our categorical opposition to international terrorism of any kind from any source.

¹ Summary: Shlaudeman informed Kissinger of suspicions in the Caribbean that the CIA had played a part in the bombing of the Cuban airliner that crashed off of Barbados on October 6, and he transmitted a draft of a letter to be sent to the Foreign Ministers of Barbados, Trinidad and Tobago, and Guyana.

Source: National Archives, RG 59, Central Foreign Policy File, P760162–2674. Secret. Drafted by Heavner. Referring to the attached proposed letter to the three Foreign Ministers, Kissinger wrote at the top of the memorandum “Except that I don’t call [Guyanese Foreign Minister Frederick] Wills by his 1st name.” Attached but not published is a draft telegram containing the text of the letters. (Ibid., P760162–2676) A revised version was sent as telegram 254013, October 14, to Georgetown, Port of Spain, Bridgetown, and the U.S. Mission to the UN. (Ibid., D760385–0543) Telegrams 1893 and 1904 from Bridgetown, October 6 and 7, reported on the Cubana crash. (Ibid., D760377–0597 and D760378–1272)

I believe it is important that we re-emphasize *at a high level* our strong opposition to all kinds of terrorism from any source, thus making clear that there was no USG involvement in the crash. I recommend that you send letters to the Foreign Ministers of Barbados, Trinidad and Guyana for that purpose.

Recommendation:

That you approve the attached telegram transmitting a letter from you to the Foreign Ministers of Barbados, Trinidad and Guyana.

321. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to Secretary of State Kissinger¹

Washington, October 22, 1976.

Cubana Airlines Crash: Strategy Paper

The Problem

The Cubana crash poses problems for us in hemispheric relations and counterterrorism. Cuban exile terrorism threatens mounting difficulties for us in our relations with Caribbean and Central American countries. Action against the gang responsible for the Cubana crash can significantly reduce that threat. Our strategy should be designed to bring the current case to trial, effectively counter the false allegations

¹ Summary: Shlaudeman outlined a strategy designed to counter false allegations against the United States in connection with the Cubana bombing and to minimize the potentially negative impact of the incident on U.S. relations with the countries involved.

Source: National Archives, RG 59, Central Foreign Policy File, P840077-1516. Secret; Nodis. Drafted by Luers on October 22 and cleared by Willis and in substance by Karkashian in S/CCT. Kissinger initialed approval of recommendation 1 on October 26, and a handwritten note next to it reads, "Cable sent 10/26." Kissinger initialed approval of recommendation 2 on October 26. Kissinger initialed disapproval of recommendation 3 the same day and added the notation, "Too defensive." A separate notation in a different hand reads, "Bob Funseth [of S/PRS] is not satisfied with the proposed statement—too long and some things we shouldn't be volunteering, especially in the present political climate." Kissinger did not initial approval or disapproval of recommendation 4 and wrote, "Let's 1st do 3." Attached but not printed are: a draft telegram to Bridgetown (Tab 1), an October 26 letter from Kissinger to Levi (Tab 2), a draft press release on Castro's October 15 denunciation of the 1973 hijacking agreement (Tab 3), and a draft reply to the October 15 Cuban note denouncing the hijacking agreement, the final version of which is published as Document 325. For the agreement, see Document 271.

against us, and minimize the potentially negative impact on our relations with several nations involved.

Discussion/Strategy

Legal. A primary objective is to assure that one of the nations (Barbados, Trinidad or Venezuela) takes jurisdiction in the Cubana case. We won't know which, if any, has agreed to do so until the current meetings in Port of Spain conclude. There is some possibility that Barbados may take jurisdiction; if so, we should offer them our support since the GOB is seriously concerned about retribution from Cuban exiles.

Should Cuba take jurisdiction by default the trial would be a propaganda feast for Fidel. On the other hand, ultimate Cuban taking of jurisdiction would not be inconsistent with international practice and treaties. The U.S. might be able to take jurisdiction, depending upon whether we could establish that any elements of the crime took place in U.S. territory; the maximum penalty we could probably give would be three years (due to our failure to enact legislation implementing the international convention on sabotage. We ratified the convention in 1972, but the implementing legislation, twice submitted by Justice, has lain before Congress for three years without action).

In any case, this is a precedent-setting case, the outcome of which could be very important for the future handling of international terrorism. The Government of Barbados has invited U.S. participation in a crash enquiry. We should respond positively as soon as possible and urge field FBI cooperation. The Cubans will probably be there as well. But we should go anyway.

Criminal Investigation. A small group of anti-Castro Cuban exiles are the central actors in this and many of the other recent terrorist acts in this hemisphere. The FBI and CIA probably have more information on these groups than all of the other interested governments, except Cuba itself. Rather than permit Cuba to take the lead in providing information, we should be prepared to give thorough briefings and offer to exchange information (to the extent possible without compromising sources) with the Governments of Barbados, Trinidad and Venezuela. An offer to exchange information combined with an offer to provide technical assistance and clear indications that we are undertaking thorough investigations of this and past Cuban exile acts would help. The most effective deterrent to further expansion of this terrorist activity would be the conviction and punishment of some of these organizers.

Other investigative aspects relate to the broader questions of Cuban exile activity in the U.S. and abroad, to connections between the Cuban exiles and DINA, and to investigations into earlier terrorist activities such as the Letelier killing. We understand that the NSC has al-

ready authorized the CIA to expand its efforts regarding Cuban exiles abroad. It is probably time to urge that the FBI expand its attention to these matters within the U.S. It seems very likely that when Congress returns early next year, hearings will be held on the question of Executive Branch attention to the terrorist and political activities of non-Communist foreign intelligence agencies in this country. The DINA/Cuban exile tie will be an obvious focus of attention.

Public. We should rebut openly and clearly the false charges made by Castro and others on U.S. Government involvement in the crash. The press is already piecing together aspects of alleged U.S. official ties with suspects in the Cubana crash. The public and Congress are also interested in our replies to the charges made by Castro. We have pulled together information on Fidel's charges. I think that we should make our forceful rebuttal available to the public and Congress soon.

Diplomatic. The problems we face in the Caribbean are manageable. We should probably await further formal exchanges with the governments in the area until we learn the full results of the meeting in Port of Spain:

—We should, depending on that outcome, consider further direct messages from you to the Foreign Ministers of Trinidad/Tobago and Barbados. Such messages would include the offer of detailed briefings on Cuban exiles, FBI technical assistance, and willingness to discuss technical and financial assistance on airport security.

—We want to be certain that we keep the Venezuelans engaged in talking with us. The Venezuelan Government ties to this gang of Cubans are far more recent and direct than ours. The Venezuelans may well try to play up past CIA connections. We will be proposing that Ambassador Vaky have another talk with Perez on the entire case, once the jurisdiction matter becomes clear.

—With Guyana, we should let Burnham stew.

—With Cuba we should send a reply to which we attach our public statement.

In the OAS we are considering initiatives we might take, particularly on the question of airport security in the hemisphere.

Recommendations:

I recommend:

1. *Legal.* That you approve the cable at Tab 1 which instructs our Ambassador in Bridgetown to respond positively to the Barbadian request for U.S. participation in the enquiry and supports the Barbadian inclination to take jurisdiction.

2. *Investigation.* That you sign the letter at Tab 2 to the Attorney General expressing our concern over the expanded Cuban exile terrorist activity, asking that greater FBI attention be given to this matter, and suggesting that we offer FBI technical assistance and briefings to the Governments of Barbados and Trinidad/Tobago.

3. *Public*. That you approve the use of the statement at Tab 3 for use in press and congressional briefings replying to Castro's charges (it has been cleared with CIA).

4. *Diplomatic Note*. That you approve transmittal of the diplomatic note to Castro at Tab 4.

322. Briefing Memorandum From the Director of the Bureau of Intelligence and Research (Saunders) and the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to Secretary of State Kissinger¹

Washington, October 22, 1976.

Allegations of U.S. Involvement in Cubana Airliner Crash

We have now pursued in detail with CIA (1) what we know about responsibility for the sabotage of the Cubana airliner and (2) how any actions by CIA, FBI, or Defense attachés might relate to the individuals or groups alleged to have responsibility. CIA has responded cooperatively to our queries, and we believe that what follows reflects the most complete information now available. We also sent Ambassador Vaky by special channel a draft of the operative parts of this memorandum and have incorporated his information. The FBI went over the draft and certified that the information relating to them is accurate.

As time passes we may, of course, become aware of new relationships among the people involved, but we have made every effort to assure that no U.S. relationship with the main actors as we now understand them will take us by surprise. We would add, however, that the increasing militance and greater coordination of Cuban exile terrorist groups evident over the past year could well become a disruptive ele-

¹ Summary: This memorandum reviewed past U.S. Government relationships with those implicated in the bombing of the Cubana airliner and noted that those associations could "lead to some misinterpretation and embarrassment," despite the fact that the United States had no advance knowledge of the attack.

Source: National Archives, RG 59, Central Foreign Policy File, P860053–1560. Secret; Nodis. Drafted by Saunders, De Tarr, Louis Misback, and David Smith in INR on October 22. All brackets are in the original except those indicating text that remains classified. Page numbers in the text reference original pagination. For the *Times* article on Letelier's killing, see: David Binder, "2 Nations Report Anti-Castro Exiles Here Have Plotted Many Terrorist Attacks," *New York Times*, October 20, 1976, p. 3. The CIA reports, February 19 and June 22, and the FBI report, September 17, were not found.

ment in hemispheric relations, affecting not only the U.S. relationship to Cuba, but our interactions with Venezuela and other countries with sizable exile communities. The possibility of direct cooperation between Cuban exile extremists and the security forces of Chile and/or other Latin countries whose human rights practices have been criticized could make exile groups even more difficult to control. We have therefore decided to ask INR to take a systematic look at the broader question of Cuban exile activities in Latin America and how they might affect the conduct of U.S. policy in the region.

Castro's Allegations

In his speech of October 15, Fidel Castro made the following allegations concerning CIA involvement in the bombing and crash of a Cubana Airlines plane on October 6 off Barbados:

—"Well-informed Venezuelan sources" had communicated to the Cubans that Hernan *Ricardo* Lozano (one of the men arrested in Trinidad in connection with the bombing of the plane) was a CIA agent and had handled reports from the CIA many times (CIA states it has had no contact with Ricardo, but there was a limited contact with the FBI).

—Hernan Ricardo is an associate of Felix Martinez Suarez, who is reputed to be a CIA agent in Venezuela (CIA says Suarez was a media asset from 1961 to January 1974 when he was terminated after being exposed in the Venezuelan media).

—"The recruitment of citizens and the utilization of other countries' territories to conduct such acts are methods characteristic of the CIA. At the beginning we were uncertain whether the CIA had directly organized the sabotage or had carefully prepared it through its covert organization formed by Cuban counterrevolutionaries. Now we decidedly believe the first assumption is correct. The CIA directly participated in the destruction of the Cubana aircraft in Barbados" (CIA says it had no association direct or indirect with the planning or perpetration of this act).

—The principal leaders of Cuban exile terrorist groups are closely linked through the CORU organization to CIA activities against Cuba (The CIA, of course has worked with a number of Cuban exiles over the years).

In his speech, Castro did not make any specific allegations concerning a USG relationship with Orlando Bosch, or Luis Posada (two Cuban exile activists who were arrested by Venezuelan authorities in connection with the Cubana crash). However, the link with Bosch is implied since he is reported to be chief of CORU, the umbrella organization of Cuban exile terrorists.

The issue, therefore, is not whether CIA played a role in the bombing of the airliner. The issue is that CIA has had past and some recent contacts with a few of the individuals allegedly involved and these contacts will be susceptible to varying misconstructions by those who want to see the worst. Following is an examination of the relationship,

if any, between CIA and those reported to have played a key role in the bombing. If this is more detail than you need, you may wish to skip to the judgments at the end of the memo (page 9).

Individuals Allegedly Involved

Hernan Ricardo Lozano

a. *Involvement in the Crash:* He was arrested in Trinidad on suspicion of having planted a bomb in the Cubana plane. Caracas radio announced on October 18 that he confessed to sabotaging the airliner. A CIA source [*less than 1 line not declassified*] reports that Ricardo may have been trained in the use of explosives and investigative techniques by Luis Posada. CIA information also reveals that Trinidadian officials have told the Venezuelans that they have a taped telephone conversation between Ricardo and Posada discussing their participation in the bombing.

Ricardo, a Venezuelan citizen, is a photographer employed by Posada in his industrial security firm in Caracas. A CIA source says that Ricardo is also a part-time employee of the Venezuelan Intelligence Service (DISIP). He reportedly gathered photographic material on groups and individuals of interest to DISIP and the Venezuelan Government. He was hired by DISIP when Posada was an official of that organization. The CIA source says that the Venezuelan Government is concerned and would be faced with serious problems if the nature of Ricardo's activities for DISIP became public knowledge.

b. *Relationship with U.S.:* CIA states it has had no contact with Ricardo. The U.S. legal attaché in Caracas, Joseph Leo (who has no CIA connections), says that his first contact with Ricardo occurred in June 1975, when Ricardo asked for help in expediting visa applications for a DISIP official's son. Some time later Leo learned that Ricardo was in the personal employ of Posada and apparently only an auxiliary member of DISIP. Ricardo also contacted Leo two times to furnish photographs and biographical data on members of the Cuban Embassy in Caracas. Apparently, the material came from DISIP files. During one visit, Ricardo attempted to solicit suggestions from the legal attaché on activities which might be directed against the Cuban Embassy by an anti-Castro group to which he belonged. Leo says he discouraged Ricardo, pointing out that the U.S. Government was attempting to prevent disruptive and terrorist activities by anti-Castro groups in the U.S., and Ricardo never repeated the suggestion. Leo was last approached by Ricardo on September 30, 1976 for help in obtaining a visa. Ricardo told Leo that he was on a magazine assignment to Jamaica and planned a stopover in Puerto Rico.

Freddy Lugo

a. *Involvement in the Crash:* Lugo was arrested in Trinidad with Ricardo on suspicion of having planted the bomb aboard the Cubana

plane. A CIA source alleges that Lugo apparently was only peripherally involved in the bombing and is not considered to be one of the leading participants.

Lugo, a Venezuelan citizen, is also a photographer employed by Posada's company. According to a CIA source, he also worked for DISIP under the same arrangements noted above for Ricardo.

b. *Relationship with U.S.:* CIA states that it has had no contact with Lugo. The name and phone number of U.S. legal attaché Leo were discovered in an address book which apparently was in Lugo's possession when he was arrested in Trinidad. The address book may have been Ricardo's. Leo says that he has had no contact with Lugo and speculates that his name and phone were furnished to Lugo by Posada and/or Ricardo.

Luis Posada Carriles

a. *Involvement in Crash:* Posada was arrested on October 14 in Venezuela along with Orlando Bosch and three others accused of conspiring to sabotage the plane. Posada, a Cuban exile who is now a Venezuelan citizen, is vehemently anti-Castro and is suspected to having been the main supporter of Bosch during the latter's stay in Venezuela prior to being arrested in November 1974. Posada was formerly chief of the counterintelligence division of the Venezuelan Intelligence Service, DISIP.

b. *Relationship with U.S.:* A Venezuelan official, who declined to be identified, has been quoted in the *New York Times* (October 20) as saying that Posada had been given "technical training by the CIA." The CIA has informed us that Posada was a member of the Bay of Pigs Brigade in 1961 and in this capacity received paramilitary training in Guatemala and also probably received at least rudimentary familiarization training in demolitions. From March 1963 to March 1964 Posada was in the U.S. Army at Fort Benning, finishing up as a second lieutenant and commanding officer of a weapons platoon (reportedly in a Ranger Battalion). During his U.S. military service Posada likely would have received demolitions training.

The CIA states that other than the training described above there is no information available that would indicate any "technical training" that Posada may have received, whether from the Agency or from any other organization.

CIA says that Posada subsequently became a paid informant. The relationship began in 1965 and was discontinued in July 1967, but contact was reestablished in October of the same year. [2 lines not declassified] Though he was not paid thereafter, CIA continued to have occasional contact with him until February 1976 when a formal written agreement of termination was signed.

According to CIA, contacts with Posada subsequent to February were at Posada's own initiative and were for the purpose of volunteering information on exile extremist plans and to solicit aid for retention of his U.S. permanent resident alien status (which he once had but may have lost by his continued residence outside the U.S.) and for visa help (in connection with entering the U.S. while traveling on a Venezuelan passport rather than using permanent resident alien status). The latest contact between CIA representatives and Posada occurred in June 1976 when CIA declined to assist him on a visa matter.

Posada was the source for two CIA reports concerning planned operations by Bosch's organization. The first, issued on February 19, 1976, concerned a plan to assassinate Salvador Allende's nephew in Costa Rica. The second, based on information acquired on June 22, 1976, reported a plan to place a bomb on a Cubana Airline flight traveling between Panama and Havana on June 21.

CIA says it has had no relationship with Posada's investigative agency or any other business venture he may have had in Caracas.

The U.S. Army attaché has also used a Posada business partner (Diego Arguello, also a Cuban exile) as an informant (though not as an agent). The attaché knew Arguello well, both socially and as an informant. Arguello's wife is an American citizen. The attaché says he has never met Posada.

Our legal attaché (Joseph Leo) became acquainted with Posada during the latter's employment by DISIP, and after his resignation, Posada continued to contact Leo on rare occasions, usually in order to obtain personal service in regard to visa requests for relatives and business associates, the last being Ricardo on October 1, 1976. Leo says he has seen Posada on about three occasions since 1973, most recently in June 1976 when Posada inquired if the FBI had interest in a Venezuelan named Carlos Bordoni who had hired two of his "operatives" as bodyguards (Bordoni, who has since had his Venezuelan citizenship revoked, is the subject of a U.S. extradition request). Leo states that nothing came of this request and no operational agreement was reached with Posada.

Orlando Bosch

a. *Involvement in Crash:* As noted above, Bosch was arrested in Venezuela for alleged involvement in the Cubana crash. Also as noted above, in late June Posada reported [*less than 1 line not declassified*] that an exile group headed by Bosch planned to bomb a Cubana flight between Panama and Havana. An FBI source has alleged that one attempt was made but the bomb did not detonate. A second try occurred in Jamaica on July 9, but the bomb exploded before the suitcase in which it was carried was put aboard the plane.

According to CIA sources, Venezuelan President Carlos Andres Perez is said to be sympathetic to Bosch and has permitted him to travel freely in the country and solicit funds with the understanding that Venezuela would not be used as a base of operations or place of refuge. Bosch reportedly promised not to engage in terrorist activity while in Venezuela and during an earlier visit received a token \$500 contribution from Perez. Another CIA source reported that after Bosch's arrival in Caracas in September he stated during a fund raising dinner, "Now that our organization has come out of the Letelier job looking good, we are going to try something else." A few days later, Posada allegedly said, "We are going to hit a Cuban airliner" and "Orlando (Bosch) has the details." This information was acquired by CIA after the crash occurred.

b. *Relationship with U.S.:* CIA says that it had contact with Bosch in Florida during the period March-November 1962, and in New York in late September-early October 1963. In the March-November period the agency had a relationship with the Evelio Duque exile group. Bosch was the general coordinator of this exile group, and carried out some support tasks for the group during this period.

Frank Castro

a. *Involvement in Crash:* Venezuelan officials reportedly believe that Castro (head of the FLNC terrorist organization, a component group in CORU), is deeply involved in the crash, though we have no details of his supposed involvement. Frank Castro was in Venezuela in late September 1976 and in mid-October was back in Miami. Frank Castro has admitted to FBI agents that he met with Bosch in Caracas on September 26 or 27, but denies any personal knowledge of the bombing of the Cubana plane.

b. *Relationship with U.S.:* CIA states it has had no contacts with Frank Castro, who is an American citizen with permanent residence in Santo Domingo. Legal attaché Leo says he has had no contact with Frank Castro.

Orlando Garcia and Ricardo Morales Navarrete

a. *Involvement in Crash:* Orlando Garcia is personally close to President Perez and is a Presidential advisor. According to CIA information, Garcia is the *de facto* deputy chief of DISIP. Morales is a division chief at DISIP. Both are Cuban exiles who are now Venezuelan citizens. A CIA source claims that Garcia was directed to protect and assist Bosch during his stay in Venezuela. Another CIA source reported that Garcia and Posada met Bosch upon his arrival and escorted him to his hotel. Both Garcia and Morales reportedly attended the fund-raising dinner during which Bosch allegedly made the remark about the "Letelier

job,” and after the Cubana crash Garcia may have made an effort to get Bosch out of Venezuela. It is possible, therefore that Garcia and/or Morales may have known in advance about the operation which led to the bombing of the plane.

b. *Relationship with U.S.:* CIA states that it has had no contact with Ricardo Morales. [1½ lines not declassified] The legal attaché has also had frequent contact with both Garcia and Morales and has used them to acquire information regarding U.S. fugitives. From time to time they have passed him general information. Morales was a paid informant of the FBI in Florida for many years and was the principal U.S. Government witness in the trial of Orlando Bosch and others in Miami in 1968. Morales was also a paid informant of DEA in Miami, but has not acted in that capacity in Caracas.

Felix Martinez Suarez

a. *Involvement in Crash:* None, except by the alleged association with Ricardo, contained in Fidel Castro’s charges.

b. *Relationship with U.S.:* CIA says that Suarez was a CIA media asset from 1961 to January 1974 when he was terminated as a result of his exposure in the Venezuelan media.

Castro’s allegation regarding CORU: With regard to Castro’s charge on CIA links with CORU, an FBI report of September 17 states that “a confidential source abroad” claims to have been told by Roberto Carballo (leader of the Association of Veterans of the Bay of Pigs, AVBC, one of the component organizations of CORU) that in July of this year Carballo and three other Cuban exiles had been approached by representatives of the CIA who informed them that CIA was dissatisfied with all the acts of sabotage being carried out at random and ordered them to disassociate themselves from Bosch and CORU. The source alleged that during the week of September 12–18 Carballo and three other Cuban exiles were in Washington to confer with representatives of the CIA on plans to be carried out by the action arm of the AVBC, for which financing was to come from CIA. The FBI report concludes with a request that the CIA advise if it has “active operational interest in AVBC as described above.”

CIA says that this report is false and the Agency has never had any involvement in the activities of CORU and the AVBC. According to CIA, a representative of a group of Cuban exiles did telephone into the Agency in September 1976 requesting contact for an unspecified reason, but the contact did not take place and the callers were discouraged from further attempts to telephone the Agency.

Possible Connections with the Letelier Assassination

As you know, the FBI is still actively investigating the bombing death of former Chilean Foreign Minister Letelier in Washington on

September 21. Both Bosch and Posada have already been linked by the U.S. and Latin American press to the assassination. On October 20, the *New York Times* cited Venezuelan authorities as saying that a sketch of the Washington area where Letelier's car was blown up was found by police in Posada's residence. The respected *El Nacional* of Caracas reported on October 17 that anti-Castro Cubans arrested in Venezuela had identified two anti-Castro exile brothers named Novo as responsible for the Letelier killing. The *Times* article claims that Venezuelan and U.S. authorities said that the Cuban exiles were responsible for the Letelier killing.

This corresponds closely with information acquired by the FBI from a source who reported that Orlando Bosch had confided to intimates on September 23 that he believed two anti-Castro activists affiliated with CORU in New York (Guillermo Novo Sampol and Ignacio Novo Sampol) were responsible for killing Letelier. Bosch allegedly contended that the Novo brothers were the only anti-Castro activists still collaborating with the Chilean Directorate of National Intelligence (DINA), and that they had taken action against Letelier on behalf of DINA.

Other FBI and CIA reports indicate that various contacts have taken place between members of Cuban exile groups and the Chilean government. The most suggestive of these is an FBI report citing a source abroad (*not* Posada) who claimed that in February of this year a representative of Frank Castro's FLNC went to Santiago where he was told that DINA was prepared to assist the FLNC in anti-Castro activities, but in exchange the FLNC was first requested to undertake a mission on behalf of DINA. The mission reportedly was to assassinate Luis Andres Pascal Allende, former Secretary General of the Chilean Movement of the Revolutionary Left, who was living in Costa Rica in exile. Frank Castro allegedly recruited three FLNC members in Miami for the operation, which apparently never came off. Perhaps coincidentally, Orlando Bosch was arrested in Costa Rica in February in connection with a reported assassination plot during your visit there at that time.

Venezuelan Government's Reaction

The involvement of Garcia and other DISIP officials with Posada, Bosch and other CORU types poses very serious and delicate problems for President Carlos Andres Perez and his administration. The most immediate is to manage the publicity being generated in Venezuela and to avoid being implicated too directly in the terrorist activities of CORU. The government seems to be painfully aware of the fact that the CORU high command was in Venezuela during the planning and execution of the bombing. An FBI report indicates that DISIP will attempt to shift the blame on to other countries for supporting the terrorists by having Ricardo Morales (the DISIP official mentioned above) travel to

Miami to raise questions through the news media there and to accuse the FBI and CIA of having agents within CORU. Ricardo's mission reportedly would set the stage for the Venezuelan Government to subsequently demand a full investigation of FBI and CIA involvement in CORU hoping to place the primary responsibility on the U.S.

A reported decision to try to tie the opposition Social Christian Party (COPEI) to the Cuban exiles so that it will appear that the problem in Venezuela predates the present administration will probably not be very plausible:

- most DISIP officers do not believe COPEI played a role in anti-Castro activities;

- traditionally COPEI has taken a friendlier line toward Castro than Perez's Democratic Action (AD) party; and

- a relatively large number of Cuban exiles in Venezuela hold positions of influence within the security services in the present administration.

In attempting to pin some of the rap on COPEI, Perez risks the consequences of creating a nasty domestic situation. COPEI could fight back by attempting to link the President himself directly with the exile extremists. In this kind of situation, Venezuela's role could be magnified, negating to some degree the alleged efforts by Ricardo Morales and others to shift blame to the U.S.

What This Adds Up To

CIA has had past relationships with three of the people alleged to be involved in the Air Cubana crash, but any involvement that these persons may have had with the crash was without CIA's knowledge. They had provided information to the Agency at various times in the past and requested assistance on visa requests and related matters.

CIA's relationship with Posada, who more and more appears to be the person who planned the bombing, could possibly lead to some misinterpretation and embarrassment in that he provided unsolicited information on significant extremist planning, most recently in February and June of this year. On those occasions, he related details of an assassination threat against Salvador Allende's nephew (an action CORU reportedly was attempting to undertake to gain DINA's support) and of CORU's planning to sabotage a Cuban plane in June.

Posada's reasons for volunteering this kind of information after he had been terminated as a paid informant are unknown. He could have been trying to remain in CIA's good graces, hoping to use the relationship on visa requests and such. However, it is at least possible he may have been probing to gauge CIA's reaction to CORU's efforts to harass the Cuban Government. In this context, we have considered the possibility that Posada could have misinterpreted the response to his approaches, but CIA assures us that this could not have been the case.

The bombing highlights the danger that the militant Cuban exile community poses for the U.S. Regardless of the circumstances, we can be made to appear to be somehow implicated for the reason that ultimately we often have to concede past associations with them. The problem is especially serious in the context of U.S.-Cuban relations. Fidel Castro from long memory automatically assumes that significant exile activity against him is either U.S.-directed or U.S.-condoned. His past experiences probably make it hard for him to imagine that people like Bosch and Posada operate independently of the U.S. Given Castro's memories of past CIA operations and the limited information probably available to him concerning the bombing, it would have been very difficult for him to accept at face value U.S. denials of any involvement in the crash.

323. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to Secretary of State Kissinger¹

Washington, October 29, 1976.

*Cubana Crash Trial and Steps We Can Take To Restore Proper Focus
The Problem*

The propaganda and political fallout from the Cubana crash is increasing. Castro may be planning to stage his CIA spectacular this weekend, presenting to the world perhaps several authentic agents. Carlos Andres Perez, who is increasingly nervous over what is coming out about his ties to Cuban exiles, would like to shift the load to us and could be getting ready to take up the destabilization theme. Escobar

¹ Summary: Shlaudeman recommended steps to shift attention away from allegations of U.S. complicity in the Cubana bombing and to stimulate cooperative efforts against terrorism in the Caribbean.

Source: National Archives, RG 59, Central Foreign Policy File, P840037-0747. Secret; Nodis. Drafted by Luers and Gleysteen on October 29. A notation on the memorandum reads: "Cables approved with changes, 10/30." Attached but not published are a draft message to the Venezuelan Foreign Minister (Tab 1), a draft message to the Foreign Ministers of Trinidad and Tobago and Barbados (Tab 2), a translation of an October 29 letter from Escobar to Kissinger (Tab 3), telegram 12610 of October 28 from Caracas on Vaky's conversation with Pérez on the Cubana crash (Tab 4), telegram 266529 of October 28 to Caracas (Tab 5), and telegram 254013 of October 14 to Georgetown, Port of Spain, and USUN (Tab 6).

had just sent you a letter with that implication. We need to shift the focus to cooperative efforts to do something practical about the conspiracy that led to the Cubana bombing—and about terrorism in the Caribbean in general.

Discussion/Background

Trinidad has deported the two principal suspects in the bombing to Caracas where they will apparently be tried. Barbados is conducting a low-key technical investigation of the crash. Both countries are thus out from under, much to Burham's displeasure.

Meanwhile, the Cubans have invited U.S. newsmen (and presumably others) to Havana for interviews with purported CIA agents in Cuba. The signals are mixed on the timing. It will be either this weekend or after November 2. What drives the Cubans is the calculation that they can:

- make more credible Castro's allegations of CIA responsibility in the Cubana crash by giving "proof" of CIA's continuing espionage activities in Cuba;

- stimulate pressure in the U.S. for congressional investigation of U.S. Government ties with Cuban exile groups; and,

- divert attention from the actual circumstances of the Cubana crash to allegations about the CIA and "destabilization."

Meanwhile the Cubans are sending messages to Democrats not to worry. Cuban UN diplomats have been fanned out to contact members of Congress and staffers to convey the line that Castro's denunciation of the hijacking agreement is not final and that Cuba wants to negotiate about it with whichever candidate is elected next week. Contacts the Cubans sought to make include: Kennedy, Hart, Stevenson, McGovern, and Abourezk. Similar pitches were made to our Chargé in Jamaica by the Cuban Ambassador and to academic and foundation figures interested in U.S.-Cuban relations.

At some point we shall have to rebut the Cuban charges. I believe it would not be prudent to do so before the upcoming show-and-tell exercise in Havana. We should be prepared to make a strong brief statement promptly thereafter which we shall prepare for you after we have learned precisely what the Cubans are revealing. One problem is that one or more of Fidel's witnesses have, in fact, been employed by the CIA. We do not know what type of "proof" they will produce.

Immediate Diplomatic Steps

Foreign Minister Escovar has sent you a message (Tab 3) on the harm to U.S.-Venezuelan relations because of stories in the U.S. press about ties of Venezuelan officialdom, including President Perez, with the Cubana crash suspects.

Ambassador Vaky had a talk with President Perez last Saturday (Tab 2). Perez and his associates appear to be trying to protect their flanks from Castro and from anti-Castro elements around the Caribbean by shifting blame for the Cubana crash to the U.S.

We sent instructions to Vaky yesterday (Tab 5) to attempt to head-off any Venezuelan attempt to put the blame on us and to deal with Venezuelan sensitivities about U.S. press coverage.

At Tab 1 is a letter from you to Escovar—rejecting U.S. Government responsibility for press stories—rejecting implications of “destabilization”—and offering to send a team of State and Justice officers to exchange information on terrorist activities.

Trinidad and Tobago Foreign Minister Donaldson responded favorably to your October 14 letter (Tab 6) offering information about Cuban exile terrorist activities, subject to Prime Minister Williams’s approval, in deporting the two suspects it held to Venezuela. The GOTT announced that it is satisfied with assurances received from Caracas that the suspects will be fully prosecuted. Trinidad clearly is relieved to be free of this burden. However, to reassure Trinidad of U.S. cooperation in bringing the perpetrators of the Cubana crash to justice, I believe it would be desirable to send the State/Justice briefing team to Port of Spain. The attached message from you to Donaldson (Tab 2) offers to do so.

Barbados is continuing a technical investigation of the circumstances of the crash. Representatives of the U.S. National Transport Safety Board are on hand to assist. Foreign Minister Forde already has accepted the offer of assistance in your October 14 letter to him. A visit by the State/Justice team to Barbados would serve the same purpose as in Trinidad. A message from you to Forde making this offer also is in Tab 2.

Recommendations:

1. That you approve the attached message to Foreign Minister Escovar of Venezuela at Tab 1.
2. That you approve the attached messages from you to Foreign Ministers Donaldson of Trinidad and Tobago and Forde of Barbados at Tab 2.

324. Memorandum From David Lazar of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Hyland)¹

Washington, November 9, 1976.

SUBJECT

Additional Cuban Overflight Request

The Cubans have submitted a request through the FAA for two overflights to Montreal and back using Britannia aircraft. *The first would be on November 11–12.* The second would be on November 16–17. We have approved a number of similar requests in the past, including several this year.

You presently have my memorandum of October 12 (and previous) setting out the Cuban request for three scheduled overflights a week. Like that request, the present request for the two one-time overflights would come under the provisions of the International Air Services Transit Agreement.

The two overflight requests (the earlier one and the present one) may, of course, be handled separately or together. Handling them separately would be somewhat simplified in this case since, as stated, this latest request came through the FAA rather than, as it should have, through diplomatic channels. If we were to wish to take action on the second request without acting on the first, we could thus go back through the FAA channels although we would, in doing so, remind the Cubans that the diplomatic channel is the appropriate one.

An obvious complication is the question of whether affirmative action on either or both of these requests, plus the ITT matter (2432) to which we are committed, will be read by the Cubans as a signal that we are prepared to put behind us a number of matters of current concern (Angola, Puerto Rico meddling, accusations of U.S. involvement in the Cubana crash) and proceed toward, if not down, the path to normaliza-

¹ Summary: This memorandum recommended approval of the pending Cuban request for overflight rights in connection with the establishment of commercial air service between Havana and Montreal.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974–1977, Country Files, Box 4, Cuba 8. Confidential. Sent for action. Hyland initialed the memorandum and wrote, "OK." Lazar wrote, "Passed orally to Shlaudeman, 11/9, C. Gleysteen, 11/10." Next to the second paragraph Hyland wrote: "This is a different issue." Hyland initialed approval of the memorandum's recommendations but struck out the portion of the first recommendation that stipulated approval of regularly scheduled air service, approving only two special one-time flights and wrote "No" in the margin.

tion. I think, in fact, that a danger of such a misreading of our intentions does exist but that continued non-action on these requests is not the way to handle it. I am convinced of that because, according to State, we are bound under the International Air Services Transit Agreement to grant the requested overflights on a basis of reciprocity and because I think it does not behoove the United States Government to be in deliberate violation of international law, particularly in our dealings with the Bloc countries. The whole thrust of our foreign policy, it seems to me, has run in the opposite direction.

The "false signal" dilemma, it seems to me, can be handled in another way. State is proposing, and I concur, that simultaneously with the delivery of a note approving their overflight requests, another note would be delivered. This second note, responding to Cuba's latest note denouncing the anti-hijacking agreement, would make quite clear our attitude about the Cuban adventuring in Africa, meddling in our internal affairs in Puerto Rico, or slandering us internationally, e.g., by accusing us of such things as complicity in the Cubana sabotage.

Because of the time involved in drafting the notes, it is further proposed that approval of the request for the November 11-12 overflight (only) be handled through the FAA. The November 16-17 flight and the earlier request for three weekly overflights will be handled, as outlined above, by diplomatic note.

Recommendation:

That you authorize State to accede to the Cuban requests for overflights, both on a regularly scheduled three-times-a-week basis and for the two special one-time flights in November and that we designate the usual non-sensitive air corridor.

And that State be instructed to get the message back to Cuba, through diplomatic channels, that our compliance with an international agreement in these cases should in no way be taken to represent a lessening of our concern over their behavior in Angola, in Puerto Rico, or in the Cubana case.

325. Message From the Department of State to the Swiss Embassy in Havana¹

Washington, November 11, 1976.

Ref: H-4442

Request Embassy deliver the following message to MinRex by note:

Quote:

The Government of the United States of America learned from international broadcasts on October 15, 1976 that the Prime Minister of Cuba had denounced the February 15, 1973 Memorandum of Understanding on Hijacking of Aircraft and Vessels and other Offenses. A note from the Cuban Government to this effect, incorporating the text of the Prime Minister's speech, was handed to a representative of the State Department by the Swiss Embassy in Washington late that evening.

The United States Government regards this action by Cuba as unjustified and arbitrary. The 1973 Agreement was a constructive step in international relations, a strong fiber in the web civilized countries are attempting to build to prevent international terrorism.

With respect to the Prime Minister's statements that United States Government agencies were involved in the crash of the Cubana Airliner, it should be clear to all that the United States condemns terrorism in all forms, from whatever source, regardless of motivation. We state categorically that the United States had nothing whatsoever to do with this act.

Likewise the United States Government had nothing to do, directly or indirectly, with any of the various terrorist actions enumerated in Prime Minister Castro's speech.

The attempt to impute to the CIA responsibility for terrorist actions about which it had no prior knowledge is a red herring. It can only be regarded as an attempt to exploit a tragic incident involving the

¹Summary: The U.S. Government expressed concern over the Cuban Government's October 15 denunciation of the 1973 agreement between the two countries on hijacking.

Source: National Archives, RG 59, Central Foreign Policy File, P840037-0211. No classification marking. Attached to a November 19 covering memorandum to Kissinger, in which Shlaudeman reported that Cuban Foreign Minister Roa had said in accepting the note that the "U.S. attitude was slightly different from your [Kissinger's] earlier statements about the Cubana crash," a statement that Shlaudeman interpreted as a possible "contrivance to signal to the next administration Cuban interest in dialogue with the U.S." (Ibid., P840037-0209) For the 1973 hijacking agreement, see Document 271. Message H-4442 was not found.

loss of life to sow suspicions among countries having friendly relations with the United States.

The statement in Prime Minister Castro's October 15 speech that the United States did not reply to an earlier warning that the Hijacking Agreement might cease to have effect is incorrect. In the most recent exchange of notes on this subject the United States on August 17 described our actions under the Agreement and reiterated our "firm desire that the Memorandum be interpreted and implemented faithfully and meticulously by both parties . . ."

The United States Government holds the Cuban Government strictly accountable for any encouragement of hijacking which its denunciation of the 1973 Memorandum of Understanding may give psychologically or in a practical way to potential hijackers.

The United States Government notes the statement in the Government of Cuba's note that the 1973 Agreement will remain in effect until April 15, 1977. The United States Government expresses its grave concern about the implications for the safety of international travellers thereafter.

326. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, November 18, 1976.

SUBJECT

Cuban Request for Approval of Overflight for Scheduled Airline Service

As you are aware, we have received a number of requests from the Cubans, dating back to March of this year, for overflight approval of a regularly scheduled Havana-to-Montreal air service. The request is based on reciprocity under the International Air Services Transit

¹ Summary: This memorandum recommended Presidential approval of the Cuban request for overflight rights for regularly scheduled commercial air service.

Source: Ford Library, National Security Adviser, Presidential Country Files for Latin America, 1974-1977, Country Files, Box 4, Cuba 9. Confidential. Sent for action. A note on the memorandum reads: "The President has seen." Ford initialed his approval. Attached but not published is a translation of a September 9 Cuban Foreign Ministry note to the Department of State which reiterated a March 17 request for overflight rights (Tab A). Also attached but not published is an October 12 memorandum from Lazar to Scowcroft reviewing the background of the Cuban request (Tab B).

Agreement to which both the U.S. and Cuba are parties. Under this agreement, contracting states are bound to accord to one another the right of overflight of scheduled air services without prior permission. Present U.S. airline overflights of Cuba are numerous and commercially significant.

On September 14 the State Department received another note from the Cubans on this matter through the Swiss Embassy (Tab A). The note differs from previous communications in that it requests overflight approval for three round-trip flights per week, rather than two.

Should the Cubans wish to do so, they could use this matter to embarrass us, for example, by publicizing it as a breach of an international agreement by the United States. They could also withdraw overflight approval for the numerous daily U.S. commercial flights currently utilizing their existing approval. It probably is fear of this latter possibility that moved both the U.S. Air Transport Association and Eastern Airlines to write to the State Department earlier in the year urging that the U.S. Government grant the requested overflight approval (Tab B).

There is a possibility, although I consider it remote, that some groups in the U.S. may consider the granting of such approval to “signal a change” in our Cuba policy. Should such a notion arise, I believe that careful handling, based on a clear statement of our obligations under the International Air Services Transit Agreement, can prevent this from becoming an issue.

Recommendation:

That you authorize the State Department to inform the Cubans, through the Swiss diplomatic channel, of our approval of their request for commercially scheduled overflights between Havana and Montreal on the schedule set out in their note of September 14 through an appropriate corridor.

327. Memorandum From the National Intelligence Officer for Latin America [*name not declassified*] to the Deputy Director of Central Intelligence (Knoche)¹

Washington, November 18, 1976.

SUBJECT

Current U.S. Policy Toward Cuba and Related Intelligence Needs

1. Current United States policy toward Cuba assumes the eventual normalization of relations between Cuba and the U.S., according to Mr. Harry Shlaudeman, Assistant Secretary of State for Inter-American Affairs. The Secretary of State, Dr. Kissinger, has stated that there are two pre-requisites for a resumption of the normalization process:

- a. Cuba must withdraw its combat troops from Angola.
- b. Cuba must end its support to the fringe revolutionary groups in Puerto Rico seeking independence from the U.S.
- c. In the course of the normalization process, the U.S. would insist that Cuba release all political prisoners, and pay compensation for U.S. properties seized by the Castro government.

2. Mr. Shlaudeman stressed that the above represents U.S. policy toward Cuba at the present time, and that he could not predict what the policy would be two months hence when the new administration takes office.

3. I have, however, consulted with State INR and ARA, the National Security Council Staff, OCI, and DIA and have combined their views with my own to identify principal gaps in our intelligence coverage of Cuba. [5 lines not declassified]

[24 paragraphs (92 lines) not declassified]

¹ Summary: This memorandum reviewed U.S. policy toward Cuba and described the kinds of information that would be needed by analysts and decision makers to guide future policy decisions on Cuba.

Source: Central Intelligence Agency, DCI Files, Job 79M00467A, Box 9, Folder 12. Secret. All brackets are in the original except those indicating text that remains classified.

Dominican Republic

328. Telegram 481 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, February 5, 1973, 2115Z.

481. Subject: Reported Guerrilla Invasion Stirs DR.

1. Santo Domingo radio stations began early this morning (Feb 5) broadcasting reports of a guerrilla invasion force of from eight to eleven men allegedly led by Francisco Caamano Deno which, according to media, landed early morning of Feb. 4 in a motorized vessel at Caracolitos Beach on Ocoa Bay approximately 50 air miles west of Santo Domingo. Reports further indicated that the invasion force, dressed in green uniforms, purchased several burros and moved into the mountainous area surrounding San Jose de Ocoa, a relatively inaccessible region known for its hostility toward the government and with a history of harboring leftist guerrillas.

2. The GODR reacted quickly to the above reports, declaring a state of alert and sending what the media described as "hundreds of soldiers" into the area. Palace Press Secretary Herrera officially announced this morning the landing of "no more than 10 men," that the country was calm, and that the armed forces had the situation under "absolute control." PRD President Juan Bosch and PRD Secretary General Jose Francisco Pena Gomez both reportedly placed under house arrest although neither was at home when their residences were searched by units of the National Police. One radio announcement, purportedly an official PRD communiqué, indicated that both Bosch and Pena were "safe and sound" and urged all PRD members to remain in their homes until they received further instructions. Army units have also report-

¹ Summary: The Embassy reported on the Dominican Government's reaction to news that a small group of leftist guerrillas had landed in the country.

Source: National Archives, RG 59, Central Files, 1970-1973, POL 23-9 DOM REP. Confidential; Immediate. Repeated to Port-au-Prince, Kingston, and CINCSO. In telegram 488 from Santo Domingo, February 6, the Embassy reported on repressive measures taken by the government against its domestic opposition, noting that one-third of the capital's radio stations had been shut down. (Ibid.) In telegram 584 from Santo Domingo, February 9, the Embassy reported that scores of opposition party leaders had been detained and that the Autonomous University of Santo Domingo remained cordoned off. (Ibid.) In telegram 747 from Santo Domingo, February 20, the Embassy noted the population had reacted with apathy to news of the killing of alleged leader of the guerrilla band, Francisco Caamano Deno, in a firefight with the armed forces. (Ibid.) In telegram 797 from Santo Domingo, February 22, the Embassy reported that tranquility was slowly returning to the country. (Ibid.)

edly surrounded the home of Luis Amiama Tio, preventing visitors from entering or departing.

3. Meanwhile, classes at the Santo Domingo Autonomous University (UASD) were temporarily suspended by university officials while the campus was surrounded this morning by the police. No incidents of any serious nature have yet been reported.

4. Later reports indicate that transmissions of Radio Commercial and Radio Vision both belonging to Jose Brea Pena, Secretary of Industry and Commerce and a personal friend of Juan Bosch, were suspended on order by the GODR until further notice. No reasons were given for the action. Several other major radio stations, such as Radio Cristal, also went off the air this morning.

5. *Comment:* Prompt and vigorous GODR reaction to early reports of invasion force seems to indicate that the government is taking the invasion reports very seriously. Government moves against Bosch, Pena Gomez, and Amiama Tio, for example, may be government attempt to forestall the possibility that any of the opposition might take advantage of the present situation for their own political ends. Similarly, the suspension of transmission of a number of the capital's radio stations seems to be a GODR move to place a lid on broadcasts which might increase tensions or inflame public opinion. In this connection, 1:30 pm news broadcasts in the capital carried only limited coverage on the "invasion" or related developments.

6. As of 3:30 pm LT, although tensions in the city were running high, no significant disturbances have been reported and the government seems to be in firm control of the situation. It is still not clear whether armed invaders did indeed put ashore from the vessel in Ocoa Bay, and if so, how many there were, or their present whereabouts. Embassy is checking all sources and will report further.

Meloy

329. Telegram 34170 From the Department of State to the Embassy in the Dominican Republic¹

Washington, February 23, 1973, 2215Z.

34170. For the Ambassador from Meyer.

1. Now that the security situation in the Dominican Republic appears to be returning to normal I wonder if it might not be an appropriate moment to suggest to Balaguer the next time you see him that the international image and prestige of the GODR can be considerably enhanced if it now moves promptly to lift restrictions against political opposition groups. If there is hard information linking any individuals with Caamano Deno, that is obviously another thing, but in the absence of such evidence it seems to us here that Balaguer would be well advised to move quickly to ease the situation.

Rogers

¹ Summary: Assistant Secretary of State for Inter-American Affairs Charles Meyer suggested to Ambassador Francis Meloy that he encourage President Joaquín Balaguer to lift restrictions against opposition groups in order to enhance the international image of the Dominican Republic.

Source: National Archives, RG 59, Central Files, 1970–1973, POL 23–9 DOM REP. Secret; Stadis; Exdis. Drafted by Burke, cleared by Hurwith and Barnes, and approved by Meyer.

330. Letter From the Acting Assistant Secretary of State for Inter-American Affairs (Crimmins) to Frank J. Devine, Minister-Counselor at the Embassy in Venezuela¹

Washington, April 30, 1973.

Dear Frank:

Many thanks for your letter of April 16. I appreciate your informing me of your conversation with Rafael Bonilla Aybar, and I am intrigued at the channel chosen, assuming it was a deliberate attempt to sound out the Department to see what position, if any, we might have concerning the 1974 election. It is not the sort of question that could be asked without considerable awkwardness either through Embassy Santo Domingo or in Washington. In any case, you were certainly correct in responding that whether President Balaguer runs for reelection or not and who else runs, etc. are matters for determination by the Dominicans themselves. We have no position concerning the election and have remained, and will continue to remain, entirely out of the matter. At your discretion, you may wish to pass that on to Bonilla. You can tell him that, grain of salt or no, that is our policy and we shall continue to maintain it.

For your information, we are attempting to avoid showing any preference at all for any candidate, including, of course, Balaguer. Our doors remain open to Dominican politicians of any or all persuasions—excepting, of course, the extremists. No doubt many of them have exaggerated or misrepresented their conversations with us in later talks with collaborators and other Dominicans, several of whom are probably naive enough to equate their reception at the Department as evidence of USG support. You and I realize that many Dominicans believe the USG is the final arbiter of anything that happens in their country, but I don't know what we can do about that attitude, other than what we are doing, i.e., scrupulously maintaining a neutral posture and letting people know that is our policy.

¹ Summary: After Devine received an inquiry from the Dominican Ambassador to Venezuela regarding U.S. policy with respect to the upcoming Dominican Presidential elections, Crimmins wrote that the United States had no preferred candidate and would refrain from involvement in the electoral process.

Source: National Archives, RG 59, ARA/CAR/DR Files: Lot 75D392, POL 14 Elections. Confidential. Official-Informal. Drafted and cleared by Burke. A copy was sent to Ambassador Meloy. In an April 16 letter to Crimmins, Devine reported on a conversation in which Dominican Ambassador Rafael Bonilla Aybar alleged that a rumor was circulating in Santo Domingo that the Department was opposed to a Balaguer candidacy for reelection. In the margins of that letter, Crimmins wrote, "I think CAR should do a note to FJD [Devine] saying that we are taking no position, etc., and he can at his discretion pass to B-A [Bonilla Aybar]." (Ibid.)

With all Marguerite's and my best wishes to Barbara, the children and you.

Sincerely,

John Hugh Crimmins

331. Telegram 4815 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, November 26, 1973, 1943Z.

4815. Subject: GODR Concern Over Future of Sugar Quota.

1. On Nov. 23 Fon Sec Gomez Berges called me to his office to express official GODR concern over press reports that U.S. may be contemplating abandoning sugar quota system. After undertaking to convey his government's views, I explained that press article referred to a study within the Dept of Agriculture examining various options to be considered for governing future sugar imports upon expiration of existing legislation. The study was just that and did not reflect administration's policy, I continued. I observed that the local press had also carried Congressman Poage's reported opposition to abandoning the sugar quotas, opposition that would carry considerable weight in deliberations over future sugar imports. The FonSec appeared relieved to learn that no final decision had yet been taken by USG and that there was some possibility that the quota system might be retained.

2. *Comment:* The Dept is aware of the high degree of DR dependence on sugar and the importance it attaches to the stability that the quota system provides it for production and marketing purposes. Al-

¹ Summary: The Embassy reported on the Dominican Government's concern about the possibility of revisions to legislation under which sugar-producing nations such as the Dominican Republic were assigned quotas that gave them guaranteed access a share of the U.S. sugar market.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Limited Official Use. In telegram 225729 to all American Republic and certain other diplomatic posts, November 15, the Department reported that an interagency review of the possibility of extending or replacing the existing Sugar Act was under way and that while the Department of Agriculture favored a market-oriented system that would eliminate quotas, no official administration position on the issue had been determined. (Ibid.) In telegram 226599 to Santo Domingo, November 16, the Department noted that Dominican Ambassador Salvador Ortiz had met with Department officers on November 15 on instructions from his government to express opposition to changes in sugar policy that were reportedly under consideration. (Ibid.)

though the DR will lose an estimated fifteen million dollars this year by supplying the U.S. market rather than selling on the world market, government sugar policy is nevertheless devoted to demonstrating to the U.S. that the DR is a reliable supplier within the quota system. We shall appreciate continuing to be kept informed of U.S. policy toward future sugar imports as it evolves.

Hurwitch

332. Telegram 5039 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, December 12, 1973, 1900Z.

5039. Subject: Gulf & Western Americas Turns Over a New Leaf.

1. This message will summarize Embassy efforts over the past two months to persuade Gulf & Western Americas Corporation (GWA), Florida-based subsidiary of Gulf & Western, to take substantive steps to improve its image in the DomRep. GWA and its parent company have pursued an enlightened policy here, replete with good intentions and with a high percentage of those intentions realized. Nonetheless, as Dept aware, GWA size, its lack of a coherent policy and inept or totally absent public relations have caused considerable uneasiness here. Predictably, leftist political organizations and press have found GWA an attractive target. Moderate and conservative political groups have also, however, called for nationalization of GWA. Perhaps even more serious has been the recent disenchantment with GWA activities on the part of many of the private economic powerhouses here (Bermudez, Tavares, Barletta, Vicini, Reid, Pastoriza, etc.); a number of U.S. businessmen have also privately expressed concern to the Embassy over how the growing criticism of GWA might affect the future of their com-

¹ Summary: The Embassy reported on its efforts to encourage the Gulf and Western Americas Corporation to take steps to improve its image in the Dominican Republic, where it was heavily involved in sugar production and in other sectors of the country's economy.

Source: National Archives, RG 59, Central Foreign Policy File, P750034-0738. Confidential; Exdis. In telegram 5040 from Santo Domingo, December 12, the Embassy reported on a conversation in which Hurwitch urged Gulf and Western Americas president Alvaro Carta to end his company's political activities in the Dominican Republic, which had included donations to Balaguer's 1966 and 1970 electoral campaigns and other contributions to the Presidency and the Reformist Party. (Ibid., P840114-1839)

panies. Finally, the Embassy has believed that the tendency here to lump together the USG and “big U.S. business” would seriously and adversely affect our mission, if GWA continued unchecked. We felt we had the makings of a Peru/IP case and that for all of the above reasons, some action on our part was indicated.

2. Examination of this problem led to the discreet establishment of a small, Embassy task force, chaired by the Ambassador, to see what could be done to persuade GWA to redefine its policy, limit its rapidly expanding activities, sell off those enterprises that were causing most concern and otherwise undertake concrete steps to improve its image. Specific objectives and programs were devised, and as a result there occurred six private meetings between the Ambassador and GWA president Alvaro Carta, one discussion of the problem between President Balaguer and the Ambassador, a meeting between Alvaro Carta, Gulf & Western chairman Charles Bluhdorn and the Ambassador, and a final meeting Dec 10 between Carta and President Balaguer. This fairly intensive activity produced the following five-point program, approved by the President, Bluhdorn and Carta:

(A) GWA will not expand into new areas of investment in the Dominican Republic.

(B) GWA will limit its current activities to growing and processing sugar cane, agricultural diversification including cattle, the industrial free zone at La Romana, and tourism.

(C) GWA will sell off in a gradual and orderly fashion (so as not to rock the economic boat here) its interest in all the other enterprises in which it participates such as its finance company Cofinasa and the cement plant. In addition, it will seek equity participation from other private sources (preferably Dominican) in such projects as the construction of the Santo Domingo Hotel and the renovation of the Hispaniola Hotel.

(D) GWA will proceed vigorously with the establishment of its planned foundation which is to be devoted solely to non-profit socio-economic development projects. Distinguished, independent Dominicans will be offered membership on the foundation's board.

(E) All GWA profits after taxes which can not be repatriated in accordance with existing law will be turned over to the foundation.

3. It was also agreed that this new policy would be made public at a time and in a forum agreed to by President Balaguer. On Dec 10 Carta met with the President who was reportedly so gratified by the shift in policy that he desired personally to announce it. According to Carta, the President prefers to make public the new GWA policy during his annual February 27 “State-of-the-Nation” speech to the Dominican people. He perceived no objection, Carta reported, to GWA proceeding to implement its plan right away, however.

4. *Comment:* We think this new program will serve to quiet the growing uneasiness here and provide GWA with a renewed lease on life. We can not, of course, predict how GWA will fare over the long run, and it is perhaps unrealistic to think that a large U.S. firm can ever be free of heavy criticism in a LDC, but we should all be able to face the near future here with somewhat great equanimity. More remains to be done to improve the GWA image and we shall be giving the matter further thought.

Hurwitch

333. Telegram 5194 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, December 22, 1973, 2152Z.

5194. Subject: The President and the Future Political Situation. Ref: A. SD 5184, B. SD 5193.

1. During the conversation with President Balaguer reported reftel, the discussion turned to the questions of "perpetual" succession ("continuismo"), national reconciliation of opposing forces, and further social reform.

2. I described briefly to the President my round of talks with leaders of all legitimate political parties and said frankly that with a few exceptions I had found them to be a mediocre lot. They had impressed me as small-time political hacks, very few of them of any stature at all. On the other hand, I had met a number of men of quality in business and professional life who were not Balaguer supporters and I was perplexed as to how these elements could express themselves politically, since they could have little confidence in the calibre of opposition leadership. I was also impressed by the depth of passion that per-

¹ Summary: Ambassador Hurwitch reported on a December 21 conversation with Balaguer on the Dominican political situation in which the President indicated that he would run for a third consecutive term in the 1974 elections.

Source: National Archives, RG 59, Central Foreign Policy File, P750034-0732. Secret; Exdis. In telegram 5184 from Santo Domingo, December 22, the Embassy characterized Hurwitch's meeting with Balaguer as "very cordial" and listed the topics discussed, which included the political situation, agrarian reform, Gulf and Western, and Dominican indebtedness. (Ibid., [no film number]) In telegrams 5186 through 5193, December 22, Santo Domingo reported Balaguer's views on the subjects discussed during the meeting. (All *ibid.*)

meated the Dominican body politic and saw little evidence of effort on the part of Dominicans, whose history for more than a century was replete with political tragedy, to avoid a repetition of the past by constructing broad-based moderate parties among which power could change peaceably. I also noted that although the opposition had latched onto the theme of “continuismo” as a rallying point, I had also encountered many moderate Dominicans who were sincerely uneasy over the prospect of Balaguer perpetuating himself in power until he died in office or was otherwise removed. Finally, I observed that many Dominicans I had met believed more social/economic reform such as the agrarian reform was needed.

3. The President warmed to the subject and said he would speak frankly as a friend and in confidence (during this portion of the conversation, it became unmistakably clear that Balaguer has decided to run again, despite his earlier careful statement that he was undecided). He said that he was of course aware of the criticism embodied in “continuismo” but he thought it exaggerated by the politicians, although he acknowledged that many were also sincere in their disquietude. On the other hand the country needed four more years of political stability, he thought, which would enable it to continue its progress. Accordingly, he had decided to recommend publicly before the May election that the constitution be amended, effective 1978, to provide for a single five-year Presidential term with succession barred (In 1978, Balaguer will be 71). He hoped that in the political realm the next four years could be dedicated to easing political passions and to building two or perhaps three moderate parties (he was impressed by the recent Venezuelan experience) and to the continued education of the military as to their apolitical role. He envisioned bringing men into the government next term who were capable but with little or no political experience so that they could gain such experience and perhaps take over the leadership of existing parties or create new ones. He would choose such men from different political currents. Finally, he believed also that social reform had to be pursued. Tax reform was tough politically but imperative, he concluded.

4. *Comment:* Although the President made a point of saying that he did not expect the substance of this conversation to go beyond the walls of his office, he knows from his extensive diplomatic experience that I would report the conversation. At the Embassy, only the DCM (and my secretary and communicators, of course) is privy to this sensitive information. I would ask the Dept readership to be especially discreet since my growing relationship with Balaguer is at stake.

5. If all comes about as Balaguer expressed his plans, we are in for an interesting and constructive four-year term. The DomRep being

what it is, however, it would be imprudent ever to be sanguine. Merry Christmas.

Hurwitch

334. Telegram 600 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, February 9, 1974, 1521Z.

600. Subject: Sugar: Dominicans to Meet Quota Commitments. Ref: State 22675.

1. Since the Dominican Republic is the second-largest foreign supplier to the U.S. sugar market and because sugar is a matter of fundamental importance to the Dominican economy, the Ambassador decided to discuss GODR sugar policy with President Balaguer last night. The President confirmed what other Embassy officers had already been told by GODR sugar authorities: with respect to its sugar exports, the GODR will give first priority to fulfilling its entire commitment to the U.S. market, irrespective of the attraction of current higher prices in the world market. The President regarded the U.S. sugar quota system as an essential and firm basis for his economic planning and urged that the quota system be continued. The Ambassador conveyed to the President the importance attached to shipping Dominican quota sugar and its first-come, first-served commitments as quickly and in as large quantities as possible. The President replied that he would give instructions at once to that effect.

2. In an earlier discussion with the Ambassador, Dominican Ambassador to Washington Salvador Ortiz reported that during the week-long meetings on sugar policy here, the producers of Dominican sugar (CEA, VICINI, and Gulf & Western) were unanimous in their support

¹ Summary: Ambassador Hurwitch reiterated the importance of U.S. sugar policy to the Dominican economy, reporting on a conversation with Balaguer in which the President had urged the continuation of the existing quota system.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. In telegram 22675 to all American Republic and certain other diplomatic posts, February 4, the Department reported that congressional hearings on sugar legislation were scheduled to begin on February 19 and sought reconfirmation that countries with sugar quotas intended to fulfill their entire commitments to supply the United States with sugar even as free market prices for the product reached record highs. (Ibid., [no film number])

of continuing the U.S. quota system and in their commitment to serve the U.S. market on a priority basis. Ambassador Ortiz observed wryly that whereas four years ago he had been energetically pursuing as high a quota as possible for his country, his current personal preoccupation was that, assuming continuation of the quota system, the Dominican quota might be so high as to force the GODR to cut off all supply to its other customers in the world market.

3. In discussions with Embassy officers, GODR sugar authorities expressed unhappiness over the use of the first-come, first-served system in January and said they would have preferred to have had the regular quota reallocation system utilized. Nonetheless, they said their shipments to the U.S. were being given priority and that up to the moment very few sales had been made to the world market.

4. *Comment.* The Dominican Republic has consistently placed great value on the U.S. quota system as a means of obtaining an assured and attractive market for its primary export. With this in mind, the GODR has consistently given priority in its sugar policy to demonstrating to the U.S. that it is a reliable supplier. GODR authorities are of course aware that pursuing this policy signifies, at least in the short run, significant losses in foreign exchange which they can ill afford particularly in face of an estimated additional \$100 million they anticipate they will have to expend this year for petroleum products. Nevertheless, the Dominican Republic can be expected to make substantial sacrifices in order to improve its chances of maintaining a sizeable quota. Given (1) the unfavorable outlook for its balance of payments this year, (2) the current offers it is receiving of twenty cents a pound for immediate world market sales, and (3) the uncertainty caused by the call by U.S. sugar consumer organizations and by some USG officials for the termination of the U.S. quota system, some additional Dominican sales on the world market are probable, however.

Hurwitch

335. Telegram 674 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, February 14, 1974, 1255Z.

674. Subject: Operation "Exorcist." Ref: Santo Domingo 543.

1. Reftel reported the beginnings of debate and other organized activity in the Dominican Republic for the purpose of eventually delineating the respective roles of the domestic and foreign private investment sectors. As reported, the catalyst of this activity has been local uneasiness over Gulf & Western Americas (GWA) expansion into areas that appeared to threaten domestic capital interests. Their principal source of concern has been a finance company, Cofinasa, organized and fifty percent owned by GWA which has been making loans in the Dominican private sector. Attributing diabolical motives to GWA's interest in Cofinasa, local capital interests started meeting privately to form a group to counter the GWA apparent threat to their futures and ended up by making an offer to buy out GWA's interest in Cofinasa. Such was the state of common anxiety that the Brugals and Bermudezes, long-standing rival rum producers, sat in the same meeting for the first time in memory. Deeply suspicious of the motives of the local capital group, GWA for its part started arraying its forces to counter the group. GWA believed that Alejandro Grullon, who had once tried to purchase GWA's holdings at La Romana in a manner GW chairman Bluhdorn found offensive, was the satan behind the Dominican groups desire to purchase Cofinasa. The issue between GWA and Dominican capital rapidly deteriorated in a classic of demonology: each attributing to the other the most malevolent of motives and becoming increasingly persuaded that its respective back was against the wall.

2. During the past several weeks, the Ambassador has been lunching separately with representatives of each of the two parties, serving as a bridge of communication between them. Fortunately, just as his digestive tract was about to rebel, he succeeded in arranging a joint luncheon between the two. Predictably, the two groups quickly ascertained that each had erroneously impugned the motives of the

¹ Summary: The Embassy reported on its role in bringing together Dominican and American businessmen at a time when it appeared that the Dominican business community was becoming suspicious of the growing involvement of the Gulf and Western Americas Corporation in the country's economy.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential. In telegram 543 from Santo Domingo, February 6, the Embassy noted that the Dominican Republic's Association of Businessmen had established a commission to consider the appropriate role for foreign investors in the country, adding that the expanding economic activities of Gulf and Western were understood to be among the businessmen's primary concerns. (Ibid., [no film number])

other and that they had more in common than otherwise. A basis for further direct communication between them has been established and the devils seem to have decamped.

3. *Comment:* We believe that our responsibility for preserving and promoting American private investment here is better served over the long run if the Dominican and U.S. private sectors focus upon the interests that unite rather than divide them. We hope that whatever new rules of the investment game emerge here, they will have been the result of close coordination and communication between the two groups. Accordingly, we have been quietly nudging the American Chamber of Commerce in this direction.

Hurwitch

336. Memorandum Prepared in the Central Intelligence Agency¹

Washington, May 10, 1974.

SUBJECT

Dominican Republic: A Third Term for Balaguer?

Summary

Dominican President Joaquin Balaguer is expected to be reelected to his third consecutive four-year term in the general elections on May 16. A recent opinion poll shows the 67-year-old President leading his closest rival by a 2-to-1 margin.

Balaguer, a wily politician with a grandfatherly image, has broad backing in virtually all important sectors of the population. Business supports him because his stable administrations have attracted large amounts of foreign investment and spurred unprecedented economic growth. His government's stepped-up program to build housing for

¹ Summary: The Central Intelligence Agency reviewed the political situation in the Dominican Republic as the 1974 elections approached, concluding that President Balaguer was likely to win a third consecutive term in office.

Source: Central Intelligence Agency, Office of Current Intelligence Files, Job 79T00863A, Box 32, Folder 16. Secret; [*handling restriction not declassified*]. All brackets are in the original except those indicating text that remains classified. The Embassy reported on the election campaign in airgram A-9, January 19, and in telegrams 1338, 1547, and 1682 from Santo Domingo, April 1, 16, and 25. (National Archives, RG 59, Central Foreign Policy File, P740003-2374, D740073-0364, D740087-1002, and D740098-0239)

the urban poor probably has earned it a significant number of followers, and frequent whistlestop tours of the interior appear to have solidified the support he has long enjoyed among subsistence farmers who form the largest voting bloc in the country.

Balaguer faces four challengers in his bid for reelection. Two coalitions—one of the moderate Right and the other a Right-Left mix—reportedly believe that their chances of defeating him are slim, and they are concentrating on winning seats in Congress and local governments to build support for the 1978 elections. The other contenders are not expected to win more than a few percentage points of the vote.

Balaguer is not expected to change either his domestic or foreign policies significantly if he is retained in office. His immediate concern will probably be to curb inflation even though unpopular measures will be necessary. The government's policy toward foreign investment is expected to remain favorable, although Balaguer has talked about requiring foreign companies to hire more Dominicans.

In a recent campaign appearance Balaguer suggested that he might use a third term in office to set the stage for moving the country from a "circumstantial democracy" to a truer form of democracy. Whether this is possible will depend primarily on his ability to foster the growth of political institutions.

The Road to Victory

The President's strong lead over his closest rival seems to stem from the popularity the government has gained as a result of a five-year economic boom.

The Gross National Product last year increased by 17 percent, but approximately 9 percent of this increase was due to inflation. Much of the growth was in the mining and construction industries. While mineral exports have earned valuable foreign exchange, stepped-up construction in urban areas has also paid political dividends by providing jobs to the unskilled, who in leaner times would be expected to vote for the opposition. Moreover, a good share of government revenues has been used to construct low-income housing and other public works that directly benefit the poor.

Even though much of the economic development has been in urban areas, Balaguer also remains popular in the rural areas where most of the voters live. He has personally identified himself with the limited amount of government-sponsored construction in the countryside, making frequent trips to small towns to inaugurate new schools and health clinics. His support among the subsistence farmers has been enhanced by the government's agrarian reform program that already has distributed a substantial amount of land to tenant farmers and the

landless poor. Balaguer has promised to step up agrarian reform if reelected.

The President is expected to win, moreover, because of the memory of the chaotic political situation during the early 1960s and the widespread belief that he is the only leader who can maintain stability. Many voters see the President as a low-keyed, no-nonsense leader who has a well-earned reputation for hard work.

During his second term, the President has indeed shown the determination and skills his admirers ascribe to him. Frequently, he has cracked down on opposition leaders for real or imagined affronts. His public security forces and the military, which ardently support him, have relentlessly pursued terrorist organizations, jailing or killing most of their leaders. The last dragnet against suspected left-wing terrorists was undertaken late last year, and was apparently staged to ensure a peaceful climate for the election campaign.

Balaguer has effectively played on the likelihood of instability under any other government as the main reason for his seeking a third term. He maintains that any government other than his own would be divided among contentious factions and suggests that squabbling in the executive could possibly lead to civil war. This rationale probably has become convincing to a large part of the electorate because of the recent schism in the Dominican Revolutionary Party (PRD), the country's strongest opposition group. In addition, the ties that bind the two opposition coalitions probably will evaporate after the elections because of the disparate groups they include.

The President's own Reformist Party is monolithic, having but one purpose, to serve his political ambition. He largely ignores it between elections. Other than Balaguer, the party has few leaders of any consequence; several who had the potential to rival his leadership pulled out in 1970 in protest against Balaguer's first bid for reelection.

Balaguer's hold on the voters appears to grow out of the long tradition of caudillo-style politics in the Dominican Republic, rather than the strength of political institutions. The personalistic brand of politics that has won Balaguer broad support during the last eight years is a benign imitation of the style of the dictator Trujillo, who ruled with an iron hand from 1930 to 1961. Ex-President Juan Bosch, the only politician who is believed to have enough national stature to pose a serious challenge to Balaguer, has refused since 1966 to run in elections because of alleged abuses of government authority.

Balaguer's first term, from 1966 to 1970, was marked by the vigorous use of the military and police to contain and eventually eliminate the political turmoil that lingered after the end of the 1965 civil war. During his second term, he has concentrated on economic development and on avoiding actions that could lead to comparisons with the cor-

rupt and tyrannical practices of the Trujillo era. Before the start of this year's campaigning, he met with opposition groups, pledged himself to honest elections, and promised that the military will respect the outcome. In addition, he has asked congress to lift a ban against the Dominican Communist Party.

Groping for An Issue

The four opposition groups competing in the elections generally have centered their attacks on two issues: they charge that Balaguer's long stay in the Presidency is inimical to the development of a true democracy and that the government is not responsive to the needs of the people. The Left, in particular, has been hitting hard at the so-called voracious appetite of foreign investors who are accused of taking huge profits out of the country.

[1 paragraph (13 lines) not declassified]

Although the campaign has been full swing for about two months, a couple of leftist opposition parties have held out the possibility that they will boycott the elections at the last moment. They condition their participation on the government's protecting them from harassment by government-sponsored hoodlums and overzealous military commanders. In addition, they demand that the government stop unfair campaign practices, such as the excessive use of government-controlled broadcasting media, and release so-called "political prisoners." Sporadic incidents of violence have occurred, and if the Left is so inclined it could use this as a pretext for abstention. Some of the weaker candidates have already considered this option.

Perhaps the strongest opposition ticket is the Santiago Accord coalition, which groups a rightist party with three parties of varying leftist persuasions. The Dominican Quisqueyan Party (PQD) represents the hard-core Right in the coalition, while the moderate Left is represented by the Revolutionary Social Christian (PRSC) and the Dominican Revolutionary (PRD) parties and the extreme Left by the Dominican Popular Movement (MPD). Antonio Guzman, a long-time member of the PRD, heads the ticket, while the Vice Presidential candidate is PQD leader General Elias Wessin y Wessin, who, ironically, in the 1965 civil war opposed the then PRD president Juan Bosch. General Wessin is campaigning from Madrid where he has been in exile since 1972, when he was accused of plotting to overthrow President Balaguer. Balaguer has declared that Wessin will be allowed to return to the country only if he wins the Vice Presidency.

The Santiago Accord reportedly does not expect an upset win over Balaguer, but it does hope to win a sizable number of seats in Congress and local governments. Possibly the strongest fight the Accord will give the governing Reformist Party is in the mayoralty race in Santo

Domingo. The Accord's candidate, Guarionex Lluberes, is one of the most popular politicians in the Dominican Republic after President Balaguer. Santo Domingo prospered under him when he was the Reformist Party mayor from 1968 to 1970. He quit the party in 1970 when President Balaguer decided to run for a second term. If he wins, Lluberes is likely to become an irritant to the President and to use the post as a launching pad to seek the Presidency in 1978.

The PRD reportedly hopes to use the local government positions it wins to dispense patronage jobs, to strengthen party discipline, and to attract additional supporters. The PRD has not taken part in elections since 1966, when it won 37 percent of the vote. Since it will be seeking votes without the support of its founder Juan Bosch, who bolted the party last November, a strong showing is likely to be seen by party members as the PRD's first step toward becoming an institutional party able to survive personality clashes. A stunning defeat, however, would seriously damage the PRD and perhaps persuade some of its members to join Juan Bosch and his new Dominican Liberation Party.

The second coalition in the elections is to the right of center, and composed of the Democratic Integration Movement (MIDA) and the Amiama Tio Independiente Group (GIAT). [3 lines not declassified] The coalition's political platform is not very different from the government's. About the only issue it is campaigning on is that Balaguer's repeated election to the Presidency is retarding the development of true democracy.

The coalition's Presidential candidate is Francisco Augusto Lora, who served as Balaguer's vice president from 1966 to 1970 before he bolted the Reformist Party to protest the President's decision to run for reelection. Lora will be running his second campaign for the Presidency. The second spot on the ticket is held by Luis Amiama Tio, another former member of the Reformist Party and a former minister without portfolio. Despite the candidates' earlier ties with the Reformist Party, they are not expected to cut significantly into the Reformist vote. It is likely, however, that if the coalition remains in the contest, it will draw votes away from the Santiago Accord, which already has complained that the Lora-Amiama Tio ticket has hurt its fund-raising efforts among the poor.

The two remaining participants in the Presidential elections are the small right-wing People's Democratic Party (PDP), and the Movement of National Conciliation (MCN). Both parties have generally collaborated with Balaguer and frequently have accepted cabinet posts. The parties are little more than vehicles to promote the personal ambitions of their leaders. MCN leader Jaime Fernandez and PDP leader Homero Lajara Burgos are the candidates of their parties. Neither is expected to win more than a few percentage points of the vote.

Outlook

Assuming that President Balaguer is reelected on May 16, it is not likely that he will significantly alter the current policies and programs of his government. His immediate initiatives will probably be directed toward drafting measures to combat the high rate of domestic inflation caused mainly by increases in the costs of imported petroleum and food. The President has indicated that he will first try to stem inflation by readjusting price and wage control measures that were too touchy to handle in an election period. In addition, he reportedly will try to reduce the country's dependence on food imports by encouraging more agricultural production. Any surplus in agricultural output could generate additional foreign exchange to help pay for oil imports. With this in mind, Balaguer is likely to press ahead in implementing his agrarian reform program.

Foreign investment has been the primary source of capital for the Dominican Republic's sustained economic growth over the past five years, and Balaguer is not likely to take measures that would scare off vital capital. [2½ lines not declassified] in campaign appearances he has defended the importance of foreign capital in the development of the republic.

Balaguer has spoken in his campaign about using his third term as a transition period to bring about a truer form of representational government in place of what he calls the present "circumstantial democracy." He reportedly would favor a strong two-party system with constitutional guarantees against abuse by the party in power, perhaps patterned along the line of the liberal-conservative agreement that brought political stability to Colombia.

Chances that he will succeed in this endeavor seem bleak, however. [3 lines not declassified] Even the President's past eight years in office apparently have not strengthened the prospects that his own Reformist Party will survive post-Balaguer elections. The development of leadership in the party has been discouraged by Balaguer's denying the party even rudimentary control of patronage jobs or an important role in his administration. Until November, the key opposition group, the PRD, likewise suffered from the imperious leadership of its founder Juan Bosch. Bosch bolted the party after a challenge had been mounted against his autocratic rule.

Perhaps the most that Balaguer might realistically be expected to accomplish during his third term is to preside over four more years of relative political stability and economic growth. To have provided 12 years of peace and quiet would be no small accomplishment in the Dominican Republic and might produce a carryover effect into the term of Balaguer's successor—if indeed he steps down in 1978. Whenever Balaguer leaves, however, the best hope for stability in the Dominican Re-

public probably will be in finding another caudillo who can provide the same sort of benevolent but firm leadership.

337. Telegram 2015 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, May 15, 1974, 2200Z.

2015. Subject: Santiago Accord Pulls Out of Elections. Ref: SD 1982.

1. Three hours before the electoral period officially closed at midnight last night (May 14) the four Santiago Accord parties announced on Radio Comercial that they were formally withdrawing all of their candidates from the May 16 elections.

2. In his abstention speech, Presidential candidate Antonio Guzman Fernandez placed the blame for the Accord's decision to abstain from elections squarely on the shoulders of the Central Electoral Board (JCE) and the Balaguer government, alleging that both failed to provide minimum conditions for the holding of free and honest elections.

3. Partido Revolucionario Dominicano (PRD) secretary general Jose Francisco Pena Gomez followed Guzman's speech last night, reiterating the charges against the JCE and the GODR and asserting that the next government "will be illegitimate and will not deserve the backing of the people nor international public opinion." Nonetheless, both Guzman and Pena instructed the Accord's adherents to abstain from organizing or participating in any strikes, demonstrations, acts of violence, or confrontations with the armed forces or national police.

¹ Summary: The Embassy reported that the strongest Dominican opposition group, the Santiago Accord, was withdrawing its candidates from the May 16 elections, claiming that the conditions for a free and honest poll were not in place.

Source: National Archives, RG 59, Central Foreign Policy File, D740120–0198. Confidential; Immediate. Repeated to Port-au-Prince, CINCSO, and CINCLANT. All brackets are in the original except those added for clarity or indicating garbled text. Telegram 1982 from Santo Domingo is dated May 14. (Ibid., D740118–0820) In telegram 2057 from Santo Domingo, May 20, the Embassy reported on a Santiago Accord declaration issued after the election was held in which the opposition coalition protested against what it called the "illegitimacy, illegality, and the fraud which has taken place during this campaign." (Ibid., D740125–0525) In telegram 2159 from Santo Domingo, May 24, the Embassy reported that the Santiago Accord had filed a legal challenge to the validity of the election, which, according to telegram 2343 from Santo Domingo, June 7, the Central Electoral Board rejected. (Both *ibid.*, D740131–0994 and D740147–0088)

The document containing the Accord's withdrawal from elections was reportedly delivered this morning (May 15) to the JCE.

4. Last minute conciliatory efforts by coadjutor Bishop Hugo Polanco Brito and Listin Diario director Rafael Herrera failed to prevent the Accord parties from formally announcing their withdrawal. Nonetheless, there were indications from both sides of a willingness to continue the dialogue. Polanco Brito and Herrera reportedly spoke last night with Balaguer who, according to Herrera, indicated a highly conciliatory attitude and invited the Accord leaders to meet personally with him in a direct attempt to iron out some of the differences separating the two sides. The opposition apparently agreed to meet with the President sometime today but only after reaching some sort of prior agreement on a number of specific demands. In this regard, much of today (May 15) has been spent in negotiations between mediators Polanco Brito and Herrera and Accord representatives. According to several Embassy sources, the opposition is demanding a) postponement of elections for 20 days, b) release of political prisoners, 3 [c]) return of ex-General Wessin y Wessin, 4 [d]) abstention of Armed Forces from political activity, and 5 [e]) revocation of recent JCE modifications of electoral procedures.

5. *Comment:* Should the talks between the government and opposition break down, the JCE has publicly stated that elections will still be held tomorrow despite the absence of an effective opposition. (The miniscule Partido Demócrata Popular (PDP) candidate Luis Homero Lajara Burges announced last night that he will not withdraw his candidacy. No one, however, seriously believes Lajara could receive more than 1 percent of the vote.) Despite last-minute indications of an official willingness to yield on many, if not most of the opposition's demands, one of the major stumbling blocks appears to be the release of "political prisoners" and the return of ex-General Elias Wessin y Wessin. Perhaps of more significance in blocking an agreement, however, is the overt political activity (repeatedly denied by Armed Forces Secretary Emilio Jimenez) of the Armed Forces on behalf of Balaguer's reelection.

6. Since it appears that both sides stand to gain by having the opposition participate in tomorrow's election, and agreement between the GODR and the Accord is still possible at the eleventh hour, unless some legal means can be found to postpone the election, it is questionable that [garble] an agreement can be achieved with only a few hours remaining before the midnight deadline.

Hurwitch

338. Telegram 2094 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, May 22, 1974, 1735Z.

2094. Subject: Preliminary Analysis of Election Results.

1. Projecting from preliminary results released by the Junta Central Electoral (JCE), President Balaguer will receive some 1,050,000 votes, or just over 50 percent of the ballots of the 2,006,000 registered electors (there were some 2,100,000 Dominicans of voting age, but not all were registered). This compares favorably with the 1970 elections when he received 707,000 votes from an estimated 1,900,000 eligible voters. In both elections, voter turnout was low—some 650,000 failed to vote in 1970 and roughly 750,000 in 1974.

2. The Santiago Accord abstention was undoubtedly the major factor in this year's low voter turnout, but it also appears that many Reformistas and anti-Accord voters did not cast their ballots because of their certainty that the President could not lose. Heavy rains across the country also undoubtedly had a negative effect on voter turnout.

3. Had the Accord presented candidates, it would, of course, be easier to make informed judgments. Nonetheless, some observations are possible: a) The President continues to enjoy relatively little popular support in the major cities. In Santo Domingo, Santiago, Bonao and La Romana, for example, he received less than 40 percent of the vote. His percentage did not, however, noticeably decrease from that of the 1970 elections. He apparently still has limited appeal for the urban wage-earner and unemployed, despite the rather impressive public works he has built on their behalf. b) Balaguer nonetheless retains fairly strong support in the countryside. Apparently the government's rather slow implementation of the 1972 agrarian reform laws has not had a significant negative influence on the mass of rural voters; the President received over 50 percent of the total vote in almost all of the predominantly agricultural areas. c) Balaguer maintains strong military backing. Time after time, the armed forces demonstrated their open support of the President, the most obvious example being their wearing of Partido Reformista (PR) bandanas and flying Reformista banners at the massive PR meeting in Santo Domingo on May 12. (The Santiago Ac-

¹ Summary: The Embassy reported on the results of the May 16 elections, in which President Balaguer won a resounding victory after most opposition candidates withdrew from the ballot.

Source: National Archives, RG 59, Central Foreign Policy File, D740128–0553. Confidential; Niact Immediate. Repeated to Port-au-Prince, CINCSO, and CINCLANT for POLAD.

cord was outraged by this partiality and based its abstention on the armed forces' use or threat of force against its candidates in the interior as well as the belief that so politicized a military would not allow the opposition to come to power) d) Business and industry leaders and some large landowners continue to favor the President over other alternatives; Balaguer reportedly had little trouble getting large campaign contributions from these groups, while the opposition, most noticeably the Santiago Accord, reportedly received next to nothing from them. e) The Congress will remain uninspiring and Balaguer-dominated. The government parties (the PR and the Movimiento Nacional de la Juventud, MNJ) will probably have at least 85 of the 91 seats in the House and all 27 Senate seats. In addition, all municipal governments will be controlled by the PR/MNJ coalition. Effective debate of government programs will not occur and Congress will continue to be the rubber stamp it has been since 1970.

4. Although the Santiago Accord already has publicly alleged that the elections were "illegal, illegitimate and fraudulent," and has promised to take its case to the courts, there appears to be little that it can accomplish. (Even though there may be some truth in the Accord's allegation of fraud, it is most unlikely that this could ever be satisfactorily proven in the courts. It should also be recalled that the opposition ineffectually alleged fraud following both the 1966 and 1970 elections.)

5. *Comment.* The elections would obviously have been a more satisfactory test of Balaguer's popularity had there been a valid opposition (Lajara Burgos's party is one in name only—an example of its insignificance is the fact that it could only find nine candidates to fill the 16 deputy candidacies in the national district). For the government and the nation, the elections signify another four years of continued dominance of the political scene by Balaguer. To a great extent, what most Balagueristas believed was confirmed: The President continues to maintain the support of the campesinos, the "productive classes" (industry and commerce), and the military and civilian bureaucracy.

6. As for the opposition, assuming that the Santiago Accord would have done relatively well—winning perhaps 30 seats in Congress and mayorships of some large municipalities—they could have maintained themselves as viable parties and would have been, by self-interest, forced to acknowledge the government's legitimacy. As it stands now, the opposition faces a bleak future which will probably be given to sterile and unrewarding discussions of how to discredit Balaguer. Their present bitterness over the "electoral fraud" will certainly make it difficult for them to decide to join forces with Balaguer to create a "government of transition" as he recently suggested. It is also doubtful that the disparate elements within the Accord, held together only by a desire to oust Balaguer in the past elections, will be able to maintain their

cohesion for very long. In any event, the opposition's position seems unquestionably weaker as a result of its abstention.

7. Regarding the opposition's cry of fraud, Balaguer's projected total vote count of some 1,050,000 represents about 62 percent of the 1,700,000 voters who, it was generally assumed, would have voted had there been a contested election (although some 2,006,000 voters were registered, obviously not all would have voted). Considering that Balaguer won only 57 percent of the vote in 1966 and 1970, and assuming that the real issues of inflation and the high unemployment rate might have led to a certain shrinkage in his total percentage vote in this election, it is possible that some of his 1,050,000 votes were indeed fraudulent. It is also possible, however, that the traditional Dominican political characteristic of getting on a winning bandwagon ("arribismo") caused many undecided voters to cast their ballots for the sure-winner Balaguer. How much of Balaguer's vote was attributable to fraud and how much to the phenomenon of "arribismo" we may never know.

Hurwitch

339. Telegram 2496 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, June 19, 1974, 2220Z.

2496. Subject: President Balaguer, the Dominican Military, and Politics. Ref: SD 2479.

1. During conversation described reftel, the topic turned to the Dominican military. I mentioned that conventional wisdom in town had it that no one could govern the Dominican Republic without the consent of the military. If that were the case, I continued, the character of the men (professionalism, honesty, political outlook) holding key military positions in 1978 would have a direct bearing upon the types of candidates that might succeed him, assuming that he still intended this to be his last term. The President replied that first I could be certain that this

¹ Summary: Hurwitch reported on a conversation with Balaguer on the role of the military in Dominican politics.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 783, Latin America, Dominican Republic, Vol. 1. Secret; Exdis. In telegram 2479 from Santo Domingo, June 19, the Embassy noted that the President "appeared his usual unruffled and gracious self" during the conversation and listed the subjects discussed in the meeting. (Ibid., RG 59, Central Foreign Policy File, D740160–0734)

was his last time around and second that he did not agree with the conventional wisdom. He explained that he found the military a rather stupid lot and fearful of the responsibility and complexity of governing the Dominican Republic. The real obstacle to progress, he continued, was what he said in some Latin countries were called "the oligarchy" but which he preferred to characterize as the "reactionary rich." This group had both brains and economic power and used and corrupted the military, and on some occasions the Church, to preserve their wealth and promote their selfish ends. They were dangerous and had to be dealt with patiently and skillfully, he added—confrontation could result in serious disturbances throughout the country for these rich were very resourceful. Progress under these circumstances was necessarily slow but he was determined to push forward wherever and whenever he saw the opportunity for large-scale social reform and improvement. He cited the agrarian reform program as an example of how reform could be accomplished without ripping the social fabric, although he acknowledged that much remained yet to be done to realize fully the agrarian reform program.

2. Balaguer continued that he intended to strive for a political situation over the next four years in which the moderate Left and Right were isolated from their respective extremes. The mistake of the moderate Left during the last election, he said, was to have united with the extreme Left (read MPD). The extreme Left was incorrigible and the moderates would do well to dissassociate themselves from the extremists. He seemed hopeful that he could accomplish this. Splitting the moderate from the reactionary Right was a tougher problem, he thought, but that too needed doing.

3. With regard to possible turmoil over a candidate elected in 1978 who was unacceptable to the reactionary rich, Balaguer said that he would not expect an immediate reaction. If the 1962 election of Bosch were any guide, the powerful economic groups would accept the election results without furor and then go quietly to work on the military and others to undermine the elected President and eventually overthrow him. He noted wryly that in Bosch's case it had taken about six or seven months.

4. *Comment:* Balaguer knows his countrymen and the local political scene as few Presidents have known theirs. Yet I wonder whether he is completely correct in his classical analysis of the military (and Church) as the handmaidens of entrenched economic power. While it is true that the Dominican military are not an impressive group intellectually (which must try the patience of an intellectual President) and most of the senior group have it rather cozy with little else to do than

enrich themselves, some of them seem power-hungry and could conceivably move on their own.

Hurwitch

340. Telegram 148927 From the Department of State to the Embassy in the Dominican Republic¹

Washington, July 10, 1974, 2248Z.

148927. Subject: Bauxite Negotiations with Alcoa. Ref: Santo Domingo 2738.

1. We have been in touch with representatives of Alcoa in Washington July 10, including Messrs. Winkler and Yates who were recently in Santo Domingo for talks with the Dominican Bauxite Commission. As Winkler probably mentioned in his meeting with the Ambassador (reftel), he is convinced that the Dominican negotiators are slavishly following Jamaica's lead in their talks with Alcoa. According to Winkler, Secretary of State for Finance Seliman has made at least one trip to Kingston in preparation for the talks and had lengthy sessions with Prime Minister Manley as well as members of the Jamaican Bauxite Commission while there. Winkler feels that the Dominicans were told by the Jamaicans that in any settlement they must not deviate from revenue is UE formula imposed by GOJ. Settling for anything less would mean their exclusion from membership in IBA to which Winkler

¹ Summary: Expressing its concern that the Dominican Republic might be following the lead of Jamaica in seeking to impose higher taxes on the bauxite mining operations of a U.S. corporation, the Department asked Hurwitch to encourage Balaguer to pursue a reasonable negotiated agreement with Alcoa.

Source: National Archives, RG 59, Central Foreign Policy File, D740184–0329. Confidential; Immediate; Limdis. Drafted by Burke and by William Courtney in EB/IFD/OIA, cleared by Shlaudeman and by Richard Smith in EB/IFD/ODF, and approved by Assistant Secretary Thomas Enders in EB. All brackets are in the original except those indicating garbled text. In telegram 1548 from Santo Domingo, April 16, the Embassy reported on the Dominican Government's interest in renegotiating its contract with Alcoa and noted that Balaguer had appointed a commission to enter into talks with the company. (Ibid., D740087–1158) Telegram 2728 from Santo Domingo, July 5, in which the Embassy reported that talks between Alcoa and the Dominican commission had reached a "temporary impasse," is the reference telegram incorrectly cited in the telegram as "Santo Domingo 2738." (Ibid., D740178–1120) In telegram 151562 to Santo Domingo, July 13, the Department reiterated its concern about the situation and called upon Hurwitch to try to convince Balaguer of "the real advantages in trying to fashion a 'Dominican settlement' out of a genuine negotiation with Alcoa rather than forcing a potentially disruptive settlement through extra legal means." (Ibid., D740187–0669)

feels the Dominicans aspire (*FYI*. During session Winkler received long distance call from Alcoa Rep Hughson in Santo Domingo who had heard there was already move [garble] Dominican Chamber of Deputies to table revenue legislation tailored after that recently adopted by GOJ. *End FYI*).

2. In talking about their facility in the Dominican Republic the Alcoa reps stated that it represents approximately five percent of the bauxite used throughout the Alcoa system. They contend that the type of ore differs from Jamaica grade and its quality is inferior in certain respects to that which they take from Surinam. In response to a question, Winkler said that their top annual take out of the DR is approximately one million tons though he implied that in some years it has been considerably less. Furthermore, as production from Guinea increases, Alcoa may scale back its Dominican production accordingly.

3. Department is obviously concerned to see the DR apparently lining up behind Jamaica on the question of bauxite revenues. Request that Ambassador at his discretion seek an early appointment with President Balaguer to discuss this developing problem, drawing on the following points in making his presentation:

—Alcoa seems prepared to discuss a meaningful adjustment in its present arrangements with the GODR, has offered a significant per ton increase in payments, and has even suggested a further upward adjustment depending on aluminum market performance. Would it not therefore be better to seek a mutually acceptable agreement which (a) could do much to promote the DR's longer term economic interests in the bauxite industry, and (b) would involve significant tax revenue gains for the GODR. Would not a solution appropriate to the Dominican situation rather than adopting arbitrary Jamaican formula be better?

—USG was disturbed by Jamaica's inflexible stand in its recent negotiations with the bauxite companies and its unilateral move to impose a settlement of revenue question.

—GODR may also be risking the possibility that future investors and private lending institutions will think twice about the DR if the GODR becomes involved in anything resembling a unilateral breach of contract (this would seem to us to be a much more telling argument in SD than in Kingston).

—The DR, like many other countries in the world, is faced with an important inflationary problem. However, by appearing to join with Jamaica in the formation of a cartel which will arbitrarily set an unreasonably high price for bauxite the GODR would in effect be fueling these inflationary fires.

—Finally, it could be pointed out to President Balaguer that we value very much our relationship with the GODR and would welcome

any assistance he could provide in our common desire to curb world-wide inflation.

Kissinger

341. Telegram 2905 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, July 17, 1974, 1545Z.

2905. From Ambassador. Subject: Alcoa Bauxite Negotiations. Ref: A) State 151562; B. SD 2877; C. SD 2900.

1. Of the many Dominicans who claim close friendship with and easy access to President Balaguer, three can make such assertions more truthfully than most: Rafael Bello Andino, the President's private secretary; Ramon Font Bernard, Presidential advisor, and Polibio Diaz, long-time political ally of the President's and one of his closest advisors. In order to prepare the terrain for my *démarche* to Balaguer and to give Alcoa Rep Hughson a helping hand, I asked Font Bernard to drop by for a drink early last evening. In the cordial atmosphere characteristic of my previous conversations with Font, I explained our preoccupation over the manner in which the Alcoa negotiations were proceeding. We

¹ Summary: Hurwitch reported on a conversation with Presidential advisor Ramón Font Bernard in which he conveyed U.S. concerns about the course of negotiations between the Dominican Government and Alcoa on payments due in connection with the U.S. company's bauxite mining activities.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 783, Latin America, Dominican Republic, Vol. 1. Confidential; Immediate; Exdis. Telegram 151562 to Santo Domingo is dated July 13. (Ibid., RG 59, Central Foreign Policy File, D740187–0669) Telegram 2877 from Santo Domingo is dated July 15. (Ibid., D740189–0474) Telegram 2900 from Santo Domingo is dated July 15. (Ibid., D740191–0891) Hurwitch subsequently discussed the issue with President Balaguer's private secretary, Rafael Bello Andino, and made the "same points" to him, but "with greater emphasis this time on investment climate (Bello Andino is more hard-hearted than the intellectual Font Bernard)." (Telegram 2927 from Santo Domingo, July 18; *ibid.*, D740193–0762) In telegram 3028 from Santo Domingo, July 24, the Embassy noted that Balaguer had informed an Alcoa representative that he believed that unilaterally imposing new levies on the company's operations would be "the wrong way to go." (Ibid., D740200–0624) In telegram 3068 from Santo Domingo, July 26, the Embassy expressed its gratification that its "efforts with President Balaguer's palace intimates" had helped to derail "the proposed legislation which would have set the terms of Alcoa's new contract a la Jamaica." (Ibid., D740204–0013) The conclusion and the terms of the agreement subsequently reached with Alcoa were reported in telegrams 4924 and 5065 from Santo Domingo, December 2 and 11. (Both *ibid.*, D740348–0863 and D740360–0475)

were struck by the parallel with the Jamaican situation, i.e., initiate bilateral negotiations with a rigid government position and when that position was not met, pass legislation embodying the position. I told him frankly that the Jamaican actions had not set at all well with us (we were particularly allergic to seeing U.S. companies forced to negotiate with a pistol at their heads) and that we would be most unhappy to see such a friend of the U.S. as the DomRep copy the Jamaicans. More fundamentally, we were very seriously concerned over what seemed to be an emerging pattern of nations which in combination possessed a substantial amount of an important natural resource acting in concert to the detriment of the rest of the world and to their own detriment as well since they were not immune to the inflationary pressures resulting from such action. We were looking to the DomRep to pursue its national interest based pragmatically upon the realities of the Dominican situation and to avoid becoming part of a movement that was leading all of us into trouble. In short, I urged that the GODR find a Dominican not a Jamaican solution and that the negotiations return to the bargaining table where the issues could be resolved on their merits and without any threat of legislation.

2. Font replied that the Palace had not initiated the legislation (*Comment:* We have heard from other sources that the draft legislation came from the Office of ING, Fernando Periche Vidal, one of the government negotiators, and that President Balaguer is irked that the matter was presented in the legislature). Font continued that he had personally been entrusted with a message from the President to German Ornes, owner-editor of the prestigious daily "El Caribe," to the effect that Balaguer fully agreed with Ornes's editorial on the Alcoa situation, particularly in that the Dominican Republic was not Jamaica and therefore Dominican solutions must be found. Font continued that he was confident that a reasonable solution would be found and that he would convey to the President that evening the importance we attached to the DomRep not falling into the Jamaican pattern and our deep distaste for negotiations under threat of legislation.

3. Later last night I discussed the situation with Alcoa rep Hughson and informed him of the gist of the foregoing. Hughson seemed relaxed and said he was getting encouraging signals from the Palace that a reasonable solution would be found. It should be noted here that Polibio Diaz is a lawyer for Alcoa on a retainer basis and therefore Hughson's entree to the President. Hughson informed me that the very helpful "Listin Diario" editorial (ref C) had been written by Frank Marino Hernandez who said that the editorial was the first of four pieces that would appear with the goal of forcing the government negotiators back to the table in a more flexible frame of mind. Her-

andez and I had discussed the Alcoa situation in detail last Friday (July 12).

4. I am lunching a deux today with Bello Andino.

Hurwitch

342. Telegram 3723 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, September 10, 1974, 2045Z.

3723. Subject: PRD Moves To Improve Relations with the Embassy.
Ref: Santo Domingo 3624.

1. On August 30, the Ambassador met with secretary general of the Partido Revolucionario Dominicano (PRD), Dr. Jose Francisco Pena Gomez, at Pena's request (reftel). On September 4, the PRD leaked word of the meeting to the press and on September 5 Pena gave a press conference in which he publicly confirmed the meeting, gave an objective account of it, and noted that it was useful to establish a dialogue with the USG. The PRD followed up with a September 7 reunion of its Santo Domingo zone level committees, which publicly supported the meeting between Pena and the Ambassador.

2. *Comment:* Pena's decision to acknowledge publicly that he had met with the Ambassador and the PRD's complete support for such a meeting represents a significant break in the party's recent policy of publicly keeping the Embassy at arms' length (contact between party leaders and Embassy officers existed, but was seldom, if ever, publicly acknowledged by the PRD). It probably indicates that Pena has now become more sure of himself vis-à-vis his ex-mentor, Juan Bosch, who since leaving the PRD has violently attacked Pena as a "CIA agent," and a "U.S. lackey." It is also probably a sign of how far Bosch's star has fallen. This apparent new PRD willingness to deal openly with the Em-

¹ Summary: The Embassy reported on Dominican opposition leader José Francisco Peña Gómez's public acknowledgment of a meeting with Hurwitch. The telegram suggested that Peña Gómez's announcement reflected the success of the Embassy's efforts to improve its relations with opposition figures.

Source: National Archives, RG 59, Central Foreign Policy File, D740252-0497. Confidential. In telegram 3624 from Santo Domingo, September 3, the Embassy provided more details on the August 30 meeting between Peña Gómez and Hurwitch. (Ibid., D740244-0211)

bassy marks a significant advance in the Embassy's program to normalize relations with the opposition.

Hurwitch

343. Telegram 3802 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, September 16, 1974, 1822Z.

3802. Subject: Dominican Illegal Immigrants Becoming Political Issue. Ref: Santo Domingo 3624.

1. The estimated 200,000 Dominicans illegally residing in the United States on false documents, no documents, or inappropriate visas are becoming a political topic. Although local press has for years carried stories about their situation (which often state that they are unjustly treated by U.S. Immigration authorities) and Church leaders have spoken out on their behalf, the fate of these illegal immigrants has until recently been largely ignored by the Dominican politicians. However, at the August 30 meeting between Partido Revolucionario Dominicano (PRD) secretary general, Dr. Jose Francisco Pena Gomez and the Ambassador (reftel), Pena stated that one of the purposes of the PRD high-level delegation visit to the U.S. was to publicize the situation of the illegal immigrants and to press for a satisfactory resolution to their problems.

2. Next to show interest was the Partido Reformista (PR). Reformista Senator, Dr. Marino Ariza Hernandez, called on Ambassador Sept. 9 to discuss plight of these people and on Sept 11 Reformista-dominated Senate debated what measures could be taken on their behalf. Debate led to agreement by president of Senate to raise the question with President Balaguer who, it was assumed, would ask the FonOff to give special consideration to situation of the illegal immi-

¹ Summary: The Embassy reported that the situation of undocumented Dominican immigrants to the United States was becoming a political issue in the Dominican Republic.

Source: National Archives, RG 59, Central Foreign Policy File, D740259-1060. Confidential. All brackets are in the original except "[up]," added for clarity. In telegram 3624 from Santo Domingo, September 3, the Embassy reported that Peña Gómez had raised the treatment of illegal Dominican immigrants in the United States during an August 30 meeting with Hurwitch. (Ibid., D740244-0211)

grants. Embassy believes that it not unlikely that FonOff note may be forthcoming on this plight of illegal immigrants.

3. *Comment:* Although there is genuine concern among various political parties about fate of the illegal immigrants, the current emphasis on issue seems more easily explained in political terms. All major Dominican parties have affiliates in the U.S. from which they receive funds and can thus be considered to have constituencies there. The parties are now moving to make [up] for past laxity in defending the interests of this stateside constituency. The initiative was taken by PRD leader Pena Gomez, who found it convenient to exploit the issue by taking it up in his recent meeting with the Ambassador, thus portraying the PRD as a more vigorous defender of Dominican interests vis-à-vis the U.S. than the government. The government party leaders evidently felt forced to respond in the form of the ensuing Senate debate.

Hurwitch

344. Telegram 3959 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, September 27, 1974, 1715Z.

3959. Subject: Kidnapping of PAO Barbara Hutchinson.

1. At about 11:15 am today four men armed with machine guns kidnapped Barbara Hutchinson, PAO, in front of the USIS building as she was leaving her office, after guard at building had been overpow-

¹ Summary: The Embassy reported the kidnapping of Public Affairs Officer Barbara Hutchison by gunmen demanding the release from prison of an opposition militant.

Source: National Archives, RG 59, Central Foreign Policy File, D740273–0418. Limited Official Use; Flash. Repeated Immediate to USUN and Caracas. In a September 27 memorandum, Kissinger informed President Ford of the kidnapping. (Ford Library, National Security Adviser Papers, Presidential Country Files for Latin America, Box 4, Dominican Republic) In the days that followed, the standoff that developed between the kidnappers and Dominican authorities was the subject of multiple telegrams from Santo Domingo, including telegram 4044 of October 2, telegram 4170 of October 8, and telegrams 4201 and 4202 both October 9. (National Archives, RG 59, Central Foreign Policy File, D740277–0869, D740286–0060, D740286–0056, except telegram 4170, which is in the Ford Library, National Security Adviser Papers, Presidential Country Files for Latin America, Box 4, Dominican Republic—State Department Telegrams—To Secstate—Nodis) In airgram A–76, January 7, 1975, the Department provided a detailed account of the kidnapping episode to all ARA posts. (National Archives, RG 59, Central Foreign Policy File, P750005–0109)

ered. Miss Hutchinson was taken to Venezuelan consulate, where she is currently being held as hostage along with Venezuelan consul, Venezuelan vice consul and two other persons.

2. Captors permitted Hutchinson telephone Ambassador to verify where she was and that she was unharmed, though a prisoner. Thereupon one captor took telephone and identified himself as Rhadames Mendez Vargas of Liberation Movement 12th of January. Mendez informed Ambassador that movement had issued communiqué denouncing Balaguer government and stating terms for Hutchinson release (we have not yet seen communiqué). Mendez continued that movement sought release from prison of Dr. Plinio Matas, a demand he characterized as non-negotiable. In addition, he said, if U.S. wished to free Hutchinson, one million dollars had to be paid. He stated that all terms had to be met within twenty-four hours.

3. Foregoing has been communicated to palace. Ambassador has requested appointment with President to discuss matter.

Hurwitch

345. Memorandum From the Executive Secretary of the Department of State (Springsteen) to the President's Deputy Assistant for National Security Affairs (Scowcroft)¹

Washington, October 9, 1974.

SUBJECT

Release of Kidnapped Public Affairs Officer Barbara Hutchison in the Dominican Republic

The siege of the Venezuelan consulate in Santo Domingo, where terrorists held seven hostages including American Public Affairs Officer Barbara Hutchison, ended today when the kidnappers released their captives in exchange for safe conduct to Panama. The successful termination of the kidnapping was due in large part to the deft handling of the situation by Dominican President Joaquin Balaguer, who correctly assessed the psychology of the terrorists. He refused to accept their demands, waited them out, and wore down their resolve. Then, at the key moment, he offered them a way out of the situation by which they could preserve their lives, which they quickly accepted.

Attached for White House approval, is a telegram to the American Embassy in Santo Domingo with a proposed message for President Balaguer.

George S. Springsteen

¹ Summary: The Department informed Scowcroft that Hutchison and other foreigners being held by gunmen at the Venezuelan consulate in the Dominican Republic had been released after a lengthy standoff in exchange for safe passage to Panama for the kidnappers.

Source: National Archives, RG 59, Central Foreign Policy File, P740122–0904. No classification marking. Drafted by Strasser, cleared by Shlaudeman, Burke, and Hofacker in S/CCT. A note on the memorandum reads: "Revised text recv'd per Davis memo 10/10/74 and cleared by Mr. Low." Attached is a draft of a message to be sent by Ford to Balaguer, not published. In telegram 224451 to Santo Domingo, October 11, the Department transmitted the version of the message that was conveyed to Balaguer. (Ibid., D740289–0317) In telegram 4276 from Santo Domingo, October 14, Hurwitch reported on his delivery of the message, noting that Balaguer had "launched into a highly complimentary (embarrassingly so) and emotional (for him) expression of satisfaction and appreciation for my assistance throughout the ordeal." Hurwitch reported that "the terrorists achieved nothing but opprobrium for the deed and the saving of their own skins" and that at the conclusion of the episode U.S. relations with the government, especially with Balaguer, were better than ever. (Ibid., D740292–0233)

346. Telegram 195 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, January 13, 1975, 1252Z.

195. Subject: Request of President Balaguer to (Ret.) Admiral Gerald Miller to Assess Dominican Security Requirements.

1. Retired Vice Admiral Gerald Miller (ex-COMSIXFLT), accompanied by Acting Chief MAAG, called on Chargé Jan 9, to brief him on his recent meetings with President Balaguer and Dominican military chiefs and his activities of the past few days resulting from these meetings. He gave following account.

2. During a meeting of Gulf & Western president Bluhdorn with President Balaguer, the President expressed concern with improving the capabilities of the country's security forces. Bluhdorn told the President of his friendship with Admiral Miller (who retired about 4 months ago) and offered, if the President so desired, to arrange for Admiral Miller to see the President and provide some expert opinions on this matter. The President indicated an interest in having this done. Consequently, when, at Bluhdorn's invitation, Admiral Miller recently came to La Romana for a vacation, Bluhdorn arranged for him to meet the President.

3. During this meeting, President Balaguer asked Admiral Miller whether he would undertake a brief assessment of the main requirements of the Dominican security forces. Admiral Miller agreed to do so on a purely personal basis. Thereupon the President called the military chiefs and instructed them to cooperate fully with Admiral Miller in this undertaking. In the next few days the Admiral visited a number of defense installations in various parts of the country and spoke to military and police leaders. He was given red carpet treatment.

¹ Summary: The Embassy reported that Gulf and Western president Charles Bluhdorn had arranged for retired U.S. Admiral Gerald Miller to conduct a review of the Dominican Republic's military needs for President Balaguer.

Source: National Archives, RG 59, Central Foreign Policy File, D750012-0821. Secret; Stadis. All brackets are in the original except those indicating text that remains classified. According to telegram 268 from Santo Domingo, January 16, Hurwitch spoke with Bluhdorn about his role in securing military advice for the Dominican Government and warned him against involvement in sensitive matters that were properly the concern of the Embassy. (Ibid., D750017-0604) In telegram 315 from Santo Domingo, January 20, Hurwitch reported that he had spoken again with the Gulf and Western executive about this matter on January 19 and that he was "reasonably confident that a lesson has been learned and that Bluhdorn will be more careful in the future." (Ibid., D750021-0617) In telegram 1284, March 24, Santo Domingo reported on Admiral Miller's delivery of his report on the Dominican Republic's military needs to Balaguer. (Ibid., D750102-0849)

4. In consequence of these visits and meetings, Admiral Miller concluded that the main deficiencies of the Dominican armed forces were in mobility and communications. The Dominicans were particularly concerned with internal threats and less with the possibility of external attack. Miller believed therefore that Dominican security capabilities could be substantially improved with the acquisition of some equipment items at moderate cost. More specifically, he thought that mobility requirements could be met by acquisition of UHID helicopters. Communications could be improved with some modernization of radio equipment. The Dominicans also needed a buoy tender and 120-foot patrol craft capable of operating in the choppy waters of the north coast (to replace 80-foot patrol craft now in the Dominican inventory). Some radar sites on the north coast would economize the use of the patrol craft. It would also be useful, for morale as well as security purposes, for the air force to acquire some more modern aircraft which could be economically maintained and operated. The A-37, whose capabilities had been proved in Vietnam, would be an appropriate such aircraft. Improvement and standardization of the rifles currently used by the Dominican military were also needed.

5. Admiral Miller told the Chargé that he was returning to Washington and planned to meet with Assistant Secretary for ISA Ellsworth week of Jan 13 to inform him of his activities here and his conclusions. He would prepare a memorandum setting forth his specific recommendations on items needed to improve Dominican security capabilities following coordination with ISA. The Chargé suggested that such recommendations also be coordinated with the State Department (Caribbean country director) before being sent to the Dominicans.

6. Admiral Miller stated that he wished to keep the Embassy fully informed of what he was doing in the Dominican Republic, even though he was acting in a purely private capacity. He had also kept MAAG informed. He emphasized that though he was a very good friend of Bluhdorn, he had absolutely no business connection with Gulf and Western. He had responded to Bluhdorn's invitation and to President Balaguer's request solely because of his professional interests acquired after long years of military service and because of the satisfaction he obtained from applying his experience usefully. He was receiving no compensation for what he was doing beyond payment of his expenses here. In reply to the Chargé's query, Miller stated that he had avoided leaving any impression with the Dominicans that items he recommended could be furnished through MAP grant aid.

7. *Comment:* Bluhdorn's initiative in arranging for President Balaguer to obtain Miller's assessment of Dominican security needs (and perhaps implying the use of influence with USG to help obtain needed equipment) scores brownie points for G&W with President and Do-

minican military. At same time, President is taking advantage of opportunity to obtain recommendations from an independent military expert which he probably believes will be less self-serving than those coming from his own military and less influenced by concern with reduced MAP availabilities than those coming from MAAG. President may also find Miller enterprise useful in impressing on Dominican military his preoccupation with meeting their equipment requirements and utilizing every possible channel for obtaining increase in MAP to DR, thus mitigating frustrations of military at meagerness of funds made available to them for equipment.

8. Miller's assessment of Dominican security requirements, as outlined to Chargé, seem generally consistent with those of MAAG. However despite his assurance that he had given no indication in contacts with Dominicans that items he recommended could be furnished through grant MAP, it is reasonable to suppose that he will seek to please both President and Bluhdorn by making sympathetic case at ISA for assisting Dominicans in obtaining recommended items. Moreover, *[less than 1 line not declassified]* subsequent to Chargé's meeting with Miller that Balaguer asked military chiefs to provide Miller lists of their equipment needs. Impression *[less than 1 line not declassified]* is that Miller will use his influence in Washington to obtain DOD support for MAP provision of items on lists.

Hurwitch

347. Airgram A–24 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, March 8, 1975.

SUBJECT

Human Rights Reporting: The Dominican Republic

REF

State 12320

Structure

The Constitution of the Dominican Republic fully enunciates broad individual and social rights. Under the principle of “individual liberties and social justice” the Constitution sets forth the right to life and security and the inviolability of person and of domicile. It guarantees freedom of speech, assembly, movement and association, and protects citizens against abuses by authorities. It specifically enunciates the principle of *habeas corpus*.

The court system includes justices of the peace, courts of first instance, courts of appeals and the Supreme Court. All judges are named by the popularly-elected Senate. Administrative and physical access to courts is relatively easy.

The principal law enforcement agency is the national police, but security operations occasionally involve personnel of the armed forces as well.

Rights and Freedoms: The Positive Side

The Dominican Republic offers a great measure of political, personal and group freedom to its citizens.

A vigorous, uncensored press is a primary feature of the country and includes newspapers and correspondents highly critical of the regime. Some of these, writing freely in the press, are leaders of outlawed extremist political parties, including several Marxist groups. There are

¹ Summary: The Embassy provided an assessment of the human rights situation in the Dominican Republic, concluding that the country’s performance was generally good despite occasional official harassment of the opposition.

Source: National Archives, RG 59, Central Foreign Policy File, P750045–1214. Confidential. Drafted by Political Officer Leonardo Neher; cleared by Economic Officer A. Dane Bowen, Maj. MacCoy in DAO, Michael Stack in AID, Thomas Clayton of BIO, Administrative Officer Jack Thrower, Col. Donabedian in MAAG, Barbara Hutchison in USIS, Consular Officer Vernon McAninch, and Deputy Chief of Mission Philip Axelrod; and approved by Hurwitch. Telegram 12320 to all diplomatic posts is dated January 17. (Ibid., D750020–0520)

over a hundred radio stations in operation, many in open and vigorous opposition to the regime. Programming is generally unrestricted.

Personal and group movements and associations are generally free. The University of Santo Domingo, a hotbed of leftist activity, is legally autonomous and inviolate. Student, faculty and administration demonstrations take place regularly and if confined to campus have been, with one exception in recent years, undisturbed by security forces. The government has a generally good record of respect for individual rights. Political parties proliferate and there are many small political groupings which include extremists operating on the fringe of the law or sometimes through outright terrorism and clandestine action.

Property rights are highly respected. Seizures or expropriations are rare except in the course of police investigations of extremist political activists. There is complete freedom of religion despite the 1954 Concordat which established Roman Catholicism as the state religion. Protestant missions exist throughout the country and proselytizing is done openly.

Exceptions in the Government's Performance

The government on occasion deprives individuals and groups of their constitutional rights by permitting harassment of political opponents. When the political climate gets hot, as during the last general election campaign, security forces sometimes take initiatives to make campaigning more difficult for the opposition. The government itself has banned a few radio and television programs and now prohibits the two principal spokesmen of the *Partido Revolucionario Dominicano*, the leading opposition party, from the use of these two media.

A small, violence-prone extreme Left maneuvers constantly on the fringes of society to harass the regime. Assassination, kidnapping and robbery are the essential elements of its program. All such groupings are illegal, including the Marxist and Maoist parties. The government tolerates those parties and their non-violent activities, but is engaged in an endless pursuit of activists plotting or perpetrating terrorism. In efforts to suppress political violence, the security forces search, arrest, intimidate and occasionally kill persons suspected of being extremists, in violation of their civil rights.

Conclusion

Measured against absolute standards, the Dominican Government, like all governments, falls short of the ideal in the protection of human rights. Against the background of a sordid and turbulent political history, however, and in view of the fact that Trujillo, one of Latin America's most brutal dictators, was removed from the scene only 14

years ago, the Dominican Republic protects human rights and fundamental freedoms to a remarkable extent.

Hurwitch

348. Telegram 1210 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, March 18, 1975, 2105Z.

1210. Subject: Prominent Journalist Murdered.

1. Prominent 29-year-old journalist Orlando Martinez was shot and killed by unknown assailants evening of March 17.

2. Although Martinez was known as a Marxist and was in fact an undercover member of Partido Comunista Dominicano, he was widely respected in journalistic and political circles for intelligence, integrity and writing ability. Public reaction to assassination has been one of shock and horror. All dailies gave it headline coverage today and editorially demanded that it be thoroughly investigated and murder be solved. Papers noted parallel between this assassination and that of *Ultima Hora* Editor Gregorio Garcia Castro in March 1973 and speculated that killing could represent threat to freedom of press.

3. *Comment.* Martinez's daily column in *El Nacional* and line as editor of weekly *Ahora* angered many influential people. Among his conspicuous targets were large landowners, military officers, ex-President Juan Bosch and President Balaguer. He had recently received number of telephoned threats from unidentified callers. His murder could become cause celebre of leftist opposition. Rumors are already circulating that GODR, coached by CIA, was responsible for Martinez's death.

Hurwitch

¹Summary: The Embassy reported on the murder of Orlando Martínez, a leftist journalist who had been critical of the government, opposition figures, and other powerful interests in Dominican society.

Source: National Archives, RG 59, Central Foreign Policy File, D750094–0669. Limited Official Use; Priority. Repeated to Bogotá, Caracas, Mexico City, Port-au-Prince, and San Salvador. In telegram 1227, March 19, the Embassy reported on further reaction to the killing of Martínez. (Ibid., D750097–0568) In telegram 1271, March 21, the Embassy reported that the situation had calmed somewhat and that “there now seems little likelihood that murder of Martínez will cause significant disturbances as seemed possible immediately following his death.” (Ibid., D750100–0746) Telegram 1334 from Santo Domingo, March 27, noted the slow progress of the investigation. (Ibid., D750108–0126)

349. Telegram 2191 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, May 15, 1975, 1740Z.

2191. Subj: The Crisis Winds Down. Ref: SD 2132.

1. Just one week after President Balaguer's surprise appointment of General Neit Nivar Seijas as chief of police triggered a major political crisis, tensions had eased and President was obviously fully in command. Joint resignations of Secretary of State of Armed Forces and all three service chiefs on May 9 marked high point of the crisis and were followed by period of cautious but serious consultations and maneuvers. Whether for lack of will or inability to command wide enough support or both, these leaders made no move to depose the President. There is, of course, always possibility of some individual, untoward action or other unexpected turn to the events. However, we believe crisis has passed and passions have flagged to extent that military in opposition to Balaguer no longer have power to regenerate them.

2. President has come through this first military crisis of his nine years of office with increased strength. Both before and after peak of crisis he moved carefully to shore up support and sideline opposition and at no time appeared to lose his cool. Even opposition political press had praise for President's performance. Contributing to peaceful resolution of problem was generally responsible conduct of military leaders. Their performance also reaped praise of editorialists and columnists. All in all, this appears to be personal victory of President but with favorable implications for civilian supremacy and viability of constitution.

3. President demonstrated his willingness to use full authority at his command to meet direct challenge to his power but once having

¹ Summary: The Embassy assessed the outcome of a political crisis triggered when the four top Dominican military leaders resigned their positions in protest after President Balaguer named a rival to the post of chief of police.

Source: National Archives, RG 59, Central Foreign Policy File, D750171-1132. Confidential. Repeated to Caracas, Mexico City, Port-au-Prince, CINCSO, and CINCLANT for POLAD. In telegram 2102 from Santo Domingo, May 10, the Embassy reported on the resignations, and telegram 2131 from Santo Domingo, May 12, noted some of the steps taken by Balaguer to respond to the crisis. (Both *ibid.*, D750165-0069, and D750167-0683) According to telegram 2132 from Santo Domingo, May 12, Balaguer appeared to have prevailed in his showdown with the disgruntled officers and "to have sailed through the roughest weather his top military leaders have made in his nine years as President." (*Ibid.*, D750165-0918) In telegram 2814 from Santo Domingo, June 25, the Embassy provided an assessment of the episode, concluding that "the President has emerged strengthened" and that "in the longer run, the readjustment of the military balance of power makes it more difficult to predict who will take power when Balaguer leaves office." (*Ibid.*, D750220-0535)

overcome the challenges he returned to his more customary style of governing by balancing, negotiating, temporizing. He used *Listin Diario* editor Rafael Herrera, as did outgoing military leaders, as moderating go-between in order to maintain dialog and defuse situation.

4. The four top military leaders who resigned—Jimenez, Perez y Perez, Logrono and Lluberes Montas—were identified in public mind as among the most conspicuously corrupt in the security services. For some of them, ostentation in homes, cars and business interests seemed almost a way of life. Their removal from top positions will undoubtedly provoke public sentiment that at least this band of crooks is out.

5. In summary, President has faced up squarely to crisis he himself helped create and has confirmed himself as unrivalled supreme authority of the country. There is little prospect at this juncture that the dissident military will reconstitute a threat to him and to the country's political stability.

Hurwitch

350. Memorandum of Conversation¹

Santo Domingo, May 20, 1975.

SUBJECT

Courtesy Call

PARTICIPANTS

President Joaquín Balaguer
Assistant Secretary William D. Rogers
Ambassador Robert A. Hurwitch

The nearly one-hour meeting was held in very cordial atmosphere. The subject first turned quickly to the President's speech the day before. Assistant Secretary Rogers said that he found it to be a very important speech. The President characterized it as "frank" and some-

¹ Summary: Assistant Secretary Rogers and Ambassador Hurwitch met with President Balaguer and discussed petroleum prices, economic development, military assistance, and U.S.-Dominican relations.

Source: National Archives, RG 59, Central Foreign Policy File, P830035-1026. Confidential. Drafted by Hurwitch. The meeting was held in the Palacio Nacional. In telegram 2280 from Santo Domingo, May 20, the Embassy reported on the May 19 speech by President Balaguer to an Inter-American Development Bank conference. (Ibid., D750177-0964)

thing that needed saying, for the Dominican Republic and other small countries were suffering from the sharp increase in petroleum prices. The Dominican Republic, less so, he continued, thanks to the unusually high price of sugar; but sugar prices had dropped substantially the last several months and he was concerned over the outlook for continuing development in the Dominican Republic. The President urged that in addition to seeking to lower petroleum prices, a price stabilization mechanism be found to avoid the drastic swings in sugar prices so that he and other heads of state whose economies depended on sugar prices could plan more rationally. Secretary Rogers replied that the U.S. was continuing to address the problem of petroleum prices, but our leverage to obtain lower prices was minimal. We were also studying the problems of prices of other raw materials and of manufactured goods, but these were also very complex problems, the solutions to which were not readily at hand.

Secretary Rogers mentioned that he had last been in the Dominican Republic ten years ago and was favorably impressed by the substantial progress that was evident. The President acknowledged that development was occurring at a satisfactory rate; he continued that he was placing heavy emphasis upon agricultural infrastructure such as dams and irrigation canals. Since the Dominican Republic was essentially an agricultural country with a growing number of mouths to feed, he believed it essential to bring as much land into production as possible, particularly in the arid sections of the country.

President Balaguer raised the question of military assistance, saying that so much of the equipment was obsolete. He stated that he wanted to keep the acquisition of new hardware at the very barest minimum—some rifles and helicopters. He was informed that MAP grant material was very difficult to obtain, since the program was being phased out. It was suggested that he contact the manufacturers in the U.S. directly and arrange lines of credit with the companies concerned. The President said that he would consult his military advisors and once again emphasized his desire to limit military material acquisitions to the most essential.

Secretary Rogers said that we admired the country's progress under constitutional rule and were very pleased that the President's foreign policy was oriented toward the U.S. and attuned to ours. Secretary Rogers assured the President that he could continue to count upon our friendship and assistance. The President expressed his appreciation and said that he was satisfied with the assistance he was receiving (he regarded AID assistance as key) and with U.S. representation in his country.

351. Telegram 136431 From the Department of State to the Embassy in the Dominican Republic¹

Washington, June 11, 1975, 2013Z.

136431. Subject: Dominican Ambassador Informed of USG Concern Over Access to Detained American Citizens. Ref: Santo Domingo 2569; State 134554; Santo Domingo 2537.

1. Dominican Ambassador Horacio Vicioso Soto was asked to come to the Department today and was received by Deputy Assistant Secretary Ryan at 11 p.m.

2. Ambassador Vicioso was informed by Ambassador Ryan of the arrest of three U.S. citizens from Puerto Rico who have been held by Dominican authorities since June 2 and that access to these individuals by U.S. consular officers had not yet been granted despite both oral requests and the presentation of a formal request by diplomatic note yesterday.

3. Ambassador Ryan expressed deep concern over the inability of the USG to carry out its obligations under Article 36 of the Vienna Consular Convention. He drew the Ambassador's attention to the heightened concern in the U.S. over human rights. He expressed the hope that access to these citizens would be granted and that the matter would not be allowed to interfere with the normally cordial relations existing between our two governments.

4. The Ambassador appeared unaware of the detention of these Americans and expressed surprise that access had not been granted by this time. He suggested, however, that the detentions might be related to the recent security problems in his country. Ambassador Ryan said we understood there seemed to be a connection between the arrests

¹ Summary: The Department reported on a meeting with the Dominican Ambassador in which Department officials insisted on consular access to three U.S. citizens who had been arrested on suspicion of involvement in the landing of leftist guerrillas in the Dominican Republic.

Source: National Archives, RG 59, Central Foreign Policy File, D750204–0027. Confidential; Niact Immediate. Drafted by Strasser and Lee, cleared by Burke, and approved by Ryan. In telegram 2569 from Santo Domingo, June 6, the Embassy reported on an alleged connection between three detained U.S. citizens and Dominican militants, and telegram 2537, June 9, described initial efforts to gain access to the detainees. (Both *ibid.*, D750202–0532 and D750200–0544) In telegram 134554 to Santo Domingo, June 9, the Department provided the Embassy with additional guidance for the handling of the situation. (*Ibid.*, D750201–0085) In telegram 2604 from Santo Domingo, June 12, the Embassy reported on Chargé Axelrod's meeting with Foreign Secretary Ramón Emilio Jiménez, in which he presented the Department's position on the need for consular access to the detainees and stated that he was "apprehensive about the effects on our relations if consular contact could not be made today." (*Ibid.*, D750205–0602) In telegram 2679 from Santo Domingo, June 16, the Embassy noted that a consular visit to the prisoners took place on that date. (*Ibid.*, D750209–0914)

and the recent reported landing by guerrillas, but that this did not affect our rights and obligations to have consular access under the Vienna Convention. Ambassador Vicioso said he would get in touch with his Foreign Secretary immediately.

5. Shortly after 12 noon, Vicioso called Ambassador Ryan to say that he had been in telephone conversation with Foreign Secretary Jimenez. The Foreign Secretary said that the detained Americans were in good health but under a "rigorous investigatory process" and that access to them will be given as soon as this process is completed. Ambassador Ryan told Vicioso that this response was not satisfactory and that the Vienna Convention required immediate access to detained individuals.

6. *Action requested:* The Chargé is requested to follow up this démarche with Foreign Secretary Jimenez, describing the purpose for calling the Ambassador to the Department and reiterating the points which were made to Vicioso both during the appointment and in the subsequent conversation.

Kissinger

352. Telegram 3451 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, August 4, 1975, 2100Z.

3451. Subject: Three Puerto Rican Prisoners. Ref: SD 3424. From the Ambassador.

¹ Summary: After three U.S. citizens accused of transporting guerrillas to the Dominican Republic in June were convicted and sentenced to 30 years in prison, Ambassador Hurwitch reported that the handling of the case by the Dominican judicial system might well be subject to criticism that would damage the country's image.

Source: National Archives, RG 59, Central Foreign Policy File, D750269-0208. Confidential. Telegram 3424 from Santo Domingo is dated August 1. (Ibid., D750266-0913) The Embassy initially reported the conviction of the three detainees in telegram 3400 from Santo Domingo, July 31. (Ibid., D750264-1224) Telegram 3422 from Santo Domingo, August 1, contains a more detailed account of their trial. (Ibid., D750266-0881) In telegram 3484 from Santo Domingo, August 6, Hurwitch reported on a conversation with influential Presidential advisor Polibio Díaz in which the Ambassador suggested that the conviction of three U.S. citizens on the basis of questionable evidence could lead to congressional criticism of the Dominican Republic in the United States. (Ibid., D750272-0121) In telegram 5118 from Santo Domingo, November 18, the Embassy conveyed the news that Balaguer had pardoned the three prisoners, and telegram 5598 from Santo Domingo, December 23, reported on the release of the prisoners from detention and their departure from the country. (Both *ibid.*, D750401-0185 and D750445-0791)

1. In reflecting upon the case of the three Puerto Ricans, it would appear that irrespective of whether they are or are not guilty of the charges, the evidence adduced as a basis for a thirty-year sentence is unpersuasive to most reasonable people, especially those who would consider confessions allegedly extracted under duress to be worthless. On the other hand, key Dominican authorities are very likely convinced of (1) the Puerto Ricans' guilt based upon reports (intelligence) that cannot be used in court, (2) the necessity of avoiding the appearance of succumbing to PSP clamor and pressure, and (3) the desirability of discouraging future incursions by foreign leftist radicals. These three would seem to be overriding considerations in the Dominican mind.

2. It is possible that the GODR is not fully aware of the risk it is running of damaging its image abroad as well as at home by its failure to make a persuasive case in terms of due process. In an effort to bring greater balance into the equation, I intend to discuss the case with Polibio Diaz, a lawyer, politician and close confidant of President Balaguer. While I do not intend to interfere with judicial processes (GODR officials have publicly insisted that these must be observed), they can perhaps be hastened so that the case can reach the President for final and quite probably more humane adjudication more quickly. Accelerated processes could bring to the GODR the benefit of preventing a ground swell of negative international opinion on the part of some who honestly disapprove of the judicial proceedings and others who for political reasons wish to see U.S. (Puerto Rican)/Dominican relations deteriorate and the GODR image tarnished.

Hurwitch

353. Telegram 5311 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, December 2, 1975, 1236Z.

5311. For Ass't Sec Rogers from Ambassador. Subj: Bettering Relations with the Dominican Republic.

¹ Summary: Hurwitch characterized U.S.-Dominican relations as "rosy," declining the Department's offer of assistance.

Source: National Archives, RG 59, Central Foreign Policy File, D750418–0607. Secret; Exdis. In telegram 282526 to all American Republic diplomatic posts, December 1, the Department had solicited suggestions for bettering relations with Latin American countries. (Ibid., D750416–0746)

Current relations with the Dominican Republic are rosy; special effort such as Secretary's much appreciated offer to be helpful within Executive is therefore unnecessary.

Hurwitch

354. Telegram 1245 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, March 15, 1976, 2000Z.

1245. Subject: Human Rights in the Dominican Republic: 1976 Reporting Requirement. Ref: State 45319.

1. There have been no changes within the last year in Dominican Constitution or laws affecting human rights. Information in ARA/CAR memorandum and Embassy's A-24 is still valid. Congress has constitutional authority to declare "state of siege." President can do so when Congress is not in session.

2. GODR performance on human rights has remained generally good. Most celebrated specific case was arrest, trial, sentencing and pardoning of three Puerto Ricans involved in guerrilla landing.

3. GODR continues to react forcefully to provocations of extreme Left, but detentions, trials and sentences appear to be generally compatible with law and custom.

4. Embassy intervened successfully in case of three Puerto Ricans (see above) and has made known to GODR officials its interest in human rights affairs.

Hurwitch

¹ Summary: The Embassy provided its annual assessment of the human rights situation in the Dominican Republic, concluding that the country's record was generally good.

Source: National Archives, RG 59, Central Foreign Policy File, D760098-0008. Confidential. The Embassy prepared this document as a response to the Department's telegram 45319 to all posts, February 25, which called for the submission of human rights reports. (Ibid., D760071-0412) In airgram A-33 from Santo Domingo, March 15, the Embassy provided additional information on the human rights situation in the Dominican Republic. (Ibid., P760041-0645) For airgram A-24 from Santo Domingo, March 8, see Document 347.

355. Memorandum of Conversation¹

Santo Domingo, June 6, 1976.

SUBJECT

Visit of the Secretary to the Dominican Republic

PARTICIPANTS

Dr. Joaquin Balaguer, President of the Dominican Republic

Dr. Henry A. Kissinger, Secretary of State

Honorable Carlyle E. Maw, Under Secretary of State

Honorable William D. Rogers, Assistant Secretary of State

Honorable Robert A. Hurwitch, United States Ambassador (Notetaker)

The Secretary expressed his appreciation for the opportunity to visit the Dominican Republic and President Balaguer expressed his pleasure that the Secretary had found the time to make the trip. Both expressed satisfaction over the excellent state of U.S.-Dominican relations.

President Balaguer addressed the question of Dominican financial indebtedness. Due to heavy borrowings in the past, especially during Trujillo's regime, Balaguer said that his government was facing heavy payments of some six million dollars annually in the years immediately ahead to AID and the international lending agencies. Fifteen or so years from now, Balaguer continued, payments would be much lighter and the President asked whether it would be possible to "equalize" the debt, i.e., take total indebtedness and divide it by the number of years to pay and arrive at an average annual payment. In this manner, the debt burden would not fall so heavily upon the years immediately ahead. The Secretary asked whether legal flexibility existed to accommodate the President's desire. Ambassador Hurwitch replied that he thought so, but that the entire matter of indebtedness should be looked into. The Secretary informed the President that his request would be looked into rapidly and that a reply would be forthcoming in about two weeks.

President Balaguer next raised the question of the severe electricity shortage in the Dominican Republic and inquired whether it would be possible to rent some boats with generating capacity that could be

¹ Summary: During a brief visit to the Dominican Republic, Kissinger met with Balaguer and discussed Dominican indebtedness, the country's electricity shortage, and relations with Cuba.

Source: National Archives, RG 59, Central Foreign Policy File, P820118–1631. Confidential; Nodis. Drafted by Hurwitch and approved by Haley Collums in S on July 20. Attached but not published are a listing of follow-up items and a July 17 memorandum submitting the memorandum of conversation to Collums.

linked to the land system. Balaguer said that the GODR would pay for them. He described the emergency as temporary, of two months' duration. The Secretary asked whether the President had requested such vessels. Balaguer replied that he had done so last year when a similar problem had arisen, but the U.S. technicians sent to ascertain the situation had recommended against the use of such vessels. This year, Balaguer continued, the situation was more acute. Ambassador Hurwitch mentioned that last year it had been ascertained that it would take several months to get such vessels here. On the other hand, efforts were underway to hasten the arrival of a new Westinghouse generator due some time in July. The Secretary then informed the President that (1) due to the time factor, vessels with generating capacity seemed useless to resolve the present crisis and (2) even more vigorous efforts would be made with Westinghouse.

The Secretary said that Dominican votes in international bodies were much appreciated. Balaguer replied that Dominican voting in consonance with the United States was not a passing matter but rather of abiding interest. The Secretary said that the GODR votes were of great importance.

The Secretary asked the President: "Are you concerned about Cuba?" Balaguer replied, "Always." The President continued that relations with Cuba were limited to some cultural and sports exchanges. Balaguer alluded to Cuban propaganda emanating from its radio broadcasts. The President said that Cuba was potentially an enemy and that the GODR refused to issue visas to residents of Cuba. The Secretary observed that ever since Angola, U.S. relations with Cuba were cool. "We will not accept 15,000 troops in Angola," the Secretary said. Until they leave, we will not entertain any thoughts of improved relations with Cuba. President Balaguer said that Cuba constituted a danger for all. The Secretary firmly replied that Cuban adventures in the hemisphere will not be permitted. "If organized Cubans militarily try elsewhere, we will not tolerate it, despite what some newspapers say," the Secretary concluded. President Balaguer found the Secretary's views reassuring.

Upon leaving for luncheon, President Balaguer thanked the Secretary for having given up his Sunday. The Secretary said that he had already given three speeches in two hours and was enjoying it.

356. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, undated.

Secretary Kissinger asked that I pass to you the following report on his first day on the Latin American trip.

"I stopped Sunday noon in the Dominican Republic to spend four hours with the Foreign Minister and President Balaguer. I wanted to show our appreciation for the support which this good friend has been giving us and demonstrate our interest in the Caribbean area more generally.

"The Dominican Republic has made impressive progress in the ten years since our intervention there. Its economy has grown steadily and its political stability appears assured as long as Balaguer is around. The country is an island of sanity in an otherwise turbulent area.

"Both the President and the Foreign Minister declared again their intention to continue their sturdy support for the U.S. internationally and maintained their country's hospitable attitude toward foreign investment which is chiefly of American origin.

"I used the occasion to explain the purpose of the trip in terms of continuing the progress towards revitalization of our relations with Latin America made in my earlier visit in February; restated the principles of our Latin American policy and gave some indication of the positive program we will present to the OAS General Assembly in Santiago on Monday. In general, I think the stop provided a positive platform on which to build for the rest of the trip."

¹ Summary: Scowcroft transcribed Kissinger's report on his visit to the Dominican Republic, in which he lauded the country for its economic growth and political stability and for its support of the United States.

Source: Ford Library, Ford Papers, Trip Briefing Books and Cables for Henry Kissinger, Kissinger Trip File, Box 25, June 6–13, 1976—Latin America, HAK Messages for the President. Secret; Sensitive. Sent for information. Ford initialed the memorandum.

357. Telegram 4737 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, September 28, 1976, 2030Z.

4737. Subject: Growing Negative Effect of Tripling Sugar Tariff. Ref: Santo Domingo 4646 and 4688.

1. Reftels have described some of the local negative reaction to the U.S. decision to triple the sugar import duties. We should report that, in addition, the U.S. action has cast gloom over the usually cheerful Dominican business community. Uncertainty over future business climate has caused a number of entrepreneurs to become very cautious until the full import and impact of the U.S. action becomes clear.

2. Our Palace sources inform us that President Balaguer is quite concerned over the U.S. decision. He sees that a number of countries are selling sugar to the U.S. without paying duty because their sales are less than dollars twenty-five million (at today's prices, that's a lot of sugar); he sees that a number of other countries have made long-term contracts to supply the U.S. sugar market; and he sees himself beginning to become isolated and discriminated against, although he has been a reliable sugar supplier in the past. This depressed mood combined with a situation of low sugar prices, high petroleum prices with prospects of an increase, serious electricity shortages adversely affecting factory production while producing only frayed nerves among the inconvenienced middle and upper classes are being closely watched by the moderate political opposition, the military and the extreme left.

3. *Comment:* In fragile societies, such as the Dominican, it doesn't take much to change political tranquility and a buoyant business outlook into attitudes less friendly to our interests.

Hurwitch

¹ Summary: The Embassy reported on the concern created in Dominican business and official circles by the tripling of the U.S. tariff on sugar, a move that threatened to damage the local economy.

Source: National Archives, RG 59, Central Foreign Policy File, D760366-1070. Confidential. In telegram 4656 from Santo Domingo, September 22, the Embassy transmitted a Dominican newspaper editorial that criticized the new U.S. tariff on sugar as "a punitive and undeserved action against the international income of underdeveloped countries." This is the telegram mistakenly cited in this document as reference telegram 4646. (Ibid., D760358-0052) In telegram 4688 from Santo Domingo, September 23, the Embassy noted further reactions to the change in U.S. sugar policy. (Ibid., D760362-0523)

358. Telegram 5441 From the Embassy in the Dominican Republic to the Department of State¹

Santo Domingo, November 5, 1976, 2110Z.

5441. Subj: Dominican Reactions to U.S. Presidential Election.

1. Following U.S. elections with intense interest, Dominicans reacted to outcome predominantly with fulsome admiration for manner in which elections were conducted and interpretation that results showed desire of Americans for change. Besides these major themes, editorials of past few days expressed hope that change would bring greater U.S. concern for Latin American problems and that U.S. would avoid intervention in affairs of other countries.

2. Dominicans of all persuasions were profoundly impressed by election process, made vivid for them by all night election watch sponsored by USIS at one of larger Santo Domingo hotels. An estimated 2000 Dominicans and Americans visited the center in the course of the evening. In comments to EmbOffs, Dominicans lauded the elections as an impressive example to the world of the workings of a real democracy.

3. In only public statement of govt official thus far, Foreign Undersecretary Licelott Marte de Barrios told press that Carter's victory would not change relations between the U.S. and the Dominican Republic, and that cooperation and exchanges would continue. Pena Gomez, Secretary General of opposition Partido Revolucionario Dominicano (PRD) jubilantly stated that party had many friends in Carter Camp and that he foresaw a more congenial relationship of the party with a Democratic administration. *Ultima Hora* reported, in an amusing sidelight, that acerbic ex-President Juan Bosch, after declaring publicly that it didn't matter which candidate won, hovered over the teletype machines at a newspaper office following the details of the elections.

4. Most outspoken comments on Carter victory came from moderate leftist opposition figures who saw in it message they hoped would be conveyed to President Balaguer and Dominican people that

¹ Summary: The Embassy reported on the Dominican reaction to the outcome of the U.S. elections, noting that admiration was expressed for the manner in which the elections were conducted.

Source: National Archives, RG 59, Central Foreign Policy File, D760416–0461. Limited Official Use.

an administration can be voted out and a new one take power in a peaceful and orderly way if elections are open and honest.

Axelrod

359. Telegram 6031 From the Embassy in the Dominican Republic to Department of State¹

Santo Domingo, December 15, 1976, 1422Z.

6031. Subject: Human Rights Developments in DR.

1. With release last week of two extreme leftists who had completed prison sentences, GODR received favorable comments from press and political leaders for recent trends in handling of human rights matters. Released leftists are Faruk Idelfonso Miguel Castillo and Winston Vargas Valdez who had been convicted of crimes of violence and had served sentences of five and three years imprisonment respectively. Both are militant members of the Movimiento Popular Dominicano (MPD), a far-Left Marxist political grouping with a history of violence.

2. Under Dominican law, additional charges associated with proven crimes but not brought against defendants at time of original trial can be presented later. GODR has occasionally used this prerogative to retain custody of terrorists and other dangerous persons. Accordingly its withdrawal of charges and release of these two prisoners brought favorable comments from several quarters. Unexpected one came from usually critical Dominican Communist Party (PCD). While declaring that govt. should take additional steps on human rights, PCD said country had recently made considerable progress on safeguarding of civil liberties. Second surprise statement came from ordinarily acerbic ex-President Juan Bosch who, while proposing the release of other prisoners, acknowledged that government was on path of progress toward peace in the country.

¹Summary: The Embassy noted that two leftist opposition figures had recently been released from prison at the conclusion of their sentences, reflecting a broader trend towards better performance by the Dominican Government on human rights. The Embassy suggested that Dominican officials were increasingly aware of the importance of human rights issues in relations with the United States.

Source: National Archives, RG 59, Central Foreign Policy File, D760462-0693. Confidential.

3. *Comment:* In several recent discussions with Ambassador and EmbOffs, Dominican leaders have broached subject of human rights, usually in context of their speculation about policies of a Carter administration, or have responded readily to invitations to discuss it. These conversations have probably been relayed to other government officials who are increasingly aware of importance of human rights matters in relations of U.S. with other countries. Withdrawal of additional charges and prompt release of Castillo and Vargas may be related to such awareness.

Hurwitch

Guyana

360. Draft Country Analysis and Strategy Paper for Fiscal Year 1974–1975¹

Georgetown, undated.

[Omitted here are the title page and Table of Contents.]

AMBASSADOR'S OVERVIEW

As in the past, U.S. interests in Guyana relate more to Guyana's potential for trouble than to any intrinsic value the country may have for the U.S. Since achieving independence Guyana has lived under the threatening clouds of a renewal of internal racial violence, of clashes with its neighbors to the west and east, and of becoming a systematically hostile Soviet satellite should the pro-Communist, Marxist-Leninist Cheddi Jagan and his Moscow-oriented PPP return to power. Any of these eventualities would be of concern to the U.S.

Under an avowedly Socialist government, Guyana has embarked on a major effort at nation-building, seeking to develop Guyanese solutions to Guyanese problems, setting its own priorities and resisting efforts of outsiders to tell the Guyanese Government and people how to manage their own affairs. The U.S. thus has the problem of coping with Burnham's own unique brand of "cooperative socialism," designed to "feed, clothe and house ourselves by 1976," which has antiforeign and anticapitalistic overtones and frequently may arrive at economically questionable solutions.

Over the past three years, Guyana has to some extent turned away from its former close association with and dependence on the U.S. and has engaged in a frenetic search for a place and recognition in the Non-Aligned Movement. Although there is clearly an ideological basis for this new affinity and Guyana's exclusion from the OAS and the inter-American system in general has given it impetus, Burnham privately has explained it as an effort to assure widespread support in the UN against possible renewed Venezuelan aggression, having concluded at the time of the February 20, 1970 attack on Guyanese border

¹Summary: Ambassador King stated that while the economic nationalism and leftist orientation of the Guyanese Government might cause friction in bilateral relations, the United States could work with Prime Minister Burnham. King recommended that the U.S. assistance program should remain robust.

Source: National Archives, RG 59, Central Files, 1970–1973, POL 1 GUYANA—US. Secret. Sent as an enclosure to airgram A-6 from Georgetown, February 5, 1973. All brackets are in the original except those indicating text omitted by the editors.

forces that the U.S. would not risk its heavy investment in Venezuela by coming actively to Guyana's assistance. Preoccupation with its credentials in the Third World has led the GOG on occasion to support postures highly critical of the U.S. It has established diplomatic and trade relations with the PRC, from whom it has accepted a substantial aid program, has recognized Castro's Cuba and is developing trade with it, and most probably will shortly establish similar ties with East Germany.

A major potential problem and source of friction with the U.S. is the GOG's professed policy, in keeping with its Socialist orientation, of owning and controlling the country's natural resources, a policy echoed by an overwhelming majority of the non-aligned countries. In 1971 Guyana nationalized the largest and most important foreign-owned industrial establishment in the country, ALCAN's bauxite-producing subsidiary, DEMBA, but only after reaching a consensual agreement on compensation. The one major U.S. investment in Guyana, Reynolds Guyana Mines, faces the same fate sooner or later. To date, Burnham has not been prepared to risk the consequences of the confrontation with the U.S. a move against Reynolds might bring on, but the threat remains. In these circumstances, private capital, domestic as well as foreign, shows little interest in Guyana, which in turn lends encouragement to the GOG's ideological propensity to seek development through government entities, participation and control.

The U.S. has devoted substantial effort and treasure in the past to preventing Guyana from becoming a threat to the peace and tranquility of the hemisphere, and to U.S. security, as a South American base for Soviet and Cuban subversion and a haven for forces systematically hostile to the U.S. as it almost certainly would become were Cheddi Jagan to come to power. We have supported Burnham as the only viable alternative to Jagan, and the necessity to continue to do so has not diminished appreciably. There are no other alternatives in sight. Were Burnham to disappear from the scene, those in the PNC who might succeed him would be far more radical and hostile to U.S. interests. Notwithstanding his propensity to pursue economic and political policies not entirely to the liking of the U.S., Burnham is a Guyanese nationalist with whom we can work.

This situation presents the U.S. with a number of challenges and opportunities, all of them revolving around the posture it chooses to adopt in the years immediately ahead. We have shown patience and understanding of Burnham's domestic and international situations thus far, even though our continued support may not have been matched of late by a notable degree of GOG cooperation. This clearly should continue to be our posture, as difficult as it may be on occasion. To overreact, or to give the impression that we are abandoning

Burnham, would enhance Jagan's opportunity to return to power or, more probably, accelerate the pace of Burnham's swing to the Left and alienation from the U.S.

To a considerable degree, Burnham has been preempting Cheddi Jagan's ground, with the major exception of the latter's subservience to Moscow, for internal political reasons and to enhance his standing in the Third World. He knows that in the process he has irritated the U.S. Once this year's elections are out of the way, there is a good chance that he may make some effort to mend his fences. We should not deny him the opportunity.

It must not be forgotten that Burnham and Jagan were once allies committed to common policies and philosophies. The split of the PNC away from the PPP was due primarily to conflicting personal ambitions rather than ideology, although racial divisions were politicized in the process and divergent attitudes towards Moscow were a factor. Given a period of relative stability under Burnham, and in view of Jagan's diabetes and generally diminishing spark which are making the PPP a less cohesive force than in the past, it is not too farfetched to envision that over the next three to five years there could be a drawing together of the PNC and PPP, a degree of reconciliation between the country's two major ethnic groups and, possibly, the emergence of a one-party state on the East African model in which East Indians would share a greater portion of the benefits of power than they can in present circumstances. There would be monumental problems with Burnham's more militant African followers and with the Black Power opposition as well as in overcoming the deeply ingrained hostility of the East Indian community as a whole, of course. But the possibility is there.

More probable, at least in the short run, is a continuation of the uneasy truce which now exists among conflicting racial and political groups, with the possibility of occasional bursts of violence, especially in connection with the national elections which must be held by March 30, 1974 at the latest. Charges and countercharges of fraud and widespread irregularities can be expected, as can some erosion of civil liberties.

Over the longer period we can expect to see major efforts at development, particularly in cottage-type, labor intensive industries, in government-directed community self-help projects, in cooperatives, again directed by the government, and in infrastructure. While traditional donors such as Canada, the UK and hopefully the U.S. will continue to render assistance at past levels, an increasing proportion of total aid will come from the international lending agencies such as the World Bank and UNDP and from new friends such as the PRC and, possibly, East Germany. Almost certainly, achievements in the agricultural sector, which is being given top priority, will not measure up to

the grandiose plans being laid to populate and develop the interior, especially the Essequibo. How viable the economy will prove to be is a real question, and whether the GOG will be able to maintain the fiscal responsibility it has shown thus far is doubtful.

The future will almost certainly see increasing efforts by the GOG to regiment the populace as it pushes its own concepts of development and nationalism under socialism. Individual liberties may well be eroded, and efforts will be made to influence if not control the judiciary and the media to ensure that they support “national goals.” Burnham may well achieve a two-thirds majority in Parliament through various contrivances so he can amend the Constitution. Nevertheless, we would expect a government under Burnham to retain the form if not the full spirit of a constitutional democracy based on the Westminster System.

In sum, the U.S. should be able to live with a leftist, highly nationalistic regime that is seeking to create a meaningful Guyanese entity. To the extent that Guyana becomes a model for other Caribbean states, as Burnham obviously hopes, the U.S. will have to accept and adjust to that degree of change. If we permit ourselves to be depicted as merely the defenders of the status quo, our influence could be so reduced as to become irrelevant. We should seek to moderate Burnham’s actions so that unacceptable consequences do not result as, for example, seeing to it that future attempts to seize control of foreign enterprises, such as the U.S.-owned Reynolds bauxite operation, involve, at best, some form of partnership and, as a minimum, adequate and prompt compensation, as in the case of the DEMBA takeover.

The U.S. assistance program has been proportionately large, basically for political reasons, and should still remain substantial for the same reasons. But there is in addition a fully justifiable development rationale which is consistent with our pledge to support economic and social progress in the hemisphere. We should, if necessary, be prepared to consider whatever special forms of assistance might serve to tip the balance in Burnham’s favor in the next election. While watching closely the efforts of the PRC and others, such as East Germany, we should not appear to be overly concerned or let ourselves be pushed into competing with them. This conclusion supports continuation of a relatively low profile in Guyana.

Spencer M. King
Ambassador

[Omitted here is the remainder of the paper.]

361. Memorandum From the Deputy Director for Plans, Central Intelligence Agency (Karamessines), to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, February 6, 1973.

SUBJECT

Interim Report on 1973 Guyanese Election Developments

1. On 12 December 1972 the 40 Committee decided that it was not in the United States's interests to provide covert financial support to Prime Minister Forbes Burnham during the 1973 Guyanese elections. As an integral part of this decision it was agreed that CIA would continue to monitor election developments, any changes in Burnham's avowed intentions to recognize Cuba and his intent to nationalize the Reynolds Aluminum holdings in Guyana. It was anticipated that such collection activities would enable the United States to review the situation in Guyana periodically and determine if the decision not to assist Burnham remained valid.

2. The key developments in Guyana since 12 December 1972 can be identified as follows:

a. On 6 December 1972, Burnham revealed to his confidants that he had no intention of taking any further action against United States-owned bauxite interests in Guyana until after the 1973 Guyanese elections. Burnham explained this decision by saying that the pressure which had been placed on him by the U.S. Government concerning this topic was greater than he could withstand.

b. On 8 December 1972, the Government of Guyana, along with the Governments of Trinidad and Tobago, Jamaica and Barbados, recognized the Government of Cuba.

c. In mid-January 1973, NIEH Kung Cheng, Chargé d'Affaires of the People's Republic of China (PRC) Embassy in Guyana, informed Kenneth King, Guyanese Minister for Economic Development, that China was willing to assist Burnham economically during the 1973 election. This assistance was to amount to 500,000 pounds sterling (\$1,175,000 @ \$2.35 to one pound sterling) which was to be siphoned off from the total aid package allotted by the PRC to Guyana for economic

¹ Summary: The CIA assessed the political situation in Guyana and concluded there was no need to reconsider the 40 Committee's December 1972 decision to terminate covert electoral support for Burnham's government.

Source: National Security Council, Nixon Intelligence Files, Subject Files A-I, Guyana, 23 May 1969–6 February 1973. Secret; Sensitive; Eyes Only. All brackets are in the original except those indicating text that remains classified. A copy was sent to Meyer. For background on the decision to terminate covert assistance to Burnham, see Documents 376 and 379 in *Foreign Relations, 1969–1976*, vol. E-10, Documents on American Republics, 1969–1972.

assistance. In short, the Chinese said Burnham could use these funds for special projects of his choosing outside of the context of the original Chinese/Guyanese agreement. After Burnham was briefed by his Minister concerning the Chinese offer, he issued instructions that Guyana was to conclude an amended agreement with the Chinese to cover this new development. In addition, Burnham expressed his warm appreciation to the Chinese for their offer. A high level member of Burnham's government who furnished this data to CIA was disturbed by Burnham's acceptance of the Chinese offer and felt that, by virtue of the favor, the PRC would eventually be able to attain a significant level of influence in Guyana.

3. [3 lines not declassified] an assessment of what action Guyana's East Indian population might take if they were faced with a fraudulent election in which Burnham was reelected. The agent left Guyana in January 1973 and reported the following:

a. The overwhelming majority of the East Indians would continue to vote along ethnic lines, casting their votes for Cheddi Jagan even though they may not agree with Jagan's political ideology.

b. The East Indians see little chance of Jagan winning the 1973 election.

c. Although it is conceded by the majority of the East Indian population that Burnham will win the 1973 election by fraudulent means, the East Indians are unlikely to rebel. Cheddi Jagan told the agent that there were several "hot-headed" activists on his staff, but he confided to the agent that he could not see a serious threat of violence breaking out in Guyana during the next five years.

4. It is our conclusion that to date there has been no change in Burnham's basic attitude or the political situation in Guyana which would warrant a recommendation that the 40 Committee reconsider its previous decision not to furnish Burnham with covert electoral support. The U.S. Ambassador to Guyana, Mr. Spencer King, shares this view. We will however monitor the PRC's level of financial aid to Burnham and if it appears that such support will give China either unique leverage or influence with the Government of Guyana we will report this promptly so that the 40 Committee can reconsider its previous decision.

5. The electoral situation in Guyana remains fluid for no firm date has been set for the 1973 elections. The current indications point, however, to an election in June 1973. CIA collection requirements continue to focus on this lack of a firm election date. In addition, the collection effort is geared to identifying trends which might indicate that Cheddi Jagan could pull off an electoral upset. If such a trend is detected, it will be brought promptly to the 40 Committee's attention.

Thomas H. Karamessines

362. Telegram 1032 From the Embassy in Guyana to the Department of State¹

Georgetown, July 12, 1973, 1930Z.

1032. Subject: Guyana Election—Forecast.

1. *Summary:* In July 16 election, Guyana's ruling People's National Congress (PNC) should increase its share in 53 seat parliament from 30 seats won in 1968 to between 31 and 34 and will probably fail to obtain stated goal of two-thirds majority. PNC votes will come largely from Afro-Guyanese part of electorate, but party will be helped by wide-scale rigging, overseas vote, and some limited crossing of racial lines. Opposition People's Progressive Party will probably drop to between 15 and 18 seats, while Liberator Party will win 2 to 4 seats and People's Democratic Movement will fail to win even single seat. In unlikely event PNC decided to maximize rigging and virtually abandon pretense of honest election, PNC vote total could surpass two-thirds. One estimate, based on assumption that this will be the case, gives PNC 38 seats, PPP 14 and LP one, but this would appear extreme. *End summary.*

2. Any forecast of Guayanese election outcome must be prefaced by mention of two special difficulties. First, there is lack of reliable and up-to-date statistical information on electorate. Second, and more important, there is problem of rigging. It is taken for granted that ruling People's National Congress (PNC) will engage in various irregular practices such as ballot box switching and manipulation of postal and overseas voting. To forecast election, one must gauge intentions of fixers and evaluate their chances of success.

3. People's National Congress (PNC). Votes for ruling PNC will come from four sources, i.e., ethnic vote of Afro-Guyanese, votes across racial lines, rigging, and overseas vote.

(A) PNC can be expected to gain nearly all of votes from Afro-Guyanese portion of electorate. Based on 1960 census, Afro-Guyanese comprise approximately thirty-three percent of voting age population (this proportion is larger than their share of total population due to greater numbers of East Indians among those less than twenty-one years old). High unemployment and some opposition to Burnham

¹ Summary: The Embassy predicted that the People's National Congress would attempt to maintain a pretense of honesty in the upcoming elections.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Priority. Repeated to Bridgetown, Kingston, London, Port of Spain, Martinique, and USCINCSO for POLAD. All brackets are in the original except those indicating garbled text.

could erode PNC racial base to about thirty percent of vote. This would give PNC sixteen of fifty-three seats in Parliament. Afro-Guyanese who do not vote for PNC are more likely to abstain than cross racial lines to vote for opposition People's Progressive Party (PPP) or Liberator Party, which most view as another East Indian Party, although small number may be attracted by Llewelyn John's PDM.

(B) PNC can be expected to build upon racial base by attracting [garble] support from Guyana's other racial groups, East Indians, Amerindians, Chinese, Europeans, and racial mixtures and from effects of developing "bandwagon psychology." When election campaign began, Burnham was confident his personal popularity and record for keeping racial calm would break Guyana's history of voting along racial lines. PNC confidently stated two-thirds majority was its electoral goal. However, racial violence between East Indians and Afro-Guyanese such as occurred June 24 along East Coast Road and disruption of campaign rallies of both parties in recent weeks have again polarized racial feeling. Guyanese have not forgotten racial conflicts of early 1960s. Further, there is some evidence of familiar intimidation tactics again being used in rural areas by PPP to hold East Indians in line as in past. Finally, PNC publicity about goal of two-thirds majority has stirred up fears that PNC might use majority to amend Constitution to establish African style one-party state in Guyana despite public disclaimers of such an objective by Prime Minister and Foreign Minister. For these reasons, PNC can be expected to attract less support from other groups than it had hoped and than seemed possible at outset of campaign. Burnham's own drawing power, fear of violence if opposition PPP returns to power, and relative prosperity of rice farmers will draw limited racial crossover and on balance may add seven to ten percent of vote to PNC racial base of thirty percent.

(C) Rigging will be most important additional source of PNC votes. In Guyana itself, rigging is likely to occur in postal voting, in proxy voting and by ballot box switching and stuffing. Government intends to count all ballots in three locations. Frequent opportunities for tampering will occur while ballots are in transit from polling places. How much rigging adds to PNC vote total is likely to be function of three factors: (1) efficiency of fixers, (2) willingness of PNC to make election obvious mockery, and (3) watchfulness of opposition. There are doubts even among some of those involved in the rigging as to how many votes can be fixed as a practical matter without election becoming complete farce. If latter were to occur, Burnham would lose much of his standing as democratic parliamentary leader and his carefully cultivated image in non-aligned world and Caribbean would suffer. Opposition parties may also exercise some limiting influence over size of any fraudulent vote. Opposition leader Jagan has called for

East Indians to use any and all means to ensure ballots are counted at local polling places. While this may be no more than rhetoric, opposition parties did learn lesson in 1968 and will be more watchful this time. Also, implied threat of violence could reduce total turnout and vote. Under these circumstances, rigging in domestic vote count could bring PNC an additional fifteen to twenty percent of vote (it is estimated that in 1968 election rigging brought PNC fifteen percent of vote). Overall, then, if above projection is borne out by results, PNC can expect to receive between fifty-two and sixty percent of internal vote.

(D) Final slice of PNC vote total will be provided by overseas vote. In 1968 Guyanese citizens living overseas were allowed to vote for first time and PNC captured ninety-four percent of vote. There is no reason to believe that PNC will capture any less this time, especially as govt has had better access to overseas Guyanese than have opposition parties, which have done virtually nothing to enlist votes from abroad. If, as is expected, there are 35,000 overseas voters, this will add five percent to PNC internal vote for total of fifty-seven to sixty-five percent of vote or thirty-one to thirty-four seats.

4. People's Progressive Party (PPP). PPP, whose support is almost totally based on race, is likely to suffer slight losses among its traditional East Indian supporters. There will be small number of East Indians who do cross racial lines to vote PNC as well as those East Indians, especially from professional and business middle class groups, who see newly formed Liberator Party (LP) as an Indian party and vote for it as alternative to [garble] communism. More important, there will be the votes lost through rigging. [garble] thirty-six percent of vote and nineteen seats. In 1973, PPP strength should decline, as PNC's rises, to between twenty-seven and thirty-three percent of vote and fifteen to eighteen seats.

5. Liberator Party (LP). Liberator Party which includes old United Force (UF) will draw its support from old UF constituency, [garble] votes attracted from PPP, and votes from those who in past may have entirely abstained for lack of alternative between PPP and PNC. LP is hampered by its vulnerability to rigging, its lack of broad base and insufficient time to organize on a national scale. Many of the votes which in 1968 went to the UF were from Amerindians in interior of Guyana. Since interior is isolated and government appears to be making serious effort to further control access during election, possibility of large scale rigging here is great. LP is likely, then, to lose part of UF's Amerindian vote. Given these considerations, LP may be expected to win no more than four to seven percent of vote and at most two to four seats in parliament.

6. People's Democratic Movement (PDM). PDM is party of one man, its leader and former PFN Minister, Llewelyn John. Although

PDM may attract votes of some Afro-Guyanese who reject PNC, party will probably receive no more than one or two percent of total vote and win no seat in parliament.

King

363. Telegram 1062 From the Embassy in Guyana to the Department of State¹

Georgetown, July 19, 1973, 1539Z.

1062. Subject: Guyana Election—Preliminary Assessment. Ref: (A) Georgetown 1032; (B) Georgetown 1060.

1. Results from all 38 election districts as well as overseas now reported although not all officially confirmed. Results as unofficially tabulated by Embassy as follows:

A. Vote Count

Total Valid Votes	348,046	100.0	Percent
Total PNC Votes	243,679	70.0	Percent
Total PPP Votes	92,673	2.7 [27.0]	Percent
Total PDM Votes	2,113	0.6	Percent

B. Electoral

Quota—6,567 (Votes needed for one seat in National Assembly)

C. Seats in National Assembly

PNC	37.10	Seats
PPP	14.11	Seats
PDM	1.45	Seats
LP	0.32	Seats

2. If, as called for by election laws, seats are allocated on basis highest fraction results should be:

¹ Summary: The Embassy reported that the PNC won a landslide victory in national elections marked by extensive fraud.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Immediate. Repeated Priority to Bridgetown, Kingston, Port of Spain, and USCINCSO for POLAD. All brackets are in the original except “[27.0]”, added for clarity. Telegram 1032 is Document 362. Telegram 1060 from Georgetown is dated July 18. (Ibid., [no film number]) The airgram mentioned in paragraph 4 was not found.

PNC	37 Seats
PPP	14 Seats
LP	2 Seats

3. In attempting its forecast of this election (Ref A), Embassy had not really expected PNC to abandon all pretense of honest election. In event, however, this is what appears to have happened. Whether out of fear, confusion, inefficiency, exuberance or sheer lack of coordination, rigging does seem to have gotten out of hand. From all reports, ballot boxes were delivered by variety of means Monday night to Guyana Defense Force (GDF) headquarters in Georgetown where they remained under armed guard for upwards of 10 hours before vote counting began. PPP evidently succeeded only too well in alarming PNC by its last minute exhortations to its followers to prevent removal of ballot boxes to three central counting locations. Evidently, plans to engage in ballot box stuffing and switching while boxes being delivered, as had apparently been the original intention, were abandoned and stuffing and switching seems to have taken place while the boxes held at GDF headquarters before delivery to three counting locations.

4. Announced results district by district (which will be reported by airgram) so clearly padded that little can be learned by comparison with 1968 results which themselves suspect. We will really never know what true vote was in any of the districts, how successful PNC campaign might have been. Or how great Liberator Party's appeal was. About all that can be said at this point is that Burnham has retained power and that he will be able to amend the constitution as he sees fit. As U.S. had in past devoted much time, effort and treasure to keeping Jagan out, we should perhaps not be too disturbed at results this election. Jagan is still out, and Burnham still in.

5. All is quiet in Georgetown, although rumors are abroad of discontent in East Indian areas in Essequibo, Berbice and Corentyne. It too early to predict whether results of this blatantly fraudulent election will be accepted or whether there is trouble ahead.

King

364. Telegram 1097 From the Embassy in Guyana to the Department of State¹

Georgetown, July 25, 1973, 1150Z.

1097. Subject: Some Reflections on Recent Elections and Their Implications.

Summary. Prime Minister Burnham, returned to office with the two-thirds majority he wanted, will probably prove even more difficult for the United States. He has an increased feeling of friendship for the PRC. Undoubtedly (and unreasonably) feeling the U.S. has backed away from a policy of supporting him, he may well turn to the USSR, Cuba and extremist Arab countries such as Libya in a search for new friends. He may well move against the Reynolds Bauxite interests before the year is out. Jagan appears washed up but will continue to be a source of trouble for some time to come. Burnham has everything just about his own way now. But we can still work with him if we accept his government "as it is." *End summary.*

1. Prime Minister L.F.S. Burnham and his ruling People's National Congress (PNC) have been returned to office for another five years. The U.S. could not really have wanted it otherwise.

2. We helped Burnham get into office in 1964 and to stay there in 1968, on both occasions viewing him as highly preferable to the alternative, i.e., the pro-Moscow and self-avowed Communist leader of the People's Progressive Party (PPP), Dr. Cheddi Jagan.

3. This time Burnham did it on his own, without our help. We may question the way he did it and the magnitude of his victory, for there is considerable substance to the opposition's accusations of election fraud [*less than 1 line not declassified*] and police and GDF intervention, and the two-thirds majority he now has in Parliament may make him even more difficult. Nevertheless, as a pragmatic nationalist with an ambitious (if somewhat unrealistic) development plan he remains preferable to Jagan from our point of view and the U.S. can continue to deal

¹Summary: Commenting on Burnham's reelection, the Embassy predicted the Guyanese Prime Minister would cause the United States difficulties, adding that he might seek support from China, the Soviet bloc, and extremist Arab nations.

Source: National Archives, RG 59, Central Foreign Policy File, P750007-1770. Secret; Exdis. All brackets are in the original except those indicating text that remains classified. The Embassy submitted the draft CASP to the Department on February 5 see Document 360. On July 24, the Embassy reported that the PPP and the LP had announced a boycott of the newly-elected National Assembly. In telegram 1093 from Georgetown, July 24, the Embassy predicted that the boycott would not pressure the government enough to force new elections. (National Archives, RG 59, Central Foreign Policy File, [no film number])

with the Government of Guyana under Burnham "as it is." But what of Burnham? How will he view us?

4. In the draft CASP submitted by the Embassy last February it was stated that "once this year's elections are out of the way, there is a chance that he (Burnham) may make some effort to mend his fences (with us)." We know that Foreign Minister Ramphal, to whom Burnham listens, has urged him to do so. Late last year Ramphal, assuredly with Burnham's blessing, raised the possibility of a visit to Washington and meeting with the President as part of this effort. However, now that the elections are finally out of the way, we are not as hopeful as we were in February. On the contrary, it seems more likely that Burnham will intensify his search for new friends and alternatives to the U.S. and the West in general, although he is too smart to burn all his bridges behind him. He could draw closer to the USSR, Cuba and extremist Arab States such as Libya.

A. Burnham asked for our help in the elections again and was turned down. Specifically, he asked for another local currency loan for small civil works projects with political impact such as the 006 loan we gave him in connection with the 1968 elections and for a "P.L. 480 type" loan to finance imports from the U.S., the local proceeds to be used for development purposes. In making these requests, he asked pointedly "do you want Cheddi?" Our reasons for refusing were perfectly valid, but the fact is we did refuse. So he turned to the PRC. [*less than 1 line not declassified*] the Chinese provided some one and a quarter million dollars as an advance from their 23 million dollar line of credit. Burnham now reportedly is saying privately that the PRC is his only true friend among the major powers.

B. Again for perfectly valid reasons, we were not able to give Burnham any encouragement about a visit to Washington and a meeting with the President. From his point of view, the first was out of the question without the second. So when told there was little possibility of seeing the President he dropped the whole idea.

C. Burnham has been suspicious that we were giving financial and other assistance to the Liberator Party (LP). We know [*less than 1 line not declassified*] that he has a police report to this effect, inaccurate though it may be. He would be suspicious in any event. It is in his nature to be so, he knows we have helped political parties in the past, e.g., his, and he recognizes that we would be comfortable with the generally conservative business and professional groups which joined to form the LP. Party officials kept telling him to get his two-thirds majority. He obviously believed my rather sudden trip to Washington in June was in some way related to support for the LP, and he has not been convinced by my explanations and disavowals. I have discussed all this at some

length with Ramphal, who concluded that “Burnham does not really believe it, but . . .”

D. Burnham will certainly note the absence of any formal USG congratulatory message following his election victory. He will assume that this Embassy’s reporting of the elections brought about the omission.

5. In sum, then, the odds are that Burnham will now tend to be even more independent of us, and will worry less about what we think and how we might react to his actions. He has already sent his Deputy Prime Minister and a trusted member of his Cabinet off to attend Fidel Castro’s July 26 celebrations. Two Cubans are now in Georgetown negotiating a civil aviation agreement. The Soviet Embassy which will be opened in Georgetown shortly may well be received more warmly than had been anticipated. Our guess here is that Burnham will move fairly promptly to carry out his campaign promise to begin negotiations for “meaningful participation” in Reynolds’s Guyana mines, perhaps when he returns from the Algiers Non-Aligned Summit meeting. Unless the company is more flexible and imaginative than we believe it will be, the outcome almost inevitably will be nationalization. Burnham will offer compensation, as he has stated publicly he would do, but it will be an offer along the lines of the consensual agreement with Alcan. He will feel he can offer no more, for domestic reasons, lest he be charged with discrimination against Canada and to avoid seeming to give in to U.S. pressure. We sense that Reynolds and OPIC would find such an offer unacceptable as not constituting “prompt, adequate and effective” compensation. What then? The prospects are not bright.

6. And what of Cheddi? When my Canadian colleague paid a farewell call on Jagan a few days before the election he found him in high spirits and exuding confidence. He professed to have no doubts whatsoever that he could win an overwhelming victory in a free and honest election. He said he had been tremendously impressed by the turnouts during his campaign. On the air the morning of the election he said he sensed a spirit among his followers “reminiscent of 1953.” He obviously had grounds for optimism, about his followers if not about how the election would be conducted, since he and his party had deliberately inflamed racial antagonisms and campaigned on the time-tested racial appeals of Apanjat—“stand together” and “vote for one of us.” His party used its old brutal tactics of intimidation, reprisal and violence to keep East Indians in line, apparently with considerable success. His campaign was otherwise sterile, although on election eve the PPP did issue a manifesto of sorts. It called inter alia for the takeover by government of the bauxite and sugar industries, an end to restrictions on trade with socialist countries and the subsidizing of essential foodstuffs.

7. Jagan reacted to the election results by saying his party could never accept them, just as he did in 1968. He has been cruising through the East Indian strongholds in Berbice and the Corentyne, reportedly ordering attacks on those suspected of deserting to Burnham and laying plans for industrial strife and, perhaps, more acts of violence. He has refused to provide the elections commission the names of fourteen party members to occupy the seats in Parliament allotted to him, and Parliament will probably be convened Thursday without a PPP presence. He also has issued a call for "test polling" in one or more districts to prove the extent of the fraud perpetrated by the PNC. It is doubtful that all this will get anywhere, however, and Cheddi is probably about washed up. He must know this. Hence his great anger and frustration. He can still cause trouble, nevertheless, and we do not see real tranquility in Guyana for some time ahead.

8. The LP has designated its two members of Parliament but now refuses to seat them. It too will continue to complain bitterly about the conduct of the election, but by itself it is relatively impotent.

9. The remaining party, the People's Democratic Movement (PDM) of Llewelyn John, like the LP had no election platform other than to attack the government and promise to undo all it had done. The PDM now can be expected to fade away into oblivion.

10. The political scene will thus continue to be dominated by Burnham and Jagan as it has been for two decades. No viable alternative to either appeared during this election. But Burnham clearly has the upper hand now and Jagan's ability to influence events is declining and will continue to do so even though he still has the capacity to cause unrest and violence. Burnham is now very close to having it all his own way.

King

365. Telegram 1606 From the Embassy in Guyana to the Department of State¹

Georgetown, October 30, 1973, 1715Z.

1606. Subject: Sugar Quota Problem: Talk with Prime Minister. Ref: Georgetown 1599.

Summary: Prime Minister Burnham and majority his Cabinet apparently convinced that U.S. action to reduce drastically West Indies sugar quota for 1974 was politically motivated punitive move in retribution for area's rapprochement with Cuba and aggressive implementation of non-aligned foreign policy. To this extent, they considered Oct 20 *New Nation* editorial accurate as to facts. I attempted forcefully to convince Burnham otherwise. He said I had succeeded. *End summary.*

1. Took occasion to seek encounter with Prime Minister Burnham at close of ceremonial opening of Parliament today (Monday, Oct 2 [29?]) in order ask him whether October 20 *New Nation* editorial reflected position of his govt. He said he had not been aware of editorial before its publication and considered it probably a bit unfortunate, but he nevertheless assumed it correctly reflected the facts, that is that reduction of West Indies sugar quota was politically motivated punitive move by USG.

2. I exploded and talked probably more bluntly to Burnham than on any other occasion in the four years I have been dealing with him. Told him this was utter nonsense, that he should know better and so on. Reminding him I had gone over U.S. Sugar Act with Acting Prime Minister during his absence in effort disprove such nonsensical allegations, I reviewed it again, emphasizing non-discretionary nature of Section 202 D4 and fact that West Indies had failed meet commitments to

¹ Summary: In a conversation with Burnham, Ambassador King forcefully denied that the U.S. Government's decision to reduce the West Indian sugar quota was a politically motivated punitive measure.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Priority. Repeated to Bridgetown, Kingston, and Port of Spain. All brackets are in the original except "[29?]", added for clarity. In Document 439, the Department reported on Shlaudeman's assurances to Caribbean Ambassadors that the U.S. Government would examine ways of ameliorating the effects of a reduction in the region's sugar quotas. On October 27, the Department informed the Embassy that in an October 18 meeting, West Indian officials had informed their U.S. counterparts that they were fully aware the reduction in the sugar quota was a technical, not a political, issue. (Telegram 212526 to Georgetown, October 27; National Archives, RG 59, Central Foreign Policy File, [no film number]) In telegram 1599 from Georgetown, October 29, the Embassy requested information on previous cases in which Latin American nations had not fulfilled their sugar quotas. (Ibid.) No reply from the Department has been found. On November 8, Ramphal stated to King that he thought the reduction in the sugar quota was not politically motivated. (Telegram 1661 from Georgetown, November 9; *ibid.*)

U.S. through own choice. Purpose of Act, I went on, was to assure U.S. a given supply of sugar each year from reliable sources. For this we traditionally paid premium prices. This year, no matter how justifiable West Indies might consider priority given UK market, fact was he had been left with shortage of 180,000 tons (I did not attempt to explain the reallocation of short falls).

3. Burnham seemed genuinely taken aback by strength of my reaction to his statement. He asked about Nicaragua, saying he understood that country had sold sugar to Cuba and had not been penalized. This had led him to assumption that allegations that West Indies political rapprochement with Cuba had caused cut in its quota were correct. I said I knew nothing about possible Nicaraguan sales to Cuba and did not recall that country having been mentioned in rash of distorted accounts of how West Indies being penalized. I was aware of certain allegations concerning Bolivia and Peru and was attempting to obtain clarification. These cases seemed to have involved failure notify USG of anticipated shortfalls as required, where discretion is authorized by law, but not sales to third countries while failing meet commitments to U.S., where there is no discretionary authority to waive prescribed penalties. I would explain it in more detail to FonMin Ramphal as soon as possible.

4. I stressed that USG did not operate in the way Prime Minister seemed to assume, challenged his belief in the conspiratorial theory of history and told him he could not have it both ways. Friendship and co-operation is two-way street. We offer both, but do get tired of having our motives impugned as in *New Nation* editorial in question. Publication of such views hardly helpful to anyone.

5. Burnham backed away, said I had convinced him reduction in quota was neither political move nor punitive action and promised to make this clear to "his people." He reiterated that he had mistakenly assumed the worst and said he appreciated the clarification. Maybe so.

6. That Burnham took this conversation seriously (it took place in corner of vacated Parliament Hall) evidenced by fact he waved off three reminders that President and Mrs. Chung and members of Cabinet were awaiting him for tea.

7. Prior to sitting of Parliament, I had asked Minister of State in office of Prime Minister Christopher Nascimento if *New Nation* editorial reflected policy of the government. He said he had not read it. I urged him to do so and let me know his reaction. Later in day he phoned me at home to say that while some of language was perhaps unfortunate and while *New Nation* editor operated with considerable autonomy and not always the best of judgment, the views expressed in a general sense did reflect the thinking of the majority of the Cabinet. In other words the weight of opinion in the Cabinet was that the sharp reduction in

U.S. sugar quota for 1974 was politically motivated punitive action in retribution for the area's rapprochement with Cuba and signs of independence in foreign affairs in general. As has everyone else involved, Nascimento cited alleged nonenforcement of punitive provisions of Sugar Act in cases of other Latin American countries which had failed meet U.S. quota commitments as confirmation that U.S. discriminating against West Indies on political grounds.

8. I again reviewed nondiscretionary nature of Section 202 D4 for Nascimento's benefit, pointed out that decision to meet commitments to UK rather than to U.S. created self-generated problem and pleaded ignorance on exactly what had happened with respect to Bolivia, Peru and Nicaragua, which are Latin American countries credited with benefiting from "selective non-enforcement." I did give him same explanation I gave to Burnham. When I stressed that opinions such as those expressed by *New Nation* hardly gave encouragement to those in Washington who were attempting, at considerable cost in time and effort, to assist West Indies, Nascimento said no one here aware of such efforts. General assumption was that West Indies had no quota for 1974, period. I commented that Guyana's Embassy in Washington obviously not doing its job and that Frank Noel, PermSec in MinTrade, who had attended technical talks in Washington last week was well aware of facts.

9. Nascimento professed be pleased I had raised issue with Prime Minister and said he would try to "spread the word" as I had given it to him. I doubt we can count on much help from this quarter, however, since he is among those close to the Prime Minister who would be predisposed assume nefarious motives on part of USG.

10. *Comment:* A. Dept should not be overly surprised by this interpretation of drastic reduction in quota for 1974 as political punishment for rapprochement with Cuba and non-alignment. This Embassy noted from the start that this would be the case and other posts in the area have recorded similar views. What is rational, reasonable and justifiable in Washington is not always seen in same light in country such as this, especially when we do not set record straight on distortions and misinformation. Furthermore, there is a certain feeling of guilt which predisposes many here to assume that U.S. must be displeased with recent developments. Consequently, anything the U.S. does which goes against local interests tends be interpreted as calculated punitive action.

B. It is fairly evident that Dpty Prime Minister Ptolemy Reid did not report our earlier conversation to Burnham, or did so incompletely, and that latter since his return has been listening to his more radical advisers, of which he has all too many. Coming on top of his exposure to Third World African leaders, such an interpretation of U.S. motives

would have seemed logical to him. It is disappointing, however, that sugar producers, such as Bookers's George Bishop, and his own technical people, such as Frank Noel, did not succeed in convincing him otherwise.

C. In any event, no question but what public airing of such views can do no one any good. Hopefully, things may quiet down a bit now.

D. Shall follow up with FonMin Ramphal, to whom Burnham listens and who is one of few more moderate influences around Prime Minister these days. His prolonged absence unfortunate in this context.

11. *Action requested.* That information requested in reftel be augmented by data on Nicaraguan sales. Did Nicaragua sell sugar to Cuba in 1973? Did Nicaragua fail to meet its quota commitments to U.S.? In either case, was Nicaragua penalized in any way?

King

366. Telegram 667 From the Embassy in Guyana to the Department of State¹

Georgetown, April 29, 1974, 1915Z.

667. For Assistant Secretary Kubisch from Ambassador. Subject: FonMin Ramphal Invites Secretary Kissinger to Visit Guyana. Ref: (A) Georgetown 662; (B) Georgetown 665.

¹ Summary: In his first meeting with Ambassador Krebs, Foreign Minister Ramphal invited Kissinger to visit Guyana, noting the admiration that he had gained for the Secretary through his personal encounters with him at regional meetings. Ramphal added that he and Burnham recognized that the United States and Guyana had drifted apart, and that they desired to restore close, cooperative relations.

Source: National Archives, RG 59, Central Foreign Policy File, D750101-1079. Confidential; Stadis; Limdis. In telegram 39184 to Georgetown, February 27, the Department transmitted a letter to Ramphal in which Kissinger expressed appreciation for the Foreign Minister's "thoughtful and incisive contributions to the discussions" at the Mexico City MFM. (Ibid., P750001-0871) In telegram 435 from Georgetown, March 21, the Embassy transmitted Ramphal's reply, which thanked Kissinger for his "generous sentiments." (Ibid., D740060-0787) In telegrams 662 and 665 from Georgetown, April 29, Krebs reported on his April 27 discussion with Ramphal regarding Guyana's more active role in hemispheric affairs. (Both *ibid.*, D740102-0371 and D740101-1095) In telegram 92731 to Georgetown, May 6, the Department transmitted Kissinger's reply to Ramphal's letter in which Kissinger said that he would consider a stop in Guyana as his travel plans developed. (Ibid., D740109-0187) Kissinger did not visit South America until 1976; he did not stop in Guyana.

1. In addition to topics covered during my initial meeting with FonMin Ramphal on April 27 and reported reftels, he handed me original and open copy of letter addressed to Secretary Kissinger. Original will go forward in classified pouch May 2. Text is as follows:

Begin quote:

27 April, 1974

I hope you agree that the frank and friendly character of our exchanges on hemispheric affairs in recent weeks justifies, indeed, commends the informality of my so addressing you. The reasons I write are twofold.

First, as I return to Georgetown from the special session of the General Assembly, I do so with happy recollections of my official visit to Washington and with gratitude for your many kindnesses on that occasion. I had, as you know, some misgivings about so early a resumption of the 'dialogue'; as it turned out, I believe the overall results have been beneficial. Additionally, I understand that the spirit of the dialogue infused the consultations in Atlanta and this is, indeed, an achievement. I am specially grateful for your call at Atlanta that all the parties to the dialogue should participate fully in such consultations also, and I am pleased that the assembly has taken important steps in this direction.

Secondly, I write to renew my invitation to you to visit Guyana as part of your first South American visit, and to do so in as relaxed a manner as your chief of protocol will permit. My intent is not so much to put you 'on parade'—although some of this will be inevitable but to give a further dimension to our dialogue in ways that would confirm its reality to our people and, I hope, as rewarding to you also. I shall be saying all this more formally to Ambassador Krebs; but I wish you to know directly from me that it is no mere courtesy.

With warm good wishes,

I remain,

(Shridath S. Ramphal)

Minister of Foreign Affairs

End Quote.

2. Ramphal had already recounted with evident gratification his several personal encounters with Secy Kissinger and had expressed admiration for Secretary's management of U.S. foreign policy, particularly as regards relations with hemispheric nations. He was obviously flattered by invitation to travel from New York to Washington on Secretary's plane and for the opportunity to continue their "dialogue" during flight. He noted that he had overridden objections within his own delegation in accepting Secretary's invitation.

3. Ramphal said he felt it was important for Dr. Kissinger to include an English-speaking country on itinerary for his forthcoming visit to South America and he felt Guyana would be logical choice. He is particularly eager to bring Secretary and Prime Minister Burnham together as he believes they have much in common and will hit off well on personal basis. He added that personal rapport is important to Burnham and that latter in turn wants to play constructive role within non-aligned group.

4. With regard to bilateral relations, Ramphal said he and Burnham have come to realize that USG and GOG have somehow drifted away from very close and constructive relationship they developed prior to independence and during early years of independence. Both he and Burnham want to reverse this trend and feel that arrival of new U.S. Ambassador is propitious moment to start this process. They visualize visit of Secretary Kissinger as important in giving public impetus and recognition to this new direction.

5. Ramphal insisted, as stated in his letter, that he and Burnham would wish to have minimum of protocol-type activity during visit. They want Secretary Kissinger to feel relaxed and at ease. The real crux of visit would be private and informal conversations with Burnham and Ramphal.

6. Ramphal said he realized that Secretary had received invitations from a number of LA governments and the consequent difficulties in making up an itinerary which would not end up creating more frustration than positive accomplishment. However, he hopes his personal relationship with Secretary, added to unique position Burnham has carved out for Guyana in world affairs, will weigh balance in favor of his invitation.

7. *Comment:* Ramphal appeared quite sincerely to believe that his proposal has a fighting chance. I am aware from earlier exposure to Argentine FonMin Vignes's insistent invitation that there must be enormous pressures involved in trying to work out an itinerary which is physically realistic and at the same time diplomatically prudent. I recognize too that local facilities are less than ideal, however, I would hope that such factors would not outweigh the substantive considerations involved, which I believe are deserving of careful thought.

Krebs

367. Briefing Memorandum From the Assistant Secretary of State for Economic and Business Affairs (Enders) and the Assistant Secretary of State for Inter-American Affairs (Kubisch) to Deputy Secretary of State Ingersoll¹

Washington, July 25, 1974.

Bauxite Actions and Strategies in Guyana

The Problem

In mid-July the Socialist-oriented Government of Guyana announced that it would (1) nationalize Reynolds's \$15–20 million bauxite facility by year end, and (2) impose a new Jamaican-style levy on bauxite mined, perhaps retroactive to the first of the year. Negotiations on the levy are set to begin August 6. An added twist is that last month the GOG presented Reynolds with a \$2.7 million income tax bill, most of which Reynolds thinks is unwarranted. Reynolds is paying the bill, and girding for the August levy negotiations and for nationalization later this year.

On Thursday afternoon, July 25, OPIC's President Marshall Mays and EB and ARA officers are meeting with Richard Reynolds, President of Reynolds Aluminum and Richard Roberts, President of Reynolds's subsidiary operating in Guyana, to review the Reynolds position in Guyana. We will include a summary of the discussion in your briefing paper for Friday's meeting with the Chief Executive Officers of the four major U.S. aluminum companies.

¹ Summary: Enders and Kubisch proposed to Ingersoll that the U.S. Government inform Guyana that expropriation of Reynolds Metals Company's bauxite mining facilities would damage Guyana's credit rating and prejudice the chances of positive action on U.S. assistance and other issues.

Source: National Archives, RG 59, Central Foreign Policy File, P850125–0457. Confidential. Drafted by Courtney, Burke, and Norton on July 24; Wientraub, Ellis, Benedick, Meyers, and Shlaudeman concurred. All brackets are in the original except those indicating illegible text. On July 26, Ingersoll wrote on the first page of the memorandum, "Are we supposed to do anything now?" On May 7, Foreign Minister Ramphal told Krebs that the Guyanese Government could not "accept less than majority participation" in Reynolds's operations in the country, adding that he believed he had persuaded Burnham to proceed slowly towards nationalization, since "precipitate action would be inconsistent with GOG endeavor to seek rapprochement with U.S." (Telegram 757 from Georgetown, May 10; *ibid.*, D740114–0925) On July 22, Burnham stated that because Reynolds indicated during talks in February that it was not interested in allowing Guyana a majority interest in its operations, he favored nationalization. (Telegram 1272 from Georgetown, July 23; *ibid.*, D740199–0455)

Background

The GOG nationalized ALCAN's bauxite mine three years ago. A compensation settlement was reached with the help of Justice Arthur Goldberg, who has a personal relationship with Prime Minister Burnham dating back over several years. At that time, the GOG stated its intention to seek majority participation in the Reynolds operation as a matter of policy. To run the former ALCAN mine, the GOG had to develop certain marketing outlets (though ALCAN continued as the principal customer of its former facility) and indigenous managerial and technical competence. Apparently, the Guyanese now think they are ready to [illegible] smaller Reynolds mine despite persistent problems in running the former ALCAN mine. Not only technical kinks, but also Justice Goldberg as a counselor to Reynolds might have delayed GOG moves in the last year and a half for "meaningful participation" or expropriation. Justice Goldberg and Reynolds officials last met with Burnham in February 1974: As a result of that meeting, Burnham apparently understands that Reynolds is not interested in majority GOG ownership, and therefore, he has proceeded toward nationalization, although he remains willing to discuss participation.

We should assume that Burnham will make good on his promise to nationalize Reynolds, as he has promised repeatedly. This action would enhance his credentials as a Third World leader. It would also impress his International Bauxite Association (IBA) colleagues who will gather in Georgetown in late August or September for IBA's second meeting. Burnham told Reynolds officials privately in February that he would no longer remain Prime Minister if he did not nationalize Reynolds, whose capital stock, he believes, is being run down. Burnham is, however, in firm control of the government. Rigged elections in July 1973 gave his party an overwhelming majority in the Parliament.

The critical factor, however, is that the U.S. depends on Guyana for 90 percent of its imports of calcined bauxite, an unusual type used to make and periodically replace refractory bricks which line industrial furnaces. Reynolds gets all of its calcined bauxite from Guyana. Substitutes may be twice as expensive. Half of Reynolds's bauxite output in Guyana is calcined and the other half is metal grade, the predominant type used to make aluminum. Reynolds mines 15 percent of Guyana's annual production of bauxite, and the former ALCAN facility mines the other 85 percent.

Reynolds's Options

Reynolds is paying the back income tax, and has indicated that it would file suit in Guyanese courts to recover at least 80 percent of the bill which Reynolds contends is unwarranted. Reynolds is now pre-

paring for negotiations on the new Jamaican-style levy beginning in Georgetown on August 6.

Burnham has emphasized that the levy would not substitute for nationalization. The GOG sorely needs revenue—export shortfalls and higher import prices have hurt Guyana's economy; foreign exchange reserves are less than one month's imports; prices of oil, wheat, fertilizer and other commodities have more than doubled in the past year; and a drought in 1973 slashed sugar and rice production. Gross domestic product declined by 3.5 percent in real terms in 1972, and deteriorated even further in 1973, when the government's budget deficit hit a record high of U.S. \$17 [?] million. No significant capital flows have come into Guyana since ALCAN's nationalization in 1971. In its negotiations Reynolds might agree to pay the new bauxite levy, and the negotiation expand to consider valuation and compensation questions related to the eventual nationalization. Record aluminum prices and profits, and a steady growth of demand make it costly to Reynolds to shut down a supply source just now. The U.S. and world aluminum markets are expected to remain strong in the next few years. Reynolds apparently will pay the new bauxite levy in Jamaica. Regardless of whether Reynolds is nationalized, we presume it would have to pay the new levy if it continues to use Guyanese bauxite.

Reynolds's prospects for compensation are brighter, but from OPIC not the GOG. Reynolds has \$14.3 million in OPIC expropriation insurance, enough to cover most of its investment in Guyana. At this point it looks like there might be an OPIC payout. The GOG cannot afford any compensation except payments from future bauxite levy revenues. Reynolds is likely to prefer a call on its OPIC insurance since this is likely to exceed whatever the GOG will offer. Reynolds has indicated informally, for instance, that it would not accept ALCAN's compensation formula (on a 1971 book value of \$100 million, the GOG agreed to pay ALCAN \$53 million over a 20 year period at an effective interest rate of 4.5 percent).

OPIC's contract requires that Reynolds make good faith efforts to negotiate compensation. In deciding whether to pay a claimant, OPIC evaluates these efforts. Reynolds wrote OPIC recently to ask about its insurance contract obligations in several different contexts. OPIC's reply made three basic points:

- an expropriation insurance claim can be based on "confiscatory" taxation, but the actual economic impact would have to be demonstrated;

- whether a threat to cease operation in the face of any new bauxite levy would be "provocative" would depend on the full context;

- Reynolds must pursue any GOG invitation to negotiate a sale.

U.S. Interests

Our primary interests are (a) to deter higher bauxite taxes, (b) to secure adequate compensation for Reynolds and prevent an OPIC payout, (c) to promote Caribbean political stability and economic progress, (d) to deter and undermine cartel-like actions by members of the International Bauxite Association (IBA), and (e) to prevent a dispute with Guyana, a small, poor, black, and potentially unstable neighbor.

USG Strategy

We have little leverage in Guyana. It is highly unlikely that we can dissuade the GOG from nationalizing and raising bauxite taxes. We will have to count on deterring Jamaica's tax leadership elsewhere—perhaps in the Dominican Republic where we have more leverage. Our economic interests are important enough, however, that we should use all the leverage available, short of actions which could push Guyana even further to the Left. Were Burnham to disappear from the political scene, his successors would likely be far more radical and hostile to U.S. interests. Therefore, we would not want to take actions which could seriously undermine Burnham's role.

Our instruments of leverage are mostly financial. The U.S. assistance program has been disproportionately large, mainly for political reasons. AID is implementing a \$20 million loan program primarily for roads and rice industry modernization. AID has no grant programs, except the yearly \$50,000 fund used at the Ambassador's discretion. For FY-75, AID is proposing two small loans totaling \$4.5-5.5 million in the Foreign Assistance request currently before Congress. There is no P.L.-480 program in Guyana.

The IBRD also has under consideration \$32 million in loans to Guyana. We expect that the first loan to come up for a vote would be an \$8 million education loan in October. The U.S. has no veto over any of these loans.

Guyana has not become a member of the Inter-American Development Bank (IDB) until now because of Venezuela's claim on approximately two-thirds of Guyana's territory. For the same reason, it has only observer status in the OAS. Trinidad has proposed, and the U.S. supported, membership in the IDB. It appears virtually certain that this resolution will pass.

Proposed Course of Action

Depending on the outcome of the August negotiations between the GOG and Reynolds, we would consider making a *démarche* in Georgetown reiterating the following points:

—President's expropriation policy as it relates to our bilateral and multilateral aid policy;

—Expected damage to Guyana's credit rating and private investment flows from contract abrogation;

—Positive action by the USG on bilateral or multilateral issues (e.g., sugar) in the future involving Guyana will be severely prejudiced if there is unilateral contract abrogation or uncompensated expropriation.

We have frequently warned the GOG in the past of the consequences of nationalizing Reynolds without the payment of prompt, adequate, and effective compensation. Our last démarche was in January 1974. In the present démarche, we should emphasize that higher taxes which abrogate contracts can also trigger our expropriation policy.

We also want to encourage that Justice Goldberg be brought in. After his last trip to Georgetown in February, however, Goldberg said he did not want to go back. His intervention could at best result in a reduction of the GOG's demands, but probably not forestall them. Moderation, however, could contribute significantly to our interests.

We should also encourage Reynolds to make substantial efforts to negotiate.

368. Telegram 182088 From the Department of State to the Embassy in Guyana¹

Washington, August 20, 1974, 0044Z.

182088. Subject: Reynolds Negotiations. Ref: Georgetown 1453.

1. We have studied carefully report of your conversation with PM Burnham (reftel). Dept requests that you go to Burnham (and also Ram-

¹ Summary: The Department instructed Krebs to inform Burnham that the proposed imposition of a bauxite levy on Reynolds appeared confiscatory and that the U.S. Government would terminate assistance to Guyana if the tax were imposed.

Source: National Archives, RG 59, Central Foreign Policy File, D740228–0647. Confidential; Niact Immediate; Exdis. Drafted by Courtney and Burke; cleared by Boeker, Smith, Willis, Gantz, Gilbert, Shlaudeman, and Norton; and approved by Enders. The Foreign Assistance Act of 1961, as amended in 1973, was passed on December 17, 1973. (87 Stat. 714, as amended by 22 USC 2151) In telegram 1453 from Georgetown, August 17, the Embassy informed the Department that Burnham was insisting on imposing a production levy on Reynolds. (National Archives, RG 59, Central Foreign Policy File, D740227–0349) In telegram 1473 from Georgetown, August 20, Krebs informed the Department that Burnham said he was prepared to forgo U.S. Government assistance, if necessary. (Ibid., D740229–0594)

phal if you think it would be useful and appropriate) with the following message:

(A) The USG is deeply disappointed to learn that:

—GOG now seems disinclined to reach an agreement with Reynolds;

—And seems bent on imposing unilaterally a bauxite levy which would appear confiscatory and on using revenues from the levy as an offset for compensation.

In the face of such action Reynolds will undoubtedly be obliged to protest and not in just a “pro forma” manner.

(B) In any event, it should be stressed that the USG cannot accept as compensation an offset against arbitrarily-determined taxes enacted retroactively—nor is Reynolds likely to do so. In our view Guyana is obligated to pay acceptable compensation in a fully realizable form. In this respect, we wish to emphasize that the USG is prohibited by law from extending any aid funds to a country in order to permit that country to pay to a nationalized U.S. company. (*FYI. Section 620(G) of FAA. End FYI.*)

(C) The USG wishes there to be no misunderstanding regarding the consequences of an uncompensated expropriation. The USG would not normally support new aid loans and other types of credits which we would expect to continue if an uncompensated expropriation or other unilateral action does not take place. Second, the USG would not normally support lending assistance to Guyana by the IFIs. Third, Guyanese actions will undoubtedly have other adverse effects on our bilateral relations and economic relationships. We do not wish such a situation to develop and therefore urge that GOG reconsider taking any action that would result in the expropriation of Reynolds without the payment of acceptable compensation.

(D) If the GOG feels obliged to proceed with nationalization, it should raise this matter with the company’s negotiators directly so that Reynolds can be informed of all of the parameters of these negotiations. We strongly urge that a way be found to forestall any move to introduce a tax bill in Parliament pending further discussions with Reynolds as such public action would make a negotiated outcome extremely difficult or impossible. We are informing Reynolds of the substance of PM’s position.

(E) Reaffirm Ambassador’s pledges of USG “good offices” should Burnham choose a course of action leading to a negotiated solution.

Kissinger

369. Telegram 214581 From the Department of State to the Embassy in Guyana¹

Washington, September 28, 1974, 0036Z.

214581. Subject: Bauxite Levy Ref: Georgetown 1721, Georgetown 1733.

1. Under the condition imposed by the bauxite levy bill a situation of confrontation between the GOG and Reynolds in ten days appears almost inevitable. Request you see Burnham at the earliest opportunity to discuss the following points:

A) the USG is deeply disappointed in GOG decision to proceed with legislation that unilaterally imposed bauxite production levy. This is particularly so in view of the many consultations we have had with him on this subject over the past several years—consultations in which the USG urged moderation and made every effort to head off the very situation we now confront. Considering the officially announced intention to nationalize Reynolds's Guyanese operations before the end of the year, the USG must consider a tax imposed in the context of nationalization as designed to reduce the compensation that will be due to Reynolds upon nationalization. We can not accept the view that the tax issue is one that can be settled apart from the question of compensation. While the GOG has the right to nationalize Reynolds, international law places upon the GOG the obligation to provide Reynolds with prompt, adequate, and effective compensation. Should the new bauxite tax influence the adequacy of compensation paid, applicable U.S. legislation and policy must be considered, and the good relations that our two governments have enjoyed may be affected.

¹ Summary: The Department instructed the Ambassador to inform Burnham that the United States was deeply disappointed with the Guyanese Government's decision to impose a bauxite production levy even as it moved towards the nationalization of Reynolds's assets in Guyana. The Department stated its hope that the Guyanese Government and Reynolds would be able to negotiate an agreement on compensation for the company's assets in Guyana.

Source: National Archives, RG 59, Central Foreign Policy File, D740273–0971. Confidential; Niact Immediate; Exdis. Drafted by Stebbing, Bond, and Norton; cleared by Burke and Hunt; and approved by Boeker. In telegram 1721 from Georgetown, September 25, the Embassy reported on the Guyanese legislature's imposition of a levy on bauxite. (Ibid., D740270–0836) Telegram 1733 from Georgetown is dated September 26. (Ibid., D740272–0126) On September 26, Shlaudeman informed Guyanese Ambassador Talbot of the Department's concern over the levy. (Telegram 212890 to Georgetown, September 26; *ibid.*, D740272–0202) In response to Krebs's démarche, Burnham rejected any link between the bauxite levy and the projected nationalization of Reynolds's holdings, and stated he saw no reason that the dispute over the levy should harm overall bilateral relations. (Telegram 1745 from Georgetown, September 28; *ibid.*, D740274–1094)

B) The USG firmly believes that a negotiated mutually acceptable solution is in the best interest of all parties concerned. We are especially concerned that a unilateral action, such as the passage of tax legislation, creates an atmosphere not conducive to continued talks. We strongly urge that the GOG take such steps as are necessary to allow good faith negotiations to continue. Should it be felt that negotiations are no longer fruitful, then submission of dispute to a neutral dispute settlement mechanism such as arbitration should be undertaken.

C) As the GOG is aware, there is OPIC insurance of Reynolds. The investment guarantee agreement entered into between our two governments on August 18, 1965 provides that should the United States make payment to any insurer under a guaranty issued pursuant to that agreement, the United States shall become subrogated to the investor's rights. If negotiations are not fruitful, the United States may submit a claim which it believes presents a question of public international law to an arbitral tribunal for a settlement based on the applicable principles of international law. Thus, the USG has the right to pursue resolution of the matter of compensation by arbitration. However, we would hope that a just settlement now of all outstanding issues between the GOG and Reynolds would obviate the necessity for international arbitration between USG and GOG in the future.

D) Sanctions imposed by the bauxite levy bill in event that Reynolds fails to meet deadline for payment of half the production levy make a negotiated settlement especially difficult. The threat of arrest of the local manager or principal officers of Reynolds creates an impossible negotiating climate. Therefore, the USG urges the GOG to make assurances that these harsh provisions, the effect of which is to impede settlement of the dispute, will not be implemented. *FYI: from information available here, Ramphal appears to be correct that most of the details of the GOG bill were lifted virtually verbatim from the Jamaican law. End FYI.*

E) We wish to know GOG intentions with regard to nationalization and to further talks with Reynolds; in particular whether GOG will extend invitation under conditions that assure company representatives will not be arrested or otherwise mistreated.

F) The USG renews its offer of good offices to help bring about a mutually acceptable solution to the matter.

2. *FYI: Meeting in the Department with Reynolds officers is scheduled for October 1; while company has not yet decided its reaction to new law, we anticipate that company will refuse to pay levy. End FYI.*

Kissinger

370. Telegram 1925 From the Embassy in Guyana to the Department of State¹

Georgetown, October 29, 1974, 1330Z.

1925. Subject: Prime Minister Blasts United States Government.

Summary: Burnham lambasted U.S. and Reynolds as Guyana's enemies at public rally backing bauxite levy and nationalization, while warning of aid cutoff. Motivation obviously to curry internal political support by creating foreign threat, perhaps to justify move toward one-party state.

Begin unclassified.

1. Prime Minister Burnham unreservedly linked USG and Reynolds as enemies of Guyana in public rally evening October 27 in Georgetown sponsored by ruling PNC Party and designed to drum up support for bauxite levy and nationalization. Address was subsequently broadcast and both local dailies October 28 headlined excerpt that PM warned U.S. aid may be cut off.

2. Burnham said quote there is reason to believe not only that all American aid to Guyana will be cut off as was a certain program when we entered into diplomatic and trade relations with Cuba last year, but there also is reason to believe that certain influences will be brought to bear even at the level of the World Bank [garble] preclude Guyana from getting loans from the World Bank end quote. He also referred to U.S. attempt to block (sic) World Bank loan in 1971. Other comments on USG reaction to Reynolds dispute included quote what we are facing today from the Leviathan of the Western Hemisphere is what other countries have faced and are facing in other parts of the developing world end quote. Quote let us not imagine however that either techniques and (sic) tactics will be limited to the withholding of aid and influencing of would-be aid donors end quote. Four times consecutively, with voice dripping exaggerated sarcasm, Burnham reiterated that U.S. is friendly government, and closed by exhorting audience quote this is

¹ Summary: The Embassy reported that Burnham had lambasted the United States as an enemy of Guyana in a public speech intended to rally support for the nationalization of the bauxite industry. The Embassy noted that the speech seemed to be the strongest attack on the United States by a Guyanese Government official in several years.

Source: National Archives, RG 59, Central Foreign Policy File, D740307–1005. Confidential; Immediate. Repeated to Port of Spain, Kingston, Santo Domingo, Canberra, Paramaribo, and USCINCSO for POLAD. All brackets are in the original except those indicating garbled text. In telegram 244753 to Georgetown, November 6, the Department reported that Shlaudeman was calling in Ambassador Talbot to inform him that Guyanese officials' anti-U.S. rhetoric created an unfavorable atmosphere for resolving the Reynolds compensation negotiations. (Ibid., D740319–0505)

war, this is not fun, this is not spoof. This is a war. It is a war in which victory will spell not merely the emotional satisfaction of being masters of our land, but also survival of Guyana as an economic entity and the survival of our country, a country of free and independent men. Let those who think they can frighten us or would teach us a lesson understand that we will teach them a lesson in the same way they taught the British a lesson during the American Revolution end quote.

3. References to Reynolds, described as ruthless, were more insulting but subsidiary to attack on USG as main enemy. Burnham interjected racism in one attack on Reynolds when he referred to headquarters in Virginia and main installations in Arkansas quote southern states where niggers are lynched end quote. He stated that alternatives to bauxite as raw material for aluminium are a matter for the far and distant future. *End unclassified.*

4. Rally was carefully staged, with orderly marchers organized by ruling PNC including band and uniformed school children (less than one thousand in all) marching on route deliberately designed to pass by all USG offices in Guyana and Ambassador's residence. EmbOff present at rally estimated approving but unenthusiastic crowd at maximum of four thousand. Prime Minister had sounded similar but more muted theme at previous day's convention of his Guyana labor union, where he also called on trade unions to reduce international ties and formally affiliate with PNC.

5. *Comment:* This seems to be far the strongest public attack on U.S. by responsible GOG spokesman in several years but is in line with earlier GOG tendency to portray U.S. and Western DCs as its enemies despite large-scale Western and U.S. economic aid. Burnham is of course clearly attempting to fabricate a confrontation in the minds of his listeners on what he sees as a popular issue of national pride. He also is seeking public support by identifying any opposition to PNC policies as aiding a foreign enemy. We do not yet know (Burnham may also not yet know) whether the Yankee devil is being incarnated only to undercut criticism of GOG economic policies, shortages, political interference with faculty appointments at the university, corruption, etc; or whether he intends to use this deliberately manufactured emergency as an excuse to make a quantum jump toward one-party state. We also do not know how far he intends to take confrontation in actions against general U.S. interests or personnel (one threat in speech was to quote remove from among us the weak and rascal agents of our enemy end quote). Thus far, the public seems to approve of the bauxite levy and of nationalization, but there is no mood of excitement or of indignation against either Reynolds or the United States. Personal relations of Embassy personnel with Guyanese are unchanged and we detect no significant increased threat to personal security. Burnham is fully aware that

any prospective U.S. sanctions are not against nationalization per se, but concern compensation and the linkage with the levy, but he deliberately confuses the issue and has his ministers encourage the belief that sanctions have already begun. PNC official and former Minister Elvin McDavid, for example, in an October 26 public address charged that Guyanese must not be surprised to learn that their relatives enjoying temporary residence in the U.S. are being deported because of the Reynolds issue. Another spokesman has charged that visas are being refused for the same reason, while still another claimed that IBRD refusal to modify the terms of an electricity loan is because of U.S. pressure. Our discreet remonstrations on such inaccuracies are either interpreted as aiding Reynolds, met with an embarrassed shrug of that's politics, or excused as misquotes (even though published as direct quotes in GOG official bulletin).

Krebs

371. Telegram 263802 From the Department of State to the Embassy in Guyana¹

Washington, November 30, 1974, 0237Z.

263802. Subject: Future Status of AID Operations. Refer: Georgetown 2085. Joint State/AID Message.

1. We fully share desire for amicable settlement Reynolds nationalization case in manner that would avoid deterioration of overall

¹ Summary: The Department informed Krebs that increased economic assistance could not be used as a sweetener in negotiations with the Guyanese Government over compensation for Reynolds assets that were to be nationalized.

Source: National Archives, RG 59, Central Foreign Policy File, D740347–0566. Confidential; Priority; Exdis. Drafted by Wheeler; cleared by Shlaudeman, Burke, Kleine, Smith, and Eltz; and approved by Rogers. All brackets are in the original except those indicating garbled text. In telegram 2085 from Georgetown, November 25, Krebs requested guidance on whether an increase in U.S. assistance could be used to facilitate an agreement in the Reynolds negotiations. (Ibid., D740345–0250, D740341–0601) In telegram 2124 from Georgetown, December 3, the Embassy informed the Department that it agreed with the position laid out in telegram 263802, adding that it had not intended to suggest that “economic assistance be offered as sweetener or offset to compensation agreement” but rather it had thought that previously approved AID projects could be mentioned as evidence of U.S. good faith should talks between Reynolds and the Guyanese Government reach a point at which such an act could help to close the gap between the two parties. (Ibid., D740350–0633) In telegram 2257 from Georgetown, December 31, the Embassy reported that Reynolds and the Guyanese Government had reached an agreement on compensation for the company's assets. (Ibid., D750001–0532)

U.S.-Guyana relations and provide prompt, adequate, and effective compensation for Reynolds. However, we would not consider it appropriate to imply to GOG that we would be forthcoming on economic assistance as sweetener in order to secure favorable Reynolds settlement. Such action could be viewed as tantamount to utilizing AID monies to subsidize or offset payments resulting from GOG act to nationalize U.S. company.

2. As Embassy knows, contrary to Burnham's accusations, USG has not imposed any economic sanctions despite GOG actions to date. We are continuing with implementation of AID projects for which there are executed agreements and at present AID is prepared to consider adjustments to New Amsterdam and Georgetown road projects within scope of existing loan authorizations and as compatible with good management of the pipeline.

3. Given GOG's unilateral imposition of bauxite tax levy and GOG's intention to nationalize Reynolds before year's end, Department believes that we should defer for the present any further actions regarding FY 1975 AID program activities that involve or imply commitments for new projects. (Utilization of already allotted dols. 25,000 [garble] will be at [garble] discretion.)

4. Would appreciate your views ASAP.

Ingersoll

372. Country Analysis and Strategy Paper¹

Georgetown, undated.

Summary of U.S. Interests in Guyana

Guyana's importance to the United States has continued to decline.

Its small population, GNP, size and location make Guyana of little strategic importance to our national defense interests. Guyana is an unlikely source of potential subversion to its three South American neighbors (because of poor communications, the relative internal strength of two of them—Brazil and Venezuela—and language/cultural isolation) and with respect to its CARICOM partners is an unlikely source of potential subversion in the CASP timeframe. Aside from calcined bauxite, Guyana is not a major source of any strategic material, and its other exports are not of a quantity to be of significance to the U.S. There is no large-scale U.S. investment remaining in Guyana, and the level of imports from the U.S. is among the lowest of the Americas, with little prospect of marked improvement. There are only a few hundred U.S. citizens in Guyana, no known narcotics flow to the U.S., no serious human rights problem, no appreciable starvation or natural disaster potential, and little prospect of the Moscow-line Communist-controlled PPPs gaining power over the short or middle term.

However, over the short term, Guyana's membership on the U.N. Security Council, its current position as a "Third World" leader, the prospect of its IDB and OAS membership, and the possibility that it may become a Socialist bellwether for the English-speaking Caribbean seem to warrant greater concern and more program flexibility than

¹ Summary: Krebs reported that the settlement between Guyana and Reynolds had resolved the only major issue in U.S.-Guyanese relations. Noting that Burnham's policies could cause the United States some discomfort, Krebs recommended a low U.S. profile and the maintenance of open channels of communication with the Guyanese Government.

Source: National Archives, RG 59, Central Foreign Policy File, P750039-1385. Secret; NoFORN. Transmitted as an enclosure to airgram A-28 from Georgetown, February 20, 1975. In the body of the CASP, the Embassy recommended a phase-out of bilateral economic assistance to Guyana. All brackets are in the original except those indicating text omitted by the editors. In telegram 75029 to Georgetown, April 3, the Department reported on a preliminary review of the CASP, noting that some readers believed that it might be premature to terminate assistance. (Ibid., D750118-0147) In telegrams 530 and 535 from Georgetown, April 15 and 16, Krebs repeated his recommendation, noting that further aid was unlikely to affect Guyana's open tilt toward Communist nations and that the Guyanese Government had not shown any interest in receiving further U.S. aid. (Both ibid., D750131-0804 and D750133-0366) The approved CASP endorsed a phase-out of aid, with some qualifications. (Telegram 256 from Georgetown, February 6, 1976; ibid., D760046-0526)

would otherwise be the case. We should recognize that, regardless of resource expenditure, we have minimal ability to deflect Guyana's votes from a radical Third-World line or change its example from a course we are not anxious that the rest of the Caribbean follow.

Over the long term, Guyana has some potential for aiding in resolving the world food crisis through increasing its agricultural production, and current limited drilling could strike oil, with consequent increased U.S. investment and resource interest. Furthermore, Guyana's resident diplomatic relations with the PRC and projected resident missions of the Soviet Union, Cuba and possibly other Communist countries give it some political intelligence interest. But at the present time, with many urgent claims on U.S. taxpayer resources from other quarters and other countries, Guyana seems to be a place where our interests would be adequately served by a low level of involvement.

Though in comparison with most other ARA countries we therefore have no priority interests in Guyana, in the local context (as outlined above) our interest in U.S. economic prosperity and world order and in the supportive interests of favorable disposition of Guyanese and economic, social and political development of Guyana are given relative priority.

AMBASSADOR'S OVERVIEW

For at least the past two years, the overview in the Guyana CASP has taken as a point of departure that Guyana's importance to the U.S. had been customarily measured more by Guyana's "potential for trouble" than by its intrinsic value to the U.S. Accepting this idea by implication, the subsequent rationale has held that since this potential had neither materialized nor threatened to do so in any way affecting vital U.S. interests, we should avoid making waves in Guyana by simply getting along as best we could with a government whose policies at home and abroad were bound to be unpleasant for us much of the time. As a consequence, recommended USG actions were designed to deter or to limit damage at points where we were particularly vulnerable.

December 31, 1974, marked a watershed in U.S.-Guyana relations, when agreement was reached on terms of compensation for the nationalization of Reynolds Metals's bauxite mining subsidiary in Guyana. With the removal of this most visible and indeed significant hostage to GOG trouble-making potential, there are no genuinely major issues to confront the policy maker and even relatively few U.S. interests which can be challenged painfully or promoted gainfully in Guyana. While this outlook might create a temptation to "cop out" with a stance of benign neglect, I believe such an approach to be inadequate both in terms of Guyana's intrinsic value to the U.S. and of the broader values our nation continues to uphold in a rapidly changing world.

On the international scene, Guyana will be a small but prickly thorn in our side as it becomes more and more integrated into the machinery of LDC and Third World groupings such as the Non-Aligned Movement. Thanks largely to the charisma and talent of Foreign Minister Ramphal, Guyana now ranks as a spokesman/leader for the Third World in several organizations. In fact Guyana owes its election to the UN Security Council for the 1975–76 term both to the projection of its image as an active participant in world and regional bodies and to the personal qualities of Ramphal and Burnham. With Ramphal virtually certain to assume the post of Secretary General of the Commonwealth Nations by mid-1975, there is no one approaching his stature available as a replacement and Guyana will have lost an important, perhaps decisive, element in holding onto its present status among the LDCs. Although Guyana may therefore carry less weight in determining LDC positions in international forums, when the chips are down it will vote consistently with the “automatic majority.” Moreover its seat on the Security Council will insure that Guyana is the target of heavy blandishments and pressures from the radical LDCs.

Rather than abandon the field, we should continue patiently to advocate our points of view, and encourage a frank exposition by Guyana of its viewpoint, regarding issues in the UN and other international organizations. We can perhaps marginally improve receptivity to our case by assuming a favorable disposition toward reasonable Guyanese applications for loans from the multilateral agencies (IBRD and IDB principally). Consistent with this approach is our recommended handling of bilateral assistance. But we should be content primarily with keeping open our channels of communication and with demonstrating that we can be pragmatic in adapting to new realities on the international front.

In economic affairs, Guyana’s status is neutral from the standpoint of our interest. In terms of the global food crisis, Guyana’s relative success in self-sustainment, added to its modest export of sugar and rice, are supportive of U.S. objectives. In the long run, Guyana will probably not become a major food exporter, and indeed its own economic viability is not assured. Guyana’s achievement of self-sustaining growth will depend largely on the wisdom of its investment of newly-found external capital resources. In terms of international trade, the steady push toward GOG control of imports and of export marketing favors other state-trading countries, and the market is too small to warrant special effort by U.S. traders. Our target must be realistic; if we can convince Guyana of the long-term advantages of consistency in supplying sugar to the U.S. market, there will be a *prima facie* case for Guyana to allow U.S. exports a fair share of the Guyana market.

The case for U.S. exports will be somewhat stronger, and our overall posture somewhat firmer, if we show continued responsiveness

to Guyana's economic and social development objectives. This is one sector where Guyana and the U.S. are in solid agreement, i.e., on concentrating development resources in expanding food production and improving the quality of life in the agrarian sector. The question for policy decision is "how," and this question is addressed in our only major issue analysis. The option we recommend, phasing out bilateral loans and grants after FY 1976, takes into account both the intrinsic value of what can be accomplished in the bilateral context as well as the broader values of our relationship with small "Third-Worldly" LDCs like Guyana. The steps we recommend are not irrevocable, and could be re-evaluated if our assumption regarding alternate sources of assistance proves incorrect.

On the domestic Guyanese front, the bugaboo of a takeover by the PPP under Cheddi Jagan and the conversion of Guyana into a hostile Soviet-oriented satellite has receded even further into the realm of the improbable. Forbes Burnham has consolidated his hold on power more impregably than ever, reducing both Jagan and the Black Power elements on the Left to near impotence.

As Burnham and the PNC enter their second decade of government, they are free to focus on how they will exercise power. The emerging political shape of the future Guyana is that of a *de facto* one-party state, increasingly authoritarian, arbitrary and hostile to criticism, real or imagined. Socialist development, with economic power concentrated in state corporations and state controls, will take on the guise of an ideology. Burnham envisages the PNC, disciplined by a rigid Code of Conduct adopted in December 1974, as forming a committed cadre of Socialists who will remake the Guyanese into an industrious and self-reliant people. Mandatory ideological indoctrination in the schools, quasi-compulsory National Service camps for youth, and a new Constitution based on supremacy of party over government will all be tools in this transformation.

In spite of his pervasive power, Burnham faces real obstacles in this endeavor to build a strongly regimented Socialist society with an undisciplined Caribbean people. He will have to contend not only with the apathy of the general populace and the alienation of the East Indian majority, but also with lethargy and corruption among his own supporters produced by ten years of enjoying the benefits of power. Burnham himself is to some extent a victim of this erosive process. He is less in tune with the rank and file and more inclined to arrogance. Thus, while Burnham can be expected to continue in power well beyond the time frame of this CASP, the ultimate fate of his drive is in doubt.

Whatever the outcome, the thrust of Burnham's effort is bound to create discomfort for the U.S. Whether in further undermining of re-

spect for individual rights and freedoms, or in propagandizing a state-model embodying fundamental principles antithetical to those of the U.S., Guyana will pose a minor dilemma for the U.S. On the one hand its small size, difficult social and economic problems, superficial adherence to democratic processes, and rational developmental goals, all can be counted on to evoke sympathy and support among LDCs and even in some DC quarters. At the same time, its authoritarian tendencies, increasing regimentation of the society and dogmatic denunciation of “capitalist imperialism” will provoke critical comment, particularly in the United States.

Burnham is acutely aware of what USG support meant to him in earlier, more difficult, years. Subsequent events, including the Venezuelan border dispute flare-up and the Reynolds case, have left him with the impression that USG actions are likely to be based on interests not congruent with his aims for Guyana. From this perception to that of the USG “conspiring” against him is an almost instinctive step for Burnham, with a lifetime spent in political infighting.

Thus, our approach to dealing with Burnham should emphasize openness and frankness, but studiously limit our actions and reactions to matters which touch our interests directly and significantly.

I have examined the adequacy of current and proposed staffing and funding levels of U.S. agencies operating in Guyana. I find both staff and funds adequate to pursue the strategy outlined in this CASP. I call attention to the proposed reductions in AID staff (2 American and 2 FSL by FY 1977), which I believe are consonant with the recommended phase-out of bilateral assistance after FY 1976.

Max V. Krebs
Ambassador

[Omitted here is the body of the paper.]

373. Telegram 773 From the Embassy in Guyana to the Department of State¹

Georgetown, May 23, 1975, 2115Z.

773. Subject: Burnham Says He Plans Orthodox Socialism for Guyana; Damns Private Enterprise.

1. *Summary*: PM Burnham in public speech categorically placed himself in orthodox Socialist camp, explaining that cooperative socialism was different only as means of attaining socialism. He lambasted concept and practitioners of free enterprise, labeled them as Guyana's enemies, and called on host Jaycees to cut ties with parent body in U.S. or renounce objective that economic justice can best be won by free men in free enterprise. Speech confirms other indications of Burnham's and PNC leaders increasingly radical socialism. Embassy speculates that enemies warned against perhaps set up as straw men and that criticism of CARICOM neighbors as not being truly Socialist may result from self image as Caribbean leader to radical socialism or as reaction to their criticism. *End summary*.

Begin unclassified.

2. PM Forbes Burnham in public speech in bauxite town of Linden, organized by local Jaycees May 22, made most categoric public statement yet of his ideological antipathy to private enterprise and his intention of leading Guyana into Socialist camp. According local papers, which played speech on quote a Socialist Guyana in the Caribbean unquote as headline story May 23, he warned audience that powerful capitalist system against which Guyana is fighting would not take Guyana's entry into Socialist camp lying down, since successful socialism in Guyana would cause quote domino theory to obtain in this part of the world unquote. If Guyana were able to persuade by example its CARICOM brothers to turn to the road on socialism, according to Burnham, the capitalists would try to ensure that quote we must be destroyed unquote. As example of subtle tactics of quote enemy unquote, Burnham cited use of spies planted by FBI in U.S. to provide information leading to destruction of Black Panthers.

3. Burnham took pains to disabuse audience of idea that cooperative socialism of Guyana was different from orthodox socialism (one paper used the term communism). He reportedly stated quote if there

¹ Summary: Krebs reported that in a public speech Burnham categorically placed himself in the Socialist camp.

Source: National Archives, RG 59, Central Foreign Policy File, D750183-0224. Confidential; Priority. Repeated to Bridgetown, Caracas, Kingston, London, Port of Spain, Paramaribo, and USCINCSO for POLAD.

be anyone who believes that because we talk of cooperative socialism, our objective in so far as establishing socialism is different from that of any other Socialists, you are mistaken. And if you do not want to share in Socialist objective, then, until the time we have educated you, the PNC is not the place for you unquote. He said that the only way that his concept of socialism was different from that of any other Socialist was the belief that socialism in Guyana could best be achieved through the instrument of the cooperative. He elaborated that the belief of some type cooperative socialism is a new type of socialism is erroneous, adding at another point that he accepted Lenin's thesis that imperialism was a developed form of capitalism and that the envitable triumph of socialism was a natural development. While Guyana was not a Socialist state, it was a country, led by a Socialist Party with the objective of making it a Socialist state, according to Burnham.

4. Burnham used Jaycee's forum to attack an objective of Jaycee's movement which he said states that economic justice can best be won by free men in free enterprise. He continued by saying that if Jaycees wanted to play a part in change which would take place in Guyana, they must either disassociate themselves from parent body in U.S. or rewrite that particular objective. He predicted that the local Jaycees movement would one day be called upon by its parent body to oppose what they would regard as quote the Socialist dictatorship which the PNC is trying to establish in Guyana unquote.

5. Burnham also threw out veiled warning to other CARICOM countries that Guyana would continue as a member of CARICOM only if such membership did not cause it to compromise its Socialist objectives and made disparaging allusion to genuineness of Jamaica's commitment to socialism.

End unclassified.

6. Source in PM's office told DCM that speech was extemporaneous and also that it was made from notes and that text is, therefore, unavailable. Another GOG source told PAO that transcript being prepared from tape, but that it will be sent to PM's office for minor editing and quote embellishing unquote before being released and that process may take two weeks. When and if we obtain transcript, we will analyze it further and forward to Dept.

7. *Comment.* Preliminary local reaction seems to confirm our belief that rather virulent speech marks further step by Burnham toward publicly placing himself more solidly in ideological Socialist-Communist camp. It appears to be public affirmation of what we understand he has been saying privately within PNC and GOG circles. Allusions to foreign free enterprise enemies and confrontation probably intended as straw men to divert local criticism. Criticism of lack of Socialist commitment of CARICOM partners may be reaction to possible

foreign criticism of Guyana's radical course or could be indication Burnham sees himself as charismatic leader lighting way to radical Socialist future for Caribbean. Speech also contains inference that Burnham's celebrated pragmatism may give way to more authoritarian behavior to extent he encounters resistance or passivism along road to his goal. In this regard, a backward glance at Jagan's performance in power (1954-64) can be rewarding.

Krebs

374. Telegram 806 From the Embassy in Guyana to the Department of State¹

Georgetown, June 2, 1975, 1750Z.

806. Subject: Guyana's Growing Ties with Cuba.

1. *Summary*: PM Burnham's recent visit to Cuba highlighted increasing political, ideological and prospective economic ties binding the two nations. Cuba is probably already the Western Hemisphere nation with which Guyana's leaders are most ideologically attuned. The incipient links seem likely to strengthen and broaden, with potential political ramifications on Guyana's relations with Brazil, Venezuela, Surinam and with her CARICOM partners. Limited and declining U.S. interests in Guyana and Guyana's present policy of general antagonism to the U.S. in international fora and alignment with Socialist camp seem to give the U.S. little motivation to attempt to reverse or slow this development unless it is judged likely to harm greater U.S. interests in other CARICOM states. *End summary*.

2. Prime Minister Burnham's recent visit to Havana, the first by a Western Hemisphere chief of govt other than Chile's Allende since Castro's accession to power, illustrated the growing ties between Guyana and Cuba. Cuba has now probably become the Western Hemisphere nation with which top political leaders of the GOG as well as some top technocrats feel most closely politically attuned. PM Burn-

¹ Summary: The Embassy reported on deepening ties between Guyana and Cuba and the potential implications for the region.

Source: National Archives, RG 59, Central Foreign Policy File, D750192-0311. Confidential; Priority. Repeated to Brasília, Bridgetown, Caracas, Kingston, Lima, Port of Spain, Paramaribo, and USCINCSO for POLAD. Telegram 773 from Georgetown, May 23, is Document 373. Telegram 782 from Georgetown is dated May 28. (D750187-0110)

ham and other top PNC leaders have since his return from Cuba spoken increasingly of Guyana's commitment to orthodox socialism (Georgetown 773). PNC Chairman and Deputy PM Ptolemy Reid and Labor Minister Carrington have defended dictatorship of the proletariat as appropriate for Guyana, and they and Burnham have vehemently denounced concept of free enterprise.

3. Though Cuba, unlike most of the English-speaking Caribbean states, is not a member of CARICOM, the indications of a developing special relationship between Cuba and Guyana are rapidly increasing. The announcement was made by Burnham and Castro in April that resident Embassies will be established in Georgetown and Havana. Foreign Minister Ramphal told me subsequently that the Cuban Embassy in Georgetown should open in June (now doubtful) but that plans for a Guyanese Embassy at Havana are not yet settled. Burnham announced that Castro would pay a return visit to Guyana later in 1975, and dates between August and September have been subsequently unofficially mentioned. A resident Cuban fishing mission has been in Georgetown since early 1974, and Cuban trade and technical missions have been frequent visitors. Approximately one-third of the audience of around eighty people at a recent lecture in Georgetown marking the 105th anniversary of the birth of Lenin and sponsored by the Guyana-Soviet friendship society appeared to be Cubans, presumably in large part from the mission, approximately 10 Cuban fishing trawlers and one mother ship presently operate out of Georgetown. As part of the fisheries agreement with Cuba, 45 Guyanese are presently being trained in fishing in Cuba, with a group of roughly similar size due to go to Cuba in September.

4. Trade is still minimal between Guyana and Cuba, and exports of the two countries are much more competitive than complementary. Guyana has shipped several loads of timber to Cuba, though much of the timber prepared for shipment was rejected as unsatisfactory by the Cuban inspectors. The GOG has just announced that 10,000 tons of rice are to be shipped to Cuba and that Cuban cement will be purchased by Guyana in return. Burnham has also promoted among Guyanese the idea that Cuba offers attractive market for local timber despite unsatisfactory first shipments.

5. Several technical delegations from Guyana have visited Cuba over the past year and Burnham was accompanied by the Ministers of Agriculture and Education on his Cuban trip. Cuban assistance to Guyana in sugar production was offered and accepted in principle and now seems likely to newly nationalized Demerara Sugar Company (Georgetown 782). The Minister of Health travelled to Cuba earlier in the year. Our conversations with members of some of these delegations showed strong opinion that Cuba offered an excellent model for Guy-

ana in the fields of health, education, social mobilization and some aspects of agriculture. There was little apparent concern with the lack of civil liberties or the large Soviet presence in Cuba.

6. In training and education, the two countries have agreed in principle on a plan whereby Guyana would establish a Spanish language training program with Cuban participation or assistance, possibly by expanding existing Spanish Department at the University of Guyana, to train prospective Guyanese students to Cuba. An initial class for Guyanese going to Cuba for subsequent technical training has already begun using Cuban-supplied propaganda laden materials. The Cubans have agreed to accept a significant but unspecified number of medical trainees for M.D. and related degrees. The Permanent Secretary of the Ministry of Health told us that Guyana prefers such training in Cuba over training in the West because of the greater emphasis on practical experience in public health and preventive medicine in Cuba and because of the lesser likelihood that Cuban-trained physicians will emigrate from Guyana to countries in the developed world. Burnham later publicly called on Guyanese medical students at UWI (Jamaica) to do their internships in Cuba rather than in the developed countries. At the Havana meeting, Burnham and Castro also agreed that Guyana would train Cuban students in English. We understand a special English program at the University of Guyana will be set up for 40 Cuban students within the next several months. In the cultural field, though Cuba has not yet shown intensive activity, it and the PRC are the only nations during the past year that have sent large performing groups to Guyana. Cuba's group was here early this year during Republic Day ceremonies. It was warmly received at the top level but seemed to evoke little popular interest. In the religious field, the Caribbean Council of Churches sponsored a visit to Guyana in April of Cuban Baptist leader who emphasized that his role was not only to give spiritual leadership but also "affirm (Cuban) Govt policy."

7. Despite the fact that historically Moscow-line Communist-controlled opposition People's Progressive Party (PPP) has regularly sent delegates to Communist Party Congresses overseas, including all such congresses and international Communist mass orientation meetings in Cuba, direct ties between the ruling People's National Congress (PNC) in Guyana and the Communist Party of Cuba are now developing. Ulises Estrada, Deputy Head of the Americas Dept of the PCC, accompanied PM Burnham back to Guyana in April. While here, Estrada conferred with PNC leaders and party groups. The PNC organ "New Nation" on April 20 claimed that during Estrada's visit "formal relations were established between the People's National Congress and the Cuban Communist Party." Isabella Hernandez Apanes, Head of the Caribbean and Americas Division of the Cuban Ministry of Foreign Af-

fairs, has also visited Guyana on several occasions, and Cuban Council of Ministers Member Juan Orteja was here in April. Leo Ird Durante, Head of the PNC Labor Desk, returned from Cuba on May 7 after representing Guyana at Cuba's Labor Day celebration (where he seems to have displaced the PPP). He announced that another PCC top official was expected shortly in Guyana for further talks with the PNC on closer relations and announced that the PNC would seek Communist assistance for a New Trade Union Center. The govt-owned press, while denouncing training of Guyanese labor leaders in the West (echoing Burnham and other PNC figures) has editorialized in favor of such training in Cuba. Since Guyana is moving toward a de facto one-party state and a self-proclaimed dictatorship of the proletariat and since subordination of GOG to PNC is progressing rapidly, this developing tie with the PNC (which now proclaims a doctrinaire Socialist ideology) could be highly significant in the context of GOG-Cuba bilateral relations.

8. Cuba is already beginning to be spoken of as a model for Guyana in the same way as are Tanzania and the PRC. However, the PRC is distant and alien. Its local representatives by and large neither speak English nor mingle with Guyanese leaders in a "Caribbean" way. Tanzania is distant, weak and at present anything but a successful economic model. Cuba is Caribbean, widely perceived locally as successful, contains a substantial African element, and is ideologically attractive to the professed radical Socialists who are leading Guyana. Previously, PM Burnham had distrusted and feared the Soviet Union as a supporter of the opposition PPP and has been suspicious of Cuba as an actual or potential surrogate for the USSR. These fears have not vanished, and his radical shift may be based in part on his perception of a decline of the West on the world scene. With the current weakness of the PPP and a resident Soviet presence, Burnham may now feel that the USSR and Cuba can be won over to a position of support for the demonstrably more effective, radicalizing and vehemently anti-capitalist PNC.

9. On a radio talk show April 16, Burnham reiterated his belief that Guyana could serve as a "bridge" between Cuba and the rest of CARICOM, noted his conviction that Cuba would eventually join CARICOM, and spelled out his hope that Guyana would lead the other CARICOM countries on a Socialist path. If present incipient trend continues, Cuba seems likely, possibly along with the PRC, to become Guyana's principal ally and external political mentor.

10. While the direct implications of such a development for the U.S. seem to be minimal, given our limited interest in Guyana and with Guyana in any event already following a policy of consistent opposition to the U.S. in international fora, effect on Guyana's relations with

her CARICOM partners and with neighboring Venezuela, Brazil and soon-to-be independent Surinam, likely to be more significant. Since we lack effective leverage with Burnham and the GOG, there is little we can do directly with the GOG to deter its developing special relationship with Cuba. However, an effective channel might be through carefully rationalized low-keyed expressions of concern to other less radical Caribbean States, such as Venezuela, Trinidad and Tobago, and Barbados with which Guyana has important ties, and possibly to Brazil. These approaches would focus on negative implications of close Guyanese-Cuban relations, on the economic and political development of CARICOM, on the security of Venezuela and Brazil, etc; without giving erroneous impression that U.S. is still advocating isolation of Cuba in hemisphere. If Burnham became convinced that his relationship with Cuba was endangering his much more vital relations with those countries, he might return to a more moderate and pragmatic course less antagonistic to our interests.

Krebs

375. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to Secretary of State Kissinger¹

Washington, June 6, 1975.

Daily Activity Report

Guyana—I met with Ambassador Max Krebs and others in Dan Parker's office. We discussed the mysterious—to me—reluctance of some elements in AID to accept Max's proposal that we determine now not to program new loans to Guyana. The Guyanese aren't interested; why should we be? The matter was resolved, sensibly; there will be no new loans to Guyana unless circumstances change—which means, unless Burnham shows he wants, needs and deserves our support.

[Omitted here is material unrelated to Guyana.]

¹ Summary: Rogers informed Kissinger that despite some resistance from within AID, he, Krebs, and AID Administrator Parker had agreed that no further aid to Guyana would be programmed unless circumstances there changed.

Source: National Archives, RG 59, Central Foreign Policy File, P830081-1257. Confidential. Drafted by Rogers. All brackets are in the original except those indicating text omitted by the editors.

376. Telegram 1828 From the Embassy in Guyana to the Department of State¹

Georgetown, October 30, 1975, 1130Z.

1828. Subject: Guyana's Hostile Votes on the Korean Issue at UNGA: How Do We React? Ref: (A) State 257118 (B) Georgetown 1606 (C) Georgetown 1816.

Summary: Embassy recommends reaction against Guyana UNGA Korean votes by delaying or scrapping pending AID loans and possibly delaying Guyana's admission to IDB. Immediate decision needed on recommended delay of training loan now apparently ready for signature. *End summary.*

1. Guyana and Cuba were only Western Hemisphere nations to vote against us on all three UNGA first committee Korean question votes. GOG decision to oppose us was made by Burnham and a majority of Cabinet after reading Kissinger letter appealing for support (ref C) and after Embassy's repeated emphasis, per Departmental instruction, that vote would normally be reflected in our bilateral relations (ref B).

2. Under circumstances, we believe some clear and unequivocal reaction is essential if we are to retain any credibility. Probably less difficult for us to react against Guyana than against some other countries because of our limited interests here and Guyana's general hostile posture on other issues.

3. We see several ways we can retaliate:

¹Summary: The Embassy outlined ways the United States could signal its displeasure over Guyanese opposition to the U.S. position on key issues at the United Nations.

Source: National Archives, RG 59, Central Foreign Policy File, D750378–0868. Confidential; Priority; Limdis. All brackets are in the original except those indicating garbled text. In telegram 225930 to all diplomatic posts and telegram 228331 to Georgetown, September 22 and 24, the Department identified the Korea resolutions before the UN as vitally important to the United States, adding that other countries' votes on the issue would in many cases have an impact on bilateral relations. (Both *ibid.*, D750328–0593 and D750332–0806) In telegram 254964 to Georgetown, October 28, Kissinger wrote Wills requesting Guyana's support for the U.S. position on Korea at the UN. (*Ibid.*, D750373–0030) In telegram 1816 from Georgetown, October 29, the Embassy informed the Department that the Guyana would oppose the U.S. position in order to maintain solidarity with the Non-Aligned Movement. (*Ibid.*, D750375–0293) In telegram 258993 to Georgetown, November 3, the Department authorized the Embassy to hold up signing an AID training loan, noting that other measures recommended in telegram 1828 were under review. (*Ibid.*, D750381–0821) In telegram 277688 to Georgetown, November 24, the Department informed the Embassy that because the legislation providing for Guyana's admission to the IDB was already well advanced, it was not feasible to impede Guyanese membership. (*Ibid.*, D750409–0631) Telegram 1606 from Georgetown is dated September 25. (*Ibid.*, D750333–0338)

A) First, we could delay formal signing of AID public service training loan which may be ready for signature momentarily. Our signature on this loan immediately after Guyana's repeated votes against us on the Korean issue and with our protest and request on its Zionism vote still unanswered would be a clear signal that the votes were of little importance or that we were not serious in our *démarches*. Depending on our overall relations, the loan might then be offered again for signing after delay of at least two months.

B) We could tell GOG that a re-evaluation in Washington determined that Guyana's voting record and response to the Secretary's request on issues of vital interest to the U.S. showed there was insufficient mutuality of interest to justify proceeding with the loan.

C) We could delay presenting the \$3.5 million AID food crops sub-sector loan to the GOG until late in FY76 (we would obviously hold off at least pending determination on reinstatement of training loan). That would probably preclude subsequent signing until FY77.

D) With or without explanation under B, we could scrap the AID food crops sub-sector loan.

E) We could presumably delay or prevent Guyana's admission to the IDB, either by recommending to the appropriate congressional committee that the words quote and Guyana unquote be deleted from Section 24 of the pending IDB bill or by allowing the bill to pass but then instructing our IDB representative not to ratify the IDB article change which would allow the admission of Guyana. If the admissions of Guyana and the Bahamas are inextricably tied together, perhaps the benefit to the Bahamas is sufficiently marginal to nonetheless justify this action. If not, Bahamas might bring pressure through CARICOM states to induce Guyana to modify its consistently anti-U.S. international stance in an effort to gain admission for both countries. Delay or denial of IDB membership would be most effective practicable sanction we could impose on Guyana. Judging from repeated high level GOG inquiries, access to IDB is much more important to Guyana than continuation or termination of any U.S. AID project or entire AID program, which GOG seems to regard as marginal.

4. Obviously, there are other possible retaliatory measures, but they would either require major policy changes, would be meaningless, would be long-delayed, or all three. We could, for example, veto loans to Guyana from IDB's FSO after Guyana's admission. We could consistently vote against Guyana's candidates in international organizations, but our vote in such circumstances is usually no more important than, say, Grenada's. We could exclude Guyana and similar countries from the GSP, but the GSP is marginal for Guyana. We could adopt a negative stance toward Guyana in the IBRD, but that would give Burnham a propaganda weapon without cutting off loans. Further-

more, some of the above would clearly be overreaction for a quote mere unquote UNGA vote. Looking ahead, however, we do recommend Guyana be considered for exclusion from any sugar quota legislation, and that EximBank grant no further postponement (rollover) of loan payments.

5. Obviously, any reaction risks counteraction and escalation, but Guyana has few ways it can hurt the U.S. It needs our imports worse than we need its small market. There are no significant U.S. investments left to nationalize. Refusal to make payments under the Reynolds/OPIC agreement would destroy Guyana's vital international credit rating. Expulsion of USAID Mission (before we voluntarily withdraw it) would invite termination of the approximately dols 20 million pipeline of approved loans. Guyana is already systematically hostile in international organizations and on the propaganda front. GOG control of the media and of foreign govt grants has already hamstrung our USIS operation, and an [garble] to close it down [garble] USIS or Embassy personnel would invite retaliation against Guyana's Embassy in Washington, Consulate General in New York, its network of honorary consuls and its active information and propaganda program in the U.S. Burnham could, of course, abrogate the treaty allowing emergency use of [garble] Atkinson field, but the DOD has already determined the treaty has no further military utility and we are ourselves going toward possible abrogation.

6. We recommend as minimum, immediate Departmental approval of alternative (A) above. We recommend that the Department determine if some variation of (E) is feasible and advise us. If so, we recommend heavy foot dragging on membership. If no, we recommend alternatives B and C, with (C) evolving into alternative (D) if our bilateral relations continue to deteriorate.

7. USAID Director concurs on alternative (A) but is submitting dissent on alternative (E). He recommends and I concur, that he and I come to Washington Nov 20–21 for review of entire bilateral aid program.

Krebs

377. Telegram 2040 From the Embassy in Guyana to the Department of State¹

Georgetown, December 4, 1975, 1905Z.

2040. For Assistant Secy Rogers from Ambassador. Subject: Suggestions for Bettering Relations. Ref: State 282526.

1. On positive side, given current state of play in bilateral relations with Guyana resulting from series of painful votes in 30th UNGA, it would be inappropriate to suggest that USG do anything in favor of Guyana. As I stated at least twice during com sessions, it is essential to my credibility here, and to USG credibility not only here but generally, that Guyana become thoroughly aware that USG has taken concrete action to reflect negative impact on USG-GOG relations of Guyana's voting record. We await Department's determinations, having submitted our recommendations (Georgetown 1828 with dissent in 1829).

2. On negative side (things we should not do) I believe we should be temperate in applying sanctions to Guyana, in order to leave room for accommodation by both parties. I believe FonMin Wills is honestly trying to find a rationale to convince his colleagues that Guyana's interests would be better served by standing apart from non-aligned on occasion. If we react too strongly now, we could cut ground from under his endeavor (and probably make it difficult even to maintain present dialogue). This posture is, I believe, reflected in what we recommended in our 1828.

3. As I have reported from time to time, PM Burnham attaches great importance to GOG membership in IDB. Should circumstances change to point we were to want to do something favorable to Guyana, cutting red tape on Guyana's admission to IDB would top our list of recommendations.

¹ Summary: Krebs recommended that the United States Government be temperate in applying sanctions on Guyana, while making it clear that the country's voting record in the United Nations had hurt bilateral relations.

Source: National Archives, RG 59, Central Foreign Policy File, D750422-0933. Secret; Exdis. In telegram 282526 to all American Republic diplomatic posts, December 1, the Department requested specific suggestions on how it could better relations with the nations of the hemisphere. (Ibid., D750416-0746) Telegram 1828 from Georgetown is Document 376. Telegram 1829 from Georgetown was not found. In telegram 289060 to Georgetown, December 8, the Department informed the Embassy that the Secretary had decided to react to the Guyanese Government's position on Korea at the UN by continuing to delay the signing of an AID public service training loan. (National Archives, RG 59, Central Foreign Policy File, D750426-0720) In telegram 2104 from Georgetown, December 13, Krebs sought further guidance on how best to inform the Guyanese Government of the decision to continue withholding the AID loan, recommending that Guyanese officials also be told that "Washington is re-evaluating degree of community of interests essential to any program or project of assistance, given recent GOG pattern of consistently opposing 'gut' USG interests." (Ibid., D750435-0449)

4. Overall, however, I cannot honestly say there are any truly quote burning issues unquote in our relations with Guyana.

Krebs

378. Telegram 2172 From the Embassy in Guyana to the Department of State¹

Georgetown, December 22, 1975, 1930Z.

2172. Subj: Transit Facilities for Cuban Military Flights. Ref: A. State 300224; B. Georgetown 2151.

1. Having picked up outside tip that Cuba has now requested transit facilities, I phoned GOG FonMin Fred Wills. I said I thought he would be amused to know that when I spoke to him on Friday about quote being ahead of the game unquote, it turned out that my reply was barely ahead of the inquiry I received from Washington, the two messages crossing enroute. Without further ado Wills said GOG now has request from Cuban Embassy for transit facilities.

2. Wills added that when request initially made orally by Cuban Embassy official, he asked whether latter acting on official instructions from Havana. When Cuban unable reply affirmatively, Wills asked him to make request in written form and said in meantime he should start GOG machinery in order to have a prompt answer.

¹ Summary: Krebs reported that Wills had informed him of a Cuban request for transit facilities for flights en route to Africa, and he suggested that a message from a Third World leader might persuade Burnham not to facilitate the Cuban military airlift to Angola.

Source: National Archives, RG 59, Central Foreign Policy File, D750444–0495. Confidential; Priority; Exdis. Repeated to Bridgetown, Caracas, Kingston, Kinshasa, Lusaka, Paramaribo, Port of Spain, and USUN. In telegram 2151 from Georgetown, December 19, Krebs reported that he had discussed the possibility of a Cuban request for transit facilities with Wills, who said there had been no Cuban approach on the subject. (Ibid., D750442–0113) In telegram 300224 to Georgetown, December 20, the Department asked the Embassy to watch for signs that Burnham might grant transit facilities for Cuban military flights. (Ibid., D750443–0615) In telegram 300232 to Peking, December 21, the Department instructed the Liaison Office to ask the Chinese Government to use its influence to dissuade Guyana from granting transit facilities. (Ibid., P850012–2207) In telegram 2191 from Georgetown, December 24, the Embassy transmitted reports that Cuban flights had passed through Guyana between December 21 and 23. (Ibid., D750444–0495) In telegram 302785 to Caracas, December 24, the Department instructed Shlaudeman to ask the Venezuelan Government to “pass the word to Guyana to block the Cuban fueling flights.” (Ibid., D750447–0467)

3. Wills said he has reviewed existing bilateral aviation agreement with Cuba and it makes no repeat no provision for military flights and furthermore gives onward traffic rights only to West Africa. Wills said his recommendation to Prime Minister Burnham is that if GOG grants transit facilities for Cuban military flights enroute to Africa it will be tantamount to intervention by Guyana in Angolan conflict and politically would amount to outflanking Kaunda. He said he could see no rpt no objection to granting transit facilities for Cuban military flights returning from Africa to Cuba, since these would presumably be quote humanitarian unquote in nature.

4. As intimated by earlier message (reftel B) our track record in attempting to persuade GOG to come down on our side of critical international questions is such that I would have strong doubt that a high-level USG message to Burnham would be useful in the present instance. If anything is likely to sway Burnham on this question, it would probably have to be in the form of personal persuasion from fellow leader or leaders in the Third World; for example a message from President Pérez of Venezuela might carry some weight.

Krebs

379. Telegram 2196 From the Embassy in Guyana to the Department of State¹

Georgetown, December 26, 1975, 2200Z.

2196. Subj: Cuban Military Intervention in Angola: Guyana Transit Facilities. Refs: A. State 302692; B. Georgetown 2195 (Notal); C. State 303329.

¹ Summary: Krebs reported that he delivered to Burnham a message from Kissinger regarding the use of Guyanese facilities by Cuban flights en route to Angola.

Source: National Archives, RG 59, Central Foreign Policy File, P850104-1548. Secret; Niact Immediate; Nodis. All brackets are in the original except those indicating garbled text. In telegram 302692 to Georgetown, December 24, the Department transmitted a message to Burnham in which Kissinger appealed to him "to insure that Guyana not lend its cooperation and support to that [Cuban] effort of external intervention in Africa." (Ibid., P850012-2223) In telegram 2194 from Georgetown, December 24, Krebs expressed his doubt that a high-level message from the United States would produce a desirable result. (Ibid., P850104-1543) In telegram 2195, Krebs reported that Wills favored conveying Kissinger's message to Burnham. (Ibid., P850104-1545) Telegram 303329 to Georgetown is dated December 25. (Ibid., P850012-2230)

1. I delivered Secretary Kissinger's message to Prime Minister Burnham at his country residence at 1600 Dec 26. FonMin Wills, through whom I arranged appointment, also present. Conversation lasted 90 minutes, atmosphere friendly but marked by constant needling of USG policies by Burnham.

2. In response to Secretary's appeal regarding transit facilities, Burnham authorized me to convey following to Secretary:

A. No rpt no Cuban flights of nature described in Secretary's message (first para) have passed through Guyana.

B. Cuba has made no rpt no request for facilities for such flights (he acknowledged existence of civil aviation agreement).

C. Just as USG is decrying intervention by Cuba and Soviet Union in Angola, and with greater emotional intensity, Guyana protests South African intervention and is unable to accept failure of USG to single out South Africa intervention publicly.

D. When I asked Burnham what GOG would do if Cubans did request facilities, he pretended at first to take offense at implied derogation of sovereignty but conceded in end that he was unprepared to make advance commitment.

3. Our conversation covered a wide range of topics once we had disposed of immediate question, but time and again both Burnham and Wills reverted to criticism of USG attitudes and inactivity on African liberation. Our triple veto (with UK and France) on South African resolution [garble] UNSC, our policy on Rhodesian chrome, our private investment in South Africa, our arms sales to South Africa, figured among examples they cited as showing our hearts were really with the South Africans and we still don't give a fig for oppressed Blacks in Africa. Wills was especially offended at South African use of UN Trusteeship Territory of Namibia for staging. I attempted as best I could to put each of the issues into perspective and to indicate we would be greatly relieved if South Africans would go home. But the theme song could not be turned off: South Africa is the real bad actor; you've got to help us put an end to white oppression and minority rule in South Africa before you can expect us to pay attention to your structures on Soviet and Cuban involvement.

4. USG involvement in Angola, as seen in news reports of \$50 million arms assistance to Zaire, plus recent allegations that Americans are piloting spotter planes over Angola was another target of Burnham's needle. He asked how we could object to Soviet/Cuban involvement when we were also, though admittedly indirectly, involved. He even asked rhetorically at one point if U.S. would cut off assistance to FNLA/UNITA if he guaranteed not to allow Cuban military airlift to transit Guyana.

5. *Comment:* Burnham was obviously on defensive, but he chose a fairly good offensive tactic to put off our appeal. I believe Burnham hopes to avoid becoming involved in this particular issue, at least until after he sees what transpires at OAU Summit meeting Jan 10–11 (in fact he mentioned specifically GOG policy remained tied to OAU consensus). I imagine he hopes by that time a clear consensus will emerge in favor of MPLA and he can then allow Cuban flights to transit without qualms of conscience.

Krebs

380. Telegram 2220 From the Embassy in Guyana to the Department of State¹

Georgetown, December 30, 1975, 1815Z.

2220. Subj: Cuban Military Intervention in Angola: Guyana Reacts to Alleged USG Pressure Tactics. Ref: A. Georgetown 2213; B. State 302692; C. State 303982.

1. *Summary:* GOG unhappy over public disclosure that USG has expressed concern to GOG over possible use of Guyana by Cuban airlift, which adds to GOG problems in trying to deal with situation. GOG deeply disturbed over information they have received (obviously from Venezuelan Ambassador) implying USG prepared to use force in denying use of Guyanese facilities by Cubans. GOG officially seeks assurance from USG on latter point. *End summary.*

¹ Summary: Krebs reported that the Guyanese Government was disturbed by what it perceived as U.S. pressure tactics intended to prevent the transit through Guyana of Cuban military flights en route to Angola.

Source: National Archives, RG 59, Central Foreign Policy File, P850104–1551. Secret; Immediate; Nodis. In telegram 2213 from Georgetown, December 30, Krebs reported that the Venezuelan Ambassador to Guyana had apparently hinted to Burnham that the United States might use force against Guyana if Cuban flights continued to pass through the country. (Ibid., D750450–0190) In telegram 305226 to Georgetown, December 31, the Department authorized Krebs to “tell Jack orally, privately and emphatically that we have at no time contemplated the use of force against Guyana on this issue.” (Ibid., D750050–0842) In telegram 2227 from Georgetown, December 31, Krebs reported that Jack was relieved by this assurance. (Ibid., P850104–1555) In telegram 33 from Caracas, January 2, 1976, Shlaudeman reported that he was unaware of what the Venezuelan Ambassador might have said to Burnham, but that it was not inconceivable that “the inspiration for such excesses as he may have uttered came from President Pérez.” (Ibid., D750002–0964) Telegram 302692 to Georgetown is dated December 24. (Ibid., P850012–2223) Telegram 303982 is dated February 11. (Ibid., D750449–0493)

2. Acting FonMin Hubert Jack (Minister of Energy and Natural Resources) asked me to come to FonOff this morning (30th). He had FonOff PermSec Rudy Collins present as notetaker.

3. With minimal amenities but essentially in friendly tone, Jack said GOG had been taken aback by fact that State Dept spokesman yesterday disclosed USG had expressed concern to GOG over use of Guyana as refueling stop for planes carrying Cuban troops to Angola (reftel C). Jack went on to say that GOG felt obliged to put out statement (reported in USIA media reaction) categorizing this action as pressure. Jack said I was surely aware how delicate this matter was for GOG and that our statement added another complication, because it would make an eventual refusal to Cubans look as though Guyana had caved in to USG pressure. He recalled previous issues (e.g. Reynolds nationalization) which two governments were able to resolve by quiet negotiation, and concluded he hoped we could continue dialogue on this question in same fashion.

4. I said I had not rpt not been aware of USG press statement until I heard it on government radio newscast at 0700. I said I would convey GOG reaction to Washington. Jack said his impression was USG had made no public statements about its démarches to Barbados and Trinidad until after those govts announced their decisions on denial of facilities and he wondered, if this correct, why Guyana being treated differently.

5. Jack then asked how I would define the context in which Secretary Kissinger sent his message to PriMin Burnham. I went over background of my series of talks with FonMin Fred Wills, leading up to point when Barbados and Trinidad denied Cuba refueling facilities and Guyana became next logical place for Cubans to seek accommodation. I said my govt had impression GOG shared our concern over flagrant foreign military intervention in Angola, but then we had heard reports, some later confirmed, that Cuban planes had begun to transit Guyana. It was in this context that Secy. Kissinger appealed to PriMin Burnham not to lend GOG cooperation to external intervention. I put stress on quote appeal unquote.

6. Jack said my statement was of some comfort to him, as he was obliged to tell me that GOG was deeply disturbed at information it received yesterday from source which warranted credence, to effect that USG would even be prepared to resort to use of force in order to deny use of Guyanese facilities by Cuban airlift. He said Guyana had a whole nexus of relations with U.S. resting on foundation of assumed friendship between two govts. Obviously, if there were any foundation to information in question, Guyana, which lacks any significant capacity for self-defense, would have to look for external support. He asked for my reaction.

7. I said I was almost positive I could identify source of this information, since I had picked up report late yesterday (i.e., my conversation with Venezuelan Ambassador, reftel A) which could easily have given impression he described. I added that I was both surprised and dismayed, because I felt I had been privy to my govt's thinking on the subject and I was unaware of any foundation for this quote information unquote. I said it seemed to me better all around not to identify source of this report, but I could assure Jack that I had already drafted telegram informing Washington of what I had learned yesterday.

8. Jack said GOG would like to have some reassurance from USG as to its intentions. I said I would pass this request urgently to Washington and would let him know as soon as I had a reply.

9. *Comment:* Tenor of Dept's instructions to me and of the Secretary's letter to Burnham left me totally unprepared for Venezuelan Ambassador's account of what he told Burnham. Of various possible explanations I am assuming either A) Marquez misunderstood his instructions or B) GOV misinterpreted our request. One point I failed to mention in reftel A is that Marquez also spoke as though he had at least intimated to Burnham that his govt was inspired to act by prodding from USG.

10. While I still believe it is probable that Burnham will decide to continue to allow Cubans to refuel here, perhaps delaying public move until after OAU Summit, I believe he is likely to do so in context of defiance to USG threats. He may be dissuaded from public allegations of USG pressure, or at least to mitigate his remarks, if I am authorized immediately to give Jack orally and privately a formal and categoric denial that USG is in any way contemplating use of force against Guyana or this issue. End comment.

11. *Action requested:*

A) Instructions for reply on use of force question.

B) Indication whether we publicly acknowledged demands to Barbados before or after it took its public stand.

Krebs

381. Telegram 9480 From the Department of State to the Embassy in Guyana¹

Washington, January 14, 1976.

9480. Subject: Response to GOG Inquiry About Press Reports Linking AID Programs and UN Votes. Refs: State 6769; Georgetown 63; Georgetown 2104.

1. In response to Foreign Minister Wills's request for an official USG statement on the January 9 *New York Times* article (Georgetown 63), you should make following points:

A. We consider a wide range of factors in determining our bilateral relations with any given country, and actions in multilateral fora are an important element in the equation. In this connection it is important to note that Congress is taking an increasing interest in foreign affairs and in UN developments. Votes against the U.S. interest in the UN do not go unnoticed and cannot be ignored.

B. Authority to sign the AID public sector manpower training loan expired during the period of UNGA consideration of Korea. We did not want to sign an AID loan at a time when GOG so dramatically demonstrated opposition to the U.S. on a matter of vital interest to the U.S. and in a context where our interest had been made very clear to the GOG. We therefore decided delay requesting new signing authority for this loan. We did not inform the GOG at the time because the period of delay was indefinite. Timing for signing this loan is still under consideration in the USG.

¹ Summary: The Department instructed the Embassy to inform Wills that the signing of the AID training loan had been delayed indefinitely because of Guyana's position on Korea at the UN but that another AID loan was being processed normally. The Department added that it did not wish to make aid an emotional issue, as it still hoped to win Guyanese restraint on the Angola issue and in the Security Council.

Source: National Archives, RG 59, Central Foreign Policy File, D760016–0257. Confidential; Exdis. Repeated Priority to USUN on January 16, which is the copy published here. In telegram 63 from Georgetown, January 11, the Embassy reported on Guyanese reaction to a January 9 article in the *New York Times* on cuts in aid to countries that voted against U.S. interests at the UN. (Ibid., P840105–0327) In telegram 87 from Georgetown, January 15, the Embassy reported that it had delivered the Department's message to Wills and that it did "not believe that this message or decision will induce greater Guyanese restraint since motivation for consistent Guyanese opposition to U.S. has deep ideological, racial and personal roots." (Ibid., D760015–1132) In telegram 256 from Georgetown, February 6, the Embassy recommended that the Department consider further reductions in aid to Guyana in response to continuing hostile actions. (Ibid., D760046–0526) Telegram 2104 from Georgetown is dated December 13, 1975. (Ibid., D750435–0449) For the article mentioned, see Leslie Gelb, "U.S. Linking Aid to Votes at UN: Kissinger Reported to Aim Punitive Cuts at Nations Aiding Hostile Stands," *New York Times*, January 9, 1976, p. 1

C. We are continuing to process the food crops subsector loan and are prepared to go ahead with it in due course.

D. You should explain again to Wills our disappointment over Guyanese opposition on the Korean issue, referring in particular to the Secretary's October 28 letter which described the Korean item as the most important issue on the UNGA agenda from the U.S. point of view.

E. It was because of our desire to discuss this issue and other important issues in the UN, the Angola question, upcoming Security Council debates, and a range of Third World issues, including commodity questions, that Assistant Secretary Rogers thought it important to see Foreign Minister Wills. As it proved impossible for Rogers to meet with Wills on Wills's return from Africa, a series of high-level briefings were arranged for Ambassador Mann just prior to his return to Guyana. We are prepared to continue this close contact with Mann following his return to Washington.

F. You may conclude by telling Wills that we hope for a continued dialogue on problems in our relations and issues of mutual interest. In line with this, Assistant Secretary Rogers and Ambassador Mann agreed just before Mann's departure that further efforts should be made to set up a meeting between Wills and Rogers. We are still hopeful that such a meeting can take place in the near future.

2. *FYI*: With regard to your suggestion (Georgetown 2104) that we say we are "reevaluating degree of community of interests essential to any program or project of assistance" you should note that the Secretary decided only to hold up signing the AID public sector manpower training loan. He further instructed that we not go beyond his original decisions in following up on the Korea issue in the UNGA. Thus we would not want to suggest that the entire AID program or any loans other than the manpower training loan have been affected by the Korea issue. This is particularly important because we do not want our economic assistance to Guyana to become an emotional issue for them at a time when we still hope for some Guyanese restraint on Angola and in the Security Council. *End FYI*.

Kissinger

382. Memorandum of Conversation¹

Washington, February 12, 1976, 4:15–4:45 p.m.

SUBJECT

U.S.-Guyana Bilateral Relations, UN Voting, Angola and Cuba

PARTICIPANTS

Guyana

Fred R. Wills, Foreign Minister

Rashleigh Jackson, Permanent Representative to UN

Laurence E. Mann, Guyanese Ambassador

United States

The Secretary

William D. Rogers, Assistant Secretary for Inter-American Affairs

D. Clark Norton, ARA/CAR (notetaker)

After an exchange of greetings, the following conversation ensued:

The Secretary: I'm the one in trouble now with a sore back. Watch how carefully I have to sit down.

I have read your various communiqués and statements and already know your views on the major issues. I admired your predecessor, "Sonny" Ramphal. He was a great orator and an active participant in our inter-American meetings. I have great regard for him.

What brings you to Washington?

Wills: I am on my return from Manila and have visited with Guyanese living on the West Coast in Los Angeles and San Francisco.

The Secretary: Are there many Guyanese out there?

Wills: Yes. It was my pleasure to visit with many of them in their homes.

¹ Summary: Kissinger and Wills discussed Guyana's votes in the United Nations, Angola, and bilateral relations. Kissinger told Wills that the United States had no interest in confrontation with Guyana, and Wills assured Kissinger that Guyana would not become a Soviet or Cuban base.

Source: National Archives, RG 59, Central Foreign Policy File, P820117-0908. Secret; Nodis. Drafted by Norton on February 13 and approved by Covey on March 16. The meeting occurred in the Secretary's office. In telegram 186 from Georgetown, January 28, Krebs reported that Mann told him on January 27 that Wills desired a meeting with Kissinger because of "new directions in GOG foreign policy." (Ibid., D760032-0866) In telegram 333 from Georgetown, February 17, Krebs reported on a February 16 discussion with Wills that covered the Guyanese Foreign Minister's conversation with Kissinger. (Ibid., D760060-0929) In addition, Krebs reported in telegram 362 from Georgetown, February 20, that Wills said that he and Kissinger had not discussed economic assistance but that if the subject had been raised he would have noted that a lack of U.S. aid would tend to make Guyana "hostage" to offers of assistance from sources such as the Soviet Union and China. (Ibid., D760065-0133)

The Secretary: Well, I am happy to have this opportunity to meet you. You have been terrifying our Ambassador, who has been striving to have good relations with your country.

Wills: I do not intend to terrify Max (Ambassador Krebs).

The Secretary: Now that I am without Moynihan, I don't know how to deal with you.

Wills: During my trip to Africa in early January, your Ambassador in Lusaka said that you wished to have a discussion. I am sorry that I was unable to stop in the United States on my return from that trip.

Bilateral Relations

The Secretary: Well, I am happy to have this opportunity to talk with you. It is inevitable that we disagree on some things, given our different perspectives.

We have no overriding national interests in Guyana. Is there anything you want from us?

Wills: Well, Max (Ambassador Krebs) said that our relationship had soured.

The Secretary: That is the case.

UN Voting

Wills: He (Ambassador Krebs) has expressed your disappointment at our UN voting.

The Secretary: We understand that, for many nations, the UN is the one place where they can conduct diplomatic relations. We do not expect 100 percent support from any nation in the UN. Small nations can go their own way for domestic reasons. However, if a country votes consistently against the U.S. on all key issues and aligns itself always with the Soviet-Cuban position, then we must take note.

Cuba

The Secretary: As for Cuba, we were on the verge of improving relations until Cuba became involved in Angola. I am not against Dr. Castro or Cuba's being a Communist society. We have demonstrated that we can survive with a Marxist-Leninist regime in a country of eight million people so close to us.

We are not going to accept Cuban intervention in Angola, since that could lead to another international explosion. If Castro is really interested in improving his relations with us, then he can do so without sending an expeditionary force to Africa. Until the Angolan situation, we were well on our way to normalizing relations with Cuba. The OAS was also on the way to resolving the Cuban issue.

I want you to know that we are not religiously anti-Cuba or anti-Castro.

Angola

The Secretary: I know you do not agree with us on Angola. However, we cannot dismiss the fact that Cuba has sent over 12,000 troops to fight in Angola.

Wills: We all have different domestic considerations, and too much time is spent wooing the electorate. Cuba justifies its role in Angola as a fight against apartheid.

The Secretary: Did you know that there is limited public support in Cuba for the Cuban intervention?

Wills: Really I do not want to talk for Cuba on this matter. In Guyana's case, we abhor apartheid and have so based our position on Angola.

The Secretary: I understand your position on the question of apartheid. For Blacks, the cause against apartheid is of profound concern, and I sympathize with you.

Wills: We have different perceptions of what is happening in Angola.

The Secretary: I know what we wanted to do. In 1974, a number of African countries came to us and requested that we support UNITA. If we had decided to give our support to UNITA, they would have won. We, however, decided that it was not in our interest to become involved. We were even willing to let the MPLA win, if that was the best African solution to the problem.

In other African countries, we have supported liberation movements. We deal with Frelimo in Mozambique, and they are not pro-American or pro-capitalist. Despite our differences, we get along well with Frelimo, and I may even visit Mozambique on my African trip if they don't lock me up.

The essential problem in Angola is the large amount of Soviet assistance being provided to the MPLA. I have recently read figures putting the level of Soviet assistance at \$285 million. Do you know that this amount exceeds the total of all military assistance (or purchases) for all of Africa combined? When the USSR provides such assistance on such a massive scale, we are concerned. If the USSR had limited its assistance to approximately \$10 million, we would not be so worried. It is the Soviet supply effort and Cuban troop intervention that gives us problems. Our Congress has stopped us from providing assistance.

I want to inform you, however, that the Cubans are playing with fire. Sooner or later, we will stop them.

We are also against the South African intervention in Angola.

We would have preferred to see a government representing the three factions initially emerge in Angola. We understand how African

politics go and know that, as nature takes its course in Africa, the strongest faction would ultimately gain power.

Wills: The three-party arrangement in Angola had reached its limits based on the tribal connections and was falling apart before the Portuguese withdrawal.

The Secretary: UNITA had the greatest tribal support.

Wills: (At this point, Wills discussed the linkage between the Ovimbundo tribes in Zambia with those residing in Angola.)

The Secretary: I was unaware of the connection between the tribes in Zambia and Angola.

Cuban Intervention in Angola

Wills: My personal preference was for Savimbi, and when I was posted to Lusaka, I recommended that my government support him. When Savimbi requested South African assistance, my government could no longer support him.

The Secretary: Savimbi asked for South African assistance in response to the Cuban intervention.

Wills: We may differ on this point.

The Secretary: Even the United States could not dispatch 12,000 troops on the spur of the moment. The logistical planning for such an operation would take weeks.

Wills: That may be true.

The Secretary: Sending 12,000 troops some 5,000 miles is quite a logistical operation.

Wills: Maybe, you are right that the Cubans had been planning this operation for sometime.

Cuban Transit of Guyana

The Secretary: Why did you allow Cuba to use your airfield?

Wills: I do not know of any Cuban aircraft using our airport for military purposes. We have a civil aviation agreement with Cuba. I have neither seen nor heard reports that the Cubans were sending military equipment or troops through Guyana.

The Secretary: I want to tell you that they used your airfield. You are a sovereign country and do as you wish.

We do not have any defense of the South African intervention and proposed from the beginning that the South African forces should be withdrawn.

Wills: The South Africans have a long-term objective to participate in economic projects in Mozambique and Angola to establish a northern buffer zone for protecting apartheid.

The Secretary: Such a strategy is not going to succeed.

Wills: The South Africans are concerned at defending apartheid at the northern borders, and the battle is taking place there.

In Angola, we would be satisfied for any party to win which is not afraid of being independent of the NATO powers and the USSR I do not think that the MPLA will grant the USSR facilities for staging military operations in the South Atlantic, or become a lackey of the Soviets.

The Secretary: It depends on what they want from a strategic standpoint. In the cases of Guinea and Congo (Brazzaville), the Soviets already have strategic bases to use. It is not important to the Soviets that these governments always hew their line—only that the Soviets have the right to use their facilities for emergency operations.

Wills: That may be so, but I don't think the USSR plans to use the facilities in Angola.

The Secretary: That is not true. The Soviets will be able to use the airfield and the shipping facilities in an emergency.

Don't you think that the African countries will draw some conclusions from the large scale Soviet involvement in Angola and make some adjustments in their foreign policies?

Wills: I always believed that, in its policy toward Africa, the U.S. was not interested in assisting liberation movements. It is heartening that the U.S. is now helping, but I believe you have lost good mileage in the past by refusing assistance to some liberation movements. (Note: Wills was not specific on this point.) These groups were forced to turn to the other side and purchased their shabby goods out of necessity.

The Secretary: What do you mean?

Wills: I mean the other side filled the void by extending credits for the purchase of goods at cheap prices.

The Secretary: What *is* happening in Africa now means that we must become more active in Africa. It will become an area of great power rivalry.

Wills: The threat now is Rhodesia and Namibia. I agree that Africa is bound to become an area for the great powers to concentrate their efforts.

Regarding the situation in Angola, Guyana must support whatever movement opposes the South African intervention. We originally supported Savimbi. Our choice of support for the MPLA is now dictated by circumstance.

The Secretary: Well, there is nothing we can do now regarding this problem. I hope, in the future, we can talk about a problem before it becomes an acute issue in our bilateral relations.

Wills: When I went to Africa in late December, we had not really made up our minds on Angola. Upon my return to Guyana, I was quizzed on the deep South African intervention, and my government

then decided to support the MPLA cause. If it had not been for the South African intervention, the U.S. stance may have been more defensible.

UN

I would like you to know that, at the UN, Moynihan has been the catalyst for a number of small Third World countries to join together in opposing the U.S. position on key questions.

The Secretary: He also attacks me.

Wills: I am aware of that. I note that he is a Democrat serving in a Republican Administration and receives great publicity for his speeches. I find it interesting that the President and you have had to support him publicly for his stands.

The Secretary: What did you expect us to do?

Wills: I understand the position in which you were placed. What worries us is that there seems to be a broad consensus in the U.S. that supports Moynihan and accepts his confrontational tactics against the Third World. At the last UNGA, we (meaning the Third World) offered compromises which Moynihan rejected.

The Secretary: What do you mean? (Turning to Rogers: Were you aware of this? Rogers nodded negatively.)

Wills: On the Zionism vote, the Africans and other Third World countries sought to defuse the issue in the Third Committee by having the question referred to the Human Rights Committee. The U.S. representative, however, gave the signal to one of the Third World representatives to kill this proposal for reasons that he would lose the propaganda advantages of having the resolution come to a vote.

The Secretary: Did you personally propose this to our people at the UN or to our Ambassador in Guyana?

Wills: No.

Jackson: This was an initiative of a number of Third World countries at the UN, who were involved in trying to defuse the situation through arranging a compromise. Our efforts were torpedoed by Moynihan's veto.

Wills: At the Non-Aligned meeting in Lima, we (the Third World) had stopped the Arabs from pushing for expelling Israel from the UN and equating the Israeli issue with South Africa. Moynihan's efforts, however, nullified these efforts. We also found Moynihan's attacks on people and political systems to be unhelpful.

The Secretary: I wanted to defer the resolution.

The Secretary then answered his intercom.

The Secretary: Regarding UN voting, we understand your problems and domestic concerns. We will be mature and not expect your

support all the time. If you tend to vote against us all the time, however, then we must take note of your record.

In New York last fall, there were peculiar circumstances. That situation will be remedied.

Our new UN representative will follow the broad policies that we have initiated, but in a different style. You will find a better hearing for compromise solutions that you may propose. Also, please keep our Ambassador in Guyana informed of your recommendations, and he will report your views to us unexpurgated.

Bilateral Relations

The Secretary: We have no interest in a confrontation with Guyana, and we hope that Guyana does not wish to confront us. We understand that our social and domestic views are not identical. Whatever system you may decide to follow will not undermine our structure. Likewise, we are not out to undermine Guyana. Let us act like adults and pursue a mature relationship.

I had a very good relationship with Ramphal.

Wills: I should like to inform you, Mr. Secretary, that Guyana will not allow itself to be used as a Soviet base.

The Secretary: What about a “Cuban base”?

Wills: That also goes for Cuba, and we will not permit Cuba to use Guyana to export revolution.

We are an unaligned country, and no one will dictate to us what foreign policy to follow—not you, Moscow, Peking, or Havana.

The Secretary: Philosophically, we have no problem with your unaligned position. I want you to know that we understand that we cannot expect you to support us all the time. We, however, believe that, as a true non-aligned country, you can support us from time to time rather than always adhere to the Soviet-Cuban line.

Wills: We “Black Caribbean” people see ourselves with having much in common with Cuba. There are a number of Blacks living in Cuba, with whom we can identify. We have also noted that the bulk of Cuban troops in Africa are Black. We are concerned, however, over Castro’s mistreatment of Blacks and the disadvantaged status of Blacks in Cuba.

The Secretary: Does Castro really mistreat his Blacks?

Wills: Philosophically, Castro will say no, but in reality, the Cuban Blacks have not really benefited from his revolution.

Guyana’s close ties with Cuba have been dictated by special circumstances. Our major opposition party is Marxist-Leninist in origin, and its main sources of support were from the USSR/Cuba. The present government has been forced to establish ties with these two

countries to reduce financial support to the opposition. Now, the opposition has given critical support to our policies, and we cannot reverse ourselves.

We in Guyana do not look at Cuba as a Soviet satellite. We see Cuba as a country that long suffered under colonialism/imperialism.

The Secretary: The one thing that I was going to use my time in office for was to normalize relations with Cuba, and I had made the necessary speeches to gain public acceptance. It is a pity that Cuba got involved in Angola.

If Cuba does not watch itself, there is going to be a military confrontation more likely in Cuba, and not in Angola. We have done everything to improve relations, but Castro can no longer get away with sending troops all over the globe. We do not plan to fight him in Guinea-Bissau.

At this point, the Secretary rose.

The Secretary: Do you get to the U.S. very often?

Wills: From time to time, I get to New York.

The Secretary: Good. Perhaps it will be possible for us to meet again sometime and resume our discussions.

383. Telegram 751 From the Embassy in Guyana to the Department of State¹

Georgetown, April 15, 1976, 2001Z.

751. Subject: Guyana-Cuba: Discussion with Foreign Minister Wills. Ref: A) Georgetown 727, State 87613.

¹ Summary: Krebs expressed concern to Wills over the training of Guyanese troops in Cuba.

Source: National Archives, RG 59, Central Foreign Policy File, D760143-0603. Secret; Immediate; Exdis. Repeated to Brasília and Caracas in telegram 91582, April 16. (Ibid., D760143-1009) In telegram 8681 from Georgetown, April 4, the Embassy informed the Department of reports that GDF personnel had been sent to Cuba for training. (Ford Library, National Security Adviser, Presidential Country Files for Latin America, Box 4, Guyana, State Department Telegrams to SecState—NODIS) In telegram 87613 to Georgetown, April 21, the Department instructed Krebs to inform Burnham and/or Wills that the training of GDF troops in Cuba could cause anxiety and misunderstanding throughout the hemisphere. (National Archives, RG 59, Central Foreign Policy File, D760137-1135) In telegram 727 from Georgetown, April 12, Krebs expressed concern to Wills regarding the training of GDF troops in Cuba. In paragraph 8 of that telegram, Krebs reported that he had said to Wills that he supposed that recent Guyanese statements that there were no Cuban troops in the country had made it impractical for Burnham to allow the Cuban trainers to come to Guyana. (Ibid., D760138-0296)

1. Not having heard from Wills since our meeting on April 12 (reftel A), I phoned him this morning (April 15) and he agreed to see me at 10:30. We talked for over two hours with half hour lead-in of his observations and impressions of Final Days of Watergate which he is reading.

2. When we got around to GDF troops being trained in Cuba, Wills said this was a fact, confirmed by Burnham. In course of discussion Wills said GDF troops have been and are being trained in Cuba with 128 presently in Cuba undergoing jungle warfare and special weapons training. He said Burnham had authorized him to state to me as USG representative that this training is for strictly defensive purposes and to assure USG that GOG has no aggressive intent whatsoever. On question of possible deployment to Africa, Wills said he could give me categorical assurance there was no such intention on the part of GOG.

3. Wills said I had been correct in my assumption regarding rationale for sending GDF to Cuba rather than bringing Cuban advisers to Guyana para 8 (reftel A). To this I remarked it seemed to me that having made such a point of bringing foreign correspondents to Guyana to observe for themselves that there were no Cuban advisers, these reporters would feel they had been taken in when they learned, as they inevitably would, that at the very time they were being shown around Guyana, GDF troops were already in Cuba being trained. They would see this as the same quote banana unquote and would be badly burned up at both Burnham and Guyana. Wills ruefully agreed, but again insisted GOG leaders perceived a real threat principally from Brazil but also from Venezuela, and he hoped the USG would view their consequent perceived need for advanced training of GDF troops in this light.

4. As possible explanation for story about eventual deployment to Africa, Wills said he thought this had come about because the troops were not given full information and were enjoined from corresponding with family and friends, thus given cloak and dagger impression from which it was easy to extrapolate the African destination.

5. Wills went on to speak at some length about the increasingly isolated and difficult position in which he finds himself within Cabinet framework. He said Burnham was annoyed that we had learned about GDF training, but seemed equally annoyed that matter had been raised through FonMin. According to Wills, Burnham contended that this was strictly a military matter and it should have been raised with him as Minister of Defense, and had brushed aside Wills's contention that there were clear and important foreign policy implications in the matter. In short, Wills said Burnham had instructed him to tell me that future inquiries of this nature should be raised directly with Burnham as Minister of Defense.

6. Responding to Wills's plea that we see this in the light of Guyana's defense needs, I asked him to listen again to the second talking point in para 2 reftel B. I added that Guyana's neighbors were bound eventually to learn of the GDF contingents being trained in Cuba, and this would only serve to escalate the concerns they are already showing by increased troop dispositions and skirmishes in border areas. I said it seemed to me this was playing straight into Castro's hands in that with each successive stage of closer collaboration between Guyana and Cuba there was a corresponding alienation of Guyana's neighbors and friends in the hemisphere. I saw a danger that this could end with Guyana totally dependent upon Cuba in much the same fashion that Cuba is confined to what he had earlier described as quote a Soviet strategic straight jacket unquote.

7. Wills said he could assure me that Burnham and he were not fools; they fully realize that if Guyana called for Cuban troops to defend Guyana they would end up being captives of Cuba, and probably be replaced by someone like Jagan. He added in a plaintive tone that the problem was to convince the U.S. that Guyana's preference for socialism was strictly a domestic affair and meant no hostility toward the U.S. In fact, he reminded me he had told a visiting delegation from the Canadian Defence College last week, responding to a question by State Dept student Froebe, that in the event Venezuela invaded Guyana in pursuit of its territorial claim, Guyana would turn first for assistance to the U.S., and thereafter to Brazil. I told Wills I could assure him, as I knew Secretary Kissinger had done, that it was no repeat no concern to us, whether Guyana wished to have a Socialist or Marxist regime internally. The two major problems for the U.S. were, first, Guyana's increasing alignment with Cuba and, second, as he was well aware, Guyana's unconditional alignment with the non-aligned on issues in the UN and other international forums where our vital interests were at stake. I said I was convinced if these two negative factors were not present, the U.S. would not only be able to get along with Guyana, but would be in a position to extend a helping hand as we had from the beginning of Guyana's independence. Wills said that personally this was what he hoped to achieve, but he was facing tough obstacles and needed time to get his views accepted by Burnham and Cabinet.

8. *Comment:* Wills came through with considerable sincerity, particularly in his assertion that he had been bypassed in the decision to send troops to Cuba. He said he should have been tipped off by a report from the number two man in Guyanese Embassy Havana that there had been a mix-up about a couple of Guyanese military personnel whose cover apparently had been blown on arrival. He said he had assumed this was an isolated instance of some kind of cloak and dagger caper by Burnham. He said he was really shocked to find that his per-

manent secrecy had picked up the troop training story from rumors going around Georgetown. Wills further said he had told Burnham he would under no circumstances remain in Cabinet if Burnham had any intention of deploying troops to Africa, and he said Burnham had given him formal assurance on this point.

9. I believe we have made our point and that Burnham must now realize he cannot expect to continue his undercover military relationship with Cuba without at the same time exacerbating his relations with USG and incurring the risk of open hostilities from his two neighbors. In this connection Wills confirmed story we have been getting from various sources to the effect there was a recent armed clash between GDF and Venezuelan troops along Barima River, and that there have been a series of minor episodes between augmented Brazilian garrisons and GDF troops along Ireng River.

Krebs

384. Memorandum of Conversation¹

Washington, June 4, 1976, noon.

SUBJECT

Secretary's Meeting with Guyanese Foreign Minister Wills

PARTICIPANTS

Guyana

Foreign Minister Fred R. Wills

Ambassador to the United States Laurence Mann

¹Summary: Mann, Wills, and Kissinger discussed Guyana's relations with its neighbors and with the United States.

Source: National Archives, RG 59, Central Foreign Policy File, P820118–1504. Secret. Drafted by Norton and approved by Covey on July 12. The meeting was held in the Secretary's office. All brackets are in the original except those indicating text omitted by the editors. In telegram 817 from Georgetown, April 28, Krebs reported to the Department that he and Wills had discussed the possibility of arranging another meeting between Wills and Kissinger. (Ibid., D760161–0761) In a June 29 meeting, Rogers and Luers informed Mann of the result of Kissinger's discussion of Guyanese border concerns with Brazilian and Venezuelan officials. In addition, Mann seemed pleased with Kissinger's assurances to Wills that the United States was not seeking to destabilize the Guyanese Government. (Telegram 169170 to Georgetown, July 8; *ibid.*, D760264–0872) Rogers informed Kissinger of the meeting with Mann in a July 1 memorandum. Kissinger rejected a suggestion in the memorandum that Wills be sent written assurances on the destabilization issue. (Ibid., P760104–1389)

U.S.

The Secretary

Assistant Secretary William D. Rogers, ARA

D. Clark Norton, ARA/CAR (Notetaker)

After the exchange of pleasantries, the following discussion took place.

[Omitted here is discussion of the International Resources Bank, the United Nations, and Cuban policy toward Africa.]

Guyana/Cuba Relations

Wills: I hope you do not come to the conclusion that Guyana will provide Cuba logistical support for its African involvement. Cuba does not need to use Guyana's facilities. I assure you that Guyana will not allow its security to be violated by permitting a Cuban military presence or by becoming a Cuban puppet.

The Secretary: That is very important, and we appreciate your assurances.

Now, what problems do you have?

Guyana/Brazil Relations

Wills: My problems should be well known to you. They concern our borders, especially our border with Brazil.

The Secretary: Are they really doing anything serious down there to you other than attacking Guyana in the newspapers?

Wills: Well, it seems that the Brazilians are mobilizing along the borders.

The Secretary: Really. I have no indication of this.

Mr. Rogers: Do you have any estimate of the size of the Brazilian mobilization?

Wills: We have heard of Cuban exiles being trained in the border region and an increase in the Brazilian patrols along the border.

The Secretary: (to Mr. Rogers) Did you know this?

Mr. Rogers: I had never heard of this report.

Guyana/Surinam Relations

Wills: We also are concerned that the U.S. has chosen to sell military equipment to Surinam. Now that Surinam has attained its independence, it has become hostile toward Guyana. In the Presidential Determination making Surinam eligible to purchase U.S. equipment, we note that the justification is that such sales are in the security interests of the U.S.

The Secretary: I was unaware of the decision to sell arms to Surinam. Although Surinam may be eligible to buy military equipment, it does not mean that we are doing it. I want you to know that.

Wills: Well, your policy not to sell arms to Guyana means that we have had to look elsewhere for our weapons. We have had to go to Europe for most of our needs. We have assumed that it is not in your interest to sell arms to us.

Mr. Rogers: Have we turned down any request by your Government to purchase weapons?

Wills: We have not had a previous need to come to you with any requests.

Mr. Rogers: I will look into this matter of selling weapons to Surinam and give you a report.

The Secretary: I would like to make two points clear. The first is that we have little interest in selling arms to an army trained by Cubans. Second, we are not encouraging anyone to make a territorial claim against Guyana.

Wills: Well, if you refuse to sell us arms or provide training, then we must look elsewhere.

The Secretary: As I understand, you have not made a serious request to purchase arms from us. Let Bill Rogers know what you need and on what terms. We will look at your request, but I must caution you that our response will probably be negative. What terms would you want?

Wills: We would be willing to pay for any equipment.

The Secretary: Although there are many aspects of your policies I don't like, we are not trying to overthrow your country or government.

Wills: I want you to know that we cannot afford a large Cuban presence in Guyana. We are not fools and know that the Cubans would put Jagan into power.

The Secretary: I agree you are not fools. However, I am not so sure about your Cuban connection. You have told us that you are sending troops to Cuba for training.

Wills: That is true. You have made no meaningful offers to assist us. We have sent people to West Point but found that type of training was useless for our needs.

The Secretary: It is even hard for us to keep some West Point cadets in the system.

Brazil/Guyana Relations

Wills: I am pleased to learn that you are not encouraging Brazil against Guyana. Have you attempted to discourage them?

The Secretary: Absolutely! We have no evidence that the Brazilians are doing anything against you. I will see Silveira (the Brazilian Foreign Minister) on Monday in Santiago and ask him about the situation.

Wills: I don't think Silveira will be very useful and influential. He can only carry a message back to Brasilia.

What the Brazilians are doing makes us believe we are being destabilized. For instance, the Brazilians are increasing their development of the border zone and attack our Socialist system in their press. Then there is the problem of the white Brazilians attempting to maintain power in Brazil. The white Brazilians believe that if they are successful they will have upheld the principle of white rule in South America.

The Secretary: Why does a small country like Guyana have so many border problems?

Ambassador Mann: It is a fact of history, a legacy from the British.

Guyana/Surinam Relations

Wills: We are also concerned at Surinam's intentions toward us. I note that Surinam's Prime Minister is going to France to see Giscard D'Estaing on a sensitive matter.

We further understand that France has recognized Surinam's claim to a portion of Guyanese territory. Even Surinam's new maps extend Surinam's boundary to include the disputed territory in Guyana. We cannot accept this. As long as Surinam lays claim to this territory, we cannot develop the uranium and bauxite located there.

There are also a number of right-wing "hawks" in Surinam who are against Guyana. This also concerns us.

The Secretary: I have never heard of Surinam as an offensive country. In fact, I don't know where Surinam is on the map.

I want you to know that I have had no contact with anyone from Surinam.

Bilateral Relations

The Secretary: There should be no obstacle to an improvement in our relationship so long as Guyana is not being used as a Cuban base.

Wills: I want to assure you that Guyana does not intend to be used as a Cuban base.

Is it possible to use your "good offices" to investigate whether there is really any truth to the rumors of a build-up on our borders?

The Secretary: I will talk to both the Venezuelan and Brazilian Foreign Ministers at Santiago and get their views of the situation. We have no interest in destabilizing Guyana.

Wills: I do not want to go to Santiago because of my opposition to the present Chilean regime. I have heard rumors that the OASGA will appoint a committee to monitor the presence of Soviet/Cuban advisors in the hemisphere. If such a committee is set up, I invite them to visit

Guyana and inspect first hand our territory so that you can see there is not a Cuban military presence in Guyana.

The Secretary: We have heard nothing of such a committee being established at the OASGA.

Mr. Rogers: I doubt if Cuba will even come up at the Santiago meeting.

Wills: Why can't we cooperate better?

The Secretary: There is no reason why we cannot cooperate. Let us start on improving our relationship.

UN Votes and AID

Wills: I recall the *New York Times* article stating that the USG had decided to cut off aid to Guyana.

The Secretary: There are two separate problems.

Votes on specific issues rarely give us problems, except on matters which we consider to be of "life and death" importance. Such votes are rare and come up only once every five years. On the normal issues, we have little reason to do anything to those who vote against our position.

However, as I told you before, if a country opposes us across the board on all issues, then this should affect our overall relationship.

Take a country like Peru, which considers itself to be non-aligned. From time to time, Peru takes opposing positions on key issues. Nonetheless, we still have a good relationship with Peru.

Wills: Why do you choose to pick on Tanzania and Guyana?

Mr. Rogers: I assure you that hostility is not a principle of our policy toward Guyana.

The Secretary: I am sorry that I have a lunch to attend. Thank you for stopping by. I enjoyed seeing you again.

385. Telegram 1209 From the Embassy in Guyana to the Department of State¹

Georgetown, June 14, 1976, 2059Z.

1209. Subject: Action Memorandum: AID Lending for Guyana (S/S 7611843). Ref: A) State 141011, B) Georgetown 256.

1. *Summary*: Country Team, except AID Director, dissents from ARA recommendation and notes preference for continued deferral (as supported by IO) or even cancellation both loans. *End summary*.

2. Embassy notes that ARA quote strongly unquote favored option one of reftel A, which would have USG sign agreements for the two pending loans.

3. Reftel B gave Embassy Georgetown's comments on this issue in early February. In that cable, we stated our belief that Guyana's hostile actions toward U.S. interests and the likelihood of further unfavorable political evolution made signature of new loans and further aid commitments difficult to justify to Congress and the American taxpayer. We then outlined several options, one of which (our option C) was to delay both loans until near end of FY76 or until FY77 allowing chance to see how Guyana behaved toward U.S. interests in the interim period. Because of the delay, that option was in large part adopted without an affirmative decision to do so.

4. The key members of the Country Team (except for the AID Director who was out of the country until today, have therefore taken a fresh look at how Guyana has behaved toward U.S. interests during that interim period. Our facts do not differ appreciably from those cited in the action memorandum, and to us indicate that, aside from FonMin Wills and some other GOG officials' continued personal friendliness and readiness to talk with us, Guyana's actions have in that interim continued to be almost uniformly hostile to our interests. The Cuban tie in particular has intensified, several hundred Guyanese soldiers have been sent to Cuba for training, Guyana joined Cuba as the only other

¹ Summary: Citing intensified Guyanese hostility towards the United States, the Embassy recommended canceling or continuing to defer economic assistance to Guyana.

Source: National Archives, RG 59, Central Foreign Policy File, D760229-0619. Secret; Immediate; Exdis. In telegram 256 from Georgetown, February 6, the Embassy recommended that the Department consider further reductions in aid to Guyana in response to continuing hostile actions. (Ibid., D760046-0526) In telegram 141011/Tosec 160130, June 9, the Department transmitted an action memorandum from Ryan to Kissinger which contained a recommendation from ARA and AID that a proposed food crops loan to Guyana be allowed to go forward (Option 1). IO recommended the continued deferral of both a food crops loan and a public sector training loan (Option 2). Other alternatives offered included proceeding with the food crops loan and canceling the public sector training loan (Option 3) and canceling both loans (Option 4). (Ibid., D760222-0468)

Western Hemisphere nation to vote against the U.S. International Resource Bank proposed at UNCTAD, and Guyana's active role at the Algiers NAM was of no apparent help on Korea or anything else, despite FonMin Wills's supposed intention. Internally, Burnham is rapidly transforming the country into the second Marxist-Leninist state in the Western Hemisphere. His apparent hostility toward the capitalist West, and particularly the United States, has reached the point that we are not sure whether he will any longer accept these loans. Particularly the public service training loan, even if offered.

5. Key members of Country Team (except AID Director) feel that signing these loans now in face of intensified hostility, repeated charges of destabilization, and no sign of inclination by GOG to accommodate U.S. interests will confirm to Burnham, GOG and other Third World countries that the best and easiest way to get something out of USG is to attack, oppose and threaten it. Signing these two loans under present circumstances would also seem to confirm that we are not serious about our démarches requesting support and indicating that hostility to our interests will not be cost-free. Embassy Georgetown therefore supports either Option 3 or 4 of the action memorandum, and would consider Option 2 preferable to Option 1.

Krebs

386. Telegram 1862 From the Embassy in Guyana to the Department of State¹

Georgetown, September 20, 1976, 2000Z.

1862. Bridgetown for William Wheeler. Subject: Pending AID Loans: Country Team Assessment. Ref: (A) State 223208, (B) Georgetown 1744.

1. Problem: Two pending AID development loans, one in the amount of dols 3.5 million for food crop production and the other for public sector training of dols 1 million, have been delayed by the U.S. for nearly a year. The delays in proceeding with the loans were triggered by Guyana's vote on issues at the UNGA last year, her recognition of the MPLA regime and endorsement of the Cuban role in Angola. These actions by Guyana were interpreted as evidence of hostility toward the U.S. The decision to delay the loans was intended to be a signal that opposition to the U.S. on multilateral issues is not costless.

2. Recommendation: The Country Team strongly recommends that the U.S. should proceed immediately with the implementation of the two loans.

3. *Begin summary:* This recommendation is based upon analysis of the circumstances which led to delays in the loans, the Guyanese reaction to the delays and the GOG's recent more positive behavior. This analysis leads us to the conclusion that U.S. foreign policy objectives will be served by proceeding with the loans. We have made clear for Guyana and others that nations which regularly vote contrary to the U.S. on key issues at the UNGA place in jeopardy any economic assistance they may receive from the U.S. While it could be argued that the decision to delay the loans provoked for the first six months of 1976 a more rather than less hostile reaction from Guyana, during recent months this hostility has abated, and the GOG has shown signs of desiring to improve relations with the U.S. Announcement of the loans at

¹ Summary: Noting that the behavior of the Guyanese Government had become more positive in recent months, the Embassy recommended that the United States proceed with two long-delayed AID loans to Guyana.

Source: National Archives, RG 59, Central Foreign Policy File, D760355-0323. Confidential; Immediate; Limdis. Repeated Immediate to Bridgetown. In telegram 1741 from Georgetown, August 31, Chargé Blacken reported on an August 25 conversation with Burnham in which the Guyanese Prime Minister expressed a desire to improve relations with the United States and an interest in receiving U.S. economic assistance. (Ibid., D760330-0731) In telegram 223208 to Georgetown, September 9, the Department responded to Burnham's suggestion by asking the Country Team to submit an analysis of the advantages and disadvantages of proceeding with two pending AID loans. (Ibid., D760341-0861) Telegram 1744 from Georgetown is dated August 31. (Ibid., D760331-0102)

this time would give impetus to improving the relationship. Although it might be difficult, we believe that announcement of the loans prior to or coincident with arrival of Soviet economic mission September 27 would have maximum favorable impact for U.S. Implementation of the loans would:

A. Reduce pressures on GOG to pay the political price necessary to receive large-scale loans from Communist countries.

B. Reduce pressures on GOG to seek alternative markets in socialist and Communist countries for its bauxite and sugar, and encourage Guyana to look to the U.S. for its imports of heavy industrial equipment;

C. Bolster the credibility and influence of pro-U.S. elements in the GOG and simultaneously discredit the arguments of anti-U.S. officials who have insisted that U.S. could not be expected to assist a Socialist Guyana;

D. Immediately and dramatically reduce vestiges of “destabilization” fears, which, among other things, have motivated Guyana to seek security, political and propaganda support from non-aligned, Socialist and Communist countries;

E. Contribute to acceptance in Guyana and elsewhere of bona-fides of U.S. commitment to accept diversity in govts and specifically seek cordial relations with non-aligned Socialist countries;

F. By proceeding with food crops loan the U.S. will associate itself with a program which has humanitarian nature due to recent crop failures. Thus U.S. cannot but receive favorable public as well as official response to its assistance in food production;

G. Provide exposure of GOG public servants to U.S. training programs;

H. Remove the stigma for U.S. of renegeing on loans that GOG and U.S. worked on for two years; and

I. Finally, if we are thinking in terms of the “stick and carrot” approach, there is no question that with our nine-month delay of a needed program, we have made clear we can mete out punishment. Now that Guyana appears to be taking a more moderate line toward the U.S; it would be appropriate to approve the loans. *End summary.*

4. Discussion of analysis and recommendation.

A. Guyanese attitude on votes at UN. GOG leaders regard their positions on UN issues not as representing hostility toward the U.S. but as being the result of a complex set of political factors, internal and external. Included are the dynamics and politics of non-alignment and Guyana’s need for economic assistance and political and security support. Strong racial feeling among GOG leaders and in their Black constituency dictate that they fully back Southern African liberation move-

ments and side with positions taken by OAU. Thus the entry of South African troops into Angola motivated Guyana's support for the opposing side and her endorsement of the Cuban role—even though previously Savimbi had been their favored Angolan leader. Opposition to the U.S. *per se* or considerations of great power rivalry were not the determinants of Guyanese policy on Angola.

B. Although some of the U.S. friends in the GOG understood and took at face value the reasons given by the U.S. for the delay in the loans, other officials, more suspicious, attributed the delays in the loans to an overall and systematic USG hostility toward Guyana due to GOG decision to nationalize major foreign firms and create a Socialist economy. They have alleged that the U.S. decision was part of an overall campaign of “destabilization” conducted against Guyana.

C. Burnham undoubtedly exploited the “destabilization” fears for political reasons of his own. Suspicion prevails, however, even among top GOG leaders friendly toward the U.S. that the U.S. might actually be carrying out destabilization. The Cubans, and perhaps the Soviets, have fanned these suspicions.

D. Fortunately, in recent months the absence of any confirmation of destabilization allegations has caused U.S. denials of such attempts to be received with some credence. The Country Team has consistently repeated to Guyanese officials that Guyana's position on multilateral issues and apparent alignment with the Soviet Union and Cuba, not her decision to develop a Socialist economy, had provoked the ire of the U.S. We have made progress in putting this idea across.

E. Even early in the year during the height of mutual tension and suspicion between Guyana and the U.S. the GOG gave assurances that Guyana would not become a Cuban bridgehead for aggressive purposes against nations in this hemisphere. More recently, Prime Minister Burnham told the U.S. Chargé that he had no intention of becoming an ally of the Soviet Union. We believe Burnham does not intend to become overly dependent upon any great power or Cuba.

F. Recent behavior at NASC and UN. Guyana's performance at the recent NASC in Colombo was low-key. Guyana avoided direct criticism of the U.S. and Burnham's NASC speech (ref B) was almost dull. She did not participate in attacks on the U.S. although she obtained endorsement of a resolution on the security of small states and will attempt to include this in a UN resolution, her efforts appear designed to define destabilization and establish a UN framework for opposing it should it happen. On key UNGA issues, FonMin Wills has indicated he will seek negotiation rather than confrontation.

G. Recently a certain cooling in Guyana's relations with the Cubans and Soviets has occurred. Burnham and FonMin Wills are becoming aware of the Cuban efforts to create suspicion of the U.S. More

importantly, Burnham retains suspicions of the Soviets and the Cubans. He is aware that Cheddi Jagan is still the Soviets' favorite and suspects that, if given a chance, the latter would seek to replace him with Jagan. Also Burnham appears to have been losing hope that the Soviet Union will provide large-scale development assistance unless Guyana becomes "non-aligned" in the manner that Cuba is non-aligned.

H. We believe GOG leaders perceive that Western financial institutions are the main sources of development capital. Burnham, committed to the development of his people as well as being opportunistic and pragmatic, can see that prolonged alienation from the United States will not serve the economic interests of his country. An opportunity is at hand to encourage him in this view.

I. On human rights, Guyana's record is better than that of most of the other nations of Latin America. The GOG has no political prisoners nor has it practiced torture, and its opposition, Cheddi Jagan's People's Progressive Party (PPP), systematically criticizes the govt in Parliament and in the opposition press.

J. The developmental justification for the pending loans was made when the loans were being processed. The reasons cited then remain valid. Food production has become top priority in Guyana. The unprecedented rainy season and now a serious drought have hurt normal production of food, particularly rice; therefore, a humanitarian dimension is added to the longer-term developmental justification for the food crop loan. In the midst of Guyana's food crisis, an announcement of approval of the food crop loan would have a sharp favorable political and propaganda impact for the U.S.

K. The immediate political impact for the management training loan would be less, but our participation in the training of middle-level managers in the public service will have long-term significance. We will have communication with those we train. Through them we should be able to reduce suspicions of the U.S.

L. Although some GOG officials appear to have concluded that no more U.S. assistance will be forthcoming, Burnham, Foreign Minister Wills and Minister of Agriculture Kennard and others have expressed, sometimes repeatedly, their interest in obtaining the loans. Reportedly ministers who defend the U.S. against allegations of "destabilization" were ridiculed by certain of their colleagues for their naivete and the U.S. delay on the loans was cited as evidence. Approval of the loans would boost the influence and credibility of those who are pro-U.S.

M. Disadvantages of proceeding with the loans do not appear significant from our perspective. Signs that Guyana desires an improved relationship with the U.S. and has made in recent months noticeable efforts to give better press treatment to matters affecting this mission,

and things American in general, should help overcome criticism from the Congress. Lingering objections should be outweighed by sentiment in Congress for programs aimed at helping the poor. Moreover, some AID supporters in the Congress have opposed the curtailment of assistance because of UN votes.

5. Conclusion: We do not claim that approval of these loans will, by themselves, transform what for several years has been a deteriorating relationship. Guyana is a prominent member of the Non-Aligned Movement and has decided to create a Socialist economy. These things will not be undone. Nor will the Cubans and the Soviets slacken their efforts to disrupt U.S.-Guyanese relations. But the U.S. is far from "out of the game" in Guyana. We sense an opportunity is now present to move U.S.-Guyanese relations out of the deteriorating spiral that have characterized them to a more cordial and mutually beneficial relationship. The AID loans would be a step toward this objective. We believe the U.S. can develop a relationship in which it can work with and increase our influence over Guyana at the UN. Moreover by talking constructively with Guyana, we might encourage other Third World countries to realize that, *sus generis*, their relations with the U.S. need not be characterized by confrontation.

Blacken

387. Memorandum of Conversation¹

Georgetown, October 18, 1976, 3:30 p.m.

SUBJECT

Meeting with Foreign Minister Wills

PARTICIPANTS

John Blacken, Chargé d’Affaires a.i., American Embassy, Georgetown
Fred Wills, Minister of Foreign Affairs

Foreign Minister Wills called me at about 7:00 AM the morning of October 18 and, in referring to Prime Minister Burnham’s speech the previous day, said that it was worse with respect to the United States than he had expected, even though at the meeting on Saturday it had been decided to mention the “facts” that the police investigation in Trinidad had revealed. He said he would like to see me that afternoon in his office as soon as he returned from addressing a training group at a Guyana Defense Force camp outside of town. Our meeting was subsequently postponed until 3:30 PM.

When I arrived in his office, Wills appeared harassed and tired. He had delayed our meeting for an hour in order to go to the airport to see off a Barbadian sports team which was leaving prematurely. He had tried to patch things up with representatives of that group who were angry with Prime Minister Burnham’s statement of the previous day.

The speech had caused a lot of damage in the Caribbean as well as in U.S./Guyana relations. There was no question, Wills said, that

¹ Summary: Blacken informed Wills that he was being recalled to the United States after Burnham delivered a speech suggesting U.S. involvement in the October 6 bombing of a Cubana de Aviación airliner. Blacken and Wills reviewed recent Guyanese foreign policy positions.

Source: National Archives, RG 59, Central Foreign Policy File, P830032–0587. Confidential. Drafted by Blacken. The meeting took place in Wills’s office. In telegram 4470 from USUN, October 15, the Mission transmitted the text of a Guyanese press release containing an October 11 statement in which Wills suggested that the Cubana bombing, which killed 11 Guyanese citizens, represented evidence of a sustained destabilization campaign against Guyana. (Ibid., D760387–1020) In telegram 256677 to Georgetown, October 16, the Department instructed the Embassy to tell Wills that statements by Guyanese officials implying that the United States was involved in the Cubana bombing were unacceptable and to reiterate U.S. Government opposition to all forms of terrorism. The Department noted that it had delivered a démarche along those lines to the Guyanese Chargé. (Ibid., D760388–0754) In telegram 2072 from Georgetown, October 16, Blacken reported that Wills informed him that Luers’s démarche had hardened the anti-U.S. attitudes of Guyanese officials. (Ibid., D760389–0654) In telegram 2073 from Georgetown, October 17, Blacken reported on Burnham’s speech that day, which he characterized as a “bitter, scathing attack on the United States.” (Ibid., D760390–0046)

Burnham had criticized the United States. Now it was his task to try to pick up the pieces.

I told Wills that the speech was one which would anger Americans; I became angry listening to it. Wills replied that he understood that but said that our reaction last week had caused the speech to be worse than it would have been otherwise. Wills then again reminded me of his efforts to keep the thing within certain parameters during the previous week and a half. I reiterated the feeling on the United States's side that Guyana had been in almost total opposition to the U.S. at the UN. Wills then denied that, saying he had personally tried to be fair to America. He had endorsed in his speech on September 30 Kissinger's plan for Namibia. He claimed to have been instrumental in the Prime Minister's decision not to go to North Korea and, at the Non-Aligned Conference at Colombo, that Guyana not take a position on the North Korean and Puerto Rican resolutions. I challenged him on the latter, saying we had had indications that the Guyanese delegation had helped the Cubans with their resolution on one of the committees. Wills said he knew nothing of this and, moreover, to his knowledge no one on the Guyanese delegation had spoken favorably of either the North Korean resolution or the Cuba-supported Puerto Rican resolution.

I told him that it seemed to some people that he had told me and my predecessors that the GOG would do one thing and then it would do something else in the U.N. He again said he didn't see how anyone could draw that conclusion and started to review the issues we had talked about prior to his visit to the UNGA. I stopped him, saying that he was correct except for two things—his statement concerning Secretary Kissinger's initiative on Rhodesia, and the destabilization statement. He responded that, on destabilization, he had done exactly what he had told me he would do—he had not criticized the United States. When he referred to destabilization, it was to the activities of the Cuban exiles in the attempt from abroad to force Guyana to change its policies by threats or violent actions or false press articles. Guyana's goal at the UN was simply to take a position against destabilization and to define it so that, should it happen in the future, it would be condemned. I replied that Americans had become very sensitive to that term and, when he brought it up, he had to assume that Americans would consider themselves his target.

Concerning the Rhodesia problem, Wills reminded me that he had already said that his statement had been coordinated by Burnham with the "front line" Presidents. It had been agreed that Guyana would say things they wanted said but could not say themselves because they were directly involved in the Rhodesia problem. His personal position still remained that he had expressed to me before his departure for

New York, i.e., that he encouraged the United States's efforts to find a negotiated solution.

Wills said that Guyana's foreign policy was closely linked to its domestic political problems. There were the wild men in the PNC and a few in the Cabinet who would urge Burnham to take the worst possible attitude toward the United States. Wills mentioned again that he was considered and had been accused of being a dove vis-à-vis the United States. He tried to manage Guyana's foreign policy, to maintain cordial relations with the United States. He said that I and my predecessors had always had access to him at any time, that he had been open and frank with us. Individual Americans got along well in Guyana. However, Guyana was trying to be a prominent member of the Non-Aligned Movement. The United States is big and powerful and attracts strong resentment from many countries. When governments have internal political problems, unfortunately they sometimes "throw darts at the United States." His role, Wills said, had been to minimize this, but he takes his instructions after a majority of the Cabinet have decided. He had always tried to inform us when signals were suddenly changed.

Last week, Wills had sought to keep Burnham's speech within the parameters of his own October 11 press release. In that form, it would not have mentioned the fact that Joe Leo's name had been in Freddy Lugo's diary, nor would it have contained other points which would seem to link the United States to the Cuban exiles who sabotaged the Air Cubana airliner.

He had lost that battle, and his fallback position had been that these things be mentioned in the following context by Burnham: (1) that there was strong evidence that Cuban exiles had sabotaged the airliner, and (2) that the notes in the diary and other things linking the United States to the matter were very weak evidence. This would have prevented the opposition from accusing the government of attempting to cover up information linking the United States to the matter and, at the same time, would draw no inferences of United States complicity. This was disrupted on Friday night by Burnham's reaction to the protest over Wills's statement. Others joined in. Wills said that he had been put down during that meeting.

Wills tried to explain what Burnham was doing by asking me to examine the domestic political context in which Burnham is operating. He has a Marxist political opposition. If the government seems close to the United States, Jagan would build up force and would attract the support of the radical youth. Burnham's political strategy is to try to obtain a majority. To do this, he has got to neutralize some groups; he has got to undermine Jagan and attempt to split part of his support

from him. He has succeeded already in isolating Walter Rodney and his Black Power group.

Wills asserted that Guyana was no closer to the Soviet Union than it was to the United States. "We have not been praising the Soviet Union. You don't see Guyanese officials talking about 'dictatorship of the proletariat,' nor do we quote Lenin."

He then said that half of the men in the Cabinet couldn't even be classified as Socialists. Hubert Jack and Desmond Hoyte were ideological Socialists, but they weren't Communists. Wills then said he was a Socialist but not a Communist.

I asked Wills what Burnham wanted for Guyana. He replied that Guyana wanted to be free to develop an internal economic and political system with some Socialist principles. It wanted no strategic attachments to Cuba, the Soviet Union, or the United States. (I believe the omission of China was inadvertent.) Thirdly, Guyana wants help in developing its country and people.

During this conversation, we also discussed the UNESCO meeting in Nairobi. Most of that part of our conversation has been reported by cable.

I told Wills during this meeting that I was being recalled and that I would have a message for him before I left. We agreed that, if it were to come during the night, I would call him at home so that I could leave on the plane the following morning. Wills said he thought it would be better if he did not mention to Burnham before the message arrived that I was being recalled.

Wills said he would be happy to come to Washington if I thought that that would be helpful in repairing the damage that had been done by Burnham's speech. I told him I didn't know, but if it appeared that such a visit would be useful, I would send him a message, if such a meeting would be helpful.

Comment: Wills appeared distressed over Burnham's speech and seemed to understand the damage it had done. He appeared to want to restore cordial relations between our two governments.

Wills is an extremely complex man. He admittedly moves in indirect ways to accomplish his objectives. He has told me that in Cabinet meetings he frequently gives the impression that his main objective is "x" in order to accomplish "y." He manipulates his Cabinet colleagues, sometimes with Burnham's connivance, and presumably attempts the same thing with us. Wills claims that his objectives are to maintain cordial relations with the United States within the overall context of Guyana's basic non-aligned position in foreign relations and Socialist orientation of Guyana's economy. How much one can trust Wills on a

given issue depends directly upon how closely his objectives parallel ours on that issue.

388. Memorandum of Conversation¹

Georgetown, October 19, 1976, 8:45 p.m.

SUBJECT

Pre-departure Talk with Prime Minister Burnham

PARTICIPANTS

John Blacken, Chargé d’Affaires a.i., American Embassy, Georgetown
Forbes Burnham, Prime Minister of Guyana

After I had made the official U.S. protest to Foreign Minister Wills as directed by the Department and had completed drafting a cable thereon, I called Burnham to tell him that I was leaving the following morning. He asked if I would come over to see him at 8:45 PM.

When I arrived in Burnham’s office, I said that his speech had earned me a ticket to Washington, as Fred Wills had probably told him. Burnham responded that he didn’t understand why. His speech had contained nothing but facts. I replied that he might consider it that way, but regardless of whether the “facts” that he had cited were correct, the suggestions and insinuations that accompanied them made clear his speech contained an attack on the United States. We had given assurances to him that the United States was not involved in any way with the sabotage of the Air Cubana plane, nor were we involved in any campaign to deter Guyana from organizing its economy as it saw fit. The insinuations, therefore, were unfair. I had become angry in listening to his speech and, as I was sure that Fred Wills had already told him, my government had felt offended by the speech. Burnham said he

¹ Summary: Blacken told Burnham that the Guyanese Prime Minister’s speech implying a U.S. role in the Cubana bombing had resulted in his recall to Washington. Burnham stated that he did not think that the speech should cause any lasting damage to bilateral relations.

Source: National Archives, RG 59, Central Foreign Policy File, P830032–0592. Confidential. Drafted by Blacken. The meeting took place in Burnham’s office. In telegram 258529 to Georgetown, October 19, the Department instructed Blacken to protest allegations of U.S. Government complicity in the Cubana bombing. (Ibid., D760392–0453) In telegram 2088 from Georgetown, October 19, Blacken reported that Wills, in “personal comments” to Blacken, stated he wanted to improve U.S.-Guyanese relations. (Ibid., D760392–0827)

hoped that I had not taken it personally. I replied that no, I had no ill feelings toward him but that my feelings were immaterial, since the problem had been caused.

Burnham said he didn't think there should be any lasting adverse effect in U.S./Guyana relations over his speech. The United States should assure that the guilty get punished. If Barbados did not prosecute them, then they should be sent to Cuba. He hoped the United States would not prevent that from happening. He then returned to the fact that the United States had encouraged and helped the Cuban exiles previously. It had not moved to clearly separate itself from them at the present. If he could see that the United States law enforcement authorities were moving seriously against Cuban exiles using the United States as a base, he would be satisfied.

Burnham again reviewed the history of Orlando Bosch and asked why we had never sought his extradition before. He called Bosch a murderer and suggested that the United States kill him. When I asserted that the United States Government did not act in that way, Burnham retorted, "You have done it before!" I replied that I didn't know what he was referring to, but that sort of thing was out of the question.

Burnham mentioned the protest to the Guyanese Chargé in Washington on October 14 and said that the United States could not expect to influence governments by talking to them as if they were unruly children. I replied I was certain that interpretation had not been intended.

Burnham then started talking about Tom Adams, Barbados's Prime Minister. Adams had made a fool of himself, he said, by stating that "destabilization" did not exist. The Cuban exiles' actions, such as the bombing of Guyana's consulate and the sabotage of airplanes, was "destabilization." He reminded me that two weeks ago he had said publicly that governments were not now practicing "destabilization" against Guyana and that "destabilization" could come from many sources, including Cuban exiles. Returning to Tom Adams, he said, "You are backing the wrong horse; he can't do your work for you." He then said that Barbadian Foreign Minister Forde was now in Washington talking of economic assistance for Barbados, and he was sure that he would get support. However, he repeated that Adams was "a passing thing in the Caribbean. He is out of step politically with the area."

He then said it would be in the United States's interest to have good relations with Guyana. He said, "We can help you with Cuba." He explained this by saying that he believed there would be a rapprochement between Cuba and the United States within the next year or two. Burnham added that Castro wants to resume relations with the United States.

Comment: Burnham was personally friendly throughout my visit. He appeared calm but tired. Although he seemed to understand that the United States might be annoyed over the criticism, he had directed at it in his October 17 speech, he did not seem to comprehend why the U.S. should be seriously offended. Looking back on this conversation and our several previous talks since October 6, I believe Burnham's attitude concerning the whole affair to be as follows:

- A horrendous crime was committed resulting in 73 deaths, including 11 Guyanese;

- A sense of personal guilt, or at least responsibility, for having induced 6 of the 11 Guyanese who died to go to Cuba;

- The USG may or may not still have some ties with the anti-Castro group which they helped organize, equip and train ten years ago, but even if such ties do not exist, because of the USG's "historical links" with these groups, the USG has a special responsibility to disassociate itself now from the "Frankenstein monster" it created;

- The United States appeared reluctant to acknowledge that sabotage was the cause of the airliner crash;

- The United States might well be behind the reluctance of the Government of Barbados to claim jurisdiction over the case;

- The USG might fear that a thorough investigation and trial might reveal further embarrassing USG ties to the exiles;

- The USG might have engaged and might still engage in "destabilization" of Guyana's government; and

- Behind all of this is the belief that the USG has a much greater capacity for controlling events around the world—for good or evil—than it actually possesses.

Burnham did not appear to believe that his speech should cause any lasting adverse impact on U.S./Guyana relations. He was lamenting a situation and, without a written text, had become overly emotional. He gave the impression that, once the dust had settled, U.S./Guyana relations would return to the more-or-less friendly state that had existed prior to the airliner crash.

389. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to Secretary of State Kissinger¹

Washington, December 11, 1976.

Relations With Guyana

The Problem

Whether, after some mixed but generally conciliatory signals from the GOG, to respond by returning our Chargé to Georgetown.

Background/Analysis

Since we withdrew our Chargé on October 20 we have had several indications that Burnham wants to "normalize" his relations with us. He is obviously nervous and unsure as to what to do next about the U.S. Although most of the signals from Georgetown are conciliatory, there are also continued public references to "destabilization."

We have the following conciliatory gestures from the GOG:

—November 23 Wills sent us an oral message through the Guyanese Chargé here, asserting that the GOG now realizes that the USG had nothing to do with the Cubana crash;

—The GOG-controlled press published a front page article stating that the arrested suspects were not members of the CIA;

—The GOG squashed a strong anti-U.S. resolution introduced by opposition leader Jagan in Parliament November 23 concerning the airliner crash and substituted a mild resolution which in no way implicated the USG and contained no mention of "destabilization;"

—During the Parliamentary debate on November 24, Wills commented favorably—deliberately—on the U.S. Federal Grand Jury investigation of Cuban exiles in Miami;

¹ Summary: Shlaudeman asked Kissinger to decide whether to respond to conciliatory gestures from Guyana by sending Blacken back to Georgetown.

Source: National Archives, RG 59, Central Foreign Policy File, P760191–2293. Confidential. Sent through Habib. Drafted by Heavner and Shlaudeman. The disapproval line next to the recommendation that Blacken be authorized to return to Georgetown was initialed for Kissinger on December 14 by Covey. A notation next to the recommendation reads, "Oral instructions to Habib." The alternative options were not initialed. In a November 11 memorandum to Luers, Heavner noted that Blacken had suggested an approach to the Guyanese Chargé to explore the possibility of a retraction of Burnham's accusations. (Ibid., P830032–0603) In a November 17 memorandum to Luers, Blacken reported that Guyanese Chargé Peter Holder had transmitted to him a message from Wills, who said that Guyana would like to resume a dialogue with the United States. (Ibid., P830032–0604) On November 17, Heavner drafted an options memorandum for Shlaudeman to send to Kissinger. (Ibid., P830032–0606) In telegram 16801 to Georgetown, January 25, 1977, the Department noted that in light of Guyanese Government gestures indicating a desire for better relations, Blacken would return to Georgetown. (Ibid., D770027–0590)

—Guyana's delegation at the UNESCO Conference, in contrast to most other non-aligned nations, abstained in votes on occupied territories, Jerusalem and mass media issues. They requested that we look upon this as evidence of their cooperation.

Not all Guyanese actions have been so positive.

—Burnham has referred, albeit unspecifically, to destabilization in two recent public speeches;

—Guyana is co-sponsoring a UN resolution (on non-interference in internal affairs of states) which refers repeatedly to "destabilization"—again without specific mention of the U.S.;

—At the UNGA on December 6 the Guyanese, along with Trinidad and Tobago, voted against us on the Guam issue.

Burnham is apparently convinced that the U.S. is opposed to Guyana's Socialist orientation. He also seems to have concluded that he can get little assistance from the Soviets or Cuba. Facing a very serious BOP problem, he feels cornered and his paranoia is growing. The absence of Blacken deprives him of anyone from our side with whom he can discuss the problem of restoring relations.

The Options

1. Take no action at this time, and leave it to the new Administration to decide how best to handle the problem.

Pro:

—Keeps Burnham under maximum pressure to unsay his allegations.

—Makes it crystal clear that we will not tolerate such irresponsible actions.

Con:

—Deprives us of any effective influence on Burnham, in the absence of an American official who can talk to him on a regular basis.

—Risks increasing Burnham's paranoia to the point where he may go on to further excesses.

—Undermines the efforts of Wills and other Guyanese moderates to influence Burnham constructively.

2. Send Chargé Blacken back to Georgetown after Christmas with instructions to express again our displeasure over Burnham's speech and to keep a cool distance making clear that the burden for improving relations still lies with the GOG.

Pro:

—Allows the new Administration to begin with the Guyanese on more or less a normal basis.

—Gives Burnham a chance to thrash out his problem with us if he wants to.

—Keeps the burden on the Guyanese for further improvement in relations.

—Strengthens the hand of the Guyanese moderates who advocate reconciliation with U.S.

Con:

—May be interpreted as a backing down by the USG.

—Leaves Burnham's charges still on the public record, essentially unmodified.

—Could encourage Burnham to think he can make such accusations with little cost.

3. Inform the Guyanese Chargé here that we will consider returning Chargé Blacken to post provided that the GOG (a) puts an end to the use of the destabilization theme; and (b) by some public utterance repudiates the charge of U.S. responsibility for the Cubana crash.

Pro:

—If the Guyanese meet our conditions, it sets the public record straight.

—Such a change in Guyanese attitudes would not pass unnoticed in the rest of the Caribbean.

Con:

—Burnham has already almost certainly gone as far as he is prepared to go publicly in repudiating his accusations against us.

—Given Burnham's paranoia, frustration, and immense ego, he might misinterpret this signal, and lash out at us anew.

—Or, more probably, he will just wait for the new Administration.

Bureau Views

I favor returning Blacken to Georgetown. Our point is now firmly made and Burnham has the message. But there seems to me a better chance that the lesson will take if we leave normalization for the new Administration. I would like to avoid the situation in which Burnham sees Blacken's return under the new Administration as a signal of fundamental change in which all is forgiven.

Recommendation:

That you authorize Blacken to return to Georgetown, with the message of our continuing coolness in the absence of adequate GOG gestures (Option 2).

Alternatively, that you authorize us to inform the Guyanese Chargé here that "normalization" will require a halt in destabilization propaganda and a clarification of Burnham's October 17 speech, indicating that the GOG does not hold us responsible for the Cubana crash (Option 3).

Or, that we take no further action at this time and leave the resolution of this problem to the new Administration (Option 1).

Haiti

390. Memorandum From the White House Situation Room to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, January 23, 1973.

SUBJECT

U.S. Ambassador to Haiti Hostage

In a phone conversation between Port au Prince, Haiti and the State Department Operations Center, U.S. Ambassador Knox reported that he and a consular officer are being held hostage at gun point by three men. The two were captured on the way to the Ambassador's residence. Upon reaching the residence the three gunmen called Haitian President Duvalier and read a list of political prisoners to be released and flown to Mexico in return for the release of the two U.S. officials. Duvalier has agreed and Haitian and U.S. personnel are now attempting to obtain an aircraft to fly the released prisoners to Mexico.

¹ Summary: The White House Situation Room reported that Ambassador Clinton Knox had been kidnapped by gunmen demanding the release of political prisoners held by the Haitian Government.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files, Box 785, Latin America, Haiti, Vol. 1. Secret. A January 24 memorandum from Kissinger to President Nixon, marked "OBE" (overtaken by events), noted that U.S. officials were very reluctant to use an American aircraft to take the kidnappers and the released prisoners to Mexico and that other means were being sought to transport the prisoners. (Ibid.) In circular telegram 14532, January 24, the Department informed diplomatic and consular posts in the Western Hemisphere of Ambassador Knox's release, noting that the United States had refused to play a direct role in providing ransom or transportation to the terrorists who had held him hostage. (Ibid., RG 59, Central Files, 1970-1973, POL 23-9 HAI)

**391. Memorandum From the Executive Secretary of the
Department of State (Eliot) to the President's Assistant for
National Security Affairs (Kissinger)¹**

Washington, January 26, 1973.

SUBJECT

Kidnapping of Ambassador Knox in Haiti

Press accounts have not accurately reflected the position this government has taken in connection with the kidnapping of Ambassador Knox. While an important consideration from the start was the safe release of Ambassador Knox and Mr. Christensen, we also gave very high priority to avoiding a solution which would encourage similar terrorist acts against other diplomatic officials in the future.

For the latter reason, U.S. Government officials (other than Ambassador Knox with a gun at his head) dealing with the Haitian Government and with the terrorists never urged the Haitian Government to release prisoners or to facilitate the exit of the gunmen from Haiti. The furthest we went was to urge that they ultimately, if unavoidable, acquiesce in the "Bangkok solution," i.e., no release of prisoners or payment of ransom but safe passage out of the country for the terrorists upon release of hostages.

Mr. Macomber, who was sent by Secretary Rogers to Port-au-Prince, made it clear to President Duvalier at the Secretary's explicit instructions that the U.S. Government would not pay ransom in a situation of this kind. He also made it clear to the Haitian Government that he thought the deal that had been made with the terrorists was too generous (he made this same point to the French Ambassador whom the terrorists asked to act as intermediary). Mr. Macomber would not agree to the use of an American plane, as both the gunman and the Haitian Government had requested, because of the nature of the "deal" the Haitian Government had agreed to (we had quietly placed a chartered American commercial aircraft at Jamaica during the early morning

¹Summary: The Department reviewed the circumstances surrounding Ambassador Knox's release after being held hostage in Haiti, emphasizing that U.S. officials had sought to bring about an outcome that would discourage similar incidents in the future.

Source: National Archives, RG 59, Central Files, 1970-1973, POL 23-9 HAI. No classification marking. Drafted by Macomber. In telegram 14530 to Mexico, January 24, the Department instructed the Embassy to express the United States Government's appreciation for Mexican assistance in securing Knox's release and its hope that the Mexican Government would ensure the kidnappers were brought to justice. (Ibid.) In telegram 19510 to Mexico, February 1, the Department reported that the Mexican Government would allow the Haitian terrorists to proceed to a third country, probably Chile, despite the United States Government's expressed desire to see the hostage-takers prosecuted. (Ibid.)

hours to be available to fly quickly to Haiti if use of an American plane had ultimately been necessary and warranted).

Mr. Macomber also told President Duvalier of Haiti that in the United States Government's view, any deal made with gangsters who had a gun at the head of the American Ambassador did not have to be honored and he hoped that once Ambassador Knox and Mr. Christensen were safe that if there was any possibility of aborting the departure of the Air Haiti aircraft carrying the terrorists and released prisoners that this would be done. The Haitian Government however apparently took the view that their commitment was to the French Ambassador and the Papal Nuncio who had guaranteed the terrorists safe exit and who had in turn extracted a promise from the President of Haiti that this guarantee would be honored.

After Ambassador Knox and Mr. Christensen were safely released just before noon at the airport, the terrorists and twelve released Haitian political prisoners were allowed to go on board the Air Haiti plane. At this point, they were completely disarmed and operating under the protection of the Papal Nuncio who, with robes blowing, had taken up a position on the airstrip under the nose of the Air Haiti plane. The French Ambassador also stayed by the plane. After the release of Ambassador Knox and Mr. Christensen, and after a brief meeting between Ambassador Knox and President Duvalier, senior Haitians (who with their President had been up through the night) dispersed and could not be reached by Mr. Macomber or our Embassy officials. Unable, therefore, to get Haitian Government officials to consider aborting the flight and reneging on the deal that had been made with the now disarmed bandits, Mr. Macomber personally intervened by telephoning the pilot of the aircraft, an American citizen employed by the Haitian airline, and urged him to find mechanical reasons for not letting the plane take off. The pilot said that the plane was in good condition and that it would be difficult to delay particularly at this late stage when the plane was beginning to warm up its engines for takeoff. He said he would try however to find a credible excuse but doubted he would be able to do so. The pilot returned to the plane and unfortunately after some further delay took off for Mexico.

While this effort was being made by Mr. Macomber in Haiti, Ambassador Armin Meyer in Washington, at the direction of Secretary Rogers, was making a similar effort with the operating head of Air Haiti who was in Miami, and who also had communication with the pilot at the airport in Port-au-Prince.

The Haitian Government ultimately decided to pay a ransom of U.S. \$70,000 in lieu of the U.S. \$500,000 demanded by the terrorists. At the time the question of ransom was under discussion, the Mexican Ambassador gave assurances that any ransom paid would be confis-

cated by the Mexican Government upon arrival and returned to the Government of Haiti.

The Air Haiti plane with the released prisoners and the terrorists flew to Mexico City, where the Mexican Government placed the Haitians in custody and confiscated the ransom.

Since then, we have been in active, high-level contact with the Mexican Ambassador here and also with the Mexican Foreign Minister urging that the ransom be returned promptly and the onward travel to a safe haven of the terrorist group (especially the three who held guns at the American Ambassador's head for 17 hours) not be facilitated by the Mexican Government. We have had information that the Government of Mexico was anxious to get rid of these people and in order to do so was prepared to allow their onward travel to Chile. Following our démarches, however, the government has held up making a decision for the time being on the fifteen Haitians remaining in Mexican custody.

The Mexican Government had also today formally returned the ransom money to the Government of Haiti.

Theodore L. Eliot, Jr.

392. Telegram 235 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, February 11, 1973, 2130Z.

235. 1. *Summary*: Foreign Minister sent me note February 11 stating GOH had information landing in Dominican Republic only diversion preparatory to “real action” against Haiti probably on February 10, 11 or 12 keyed to GOH elections. Expected 18 men from DR and 3,000 men of Haitian origin from Cuba to land in northwest near Port-de-Paix. Requested reinforcement of U.S. air and sea patrols around Hispaniola, surveillance of Haitian exile activities in U.S. and communication of any information affecting GOH national security.

2. *Begin text*: I have the honor to inform Your Excellency that according to certain confidential information reaching His Excellency the President for Life of the Republic, the landing in the Dominican Republic of the small Communist force under the direction of Francisco Caamano Deno is only a diversionary maneuver. The real action will take place against Haiti during the month of February and especially the 10, 11 and 12 in order to exploit the various feelings resulting from the legislative elections for the choice of 58 deputies. According to these same sources 18 men would come from the Dominican Republic and 3,000 men of Haitian origin, disguised as fishermen would cross the Windward Passage, that is to say would come from Santiago de Cuba and Camaguey to land in the northwest near Port-de-Paix.

With a view to defending the Caribbean zone against armed undertakings of Communists supported by the Marxist government of Fidel Castro, which has modern arms available, the GOH asks the USG:

A. To reinforce air and sea patrols around the island of Hispaniola;

¹ Summary: After receiving reports that an invasion by Haitians exiles was imminent, the Haitian Government requested that the United States share intelligence and reinforce its air and sea patrols in the region in order to meet the alleged threat.

Source: National Archives, RG 59, Central Files, 1970–1973, POL 23–9 HAI. Confidential; Priority. Repeated to Santo Domingo. In Document 328 the Embassy in Santo Domingo informed the Department of reports that a guerrilla band had landed in the Dominican Republic. In telegram 234 from Port-au-Prince, February 11, Knox noted that the Haitian Government was greatly disturbed by the guerrilla landing in the Dominican Republic, adding that in view of “recent incidents here concerning my personal security I can quite appreciate feelings of GOH.” (National Archives, RG 59, Central Files, 1970–1973, POL 23–9 HAI) In telegram 26257 to Port-au-Prince, February 12, the Department indicated it had seen no evidence of suspicious activities around the country’s north coast or among Haitian exiles in the United States. (Ibid.) In a March 1 aide mémoire to the Department, the Haitian Embassy in Washington reiterated the Haitian Government’s request for U.S. assistance in monitoring any unusual activities around Hispaniola or among Haitians in the United States. (Ibid.)

B. To watch the activities of alleged Haitian exiles in American territory in accordance with the Neutrality Act;

C. To be good enough to communicate to it any information affecting the national security. *End text.*

3. I shall inform Foreign Minister we have passed on his information to Washington.

Knox

393. Memorandum From the Director of the Office of Caribbean Affairs (Burke) to the Deputy Assistant Secretary of State for Inter-American Affairs (Hurwitch)¹

Washington, April 10, 1973.

SUBJECT

Your Appointment with Haitian Foreign Minister Adrien Raymond: 11:00 AM, April 10

Raymond may raise the following issues with you during your meeting:

Haitian Hope for Increased Bilateral Aid

Haitian hopes for an increase in U.S. economic assistance continue high. While we will continue to place maximum reliance on the multilateral financing institutions to meet Haiti's external financing needs, we have informed the GOH that we would consider sound project proposals beyond the capacity or interest of the multilateral agencies. We have recently signed a \$3.7 million loan for road maintenance. If Ray-

¹ Summary: Burke briefed Hurwitch in advance of a meeting with Haitian Foreign Minister Adrien Raymond, informing him of Haiti's interest in receiving additional U.S. economic aid and in becoming eligible for increased military assistance.

Source: National Archives, RG 59, Central Files, 1970-1973, ARA/CAR, Lot 75D393, POL 7 Visits and Meetings. Confidential. In a February 28 letter to Burke, Knox expressed satisfaction that consideration was being given to including Haiti in the Foreign Military Sales (FMS) program and recommended that military training be provided through the Military Assistance Program (MAP). (Ibid., POL 1-3 CASP) In telegram 93698 to Port-au-Prince, May 16, the Department informed the Embassy of its approval for Haiti's first purchase of military equipment under the FMS program. (Ibid., Central Foreign Policy File, [no film number]) No record of the April 10 meeting between Hurwitch and Raymond has been found.

mond mentions the GOH's desire for increased bilateral assistance, you should:

- stress our continued emphasis on providing U.S. assistance through multilateral channels and indicate our support for Haitian loan applications that meet standard economic criteria.

- note our satisfaction with recent U.S. efforts to assist the GOH in the development field (in particular the road maintenance loan) and our feeling that these proposed projects are progressing in a speedy manner.

Haitian Desire for Military Assistance

As you know, in response to a GOH request, the USG dispatched a seven man team of military experts to Haiti last July to assist the Haitians in establishing a coastal patrol capability, as well as advising them on sensible military procurements. We presented the GOH a "sanitized" version of the report within the last two weeks. We have also been successful in adding Haiti to the list of countries eligible for Foreign Military Sales. The Haitians appear very grateful for these moves although there is some tendency on their part to exaggerate their significance, with the GOH apparently now viewing the door as "wide open" on a resumption of full-scale military assistance to Haiti. As you know, we have no intention of reopening a full-scale military mission in Haiti; likewise, the prospects for MAP grant matériel, as recommended in the Haiti CASP, appear somewhat dim although Haiti is now eligible for FMS sales and credits and, depending on the success of the current foreign assistance legislation, may become eligible for military training. If Raymond raises this subject, you should:

- indicate our pleasure with the significant progress that has been made in this area since the last time you saw Raymond, noting the inclusion of Haiti on the FMS list as well as the presentation of the Military Survey Team report to the GOH.

- indicate that while we will continue to be sympathetic to legitimate Haitian needs to modernize its Armed Forces, the entire question of military assistance is coming under increasing pressure in Congress and we cannot be too hopeful about the possibility of re-establishing a MAP grant matériel program for that reason. Sympathy we may have in abundance, but monies available for assistance are in short supply. You should impress on Raymond the need for examining the technical team report carefully and for tailoring the Haitian military establishment in accordance with its recommendations. The point should be made that what is needed is a force well-balanced against Haitian resources or needs.

394. Memorandum From the Chief of the Western Hemisphere Division, Directorate of Operations, Central Intelligence Agency (Phillips), to the Associate Deputy Director of Operations, Central Intelligence Agency¹

Washington, July 31, 1973.

SUBJECT

Possible Changes in Haiti

REFERENCE

Executive Secretariat Note Commenting on Haiti Article Entitled "Haiti: Fire Fuels Rumors" in 27 July 1973 *Weekly Review*

1. Referenced article describes rumors of governmental changes being discussed by the Haitian public.

2. To put this in context, the Haitian public being affected by these rumors consists of the small elite of officials, ex-officials and businessmen who, in the main, support or tolerate the Duvalier regime. The masses do not take part in politics and show no signs of being capable or desirous of revolting against the regime.

3. Since the death of Dr. Francois Duvalier, the style of oppression has changed. The control of the country remains in the hands of the Duvalier family. The President's sister, Marie Denise Dominique is strong-willed and aggressive (as compared to the weak-willed, slow-witted President) and is back in Haiti. It is not so positive that she will be asked to leave soon.

4. In sum, the Duvaliers and their supporters are still in control. The control may have been less efficient lately, but the contemplated ministerial changes are planned as an attempt to tighten that control, not weaken it. The prospects for influencing changes for the better will not be good until some real governmental evolution takes place.

5. If the foregoing does not encompass the problem Mr. Colby had in mind or you care to discuss any aspect further, we are available to do so at Mr. Colby's or your convenience.

David A. Phillips

¹ Summary: Phillips commented on rumors of possible governmental changes in Haiti, concluding that the Duvaliers remained firmly in control and that the prospects for influencing changes for the better in the country were not good.

Source: Central Intelligence Agency, DCI Files, Job 80M01066A, Box 11, Folder 30. Secret. The July 27 *Weekly Review* article Phillips referenced has not been found.

395. Letter From the Political Officer of the Embassy in Haiti (De Santillana) to the Chief of Haitian Affairs, Office of Caribbean Affairs (Wauchope)¹

Port-au-Prince, August 10, 1973.

Dear Keith:

In recent months the troubles which have plagued the Jean-Claude regime have, as might be expected, led to an increase in speculation and reports of a possible military coup in Haiti. Since I know all coup talk is of unusual interest in Washington, I thought it might be useful to pass on to you some of my own thoughts on the question.

In recent months disenchantment with the performance of the Jean-Claude regime (or the lack of it) appears to have increased markedly among a number of “old guard” Duvalierists, men who held important positions under Papa Doc. It used to be that most of the grumbling or complaining from this element was directed against Luckner Cambronne or others in the cabinet, but more lately their barbs have swung against the President himself. In fact it has reached the point where I would say that some of the notable “old guard” Duvalierists would now welcome replacement of the President. Insofar as the military is concerned, I have no personal knowledge of their political thinking, but if other Duvalierists appear to becoming increasingly disenchanted with the regime, it would not be surprising if some of the military officers shared that feeling. So we have a backdrop that would, on the surface, seem to be increasingly favorable to a coup.

On the other hand, I must confess that to me it seems a long step indeed in Haiti from expressing disenchantment with the regime to actually putting together an effective coup. Two all-important factors must be taken into consideration here: One is the extreme fragmentation, even atomization of the Armed Forces, perfected by Papa Doc to protect himself from any military coup and continued by his successors. The successors have even established a new, independent and powerful unit—the Leopards—to further complicate any possible coup plotting. The second factor is the character of the officers in question

¹Summary: De Santillana reported on speculation regarding a military coup in Haiti and concluded that an attempt by the Armed Forces to overthrow the government of President Duvalier was unlikely.

Source: National Archives, RG 59, Central Files, 1970–1973, ARA/CAR, Lot 75D393, POL Political Affairs—General. Confidential; Official-Informal. In telegram 1375 from Port-au-Prince, August 10, the Embassy reported on the cabinet changes referred to in the postscript of this letter, noting that Duvalier’s August 9 reshuffle would help to deflate some of the pressure for change that had been mounting. (Ibid., Central Foreign Policy File, [no film number])

themselves. Both Spencer Key and I are personally acquainted with Jean Thomas, Serge Coicou, Francis Charles, and a few other officers of the Presidential Guard. We are both impressed with Thomas, Fils-Aime, and Coicou mainly as affable, friendly, apparently decent and family-oriented men. That is probably why Gracia Jacques picked them and has trusted them. These men must have some special qualities of loyalty and keeping their noses out of politics, else they would not have survived the 1960s so close to the President while the ranks of their fellow officers were decimated. Francis Charles appears to me more of a slippery character, but I would interpret his slipperiness as working against collaboration with his fellow officers, rather than with them. Charles is also a son-in-law of the Defense Minister, Breton Nazaire. And as for Lt. Col. Raoul Remy, I simply cannot conceive of him doing anything in a coup. Remy commands only a few dozen recruits in basic training camp forwarded to him every six months from the various department commanders, and he has no ammunition whatsoever. When we met him last summer during the Survey Team visit Remy told Spencer Key and me that he takes his recruits out to firing range practice only two or three times during their six months of training, and each time he must go to the Palace to get the ammunition.

To my mind, there is only one officer in Haiti in a position to think realistically about mounting an effective coup: Gracia Jacques. And even Jacques would not find it easy. First, he would have to get most of his own officers in line—no certain accomplishment when it appears that some of them (such as Francis Charles) report individually to the President. Then he would have to plan how to neutralize Luc Desir and his secret police, the VSN of the Palace (who are regularly on duty and numerous—I saw them *en masse* outside the President's office the night of the Knox kidnapping); Breton Claude, and probably Acedius St. Louis, Commander of the Leopards. Neutralizing all these people and their deputies, even for Jacques, would not be at all easy, and the odds would be even worse for any coup plotters who would have to overcome Jacques in addition to the others.

The above is to outline what I personally see as very formidable obstacles to any traditional sort of military coup here. And I suspect that most military officers would tend to view the obstacles in much the same way, whatever their private opinions of the regime. The above, however, does *not* rule out the isolated attempted act of violence against the regime, such as sabotage or an attempt to assassinate the Duvaliers. In this respect, however, we are inclined to think that the Palace fire of the 23rd was more likely accidental than intentional.

In conclusion, I would stress that this letter is directed only at the question of the possibility of a military coup. My skepticism concerning the likelihood of a coup should not be interpreted to mean that the re-

gime is not badly troubled these days, as I hope we have indicated in our reporting.

You may wish to show this letter to John Burke.

Sincerely,

Gerald de Santillana

Note: This letter was drafted before the cabinet changes announced last night (August 9).

396. Weekly Summary Prepared in the Central Intelligence Agency¹

Washington, September 7, 1973.

[Omitted here is material unrelated to Haiti.]

HAITI: FIRE ALARM

Political unrest is on the increase in Port-au-Prince as the result of a second and third fire of suspicious origin in the National Palace. Although the Duvalier regime calls the fires “accidental,” it is now convinced that they were deliberate and designed to precipitate a coup.

Rumors of coup plotting were rife a few months ago, but few had been heard since the shakeup of the Armed Forces in early August. The security forces have been on full alert since the first fire on 23 July. Even more stringent security measures were imposed after the second fire, on 29 August, especially around the Presidential compound.

[1 paragraph (7½ lines) not declassified]

The commander of the Presidential Guard would like to prove that the Leopards are responsible for the fires; he believes they have usurped a number of duties previously assigned to the Presidential Guard and infringed upon his role as chief security adviser to the President. The commander is conducting his own investigation of the inci-

¹ Summary: The Central Intelligence Agency reported that political unrest was on the increase in Haiti, adding that the Haitian Government might soon make a show of force to regain the upper hand.

Source: National Archives, RG 59, Central Files, ARA/CAR, Lot 75D393, POL Political Affairs, General. Secret; [handling restriction not declassified]. All brackets are in the original except those indicating text omitted by the editors or that remains classified. In a September 21 letter to Simms, De Santillana characterized the CIA’s report as largely unsubstantiated and “too alarmist in tone.” (Ibid.)

dents and apparently believes that the strong-arm interrogation techniques used when the elder Duvalier ruled Haiti will prove more effective than those used by the commission of inquiry established by the President following the first fire.

The fires have intensified concern within the Duvalier regime for its security. Critics of the regime are beginning to speculate that the Duvaliers are in serious trouble. This would appear to be an exaggeration, but further such incidents would seriously undermine public confidence in the government. In these circumstances, President Jean-Claude Duvalier and his advisers may conclude that a show of force, such as a massive arrest of suspects, is necessary in order to regain the upper hand.

397. Airgram A-137 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, October 5, 1973.

SUBJECT

Jean-Claude Duvalier and his Government: October 1973

<i>TABLE OF CONTENTS</i>	<i>Page</i>
The Backdrop: Uneven Progress in Haiti	2
The Decision-Makers: The Duvaliers	4
Jean-Claude Duvalier as President	5
The President's Advisers	8
Internal Problems of the GOH	10
The Shakeup of August 1973	12
Internal Reaction to the GOH	13
Outlook for the Future	14
Conclusions	17

¹ Summary: The Embassy provided an overview of the political situation in Haiti, noting that President Duvalier had begun to assert himself more strongly after a period in which his administration had faced significant challenges.

Source: National Archives, RG 59, Central Files, 1970-1973, POL 2 HAI. Confidential. Drafted by De Santillana, cleared by Mattox and Key, and approved by Corcoran. Page numbers reference original pagination. All brackets are in the original except those indicating text omitted by the editors.

SUMMARY: After promising beginnings in 1971, characterized by relaxation of repression, stirrings of economic growth, and increased foreign acceptance of Haiti, the Haitian Government has fallen on a period of unhappy times over the past year. Challenged successively by the kidnapping of Ambassador Knox in January, acute food shortages which have cropped up intermittently since April and May, nearly-paralyzing strains and divisions within the regime, and the costly explosion of the National Palace munitions depot in July, the GOH has had few positive accomplishments it can point to this year. Not surprisingly, malaise and ferment rose sharply among educated Haitians over the past year, Duvalierists and non-Duvalierists alike, and many became convinced the regime's days were numbered.

As if in reaction to these problems, President Jean-Claude Duvalier asserted himself strongly in August and for the first time in his Presidency effected a sweeping shakeup of the military, the Cabinet, and other high-levels of the GOH. The August personnel changes, accomplished without violence or major unsettling effects, seem to have ushered in a new stage in the Presidency of Jean-Claude Duvalier. In part, they should have a positive effect on several of the internal problems which so troubled the GOH earlier this year: internal division, paralysis, and poor economic decision making. The changes have also established for the first time the President's direct, personal control of all key elements of his government. Since August Haiti has no longer had a "collegial" government; the President himself has emerged as the main, unchallenged decision maker. Over the coming months the performance of the GOH will probably depend more than anything else on the pace of development of Haiti's young President and the sort of leadership he gives. Some of his beginnings have been encouraging.

The purpose of this airgram is to survey the current status of the GOH—its leadership, its problems, and the outlook for change over the next half year or so—against the backdrop of the general political and economic situation in Haiti this year. END SUMMARY

[Omitted here is the body of the airgram.]

398. Telegram 2001 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, November 23, 1973, 1545Z.

2001. Subject: Training for Haitian Military Personnel in the U.S. Ref: (A) State 214666; (B) P-AU-P A-125; (C) FY 74-75 CASP for Haiti

1. Military training courses which could be made available to the GOH on a cash sales basis this year, per ref (A), transmitted to SecState for Foreign Affairs November 12.

2. Embassy appreciates Department's attention to this request, and we believe list of courses is a good one to meet initial, most basic needs of Haitian Armed Forces, especially in the fields of maintenance and repair. However, Embassy still believes, and strongly urges, that training be provided on a grant basis, as requested in the FY 74-75 CASP for Haiti and approved by the inter-departmental group for Latin America in April 1973.

3. Embassy can understand Haiti's exclusion from the list of countries eligible for grant military training in the 1960s, owing to political conditions prevailing at that time. However, times in Haiti have changed. The country has a new, young President moving in some positive new directions (see Embassy's A-137 of 10-5-73). In the past few years, repression has been markedly and genuinely eased in Haiti, for example, in contrast to the direction of events in some other countries of the hemisphere. Even after the kidnapping of Ambassador Knox earlier this year and after the fires in the National Palace in July and August (all highly embarrassing to the regime), the GOH maintained its political restraint. There has been no repressive crackdown. Moreover, in the major personnel shakeup of August, the President dismissed a number of the more corrupt and self-serving civilian and military officials inherited from the past and replaced them mainly with professionals and younger technocrats of good reputation. He has also shown a clear desire to do more for the economic development of the country. And, in international organizations, the new government in Haiti has been a dependable, good friend of the U.S., for whatever that is

¹ Summary: Noting the Haitian Government had become markedly less repressive since the 1960s, the Embassy recommended the establishment of a modest military training program for members of the Haitian Armed Forces.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Secret. In telegram 214666 to Port-au-Prince, October 31, the Department indicated that certain individual training courses could be made available to members of the Haitian Armed Forces on a cash sales basis during the current fiscal year. (Ibid., [no film number]) Airgram A-137 from Port-au-Prince is Document 397. Airgram A-125 and the FY 74-75 CASP for Haiti were not found.

worth. All these are positive tendencies which it seems to us should be encouraged.

4. In the FY 1974–75 CASP for Haiti, the Embassy outlined a number of other points demonstrating why we believe some grant military training for Haiti is very much in our interests: the urgent need to upgrade the Haitian Navy's virtually nonexistent coastal patrolling and marine safety capability; the opportunity to establish some influence with the whole generation of younger Haitian military officers who know nothing of the U.S.; and others. In view of the mounting drug traffic problem in the Caribbean, the need for grant naval training is especially worth stressing. By any yardstick Haiti is the poorest country in the hemisphere, with budgeted revenues amounting to a total of only some \$48 million this year. From these slender resources the GOH must run all of its government operations and fund its own contribution to its development program. To the GOH, naval training of the sort required to establish an effective antismuggling and coastal patrol capability is desirable, but not so essential as to take precedence over other demands on its extremely limited resources. The GOH is already paying in cash, and will continue to have to do so, for all acquisitions of military matériel.

5. In sum, it seems illogical that Haiti, the poorest country in the hemisphere, trying to move in some positive new directions, and with perhaps the greatest need for our help, should still be singled out for total exclusion from grant training programs enjoyed by nearly every other nation of the hemisphere for many years—training which will contribute substantially to advancing a number of our important interests, in the region, as set forth in our CASP.

6. *Action requested:* Embassy again requests Department's favorable consideration of our recommendation, outlined in the CASP and approved by the IG, for a grant training program for a few dozen Haitian military personnel in the U.S., concentrating on naval personnel, the cost for this FY to be no more than the \$155,000 requested in the CASP (pps. 21, 37).

Corcoran

399. Memorandum From the Director of the Office of Caribbean Affairs (Burke) to the Deputy Assistant Secretary of State for Inter-American Affairs (Shlaudeman)¹

Washington, February 1, 1974.

Haitian Refugees in Miami

Increasingly, Haitians have been making their way to the Miami area in small boats and without documents. This influx is clearly not related to the political climate in Haiti, which has demonstrably improved enormously over the last three years but rather to economic distress in the countryside, expulsions by the Government of the Bahama Islands of illegal immigrants, difficulties in obtaining visas (see attached summary of issuances and refusals), and the success of the operation itself, word of which, of course, has filtered back to Haiti. Once the Haitians arrive in the U.S. and are apprehended by the Immigration Service, they are subject to deportation as illegal immigrants. Invariably, they claim political asylum.

In accordance with established procedures, the Immigration Service, which has primary jurisdiction in these cases, takes individual statements from the would-be asylees and forwards them to the Department of State for its recommendations. Each statement is considered carefully and sympathetically with a view to determining whether or not its author has established that he is, in the words of the United Nations Convention Relating to the Status of Refugees, a person who "owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country." Except for a very small percentage of the cases examined, the claim to political asylum is found to be groundless. Indeed, most of the refugees do not even try to support the claim but freely admit that they left Haiti because they had no employment. Others offer palpably false stories, such as that recently told by a man who alleged that he had left

¹ Summary: Burke informed Shlaudeman that Haitians were increasingly traveling to the United States in small boats in search of better economic opportunities and filing claims for political asylum upon arrival.

Source: National Archives, RG 59, Central Files, 1970-1973, ARA/CAR, Lot 75D474, POL 30 Refugee and Migration, 1974. Limited Official Use. Drafted by Simms. On April 18, 1973, officials at the Department of State and the Immigration and Naturalization Service met and agreed that "it was necessary to stop the influx of Haitians into the U.S. by acting quickly" in ruling on their asylum claims. (Memorandum of conversation, April 18, 1973; *ibid.*, POL 30 HAI)

Haiti because the police were killing all the illiterates in his village (the population as a whole is more than 80 percent illiterate!). A very few seem to have at least a tenuous claim; in such cases, the individual is invariably given the benefit of the doubt.

When their claims are rejected, the Haitians can and, with the assistance of Haitians legally in the U.S. and voluntary agencies, do obtain legal counsel. Their cases are appealed to the Board of Immigration Appeals and to the courts, and they thus enjoy the full protection of American law.

We believe that Haitians will continue to arrive in the U.S. illegally and in substantial numbers. To consider all these people as bona fide political asylees and thus allow them to circumvent normal immigration procedures would, in effect, penalize those who legally seek entry into the U.S.

Attachment

Visa Issuances and Refusals at Port-au-Prince, FY 1971–73

<u>Non-Immigrant Visas</u>		<u>Immigrant Visas</u>	
<u>Issued</u>	<u>Refused</u>	<u>Issued</u>	<u>Refused</u>
FY 71 – 10,134	3,375	5,874	1,960
FY 72 – 7,829	2,992	4,828	1,713
FY 73 – 9,014	2,164	4,178	1,804

400. Telegram 535 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, March 27, 1974, 2110Z.

535. Subject: Haiti's New Foreign Minister Seeks Constructive Relationship.

¹ Summary: Ambassador Heyward Isham reported on a meeting in which he and newly designated Haitian Foreign Minister Edner Brutus reviewed the problem of Haiti's image in the United States, the economic priorities of President Duvalier, and the interest of the Haitian Armed Forces in obtaining additional equipment and training.

Source: National Archives, RG 59, Central Foreign Policy File, D740066–0756. Confidential; Limdis; Stadis. In telegram 551 from Port-au-Prince, March 29, the Embassy provided biographical information on Brutus. (Ibid., D740070–0744)

1. *Summary:* During extended conversation with me March 26 newly designated Foreign Minister Brutus spoke freely and authoritatively about U.S./GOH relations, the problem of Haiti's image in the U.S., the economic priorities of President Duvalier, and the limited self-defense orientation of the Haitian military. Brutus will head GOH delegation April 17/18 FonMin meeting.

2. Edner Brutus, the elegant, articulate, and vigorous scholar/diplomat who replaced Raymond as Foreign Minister, was in good form during a 1½ hour conversation with me March 26 (the first audience, he noted, he had given any Ambassador). He seemed thoroughly at ease, appeared to be on close terms with President Duvalier, and throughout the discussion conveyed his dedication to building a relationship with the U.S. based on candor, mutual respect, and the recognition of shared history and shared ideals. "Geographic determinism," he said, left Haiti no alternative but friendly relations with the U.S., and in its efforts to reconstruct the economy Haiti would look to the U.S. for counsel and help, without however seeking special treatment or posing inordinate demands. Men, just as governments, owed it to themselves above all to be honest, admit mistakes, and proceed from there; he would base his conduct of office on that precept.

3. I said these sentiments accorded well with our own, as expressed most recently by the President in his remarks on the occasion of Ambassador Bouchette's presentation of credentials. I raised the matter of the forthcoming Senate Appropriations Committee hearings on the aid program for Haiti, explaining that although this was a matter for us to deal with, the Haitian Government should be well aware of the nature of the criticisms contained in the report and should take them into account.

4. Brutus took this well, conceding that Haiti's image in the U.S. had been a bad one consequent upon the harsh political battles under Duvalier Pere; the exiles imagined that time stopped the moment they left their country; they could not adjust psychologically to changes for the better. He said that Jean-Claude Duvalier, although bearing his father's name, saw himself as undertaking an entirely different vocation for Haiti. The fierce political and social battles were over; the current task was to establish an economic structure adequate for Haiti's needs, for any revolution that ignored the national economy would be fragile. The President was dedicated to peace and honesty; he would "make war on the thieves;" but he had to move with circumspection, for there were political implications in all moves to that end.

5. I took the occasion to refer to GOH arms expenditures, specifically to a license application for T-28 armament sets, noting that this expenditure would not be in GOH interests since the aircraft, in contrast to what the military survey team had envisaged over a five year

period, were not yet operational, nor were there enough pilots trained to fly them. Moreover such an expenditure might be misunderstood in quarters already critical of the GOH. Brutus commented that in view of past invasion attempts the military modernization program was designed to dissuade other ventures, not for use domestically. He agreed in any case that military expenditures should not be excessive. He understood that we could not approve the application at this time, but seemed pleased to know that we would continue efforts to obtain a modest training and reequipment program for Haiti along the lines recommended by the military survey team.

6. *Comment:* Brutus is in a class far above his predecessor Raymond. Equipped by experience and temperament to be a wise counsellor, and without any higher ambitions of his own, he should be an important stabilizing element in the decision-making process which President Duvalier is still developing. Backstopped by the action-oriented and professionally competent Dorcelly as Under Secretary, Brutus bids fair to make a substantial contribution to Haiti's more rational and outgoing foreign policies.

Isham

401. Telegram 718 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, April 20, 1974, 1615Z.

718. Subject: Visit of Senator Edward W. Brooke to Haiti: Ambassador's Assessment.

1. Senator Brooke's visit to Haiti was, in my judgement, decisive in persuading the Senator and the Appropriations Committee's minority counsel, Mr. Rossiter, that for humanitarian reasons if for no other the

¹Summary: Ambassador Isham reviewed Senator Edward Brooke's April 15–18 visit to Haiti and concluded that the trip had helped to convince the ranking Republican member of the Senate Appropriations Committee that the country deserved U.S. assistance.

Source: National Archives, RG 59, Central Foreign Policy File, D740093–0235. Confidential; Limdis. In telegram 720 from Port-au-Prince, April 22, the Embassy reported that Brooke had emphasized to Haitian officials the importance of improving the country's image abroad in order to win U.S. support. (Ibid., D740094–0120) In telegram 722 from Port-au-Prince, April 22, the Embassy detailed Brooke's activities during his stay in Haiti. (Ibid., D740094–0151) Telegram 726 from Port-au-Prince, April 22, provided a more detailed account of Brooke's meeting with Duvalier. (Ibid., D740094–0440)

aid program for Haiti should be continued if not increased somewhat above current levels.

2. The Senator appeared to be satisfied that he had received enough evidence to answer the major questions he and the Committee had posed, e.g., whether the government here practices political repression, diverts aid funds and is committed to raising living standards. On the basis of discussions with representatives of the international organizations and voluntary agencies, Ambassadors representing the principal bilateral donors, many of the key ministers responsible for economic and political, the American business community, and the President himself, the Senator was able to acquire a considerable body of information in a short time and to evaluate the Embassy's intensive briefings. He made a long field trip to Anse Rouge, an area where aid funds administered by Hacho have helped to alleviate the extreme poverty of the area and to encourage community action. He also visited the hospital at Deschapelles founded and administered by Dr. and Mrs. Mellon.

3. Judging from these exchanges and observations and from the Senator's comments to me throughout the visit, I would expect that his report would include the following conclusions:

A. There is little if any evidence to substantiate charges that the jails are filled with political prisoners, that the military or paramilitary forces impose terror on the population, that corruption is widespread within the government, and that Haitian exiles would face punitive sanctions if they were to return. On the contrary, the atmosphere of calmness and order seemed indisputable, although there is no freedom of the press in the sense of criticizing basic policies of the regime.

B. The administration of U.S. aid funds through AID and through volunteer agencies is effective in insuring that the foodstuffs do in fact reach the intended recipients and are not diverted, for example, to the army. The volunteer agencies, in particular, are doing an outstanding job.

C. The President and the Cabinet are genuinely committed to economic development as a primary task. At the same time, enormous problems in the countryside remain and a much greater investment of central government money, personnel, and direction is needed in the provinces.

D. Some expenditure to improve the antiquated military equipment is warranted. Expenditures on armaments thus far do not appear to be disproportionate to gross national product or inhibitive of the economic development program.

E. A much more effective public relations program for Haiti is required if the energetic and vocal Haitian exiles are not to gain ground in their current campaign against the Duvalier govt.

F. With respect to the OPIC loan of \$480,000 to the Habitation Leclerc, the Senator appeared to be fairly well convinced by talks with the experienced French Manager and the young, articulate builder that the loan itself was in no danger of default, that the investment would probably begin to make a profit after three years and that the initial growing pains could be overcome. However, the Senator appeared unconvinced that the benefits to the Haitian economy, chiefly in the form of wages for construction workers, salaried employees, and tourist expenditures, were such as to offset the unfavorable impression which most American taxpayers had received of having a U.S. Govt funded loan go to a resort which placed so much emphasis upon luxurious “decadence” for a small number of wealthy tourists, primarily from the eastern seaboard.

4. In sum, Senator Brooke appeared to be impressed by the enormous historical difficulties facing Haiti under any government; by the dedication and qualifications of those presently in authority, including the President; and by the general consensus among voluntary agencies, international organizations, friendly aid-donor embassies, and American businessmen that Haiti deserved to be helped. His trip to the countryside and to the hospital impressed him deeply with the overwhelming humanitarian needs of this country, the fortitude and developing initiative of the people, and their capacity to be trained to help themselves.

5. It is safe to say that the Senator concluded that for a country like the U.S., spending \$92 billion on defense and \$2.6 billion in foreign economic assistance, to deny Haiti an aid program of \$8.7 million would be irresponsible. It is, I think, also safe to say that Senator Brooke was confirmed in his general sense of the country's need and the direction in which it is going or trying to go. As a result of this visit he has first-hand evidence in support of currently contemplated and future proposed aid programs for Haiti, and I believe he will use that evidence effectively within the Senate Appropriations Committee.

Isham

402. Telegram 1419 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, July 25, 1974, 2022Z.

1419. Subject: Senate Appropriations Subcommittee Hearings on Haiti. Ref: State 160347.

1. *Summary.* I briefed FonMin Brutus July 25 on Inouye subcommittee hearings on Haiti and presented names of alleged detainees on whom information requested by subcommittee. Brutus fully understood importance of GOH providing prompt, definitive response to request for information on detainees and promised he would take up matter with President immediately. *End summary.*

2. I called on FonMin Brutus July 25 to brief him on highlights of Inouye subcommittee hearings July 23, outlining nature of allegations brought by Haitian exile groups, AFL/CIO and Episcopal Church. As the background to the request on prisoners, I used following talking points, supplemented by relevant sections of Brooke report:

A. FonMin has recognized serious "image" problem for Haiti in the U.S. deriving from previous years and special circumstances of Dr. Duvalier's administration, including the opposition of political enemies and methods used against them.

B. I had often discussed with FonMin the direct connection between U.S. foreign policies and the degree to which the executive branch is able to secure and maintain public understanding and support for those policies. The U.S. internal situation today is such that all policies and foreign aid programs are undergoing particularly severe and searching examination by the public and the Congress.

C. In the case of Haiti, as the FonMin is aware, a report by the Senate Appropriations Subcommittee raised serious questions about whether U.S. aid to Haiti was consistent with the sense of Congress (Section 32 of the Foreign Assistance Act) that the President should pro-

¹ Summary: Ambassador Isham briefed Foreign Minister Brutus on the Inouye subcommittee hearings on Haiti in the U.S. Senate, in which witnesses had attacked the Haitian Government's record on human rights.

Source: National Archives, RG 59, Central Foreign Policy File, D740202-0415. Confidential; Immediate. In telegram 160347 to Port-au-Prince, July 24, the Department requested the Embassy's assistance in obtaining information on the status of individuals who had been described as political prisoners by witnesses at the congressional hearings. (Ibid., D740200-0532) A July 26 letter from Burke to Isham briefly reviewed the Inouye subcommittee's hearings on Haiti and concluded that it was "unfortunate that the GOH did not have the benefit of some sympathetic witnesses" who might have "presented a more balanced and accurate view of conditions." (Ibid., Central Files, 1970-1973, ARA/CAR, Lot 75D474, Official-Informal, Outgoing, 1974)

vide no military or economic assistance to those countries practicing the imprisonment or detention of their citizens for political purposes.

D. Senator Brooke's visit to Haiti in April was for the purpose of evaluating these and other allegations.

E. Senator Brooke's report, just completed, is generally positive, and recommends the continuation of the aid program for Haiti, subject to certain recommendations. The Senator recommends against military assistance to Haiti, but believes there is merit in helping the GOH establish sea search and rescue capability.

F. Notwithstanding the generally favorable report, the charges recurrently brought against the Haitian Govt and reiterated in the July 23 hearings, notably as to political prisoners, should be dealt with definitively by the govt and put to rest, because they constitute continuing target of attack for critics of the govt and influence attitudes of many who would otherwise be impressed by the recent achievements and efforts of the govt.

G. The provision of authoritative and complete information on these persons will greatly assist Haiti's case as the subcommittee considers aid appropriations for this and future years.

3. Brutus expressed appreciation for briefing and made following comments of particular interest:

A. President Duvalier remained firmly opposed to any reversion to violent methods of past. He wanted those days to be forgotten and all emphasis put on economic and social plans. However, many old Duvalierists were suspicious of President's policy and regarded it as a direct threat to their own power and position. Some had advocated repressive measures following unexplained palace explosion last year, but President had refused. Others continue to play role of provocators within the govt, seeking to provoke crackdown that would reassert their own importance. In this respect, Brutus noted, their actions parallel those of Haitian exiles abroad who sought to provoke regime into violent actions that would bring discredit upon it. Nevertheless their influence was being curbed; many "Macoutes" had been dismissed by Minister Blanchet.

B. Regie Du Tabac was in a period of transition. President intended to normalize it, but had to proceed cautiously because of political implications.

C. Brutus agreed that matter of political prisoners should be resolved if only by releasing information on their fate to assuage concern of their relatives who remained in the dark (sometimes women remarried on mistaken assumption that their husband had died in jail). He fully appreciated the continuing source of irritation that this problem constituted in U.S./GOH relations.

4. I then presented list of names contained reftel, typed on plain white paper, pointing out that I was not including them in a formal note in order to facilitate GOH response. Brutus appeared to appreciate this method, promised he would take matter up immediately with President and would let me know.

Isham

**403. Letter From the Director of the Office of Caribbean Affairs
(Burke) to the Ambassador to Haiti (Isham)¹**

Washington, August 13, 1974.

Dear Hey:

Our mutual friend, Gerard Bouchette, beetled in to see me yesterday (as you probably know he hastened back here from Port-au-Prince to be present at the first meeting of President Ford and Secretary Kissinger with the diplomatic corps which took place last Friday). He told me that he was returning to Haiti today for 48 hours but would be back at the end of the week at which time he would come see me again.

The principal point of Bouchette's visit was to tell me that he had discussed the outstanding arms purchase request with the President and that the President had agreed to delay the purchase for some months. He then asked again about the possibility of some USG assistance in the housing area and I gave him the standard reply.

The rest of our meeting was devoted to some rather curious probing on his part as to how the USG viewed Haiti. I responded in the approved way, telling him that much progress had been made in recent years and that the prospects were good for continued progress. He then said that the exiles in New York were jubilant at President Nixon's resignation and that they now felt there would be a change in U.S. policy

¹ Summary: Burke described an August 12 meeting in which he and Haitian Ambassador Gerald Bouchette discussed Haiti's interest in purchasing arms, U.S. views of Haiti, and the possibility of an invasion by opponents of the Duvalier regime.

Source: National Archives, RG 59, Central Files, 1970-1973, ARA/CAR, Lot 75D474, Official-Informal, Outgoing, 1974. Secret; Official-Informal. In an August 9 letter to Isham, Burke reported that he had met with the Haitian Military Attaché on August 8 and conveyed the message that it might be best to defer Haiti's request for additional arms purchases for 2 to 3 months and that "Haiti should acquire arms in sensible quantities through legitimate channels." (Ibid.) Isham's letter on the political ambience in Port-au-Prince was not found.

toward Haiti. In reply I merely pointed to the fact that President Ford had asked the Secretary to remain on and the latter had agreed. Furthermore, all of the statements made so far by the new Administration seemed to point continuity in the foreign affairs sector.

Bouchette then said that he had heard reports that the exiles were planning something in the way of an invasion, that they had begun to acquire arms, and that they had plans for transporting a unit of some sort to Haiti. He said further that the exiles claimed to be in contact with sympathetic elements in Port-au-Prince who would make common cause with them in an invasion attempt. I pressed him to furnish details, particularly about the acquisition of arms by the exiles and possible departure points for any invasion attempt. I said that such activity was against the law and the appropriate officials could be put on notice if Bouchette were able to supply precise details of their plans. He said that he would furnish such information if it came to his attention but for the moment he didn't have hard fact.

I then asked Bouchette who the individuals were in Port-au-Prince who might make common cause with the exiles. He responded by saying that there were unhappy people in the government and in the military. These individuals had been hurt by and disapproved of Jean-Claude's efforts to crack down on corruption and bribery. Because their "little affairs" had been interfered with and their incomes diminished they were now at least entertaining the idea of some action against the regime. When I pressed him for names, about the only one he could supply was Clovis Desinor. I suggested to him that Desinor's name had surfaced frequently ever since Francois Duvalier had removed him as Minister of Finance before his death and that in the past rumors of such activity by Desinor had not appeared to be well founded. Our conversation ran out at this point and I saw him off at the door.

Ever since receiving your long and thoughtful letter some weeks back on the political ambience in Port-au-Prince, I have been giving some thought to the desirability of the Embassy doing a contingency study of what would happen politically were Jean-Claude to disappear suddenly from the scene. We used to indulge in such an exercise frequently when the old man was alive and in precarious health. It seems to me that it might not be a bad idea to put a few thoughts on paper for a very small readership both here and there. I personally feel that the possibility is quite good that Jean-Claude will stay around for some time. Nevertheless, the situation remains fragile and I know that I would benefit from an exchange with you on this subject. Perhaps we could do it in the form of an exchange of official-informals for the first go round at least and after that if you were satisfied with the way it looked you might attempt to formalize it.

I will look forward to your response.

With best regards,

Sincerely,

John R. Burke

404. Airgram A-127 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, August 27, 1974.

Haitian Refugees Claiming Political Asylum

SUMMARY

Action decisions are needed regarding the fate of the more than 800 Haitians the INS is processing as illegal aliens, most of whom seek political refugee status. These refugees, however, fit into a long established pattern of massive Haitian emigration for economic purposes. Most if not all of them are ineligible for immigration or temporary worker/trainee visas due to their lack of education or job skills. We believe that President Jean-Claude Duvalier is sincere in his private assurances to us that no returning refugee will face reprisals. He realizes that the success of his ambitious economic plans depends upon his international acceptability. His relatively benign rule has already boosted tourism, and attracted the first significant foreign aid and technical assistance for Haiti since the early 1960s. Moreover, Haiti is fast emerging from its diplomatic isolation as it seeks new sources of trade and investment. However, it remains possible that in a moment of panic, the current regime could revert temporarily to terrorism tactics during

¹ Summary: Noting that the United States Government faced the problem of handling the cases of Haitian migrants who claimed political asylum, the Embassy recommended "normal enforcement of the exclusion provisions of our immigration law" and suggested that the Haitian Government be reminded that any persecution of repatriated illegal aliens would have a negative impact on the country's image.

Source: National Archives, RG 59, Central Files, 1970-1973, ARA/CAR, Lot 75D474, POL 30 Refugee and Migration, 1974. Confidential. Drafted by Vincent; cleared by Montgomery, Carbone, Key, Wilson, and Thomson; and approved by Isham. All brackets are in the original except those indicating text omitted by the editors. In an August 16 letter to Kellogg that referred to mounting Church opposition to the U.S. position on Haitian refugees, Isham reported that he "had just mentioned how serious the Haitian refugee problem was becoming for us" to Brutus, who was "showing considerable sensitivity to domestic difficulties we face that affect congressional opinion." (Ibid.)

which returned refugees could be more vulnerable than other Haitian citizens. So far, however, the GOH record on refugees is good, although not perfect.

Unfortunately, there is little this post can do to evaluate the factual claims of political asylum aspirants. We feel the GOH would sour on unilateral post efforts at fact finding, while GOH security officials are unlikely to provide proof of their own misdeeds, if any. Haitians who came from third countries in most cases had an opportunity to seek legal admission to the U.S., and failed to do so. Haitians who arrived directly, often at great personal risk in small boats, are in most cases similar to the many other economic refugees from the Caribbean or Mexico who enter the U.S. illegally in search of jobs. Because of the underlying economic motivation, nonenforcement of the law concerning illegal aliens would invite an armada of small Haitian boats to set sail for Florida. The solution to possible inequities of treatment of Haitian v. Cuban refugees lies in legislative action rather than nonenforcement of our immigration law.

If the USG ever lifts its trade and diplomatic sanctions against Cuba, the Department might consider requesting Congress to drop or modify the special legislation on Cuban refugees to ensure equality of treatment to economic refugees from all countries.

We recommend (1) normal enforcement of the exclusion provisions of our immigration law; (2) continued reminders to the GOH of the potential adverse public relations impact of any reprisals against returning refugees; (3) a *démarche* to the GOH urging its public welcoming of returning refugees without reprisals, which could help immeasurably in establishing Duvalier's *bona fides* among skeptical Americans and Haitian exiles; and (4) a *démarche* to the GOH urging the arrest and prosecution of those persons who smuggle Haitians into the U.S. for personal gain. *End summary.*

[Omitted here is the body of the airgram.]

405. Telegram 1840 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, September 19, 1974, 1715Z.

1840. For ARA/LA/CAR Director Burke from Ambassador. Subject: Terroristic Measures Aimed at Haiti—Ambassador's Message for FBI Director. Ref: (A) P-au-P 1818; (B) P-au-P 1816.

1. Unless you perceive objection, request Dept pass following message from me to FBI Director Kelley.

2. *Begin text.* As you are undoubtedly aware, in the past several months U.S.-based opponents of Haiti's Government have stepped up subversive operations in Haiti. In May booby-trapped packages were despatched by air freight from Miami to senior persons in the govt. One of these packages exploded in the Pan American warehouse in Port-au-Prince only minutes after being unloaded from the aircraft. Two weeks ago an American named Ralph Harrington was killed when an explosive device he was examining in his hotel room in Port-au-Prince blew up. Harrington, evidently commissioned by persons in Miami, had apparently planned to set off explosions at strategic points in the Haitian capital. Harrington's woman companion, who survived the explosion, was found to be without responsibility in the affair and returned yesterday to her parents' residence in Ohio where the FBI plans to interview her. The FBI has already interrogated a third U.S. citizen implicated in this affair.

3. The Government of Haiti, understandably, is concerned over these cases of terrorism contrived on U.S. territory and aimed at Haiti. President Duvalier of Haiti is anxious for all relevant information about the perpetrators, especially if leads point to Haitians resident in the United States.

¹ Summary: Isham requested assistance from the Federal Bureau of Investigation in investigating subversive actions against the Haitian Government carried out by U.S.-based opponents of President Duvalier.

Source: National Archives, RG 59, Central Foreign Policy File, D740263-0349. Confidential; Immediate. In telegrams 1727 and 1816 from Port-au-Prince, September 5 and 17, the Embassy reported more fully on the September 4 explosion that killed Ralph Harrington. (Ibid., D740245-1036 and D740260-1039) In telegram 206412 to Port-au-Prince, September 19, the Department reported that the FBI had identified a Florida-based anti-Duvalier figure, Bernard Sansaricq, as the likely ringleader of the group responsible for the Harrington incident. (Ibid., D740263-0290) In telegram 224694, October 11, the Department informed Port-au-Prince that FBI personnel would travel to Haiti to assist in the investigation of the blast. (Ibid., D740290-0006) In telegram 249427, November 12, the Department reported that the FBI was considering establishing a regular communication channel with Haitian authorities. (Ibid., D740326-0244) In telegram 2283 from Port-au-Prince, November 22, the Embassy concurred with the establishment of such a channel. (Ibid., D740339-0677) Telegram 1818 from Port-au-Prince has not been found.

4. I would be most grateful for your assistance in ensuring that the investigations now being carried on are pursued vigorously and that such information as may be developed be made promptly available so that I may pass it on to the Government of Haiti. *End text.*

Isham

406. Telegram 201 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, January 28, 1975, 1900Z.

201. Subject: Duvalier Pardons 26 Political Prisoners.

1. *Begin unclassified.* Local media announced over weekend that President Jean-Claude Duvalier had granted full pardon to 26 political prisoners. Newspaper *Panorama* said pardoning reaffirmed Duvalier's policy of détente and reconciliation, which has assured true peace and economic gains. The only prominent person among the 26 is Jean Bernadel, former Deputy Director of the Royal Bank of Canada's branch in Haiti.

2. The pardoning order, dated Jan. 22 (the fourth anniversary of Duvalier's public selection by his father, Dr. Francois Duvalier, to succeed him as President) observed that quote on the occasion of the commemoration of great historic dates, it is proper to exalt the most generous concepts of the nation. Considering that the right of pardon, one of the essential attributes of the Chief of State, is a mode of exercising this generosity; considering that in view of giving the historic date of Jan. 22, 1975 this solemn significance, the Chief of State has decided to

¹ Summary: Noting that the Haitian Government had pardoned 26 political prisoners, the Embassy concluded that Ambassador Isham's quiet representations to Haitian officials on the subject of human rights were having a positive effect.

Source: National Archives, RG 59, Central Foreign Policy File, D750031–0603. Confidential; Priority. Repeated to Kingston and Santo Domingo. All brackets are in the original except "[certain]", added for clarity. In telegram 160347 to Port-au-Prince, July 24, 1974, the Department transmitted Senator Inouye's request for information on the whereabouts and legal status of Jean Bernadel, one of the prisoners whose pardon by Duvalier was reported in this telegram. (Ibid., D740200–0532) In telegram 1415 from Port-au-Prince, July 25, 1974, the Embassy replied that Bernadel had been arrested in August 1972 in connection with an alleged plot against the Haitian Government and was presumed to be in prison. (Ibid., D740201–1219) In telegram 225 from Port-au-Prince, January 29, the Embassy reported that the background of the other 25 released prisoners remained unclear and that some of them might have been common criminals. (Ibid., D750033–0849)

grant clemency in favor of certain persons condemned for political reasons. End quote.

3. The names of the released prisoners, as printed in *Le Nouvelliste* dated January 25–26, are:

Serge Benoit
 Beauvois Celamy
 Jean-Charles Harry
 Wilson J. Virgelin
 Jeannot Chery
 St.-Louis Voltaire
 Rodrique Zamor
 Lumenes Olivier
 Jean Bernadel
 Dalus Joseph
 Roosevelt Milord
 Joseph Rene Gelin
 Jacques Duvert
 Justin Alexis
 Rene Duverger
 Nestor Elie
 Mertyle Olivier
 Guillaume Fraxe
 Wilson Hais
 Joseph Jean
 Dorlean Exil
 Alfred Rodrigue
 Adrien Francois
 Saurel Labissiere
 Francisque Eric
 Felix Bien-Aime

End unclassified—begin confidential.

4. In addition to Bernadel, who was arrested in Aug. 1972 for his alleged role in a subversive plot (PauP 1415 of July 24, 1974), an initial file check indicates that only two, perhaps three, of the released prisoners were known to this post:

A. J. Virgelin Wilson (our records give Wilson as family name) was an enlisted man in Coast Guard believed to have been arrested in or before 1969 for alleged Communist activities.

B. Jacques Duvert was arrested on Feb. 10, 1969 for alleged Communist activities.

C. "Guillaume Fraxe" possibly could be Dr. Fritz Guillaume, who was listed as being member central committee of outlawed *Partie Unifie Communiste D'Haiti* (PUCH).

5. *Panorama* editorial on subject, despite text of pardon, stated that released prisoners were both political and common law. If true, this might explain why many names are unknown. We are seeking to elicit further information on released political prisoners.

6. Aside from 12 political prisoners released in Jan. 1973 in exchange for kidnapped U.S. Ambassador Knox, last public announcements of pardons were of 72 prisoners on Dec. 19, 1972 and of 89 prisoners on Nov. 28, 1972.

7. *Comment:* The pardon reflects government's growing self-confidence and willingness to take steps that implicitly repudiate harsh methods of Duvalier Pere. At time of revived congressional interest in human rights observance by governments receiving U.S. economic assistance, pardon is helpful move. We believe decision is responsive to quiet talks Ambassador has had on this subject over past several months with Foreign Minister Brutus, who has shown himself consistently sensitive to, and concerned to correct, Haiti's "image" problem in U.S. Moreover, President Duvalier was usefully made aware of congressional interest in political prisoner issue during visits to Haiti in 1974 of Senators Pell and Brooke. Latter, in his report to Appropriations Committee, referred to issue as major unresolved problem and citen [*certain*] consideration being given to amnesty for political prisoners. As Department aware, President Duvalier ordered Brooke report to be circulated to all GOH cabinet members.

8. *Action requested:* Since Bernadel was one of those about whom Inouye committee requested information following hearings July 23, 1974, Dept. will wish to inform committee of his release. Request that Senator Brooke also be informed of government's action.

Isham

407. **Country Analysis and Strategy Paper for Fiscal Year
1976–1977¹**

Port-au-Prince, undated.

AMBASSADOR'S OVERVIEW

The course of U.S.-Haitian relations, interrupted if not paralyzed during most of the 1960s, has resumed a more benign and normal pattern since 1971 as President-for-Life Jean-Claude Duvalier has carried out domestic reforms, curbed arbitrary police power, concentrated on economic development, and enlarged Haiti's horizons within the disparate Caribbean community. The resumption of a U.S. aid program in 1972 after a 9-year hiatus symbolized the return of a more sensible dialogue.

The change is a welcome one. Dr. Francois Duvalier's brand of repressive social change, intrigue, self-isolation, and defiance has given Haiti a bad reputation to live down and has complicated our task of restoring normal relations with his successor. For it is distinctly in the U.S. interest that relations with Haiti be based on mutual respect and understanding. We cannot be indifferent to the fate of the first and now the largest Black republic in the Western Hemisphere. We cannot escape the legacy of responsibility which derives from having guided Haiti's destiny for nineteen years—longer than any other American occupation. We cannot place our resources at the service of developing countries elsewhere and neglect to help this neighbor solve problems accumulated over 170 years of international isolation, political turbulence, and foreign manipulation. Moreover, as Haiti enters a new and more promising phase of its history, there will be new opportunities for U.S. exports, investment, and access to raw materials. Beyond that, a constructive dialogue with Haiti, as an Afro-Latin country, is deeply compatible with our domestic principles of justice and equality for ethnic minorities.

The further development of bilateral relations, however, will require careful nurturing. Haitians are ambivalent toward the "great neighbor to the North"—their tacit ally in the revolutionary struggle against France, their principal (if remote) interlocutor during much of

¹ Summary: Observing that U.S.-Haitian relations had become more benign and normal since Jean-Claude Duvalier had succeeded his father as President in 1971, Ambassador Isham recommended that the bilateral relationship be carefully nurtured.

Source: National Archives, RG 59, Central Foreign Policy File, P750043–2158. Confidential. Sent as an enclosure to airgram A–32 from Port-au-Prince, March 4, 1975. The Department transmitted the approved CASP as an enclosure to airgram A–4431 to Port-au-Prince, June 27. (Ibid., P750106–1062)

the nineteenth century, and their firm tutor during the 1915–1934 occupation. They are inclined both to seek American help and to reject American advice. They dream of American technology but fear its incursions will submerge Haiti's cultural traditions and creative gifts. They acknowledge English as the language of material advancement but prize the ability to "speak beautiful French" as the single undisputed mark of a cultivated person. They are solidly anti-Communist but flirt with the Third-World proclivities of some of the neighboring Caribbean leaders. The government seeks to attract American investors, but often misjudges their capacity or credentials and then, in disappointment, revises or terminates contracts in a maze of disputation that, eventually, can attract U.S. Governmental intercession (either Executive or congressional) on behalf of the American claimant. And, not far below the surface, there is a sense of protest against adopting the West's developmental ground rules—the recurrent notion that Haiti need not be bound by critical analyses and prescriptions imposed by foreign specialists, but can call on spiritual forces to create a new impetus toward development, sweeping aside rational difficulties. Above all, Haitians resent being patronized or pressed on matters involving national pride.

The young President, in starting an attack on Haiti's formidable economic problems, and in displaying vigor and reasonable consistency of purpose, has helped to provide the basis for a more congenial and mutually supportive bilateral relationship. To the extent that Duvalier pursues the direction and the priorities he has identified, we should be able to develop a constructive relationship during this CASP period and beyond, including a modest but significant level of bilateral economic assistance. The Haitian Government's record, by early 1974, was sufficiently impressive so that Senator Edward W. Brooke could report to the U.S. Senate Appropriations Committee in April of that year his judgment that our aid was not being abused; that despite the unresolved issue of political prisoners, allegations of massive political repression were unfounded; and that the U.S. economic assistance program for Haiti met the criteria established by the Congress. In the interim we have seen no serious backsliding from this record, and the Brooke report, at President Duvalier's direction, has been circulated as guidance to all Cabinet ministers (though it has not been made public in Haiti).

The main internal trends which have accompanied this salutary evolution in our bilateral relations include:

—A firm commitment to long-term economic and social development, reflected in a significant and gradually rising development budget, current preparations for a Second Five Year Plan, and improved cooperation with the international lending agencies.

—Efforts to curb corruption within the administration, reflected in the dismissal of a number of the more notorious officials, both civilian and military, held over from the previous regime.

—A marked improvement in the competence, dedication, and cohesiveness of the Cabinet and senior military commanders.

—An incipient program for administrative reform and for the training of government cadres—a precondition for any sustained future development.

—Efforts to stimulate production of coffee and sugar, Haiti's most important export crops and sources of cash income to small farmers.

—Raising the minimum wage level (although it remains at a small fraction of U.S. minimum levels).

—Efforts to attract foreign investment and expand trade.

—Measures to protect and develop mineral resources and to gain increased revenues from bauxite.

—Inauguration of work on two major, internationally financed road arteries and on a telecommunications system to be paid for from national resources.

—Efforts to modernize, train, and re-equip the regular Armed Forces.

—Restraint toward political dissidents and receptivity to more candid reporting of administrative shortcomings in local media.

If these are considerable achievements, much remains to be done. The rural masses are illiterate, undernourished, cut off from even rudimentary means of communication, and generally neglected, even though they produce much of the nation's wealth. Resources devoted to health, education, and agriculture, while they have risen steadily, remain less than those allocated to the nonproductive military and internal administrative sectors. An inequitable tax structure, the concentration of wealth and services in the capital at the expense of the countryside, corruption and inefficiency in the customs, and the collection of non-fiscalized revenues used for non-accountable purposes are other targets for criticism. The government's propensity to nullify its contractual obligations to foreign investors could make Haiti ineligible for both U.S. aid and generalized tariff preferences if an expropriatory effect were to be established in cases involving Americans.

Haitians, in short, still have trouble taking an accurate reading of their strengths and weaknesses, underestimate the "image" problem for Haiti in the United States, and often act without regard for the consequences of their decisions.

Within the Palace, moreover, the struggle evidently continues between two groups around the President, one progressive, the other conservative. The first recognizes the need for a much more effective and urgent attack on Haiti's problems, accompanied by stiffer standards of honesty and performance for officials; the latter is wary of change, protective of loyal incompetents, preoccupied with power and position, and distrustful of foreign advice. The President, respectful as he is of those with greater experience than he, and influenced by the ad-

vice of those who were especially close to his father, has had to battle for a more enlightened approach, and he has not always won. His position and authority have gradually strengthened as he has proved that his own approach produces tangible results and secures international support and domestic approbation.

Against this mixed record of progress and immobility, therefore, the CASP recommendations seek to focus U.S. attention and influence on three key areas of challenge and opportunity—an effective economic development strategy, the right perspective on particular U.S. interests in the light of that development strategy, and the constructive orientation of the Haitian military.

The recommendations for meeting these challenges are characterized by: flexibility and responsiveness toward Haiti's urgent and growing needs for development; the recognition that our aid programs, if they are to be sustained in the face of congressional scrutiny, must be accompanied by progress in the fields of economic reform, human rights, and investment disputes; and a definition of military assistance in terms solely of training and influence, and for purposes of clear mutual benefit transcending purely military grounds. All of the recommendations are conceived as part of a multinational effort to assist and influence Haiti toward development—an effort in which the direct U.S. role need not be predominant.

At a time when our ability to defend our bilateral aid programs before the Congress will require particularly plausible host-country efforts to help itself economically as well as evidence of respect for the interests of U.S. investors, our CASP recommendations, taken together, are designed to serve as a coherent set of guidelines for accomplishing these ends in Haiti.

The resources allocated for carrying out these recommendations are, in my judgment, adequate.

Heyward Isham
Ambassador

408. Airgram A-38 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, March 18, 1975.

SUBJECT

Human Rights in Haiti: 1975

REF

PauP 479; State 12320, 14917, 34811, 35185, 43532; State A-1045

I. A. *Summary*—The GOH has made great gains in the human rights field since Jean-Claude Duvalier became President in April 1971, although much remains to be done. Security forces, including the many irregulars created by the late President Francois Duvalier, have been brought under control, and their operations and visibility greatly reduced. To underscore his policies of domestic détente and national reconciliation, Duvalier emptied his prisons of most persons categorized as political prisoners (possibly 30 remain), and limited any new arrests to those persons actually believed to be plotting his overthrow by force. He has improved prison conditions and ordered a fair and humane administration of justice. He also has said Haitian refugees could return to Haiti with no reprisals and resume normal lives. Racial discrimination is discouraged and individual property rights are generally respected, as is freedom of worship. Prudent self-censorship remains evident in the media, but it is loosening, and there is an underlying intellectual ferment and unusual self-questioning over Haiti's development problems that has made serious public debate of national problems both possible and popular.

B. We believe this progress was possible because President Duvalier sincerely wants it. He hopes to lead a unified national attack on

¹ Summary: In an annual human rights report on Haiti, the Embassy noted the progress made under President Duvalier and concluded that U.S. policies encouraging further liberalization were most effective when they were implemented in a non-confrontational manner.

Source: National Archives, RG 59, Central Foreign Policy File, P750052-1386. Confidential. Drafted by Vincent, cleared by Thomson and S. L. Behoteguy of AID, and approved by Isham. All brackets are in the original except those indicating text omitted by the editors. In airgram A-26 from Port-au-Prince, March 15, 1976, the Embassy presented its next assessment of the human rights situation. (Ibid., P760041-0149) Telegram 479 from Port-au-Prince is dated February 28. (Ibid., D750072-0139) Telegram 12320 to all diplomatic posts is repeated to Nicosia February 20. (Ibid., D750020-0520) Telegram 14917 to all diplomatic posts is dated January 25. (Ibid., D750025-0090) Telegram 34811 to all diplomatic posts is dated February 14. (Ibid., D750056-0995) Telegram 35185 to all American Republic diplomatic posts is dated February 15. (Ibid., D750056-1018) Telegram 43532 to all diplomatic posts is dated February 26. (Ibid., D750069-0367) Airgram A-1045 is dated February 14. (Ibid., P750034-1600)

Haiti's economic and social problems, and seeks to attract investment, financial and technical assistance, and improved trade links with other nations and international agencies. His security reforms are but part of his larger effort to revive and modernize the whole GOH administration to make it capable of achieving progress. Although aware of the many insurgent attacks made against his father and an assassination attempt against himself as a child, he seems sufficiently self-confident not to let security preoccupations undercut his basic political and economic goals. Within the past year, however, this attitude was sorely tried by terrorists residing in the U.S. who caused four bombing incidents.

C. We consider that the main areas for improvement focus on procedural guarantees for political detainees and prisoners, and institutionalized checks on security agents' conduct. An underlying problem is the high degree of secrecy on security matters which both invites misconduct and gives free reign to sensationalist speculation by Haitians and foreigners alike. Public confidence in GOH administration of justice would be improved by the use of regular criminal trials, rather than military tribunals, in security cases, and by permitting regular visits to prisoners by relatives, counsel, and responsible international agencies seeking to verify penal conditions.

D. U.S. and other foreign encouragement toward liberalization is most effective when either it supports, or at least does not threaten, the GOH's own perceived interests. Duvalier's father reacted violently when he felt himself pushed too far; Duvalier himself still sees more to be gained than lost from adjusting to the human rights sensitivities of the U.S. and other donors. As long as his basic self-confidence remains, we believe it possible for Duvalier to bring about continued human rights improvements, to which end the New Dialogue in GOH-USG relations is in part devoted.

[Omitted here is the body of the airgram.]

409. Airgram A-46 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, March 27, 1975.

SUBJECT

Summary Statement on Proposed MAP Training for Armed Forces of Haiti

REF

(a) State 15489 (NOTAL); (b) State 33070; (c) PauP A-32 (CT CASP submission) (NOTAL); (d) C-46-75 (DATT's POM Update Submission) (NOTAL)

SUMMARY. This mission re-affirms the need, in U.S. interests, to proceed with the previously proposed MAP Training Program for the Armed Forces of Haiti. Within the framework of the approved planning levels of \$200,000 per year beginning in FY 1976, this program should be implemented so as to begin as soon as possible within FY 1976. The program should consist entirely of training within the continental U.S. and/or the Panama Canal Zone. Specific purposes of the training should be to improve the capability of the Armed Forces of Haiti to conduct sea-and-air rescue (SAR) operations and coastal patrols. The objectives are directly related to U.S. interests (see Ref. C). Relevant training in administration, management of logistics, maintenance of matériel in inventory, and related leadership skills will be necessary to achieve the specific objectives. Concurrent training which would promote civic action orientation and capabilities would be desirable. *END SUMMARY.*

Outline of Proposed Program

Within the modest levels of activity proposed, the training program is designed to:

¹ Summary: The Embassy reaffirmed its recommendation that members of the Haitian armed forces be invited to take part in a limited program of training at U.S. expense.

Source: National Archives, RG 59, Central Foreign Policy File, P750057-0976. Confidential. Repeated to USCINCSO. In telegrams 15489 and 33070, January 22 and February 13, the Department provided posts guidance on security assistance objectives and on available security assistance levels. (Both *ibid.*, D750024-0986 and D750054-0073) With airgram A-32 from Port-au-Prince, March 4, the Embassy transmitted its proposed CASP, which recommended that the United States seek to reestablish influence with the Haitian Armed Forces by offering a modest program of training to members of the Haitian military, with an emphasis on navigational and sea/air rescue capabilities. (*Ibid.*, P750043-2158) Reestablishing U.S. influence with the Haitian Armed Forces was not listed as a major issue in the final version of the CASP, but that document did retain the draft report's recommendation for funding of MAP training; the Department transmitted the final text of the CASP with airgram A-4431, June 27. (*Ibid.*, P750106-1062)

1. Improve the capability of the Haitian Armed Forces to conduct SAR operations and coastal patrols.

2. Improve related administrative and management skills so that matériel in inventory can be effectively utilized.

3. Improve related military leadership.

4. Encourage Haitian military participation in civic action projects.

For FY 76, it is recommended that courses be concentrated on basic SAR operations, maritime training, communications, and related leadership training.

For FY 77 and beyond, courses should deal more broadly with administrative skills, management of logistics, and maintenance. Improvement in each of these areas is essential if there are to be any lasting gains from the specific training in maritime safety and coastal patrolling. Also in this time frame, it is recommended that some instruction be included which would create some professional awareness in the Haitian officer corps of civic action possibilities under severe financial constraints.

Requirements and Problems

1. Having reviewed the situation and context of the proposed program, the Chief of Mission and Country Team believe strongly that the program—at least for FY 76 and FY 77—should be carried out exclusively by means of training in CONUS and/or the Canal Zone. This limitation might be reviewed in future years. Since the excellent U.S. Survey Team report of July 1972 remains available and valid, no need for additional U.S. military surveys or on-the-spot inspections is foreseen for the time being. The potential value of mobile training teams for instruction in Haiti is recognized. However, these are overriding considerations of risk involved in the presence of U.S. military instructors in Haiti, even in small numbers. Such presence would be widely misunderstood, both in Haiti and in the U.S. (in Congress as well as in the public domain). By contrast, training of the nature proposed can be readily explained and defended if confined to the CONUS and the Canal Zone.

2. Qualification of participant trainees in the English (or Spanish) language will be a substantial problem. For the time being, all persons selected for training will have to be assigned to language training in order to meet comprehension levels required to benefit from the substantive courses. Although the Haitian Military Academy does possess a relatively new language laboratory designed to accommodate 24 students, it lacks qualified language instructors as well as accessories, such as suitable course material and language tapes. The Defense Attaché will continue to urge the Haitian Armed Forces to make more effective

use of this facility, so as to minimize the need to devote program resources to language qualification of trainees.

The program as outlined has been under continual discussion with Haitian military leaders. It remains strongly desired by the Haitian Government and Armed Forces. The Country Team's previous assessments that it would clearly serve U.S. interests, at modest cost, remain unchanged.

Isham

410. Telegram 1260 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, May 28, 1975, 1653Z.

1260. Subject: Jean-Claude Duvalier After Four Years: A Summary Assessment. Ref: P-au-P A-78 of May 26, 1975.

1. In the airgram under reference, we have submitted our current assessment of Duvalier as a leader and of his outlook and prospects, as related to U.S. policy interests. Following are summary and highlights of airgram.

2. Leadership Style. As he enters his fifth year in office, Duvalier has long since outgrown his "regency" as well as the early predictions that he would never be able to develop into a leader to be taken seriously. Though still overburdened by filial piety to "Papa Doc's" regime and to some degree a captive of the governmental apparatus he inherited, he is increasingly confident in his own judgement and has developed a certain taste for authority. Innately cautious, he has reduced his dependence on the inner circle at the Palace and takes advice from diverse sources, including the generally capable ministers he has appointed. He is making all the key governmental decisions himself, and his ministers rarely relieve him of decisions on minutiae. He has re-

¹ Summary: The Embassy reviewed President Duvalier's record after 4 years in office and concluded that his leadership was serving U.S. interests.

Source: National Archives, RG 59, Central Foreign Policy File, D750186-0773. Confidential. Repeated to Kingston and Santo Domingo. In airgram A-78 from Port-au-Prince, May 26, the Embassy transmitted a more extensive version of this report to the Department. (Ibid., P750088-2169) In telegram 997 from Port-au-Prince, April 29, the Embassy reported on a conversation in which Isham reminded Duvalier that congressional concern about human rights made it important for Haiti to continue on the path of international openness and good governance. (Ibid., D750150-1070)

cently struck down Serge Fourcand, the main exception, when he felt that the brilliant but mercurial Commerce Minister had betrayed his trust. Thus, whereas he has established himself as the undisputed leader of the GOH, higher managerial concepts and techniques of managing his key subordinates still elude him, and he has yet to bring forth any group of able younger men to positions of responsibility. Follow-up on decisions remains uncertain. Though Duvalier's public style falls well short of making him a dynamic popular leader, he conducts his office with dignity, tolerance, and seriousness of purpose. He is beginning to learn the arts of getting out among the people, and is drawing new confidence from the friendly responses which his recent visits to the rural strata have brought forth.

3. Goals. Duvalier's principal objectives appear to be: (A) consolidation of his authority and legitimacy in a setting of political reconciliation, including an increasingly strong desire to inculcate higher standards of probity and effectiveness in Haiti's public administration. (B) An "economic revolution" which, though it may not coincide with the standard blueprints of foreign economic planners, is a genuinely felt concept of modernization to which Duvalier devotes most of his day-to-day activity. (C) An improved reputation and image for Haitian international circles. In working toward these goals, Duvalier has already presided over some major successes, but he faces some profoundly difficult problems in his onward course.

4. Achievements and Prospects. The political relaxation with rivals within Haiti today, along with the absence of purposeful opposition within the country, represent real achievements which will be increasingly hard for him to preserve as new forces develop within the society. Duvalier seems to be aware of his problem but constrained by his heritage and by his sense of what is politically feasible from moving to eradicate all the injustices perpetrated by his father's regime. The son must be credited with curbing the excesses of the old Duvalierists at various levels, but to dislodge them fully from their gains without seeming to repudiate his father is a dilemma he has not yet been able to resolve. He has taken some constructive first steps toward reform of the GOH's public administration, but they are no more than that. Partly for fear of the political risks of a reform program which might prove too disruptive, partly perhaps because of his own conceptual limitations, he has not yet undertaken any radical changes in the dubious budgetary practices, the regressive tax structure, the fragmented military set-up and the other notorious legacies he inherited nor has he reached a stage of diverting significant financial resources toward administrative reform.

5. Duvalier can justifiably take satisfaction in various signs of economic progress which have resulted from Haiti's emergence from its

self-imposed isolation of the 1960s. Economic activity has visibly increased in Port-au-Prince over the past four years (though not in Haiti's poverty-stricken provinces), foreign economic assistance has been revived and is coming in from many sources, and the main highways are at last being reconstructed. Duvalier is clearly anxious to push this process forward; he describes projects for exploiting copper reserves in the north, geothermal energy near Gonaives, or lignite deposits near Maissade as a substitute for charcoal. As he proceeds, however, there is some doubt that he understands fully either the gravity of the short-term problems which now beset the Haitian economy or the intractability of the longer-term problems.

6. Duvalier's undeniable personal growth in office has not yet brought him to a stage where he is effectively pushing a well-thought-out development strategy for Haiti—one that integrates the talents and the resources of the private sector, still aloof and skeptical. He has failed, so far, to give the economic planning function the full attention it requires, and occasionally his personal decisions on specific projects have run contrary to the disciplines of developmental priorities which a country like Haiti should observe. He is unduly fascinated by introducing new technologies into Haiti and with the outward symbols of progress (particularly for Port-au-Prince) and insufficiently preoccupied with hard questions such as cost-effectiveness, the full mobilization of Haiti's financial and human resources for development, and the stagnation of rural agriculture in many regions. While Duvalier should be credited with reviving a generally receptive atmosphere in Haiti for private investment, he does not seem to realize fully what it takes to attract foreign investment, and his own decisions and attitudes in specific cases have added elements of uncertainty.

7. As for his goals in foreign relations, Duvalier can justifiably take satisfaction in having achieved a productive normalization of Haiti's ties with the U.S., with other specific countries, and with the international development agencies. As this problem recedes, he will probably become more and more interested in improving his own and Haiti's stature in the Caribbean and in the Third World generally. Yet he has a long way to go before he can hope to overcome Haiti's poor image abroad, and his pride and reticence would not make him an effective advocate of his case before a foreign public. In private, however, he surprises visitors with his detailed knowledge of specific economic projects and his commitment to national restoration.

8. Implications of U.S. Interests. The basic U.S. interest in Haiti's development is clearly being served by the combination of Duvalier's "staying power," his seriousness of purpose, and his gradual personal growth. The kind of stability he has provided, superficial though it may be, is an indispensable condition for progress in the difficult Haitian en-

vironment. If Duvalier can develop his potential for promoting orderly change, conditions for Haiti's development should improve substantially. Provided he feels sufficiently secure, it should not be beyond his powers to promote the kinds of organization, resource mobilization, and rectification of injustice that Haiti needs so acutely.

9. On the optimistic side, Duvalier's growing self-confidence could make him increasingly difficult to deal with on matters such as foreign investment disputes, development priorities, and limitations on GOH actions by international agencies—particularly when nationalistic factors or feelings play a role. He could come to look upon himself as the principal defender of Haiti's long-ingrained national pride. He could come to enjoy his personal decision-making role too thoroughly, thus inhibiting the growth of delegated leadership and of more effective national institutions. Paradoxically, his very self-confidence could lead in time to a self-deceptive, laissez-faire attitude on his part toward Haiti's pressing problems, and thus to a slow erosion of the hopes he is now arousing.

10. Thus, Duvalier will have to achieve far more profound growth as a leader if he is to stay ahead of the forces which are bound to emerge as Haiti enters into more complex phases of development. He has made a creditable start, and he is not quite 24 years old. Yet palaces remain prejudicial to objectivity, and balancing filial piety with realistic appraisal of issues has never been easy for the scion of a dynasty.

Isham

411. Telegram 1838 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, July 23, 1975, 0300Z.

1838. Subj: Climate for Resolving U.S. Disputes with Haiti May Be Improving.

¹Summary: The Embassy reported that the Haitian Government was showing signs of being more favorably disposed towards the United States after the U.S. Government provided emergency relief to a drought-stricken region of the country.

Source: National Archives, RG 59, Central Foreign Policy File, D750254–0602. Confidential. Repeated to Ottawa. In telegram 1235 from Port-au-Prince, May 23, the Embassy reported on aid provided by the United States to regions affected by drought. (Ibid., D750182–0451)

Begin summary: Feeling of relief and appreciation for the USG's prompt response to the drought emergency in northwest Haiti may have reminded GOH once again of its underlying interest in getting along with the U.S., even when caught up in current issues of sovereignty and national pride. We see a number of clues—some perhaps insignificant—that the atmosphere may be improving for the onward negotiation of U.S.-Haitian disputes of various kinds. The GOH's prickly relations with Canada also seem to have taken a favorable turn. *End summary.*

1. The key factor in the current climate for conduct of relations between the USG and the GOH seems to be our prompt action on emergency food relief for the northwest. This situation was another hard reminder for the GOH of its own weakness in recognizing a national problem and of its very limited ability to deal with it. The current Haitian reaction, from Duvalier on down, seems to reflect genuine appreciation and relief as well as a feeling—perhaps carried to a degree which is unhealthy for Haiti's self-reliance—that when the chips are down the U.S. will be Haiti's surest source of succor.

2. Some of the indicators we have noticed are the following:

(A) In reversing Commerce Secretary Murat's recent action to remove the U.S.-owned Turks and Caicos Airways from operation and management of Haiti Air Inter, Duvalier made it plain to those concerned (there were no Americans present) that he was not about to run unnecessary risks with U.S. civil air authorities and was therefore slowing the pace of "Haitianizing" the nation's internal civil air operations until Haiti Air Inter is better prepared.

(B) Our AID reps most recent project agreements (under existing loans and grants) with Haitian ministries received a good bit more ministerial attention than usual (speeches and publicity).

(C) There was a good official turnout at the Ambassador's July 4 reception, including six out of the ten cabinet ministers, and Haitian media coverage was more effusive than last year. As his personal representative, Duvalier sent the increasingly influential Colonel Jean Thomas, Executive Officer of the Armed Forces, who has not been seen at any of the other national day receptions clustered in July.

(D) The Foreign Office has suddenly agreed, with alacrity, to provide the Embassy with the plot of land we requested for our new consular building—offering a 99-year lease at \$1 a year. This administrative negotiation had been dragging, and Haitian authorities had previously been "stand-offish."

(E) During our most recent probe of GOH intentions about a possible Peace Corps program, Haitian Ministers have been taking pains to show they are giving the idea serious attention—in contrast to the non-committal stance the GOH has taken on this question for some time.

3. The Palace may also have taken the view that North America, including Canada, is the key to Haiti's economic destiny at a time when Haiti's balance-of-payments crunch is unusually harsh. After a series of incidents over the past several months in which Haitian officials displayed both coolness and hostility toward Canadians, President Duvalier personally turned up on Dominion Day (July 1) and lent the full force of his prestige to an otherwise routine commencement ceremony at the Canadian-Haitian College (a secondary school in Port-au-Prince).

4. These may be favorable auguries. We do not take them to signify light at the end of the tunnel on difficult bilateral issues such as Tele-Haiti, Translinear, and the portents of the new law on foreign property, where national sovereignty is the underlying problem. On the contrary, the GOH has recently introduced a new note of confusion for foreign investors by abolishing its own investment committee without making it clear to them where their principal point of contact in the GOH should lie. All we wish to note here is that, to judge from some none-too-reliable signs, key Haitian officials may be telling themselves that Haiti ought to make at least some show of accommodation to U.S. interests, within the limits dictated by fundamental Haitian interests as they see them. And their behavior suggests they are far from oblivious, in fact deeply affected, by the U.S. response to the drought emergency.

Isham

412. Telegram 2605 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, October 15, 1975, 2100Z.

2605. Subj: Haiti's Stamp Fraud Trial—Implications for Evolution of Duvalier's Policies. Ref: Port au Prince 2401.

1. The postage stamp fraud trial that ended September 19, 1975 illuminated, more than any other single event since 1971, the Duvalier

¹ Summary: The Embassy characterized the prosecution of former Haitian Government officials for fraud as a sign of the Duvalier regime's liberalizing tendencies.

Source: National Archives, RG 59, Central Foreign Policy File, D750358–0429. Confidential. Repeated to Kingston, Ottawa, Paris, Santo Domingo, and USPS. In airgram A–156 from Port-au-Prince, October 20, the Embassy transmitted more details of the fraud trial. (Ibid., P750165–1983) In telegram 2401 from Port-au-Prince, September 19, the Embassy reported that Fourcand had been acquitted of the charges against him but that several others charged in the case had been convicted. (Ibid., D750326–0104)

regime's cautious, uneven, but clearly perceptive evolution toward a more open and law-abiding society and a more traditional—i.e., pre-Duvalierist-Haitian concept of justice.

2. Originally launched to punish the ex-Commerce Secretary, Serge Fourcand, for betraying the President's trust and allegedly involving his ministry in a blatant scheme to defraud the state through an unauthorized but lucrative commemorative stamp issue, the extensively televised trial instead exonerated Fourcand and focused public attention on corrupt practices prevalent during Dr. Francois Duvalier's Presidency.

3. The trial also aroused considerable public sympathy for the principal defendant, Frantz Leroy, who confessed his fraud with disarming candor while his attorneys argued that such crimes against the state had long been tacitly sanctioned as a reward for services rendered Duvalierism. The editor of a leftist weekly boldly took the occasion to criticize the Haitian administration of justice, lament the absence of civic responsibility, and defend the right of the press to print opinions at variance with those of the government. The editor, Dieudonne Fardin, stood his ground against Interior Minister Blanchet (himself a veteran iconoclastic newsman and old school Duvalierist) and Fardin's account of their vigorous exchange of views in Blanchet's office was widely featured in the press.

4. The government, on balance, seemed to feel its gamble with "open justice openly administered" had paid off in terms of strengthening its reformist credentials without opening the Pandora's box of past abuses too widely. Many Port-au-Prince observers would probably agree that the outcome buttressed President Duvalier's reputation as a leader who does not fear to cleanse his administration even if the process reflects adversely upon the formerly sacrosanct role of his father. The energetic Justice Minister, Aurelien Jeanty, projected an image of a man with a Presidential mandate to continue the restoration of "order" including the delicate issues of lands illegally acquired from peasants by former Duvalierist officials, while military investigators completed their inquiry into rampant corruption in the customs administration.

5. Skeptics of the stamp fraud trial noted that certain putative leads closer to the Palace were not followed up in court, and they giped at the President's gift of new motorcars to the presiding judge and the prosecutor upon the trial's conclusion. The Palace, not the courts, these critics observed, will continue to decide who can benefit from open trials (those who violently threaten state security will certainly not be included in this category).

6. Nevertheless, imperfect though the trial may have been, it connotes a fresh breeze in the dusty corridors of Haitian justice and reflects

young Duvalier's measured self-confidence that he can now, at tolerable political risk, make a public example of high-placed corruption; henceforth, nobody should think himself untouchable, whatever his past services to Duvalierism—this appeared to be the government's message after the postage stamp fraud trial. While we caution against drawing such a sweeping conclusion (for Madame Duvalier herself has yet to relax in her pursuit of new sources of income) it seems incontestable that an important turning point has been reached in the evolution of Duvalierism, now in its eighteenth year. This, in turn, has encouraging implications for those who seek a favorable political environment for their efforts to help ease Haiti's desperate poverty, whether they be bilateral donor governments like the United States, Canada, and France, or international assistance agencies such as the World Bank, the Inter-American Development Bank, and the UNDP.

7. We are forwarding more detailed observations on the stamp fraud trial by airmail.

Isham

413. Telegram 2857 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, November 13, 1975, 1955Z.

2857. Subject: Haiti: Congressional Hearings on Human Rights/Refugees. Ref: A) State 264683; B) Heavner/Vincent Telcon of 11/12/75.

1. *Summary:* Haiti's record on human rights observance has distinctly improved in the past four years as President Jean-Claude Duvalier ended the climate of terror and insecurity utilized by his father, disestablished the dreaded Tonton Macoutes, encouraged the return of

¹ Summary: The Embassy reported that Haiti's record on human rights had improved since Jean-Claude Duvalier became President in 1971 and observed that Haitian applicants for political asylum who were returned to the country did not face reprisals.

Source: National Archives, RG 59, Central Foreign Policy File, D750396–0066. Confidential; Priority. All brackets are in the original except those indicating text omitted by the editors. In telegram 264683 to Port-au-Prince, November 7, the Department requested an update on the Embassy's previous reporting in anticipation of a November 18 congressional hearing on the human rights situation in Haiti and on the influx of Haitian refugees coming to the United States. (Ibid., D750388–0642) No record of the November 12 telephone conversation between Heavner and Vincent has been found.

exiles (except for those who still actively oppose the government), stressed economic and social progress, promoted the reform of public administration, and began concentrating on economic development plans. A stamp fraud trial this year rejuvenated long-dormant criminal processes, including the right of defense lawyers to argue effectively, and allowed the local media to criticize GOH shortcomings more openly. Long-standing and politically important peasant land title claims now are being adjudicated, whereas in the past they were ignored and any peasant agitation was repressed. Local initiatives on behalf of women's rights are encouraged. The GOH is paying greater attention to enforcing some workers' rights often ignored by employers. Contrary to common belief in Haitian exile circles, claimants to political asylum deported from the U.S., Canada, and the Bahamas have not encountered reprisals, based upon the cases which we have monitored over the past two years, and the GOH cooperates with U.S. officials to ensure an orderly and satisfactory processing of returned deportees.

Haiti remains an authoritarian, non-democratic society with few effective institutions and without a liberal legal tradition, the Code Napoleon further restricting procedural safeguards assumed under the Anglo-Saxon legal tradition. Prison conditions, although improved, remain poor, decision-making arbitrary, and procedural safeguards uncertain. These factors are compounded by the tradition of total secrecy surrounding political prisoners and by the government's well-founded awareness that it remains the target of Communist subversion and anti-Duvalierist plotting directed from the U.S., Canada, Cuba and France. Nevertheless, the current government shows a willingness to reconsider its practices in the context of Duvalier's overall reform effort, and even to experiment with improvements. Duvalier and his advisors appreciate U.S. human rights concerns, and within the limits of perceived security interests are cautiously trying to accommodate some of them. End summary.

[Omitted here is the remainder of the telegram.]

414. Telegram 351 From the Embassy in Haiti to the Department of State and the Department of Defense¹

Port-au-Prince, February 5, 1976, 2105Z.

351. Subj: Haitian Government Takes Alarm Over Reported Cuban Plan to Attack Haiti.

1. At midday Feb 5 FonMin Brutus summoned me urgently to inform me that GOH had just received report from reliable source that Castro was actively planning an armed attack upon Haiti. In providing us with this information, Brutus said Pres Duvalier hoped GOH could rely on our help in dealing with any such contingency.

2. I pressed Brutus for details. He had none, but promised to provide them as soon as received. In confidence, when pressed further, he said that source for this report was Amb Valdez of Dominican Republic (protect) who had called on Brutus that very morning to convey this information. Valdez had promised that DR would aid GOH in repulsing any such Cuban attack, declaring that destinies of two countries on Hispaniola were linked. Valdez had advised Haitians to keep close watch on all their coasts.

3. In speculating as to Castro's possible motivations for such an assault, Brutus suggested that the Cuban leader must be under intolerable pressure as a result of his Angolan gamble and hence could be capable of any act of folly. Castro's dependence upon Soviets could be additional factor.

4. I commented that any Cuban overt armed attack upon Haiti, in contrast to the Angolan venture, would be difficult for Castro to rationalize in "revolutionary" terms and would undoubtedly be seen throughout Latin America as an act of pure aggression against an OAS member warranting recourse to Rio Treaty.

¹ Summary: Brutus informed Isham of a report that Cuba was planning an attack on Haiti and urgently requested U.S. assistance.

Source: National Archives, RG 59, Central Foreign Policy File, D760044–0712. Secret; Immediate; Exdis. Repeated Niact Immediate to Santo Domingo and the Naval Station at Guantánamo Bay. In telegram 30052 to Port-au-Prince, February 7, the Department reported that it had no information to indicate that Cuba was planning an attack on Haiti, adding that it considered such an attack unlikely and suggesting that the Embassy should couch its reply to any future Haitian Government inquiries on the subject "in terms of U.S. honoring its commitments under the Rio Treaty." (Ibid., D760046–0870) In telegram 81894 to Port-au-Prince, April 6, the Department acknowledged continuing high-level Haitian concern about Cuba and expressed a desire "to put matter in perspective for GOH leaders," noting that it might be possible "to increase somewhat visits by senior U.S. military officials and U.S. ships to Haiti" as a way to reassure Haitian leaders. (Ibid., D760128–0707)

5. I assured Brutus that GOH could count on our help as necessary and appropriate and said we would seek to verify this report by all available means.

6. *Comment:* Brutus (reflecting Duvalier) appeared to take this report extremely seriously, conditioned no doubt by his assumption of unyielding Cuban/Soviet hostility toward Haiti, and impressed by effectiveness of Cuban expeditionary force in distant Angola. Fact that DR Ambassador Valdez is a general—and former frontier guard commander—may add to report's credibility in his eyes. We have had indications of a state of unusual activity among senior Haitian officers beginning late yesterday.

7. *Action requested:* Dept and Emb Santo Domingo are requested to comment and provide us with any relevant intelligence.

Isham

415. Telegram 36580 From the Department of State to the Embassy in Haiti¹

Washington, February 13, 1976, 2359Z.

36580. Subject: Plotting by Haitian Exile Leaders to Overthrow the Haitian Government.

[2 paragraphs (10 lines) not declassified]

1. Haitian exile leaders including Alphonse Lahens, Tavernier (FNU), Paul Magloire, and Rouzier (FNU) in New York City and Dr. Roy (FNU) in Montreal, Canada, are plotting to assassinate President Jean-Claude Duvalier of Haiti and his mother, Madame Simone Duvalier, and form a joint civilian-military government to rule pending free elections. The exact date of the planned assassination and coup d'état has not yet been decided. (*Field comment:* Roy (FNU) may be identical

¹ Summary: The Office of Caribbean Affairs forwarded information on an alleged plot by Haitian exiles to assassinate President Duvalier.

Source: National Archives, RG 59, Central Foreign Policy File, D760056-0376. Secret; Niact Immediate; Limdis. Drafted by Strasser and approved by Heavner. All brackets are in the original except those indicating text that remains classified. In telegram 36581 to Port-au-Prince, February 14, the Department requested the Embassy's recommendation on whether or not to warn Duvalier about the alleged plot, noting that doing so might trigger a crackdown that would "sharply set back if not reverse recent moves toward liberalization" while failing to do so could result in "chaos" in the event of his assassination. (*Ibid.*, D760056-0379)

with Dr. Louis Roy, a Haitian exile leader in Montreal. The identities of the other plotters have not been determined.)

2. The plotters have been in secret contact with Lieutenant General Jean-Baptiste Hilaire, Chief of Staff of the Haitian Army, who has allegedly agreed to assume power as temporary Chief of State after the coup. Hilaire has also agreed to arrange the assassination of General Gracia Jacques, commander of the Presidential Guard, who the plotters believe would probably oppose the coup. A group of 17 Haitians who served with the United States Armed Forces in combat in South Vietnam are to comprise the assassination unit and plan to ambush President Duvalier during one of his daily motor trips in the environs of Port-au-Prince. Two of this group, Gabrielle (FNU) and Leroy (FNU) recently left Peru where they were instructors under contract to the Peruvian Army. Most of the 17-man unit entered Haiti by commercial air on about 1 February. An unidentified number who are considered political exiles re-entered Haiti illegally in small boats via the Bahamas. During the landing in rough seas they lost most of the weapons which they brought with them but they expect to receive more weapons soon from a source in Marseilles, France. Guy Bouchereau, leader of the unit, is to select a secure landing site for arms and munitions to be smuggled in by small boat also via the Bahamas. Bouchereau returned to Haiti about a year ago; his father was killed by former Haitian President Francois Duvalier.

3. Unknown to most of the other plotters Alphonse Lahens is attempting to establish contact secretly with General Jacques through a trusted intermediary. The intermediary is to tell Jacques about the plot, including Hilaire's plan to have him killed, and offer Jacques the chance to kill Hilaire first. Jacques would then become acting President of Haiti. Lahens is concocting this sub-plot because he fears that Tavernier is collaborating with Hilaire to cut Lahens out of the leadership after the coup has taken place.

4. [*1½ lines not declassified*] that Haitian Armed Forces were placed on an alert on 6 February. It is not known if the alert may have had any possible connection with the above reported plotting.)

5. [*4½ lines not declassified*] classified by recorded reporting officer. Exempt from declassification schedule of E.O. 11652. Exemption category 5B (2), impossible to determine date of automatic declassification. Unquote.

Kissinger

416. Telegram 433 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, February 14, 1976, 0330Z.

433. Subj: Plotting By Exiles. Ref: State 36580.

1. In my judgment, U.S. interests in Haiti compel us to warn Duvalier of this plot. If we do not, and plot succeeds (as it may well, given careful planning evident and Vietnam combat experience of the would-be assassins), we face an immediate period of political instability in Haiti, marked by all the incessant and short-sighted jockeying for power and position which has been the curse of Haitian history. Inherent social antagonisms, notably the mulatto/Black schism, would be intensely and violently revived; provincial authority would dissipate; factions of the Armed Forces loyal to Duvalier, who are well armed and trained would strike back; and chaos would ensue. Few if any foreign economic development programs could carry on operations under such circumstances, and once suspended these programs could not quickly be resuscitated. The Haitian people for whose benefit our collective efforts are being made, would be the principal ones to suffer.

2. There is another factor. We have consistently, since 1971, encouraged Jean-Claude Duvalier to pursue his policies of openness, relaxation of political repression, priority to economic development, and responsible government. While far from perfect, his administration represents a qualitative improvement over that of his father; and could bear comparison with any past Haitian regime. As his maturity and self-confidence grow—and the assurance of U.S. support is a central ingredient of that confidence—Duvalier may be expected to consolidate and extend his policies, within the limits of what he judges politically possible. Our failure to warn him would be tacit connivance in an effort to remove him violently from the scene. Such connivance might in

¹ Summary: Isham recommended that he be authorized to warn Duvalier of the danger posed by the reported assassination plot.

Source: National Archives, RG 59, Central Foreign Policy File, D760063-0022. Secret; Niact Immediate; Exdis. In telegram 37485 to Port-au-Prince, February 14, the Department authorized Isham to proceed to warn Duvalier but provide no names or details "which could compromise possibly innocent individuals." (Ibid., D760057-0647) In telegram 434 from Port-au-Prince, February 14, Isham reported that he had "conveyed substance of report in general terms" to a grateful Duvalier. (Ibid., D760057-0847) In telegram 517 from Port-au-Prince, February 24, the Embassy requested additional information on the figures allegedly involved in the coup plotting. (Ibid., D760070-0063) In telegram 47701 to Port-au-Prince, February 27, the Department transmitted a report with additional information on the efforts of coup plotters to obtain weapons to put their plan into effect. (Ibid., D760073-1179) Telegram 36580 to Port-au-Prince is Document 415.

some circumstances be justified, but against the record of our developing relations and Duvalier's solid accomplishments, this is not the case now. Our withholding of such warning would thus be clearly contrary to our own interests. Were it to become known, it would supply evidence, to other small nations, of unprincipled behavior.

3. On the other side of the argument, I do not believe that alerting Duvalier, even using only the concrete detail of locale, would set back or reverse recent moves toward liberalization of the regime. Security officers responsible for such a crackdown, notably Col. Valme, have proved selective and sophisticated in past; Duvalier himself knows that climate of peace is essential to his dream of reviving Haiti, with foreign help; and Duvalier, unlike his father, does not take pleasure in inflicting ruthless random reprisals. Even if there is a severe crack-down, however, it is not likely to bring about a reversal of the trend established over the past five years toward economic development, which in the long run offers the best hope for promoting economic and social reform in Haiti.

4. *Recommendation*: I therefore recommend that I be authorized to convey warning to Duvalier immediately.

Isham

417. Telegram 439 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, February 17, 1976, 1315Z.

439. Subject: Review of Issues Affecting U.S.-Haitian Bilateral Relations.

1. *Summary*: At the outset of 1976, in the Mission's judgement, U.S.-Haitian relations remain steadily on course, and despite a mixed or unsatisfactory record in some areas, prospects are good for consolidating over the coming year the progress made in 1975 on several key issues. Areas of satisfactory progress included the following:

¹ Summary: The Embassy reported that U.S.-Haitian relations were on course and reviewed key issues in the bilateral relationship, including human rights, immigration, economic development, and investment disputes.

Source: National Archives, RG 59, Central Foreign Policy File, D760059–0283. Confidential. Repeated to Santo Domingo and Kingston. All brackets are in the original except those indicating text omitted by the editors.

—Negotiation of a multifiber bilateral textile agreement (ending a year-long impasse) and conclusion of a new GOH-Reynolds bauxite contract (defusing a point of nationalistic confrontation with a transnational corporation).

—Reaffirming its commitment to economic development, the GOH has made larger contributions to its own development budget and has met its counterpart obligations to the U.S. and to other foreign aid donors.

—Haiti was continued to support U.S. positions in the UN and other international organizations, often standing apart from Third World majorities by doing so, and on basic foreign policy issues works in parallel with U.S.

—U.S.-Haitian cooperation on various security and legal matters has been growing closer.

—Our information and cultural diplomacy in Haiti has been thriving, generating many favorable responses.

—Haiti's diplomatic representation in the U.S. has been vastly improved under Ambassador Salomon.

In other areas of bilateral interest, 1975 brought a mixed picture:

—The private sector of Haiti's economy showed little new movement to accompany the rapid growth of official foreign aid; the GOH did not manage its beleaguered balance of payments or its regulated enterprises as skillfully as it might have; nor did it do its best to attract new private foreign investment.

—In the field of Human Rights, the GOH took some steps to rehabilitate normal processes of justice, and showed increasing tolerance for freedom of critical expression. It released some more political prisoners, and gave gentle treatment to the growing number of illegal emigrants being deported back to Haiti.

—Nevertheless, ever sensitive about foreign interference, the GOH did not do as much as it could have to convince doubting opinion in the U.S. and elsewhere that Haitians are now reasonably safe from arbitrary or violent treatment by their own government.

—Because of Haiti's continued poverty and growing population, the pressures to emigrate to the U.S. are increasing inexorably. We are working hard to reduce the large volume of attempted visa pushing and visa fraud, with appreciable success. Though we recently encountered emotional outbursts privately expressed by key GOH officials, we believe they accept, at least for now, the manner in which the Embassy must handle visa matter. The GOH has generally retreated from its previous level of interference in individual cases.

—After a few lapses, we obtained improved GOH police cooperation on consular access to detained Americans and on the treatment of American pleasure craft in remote coastal areas.

Finally, there were some areas where our diplomatic efforts seem to have made little or no progress—calling perhaps for new types of approaches on our part:

—The handful of “perennial” U.S. investors’ disputes with the GOH remain at various stages of impasse, and one or two of them (whatever the flaws in their merits) could endanger Haiti’s continued eligibility for aid assistance and GSP if we do not manage to persuade the GOH to be more flexible and to renew a dialogue with the private parties.

—A continuing sore point with all concerned with Haiti’s development is the Duvalierists’ firm attachment to their “non-fiscalized” financial sector administered by the secretive *Regie du Tabac*. Some small movement toward diverting some of its resources openly for development purposes may be in the offing, but the *Regie* generally remains an untouchable instrument of personalist rule and a serious blemish on the GOH’s readiness to mobilize its own resources fully for constructive purposes.

Thus, with a number of unsettled issues and with growing areas of day-to-day U.S.-Haitian cooperation, the volume and scope of our bilateral relations are continuing to increase—in marked contrast to the period when “Papa Doc” Duvalier reduced bilateral relations to quasi-isolation. *End summary.*

[Omitted here is the remainder of the telegram.]

418. Country Analysis and Strategy Paper for Fiscal Year 1977–1978¹

Port-au-Prince, undated.

[Omitted here are the distribution list, Table of Contents, “Meaning of CASP Approval” section, and Decision Memorandum.]

SUMMARY OF LONG-TERM U.S. INTEREST IN HAITI

The U.S. has a long-term interest in Haiti’s orderly progress and in its continued non-alignment with any hostile state or grouping. This

¹ Summary: Isham summarized U.S. interests in Haiti and recommended a policy that would contribute to the country’s economic and social development.

Source: National Archives, RG 59, Central Foreign Policy File, P760039–1511. Confidential. Sent as an enclosure to airgram A–27 from Port-au-Prince, March 16. All brackets are in the original except those indicating text omitted by the editors.

underlying interest derives from Haiti's geographic proximity to the U.S., its sustained record of support for our positions in international forums, its possible role in the event of a Cuban challenge to U.S. mutual security commitments in the region, its status as the neediest nation in the Western Hemisphere, its parlous prospects for economic development and continued social tranquillity, and the history of U.S. association with Haiti since the Occupation of 1915-1934.

This basic interest does not call for any "special relationship" with Haiti or for over-involvement by the U.S. as distinct from normal relations with a very poor country located close to our shores. But the interest itself is inescapable, and would become more manifest in the event of profound, prolonged distress and turmoil in Haiti.

In the economic field, direct U.S. interests (trade and investment) remain small in absolute terms. Potentially, however, these interests are far greater, since U.S. business enterprise is likely to play a key role in Haiti's eventual development. Although the only mineral resource which Haiti supplies to the U.S. is bauxite, Haiti's mineral potential has never been thoroughly surveyed. Current explorations indicate the presence of significant copper resources and associated metals in northern Haiti. There may also be some offshore petroleum, for which one U.S. firm may do some prospecting.

Nevertheless, the U.S. interest in the Haitian economy and in its development is at present more broadly politico-economic. After Cuba, Haiti is the most populous country in the increasingly restless Caribbean subregion. Though traditionally isolated, Haiti's leadership is now increasingly conscious of Haiti's potential role in the Caribbean as well as in the world community of LDC's. In the medium and longer term, the development (or lack thereof) of Haiti, a country so close to the doorstep of the U.S., will be a prime indicator of the ability of the U.S. and of the international development community to respond to the concerns of the world's least-developed countries.

In the area of national defense, the U.S. has never established bases or similar operational facilities in Haiti and has no foreseeable needs of this nature. In the space age, our underlying strategic interest in Haiti is undoubtedly lessening, but it is not negligible. Along with Cuba, Haitian territory flanks the Windward Passage—still the most significant shipping route in the subregion. We could hardly regard with equanimity the possible alignment of Haiti and other Caribbean nations with a hostile grouping, and our pledge to maintain the firm U.S. commitment to mutual security assumes special relevance in view of Haitian concern over Cuban intentions in the region following the Angolan intervention.

AMBASSADOR'S OVERVIEW

Our strategy toward Haiti for the FY 77-78 CASP time horizon is designed to advance our broad politico-economic interest in the or-

derly economic and social development of this poorest country in the hemisphere. As compared with its Latin American and Caribbean neighbors, Haiti ranks lowest in every major indicator of progress, including GNP per capita, literacy and basic medical services. The pressures for illegal emigration to the United States remain intense and will not soon ease—and that problem entails human rights and refugee issues of concern to important sectors of U.S. opinion. The consensus in the international donor community is that Haiti's overwhelming problems of development, coupled with the government's self-improvement since 1971, warrant a special international effort.

The very magnitude of the external resources that are now being offered to or flowing into Haiti, however, creates a new set of problems and challenges. So thin is the layer of trained Haitian administrative and technical personnel that it simply cannot sustain the weight of responsibility thrust suddenly upon it. The resumption of a major drive for development means that Haitian agronomists, engineers, and extension agents at the central, regional and local level must be given new training and incentives and must be expanded radically in number. The preference of agronomists, technicians and medical personnel to avoid service in the rural areas and reside in Port-au-Prince—or emigrate—becomes increasingly at variance with the objectives of international donors, including ourselves, to reach Haiti's rural poorest people. Basic infrastructure projects can become a mockery unless accompanied by the training and assignment of qualified personnel to bring essential development services to the countryside and to stimulate more productive activity at the grass-roots level.

These considerations have shaped our selection of the first of two major issues for resolution. Our interests in advancing the progress of the rural poor have thus far been well served by our AID activity such as the integrated small farmer development project (concentrated on coffee production). But we must clearly find more ways to help and induce the Haitians to make more thorough use of their human resources so as to move much more rapidly, on a nationwide scale, toward producing more food and improving nutrition patterns. We believe that much can be done by stimulating the formation of effective community councils, drawing upon the "coumbite" cooperative tradition and taking into account the successful methods developed in Northwest Haiti by the Haitian-American Community Help Organization (HACHO), using "Food for Work" under P.L.-480 Title II. We plan to intensify efforts to devise more effective low-cost methods for delivering health services including family planning assistance—a cardinal objective if population is not to outstrip economic gains over the next decade.

Our pledge to assist the neediest countries in their self-help efforts, reaffirmed by the Secretary of State after his Latin American trip early

in 1976, requires continuing scrutiny of how serious those self-help efforts are. In Haiti, performance still falls short of what we and other donors would wish, and our second issue for resolution addresses itself to that problem. In this case, our strategy recommends that we concert more intensively with other donors to induce the Haitian Government to mobilize Haitian resources more effectively for development. We intend to use our leverage to bring about changes in the allocation of levies by the Régie du Tabac, particularly on commodities furnished under P.L.-480, and the international development community involved in Haiti should add its weight. We recommend concerted efforts to bring about changes in Haitian tax policy, to encourage greater participation of the private sector, and to induce the Haitians to draw upon men in uniform more frequently for developmental tasks.

Our interest in promoting the orderly progress of Haiti also implies attention to a traditional component of political power—the Armed Forces. Our strategy provides for the continuation of a modest training program for the regular Armed Forces of Haiti centered upon improving their capacity for search and sea rescue and for associated communications and logistics. The Armed Forces remain a critical ingredient of stability in Haiti; their associations with the U.S. date back for many years but need to be renewed; and a number of younger officers have already assumed positions of influence extending beyond military affairs. We endorse the decision to propose Haiti for inclusion, in FY 1977, among countries eligible for FMS credits, and we consider that the \$500,000 level proposed would contribute to greater restraint and selectivity in military procurement, as well as assuring purchase of items associated with the training program.

Our interest in promoting the post-1971 improvements in observing human rights in Haiti is clear, and we will continue to keep this subject under review at top levels of the Haitian Government, encouraging it in the direction of liberalization and respect for dissent, urging it to clarify its record on political prisoners, and making clear the strong U.S. congressional and Executive commitment to internationally accepted principles. We will continue to point out the serious consequences for all our programs should there be any reversion to the pattern of repression made notorious under Dr. François Duvalier's regime. At the same time, we will take into account nationalist sensitivities, authoritarian traditions in Haiti, and legitimate fears of subversion organized by Haitian exiles.

Although U.S. financial and commercial interests in Haiti are relatively modest, they should expand as the Haitian economy gradually opens up in the years ahead in response to the major external aid projects now underway and offers more attractive opportunities for trade and investment.

Our strategy, therefore, includes the recommendation that we intensify our efforts to bring about a much greater understanding on the part of Haitian authorities as to what constitutes fair play in relations between the Haitian Government and U.S. companies. Several investment disputes continue to cloud the investment atmosphere and to attract congressional attention. Since elements of confiscation without compensation are present, automatic sanctions under U.S. law might be invoked, with serious consequences for Haiti's eligibility to receive aid and participate in generalized tariff preferences. However, because of its extreme national sensitivity on matters of sovereignty and severe disillusionment with past unscrupulous investors, the government is likely to respond less to threats of sanctions than to firm and quiet diplomatic approaches based on reference to Haitian self-interest. We will handle this issue in the broad context of our bilateral relations and in a manner which maximizes our tactical flexibility.

It would be imprudent, in our view, to underestimate our interest in having this small Black republic and near neighbor continue the post-1971 evolution toward openness, rationality, respect for human rights, responsibility in public administration and a commitment to mobilize the resources of the country for economic development. Haiti is on the threshold of unprecedented change, emerging from its isolation, gaining in self-confidence, discovering new opportunities for its gallant and long-suffering people. As this process takes hold, Haiti will be in a position to play a moderating role in Caribbean regional politics and help to counteract diplomatically any Cuban tendencies for intervention in the region.

At the same time, Haiti's institutional base is fragile, its Presidential leadership still subtly contested in the Palace, its administrative effectiveness shackled by ancient habits and budgetary anemia. Political turbulence, generated for example by inflation, natural disasters, or externally-directed subversion, may always recur. By focussing our programs firmly on the promotion of basic economic and social development, and on the strengthening of responsible principles of national administration, we can best guard our long-term interests against upheavals of whatever origin.

Given the context of growing multilateral interest in promoting Haiti's development, the resources allocated or projected to carry out these courses of U.S. action should be adequate, in my judgment.

Heyward Isham
Ambassador

419. Telegram 1019 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, April 21, 1976, 0500Z.

1019. Subj: Plan of Haitian Anti-GOH Plotting. Ref: State 47701, State 95859, State 95858 and previous.

1. Following are my comments on reftels, and recommendations.

2. I consider the report plausible, given the implacable hatreds spawned by Francois Duvalier's macabre repressions and the regime's inability or disinclination to win over the ring-leaders of the opposition or otherwise to redeem the past in the eyes of its enemies.

3. I am equally impressed with the degree of which the reported plan depends on multiple, interlocking betrayals and naive expectations, e.g., by Lahens, of support from Haitians to whom he has been an émigré for years. Émigré psychology is seldom realistic, though it can be—and in this case evidently is—fanatic. It is hard to see anything but reversion to typical Haitian political chaos should this plot succeed, not necessarily the worst condition, but one compelling reassessment of how best to protect our interests.

4. The litmus test of any authoritative regime's survivability, when threatened by those dedicated to its overthrow, is its ability to foresee events realistically, and gauge its interest rationally, and take effective steps in self-defense. No outside government—ours or any others—which might come into possession of information such as that being reported can do for the object of the planned attack what it will not or cannot do for itself. At the same time, to withhold the essentials of information vital to that regime's existence would in effect ally us with the rebel cause, a posture which if taken should only be taken in cold calculation of all the options. We have made no such determination—e.g.,

¹ Summary: Isham concurred in the Department's recommendation that Duvalier be warned about a possible coup attempt, adding that the Haitian President should be advised that such plots were likely to recur if the Haitian Government did not demonstrate a serious will to address the country's pressing needs.

Source: National Archives, RG 59, Central Foreign Policy File, D760154-0131. Secret; Niact Immediate; Stadis; Exdis. In telegram 902 from Port-au-Prince, April 6, the Embassy commented on March 31 cabinet changes. (Ibid., D760131-0243) In telegram 1200 from Port-au-Prince, May 7, the Embassy reported that the personnel changes appeared to reflect Duvalier's "acquiescence in the elimination of strong-willed advisors opposed to corruption" and had "not stilled doubts about who is the real captain at the helm." (Ibid., D760178-0082) Telegram 47701 to Port-au-Prince is dated February 27. (Ibid., D760073-1179) Telegram 95859 to Port-au-Prince is dated April 20. (Ibid., D760152-0623) Telegram 95858 to Santo Domingo is published as Document 421.

that our interests would be better served than they are now by a non-Duvalierist regime in Haiti of uncertain composition and undefined aims.

5. At the same time, I am well aware that this regime has made insufficient basic progress in committing resources to basic social needs long neglected, and that the graft and corruption remain tolerated within the Duvalier family and its entourage to the point of now provoking unrest among certain military officers. Siclait, long detested for his avarice and cunning, has in the view of many observers, strengthened his position with the latest cabinet reshuffle, and Public Works Minister Petit's dismissal is believed to have stemmed from his principled obduracy, specifically his refusal to go along with a kickback scheme involving the new World Bank financed thermal power plant. The Petit ouster has come as a profound disappointment to many who had considered the President firm in his pursuit of reform and honest administration. Blanchet, among others, is said to have sided with Petit. Now, it seems, the Siclait-Madame Simone Duvalier-Luc Desir alliance is in the ascendancy, and people question more than ever who is captain of the ship. Certain military officers, who regard Siclait as an abomination to the original Duvalierist cause, will expect his vengeance, and may be expected to move preemptively. Col. Namphy, G-4, is one such officer mentioned. Antonio Andre is reported to be appalled by Presidential aspirations to be "a Manley or a Castro."

6. Fortunately, our aid programs have been consistently aimed at the rural poor and we have successfully identified our objectives with the rural poorest rather than with the existent government as such. Diversion has not taken place, controls over direct loan and grant projects are considered satisfactory.

7. Conclusions/Recommendations. I therefore concur in recommendation that I alert Duvalier, as before, to gist of this latest report, naming no rpt no specifics. I also recommend that I should couple this warning with the observation that, substantial as the developmental and political evolution has been since 1971, enormous and urgent basic challenges remain if the Haitian people is to be lifted from its misery. Any Haitian Government that fails to demonstrate a serious will to overcome those challenges cannot expect immunity from outside efforts to replace it with something that is believed will be more responsive to the needs of the Haitian people. The best safeguards against any such efforts, therefore will be a searching, objective and determined effort to mobilize all resources coherently toward the fundamental goals of Haiti's economic and social development. In the last analysis, only such a commitment can persuade enemies of the present regime that they have nothing better to offer.

8. *Action requested:* Department's concurrence in my taking line outlined in foregoing paragraph.

Isham

420. Telegram 97589 From the Department of State to the Embassy in Haiti¹

Washington, April 22, 1976, 0443Z.

97589. Subject: Plan of Haitian Anti-GOH Plotting. Ref.: Port-au-Prince 1019.

1. We concur with your analysis of the situation and the implications for the USG. As you recommend, you should alert Duvalier to the gist of our latest report, avoiding specifics, particularly names.

2. We are impressed by your sobering estimate of GOH progress in overcoming basic developmental and political problems. In particular we are distressed by your reading of the recent Cabinet changes.

3. We certainly agree that Duvalier should be told the survival of his government as well as its reputation abroad will ultimately depend on real economic progress and real political reform. We leave it to your judgment how and when this message can best be conveyed. We wonder, however, if the coup plot is the best context in which to deliver such unpalatable home truths. Might not Duvalier misread the comment, taking it as a threat or even as a hint of U.S. tacit involvement should he fail to improve the performance of his government in future?

Kissinger

¹ Summary: The Department instructed the Embassy to provide Duvalier with information on the latest reports of coup plotting but asked if it might not be preferable to await some other opportunity to suggest that he undertake reform efforts, inasmuch as such a comment might be interpreted as a threat if delivered in conjunction with a warning about imminent danger to the regime.

Source: National Archives, RG 59, Central Foreign Policy File, D760152-0228. Secret; Niact Immediate; Stadis; Exdis. Drafted by Heavner and approved by Luers. In telegram 1035 from Port-au-Prince, April 22, Isham reported that he had shared information on the coup plot with Duvalier on April 21 but had "limited himself to essentials," not making the "additional observations I had proposed to make." (Ibid., D760152-1130) In telegram 1045 from Port-au-Prince, April 23, Isham reported that he "would seek a more propitious opportunity" to deliver a message about the importance of Haitian Government attention to the country's problems. (Ibid., D760155-0973) Telegram 1019 from Port-au-Prince is Document 419.

421. Telegram 95858 From the Department of State to the Embassy in the Dominican Republic¹

Washington, April 22, 1976, 0640Z.

95858. Exdis for Ambassador Hurwitch. Following telegram from SecState Wash DC dated [April] 20, 1976 sent Port-au-Prince is repeated to you: Quote. Exdis for the Ambassador. Subject: Anti-GOH Plotting. Reference: State 47701 and previous.

1. We are providing additional information on possible coup attempt (reftel) in separate telegram.

2. We recommend that you again seek to alert Duvalier to this situation. In order to protect source, you may pass the gist of the report to the President but you may not rpt not give any details of names or locations. More specifically, the President can be told: —that the plot previously described to him is still under way; that it may take place fairly soon; that several hundred men are involved in Haiti; and that the assassination attempt would be carried out at one of several sites habitually frequented by the President.

3. We are deeply concerned about continued USG involvement in this matter. We certainly do not want to be in effect party to coup attempt by failing to warn Duvalier. But our information could also serve to incriminate innocent parties if it proved less than fully accurate. And there is also the question of whether the USG should act to save what is in many ways still among the most reactionary regimes in the hemisphere. Would appreciate your evaluation, comments and recommendations. Robinson. Unquote.

Kissinger

¹ Summary: Citing information that indicated a coup attempt would take place in the near future, the Department recommended a new warning to Duvalier.

Source: National Archives, RG 59, Central Foreign Policy File, D760152–1205. Secret; Stadis; Exdis. Drafted by Yohn, cleared by Heavner, and approved by Luers. All brackets are in the original. The April 20 telegram of the same number from the Department to Port-au-Prince was not found. In telegram 47701 to Port-au-Prince, February 27, the Department had reported on details of the coup plot allegedly being formulated by anti-Duvalier figure Alphonse Lahens and other Haitian exiles. (Ibid., D760073–1179) In telegram 95859 to Port-au-Prince, April 20, the Department transmitted a report indicating that a group of commandos within Haiti was prepared to make an assassination attempt against Duvalier. (Ibid., D760152–0623)

422. Telegram 119078 From the Department of State to the Embassy in Haiti¹

Washington, May 14, 1976, 1702Z.

119078. Subject: Continuing Plans of Haitian Exiles to Overthrow the Duvalier Government, Despite Shooting Incident Between Security Forces and Exile Commandos in Haiti.

[1 paragraph (6½ lines) not declassified]

Quote. *Summary*: Alphonse Lahens, a Haitian exile residing in the United States, is continuing his plans to overthrow the Haitian Government, in spite of a shooting incident involving his staff commando group in Haiti on 20 April 1976. Although one commando was killed and another was captured, the staff leader and two other commandos escaped to the Dominican Republic. Lahens claims that his 300-man assault unit inside Haiti remains intact. After learning of the incident, Lahens canceled the impending trip of a courier to carry instructions to the commando leader. Had the commando leader proceeded with the coup attempt on 22 April as scheduled, General Gracia Jacques may have been killed, contrary to secret sub-plot instructions which Lahens planned to relay via the courier. As a result of the shooting incident, General Jacques has reverted to his role of loyal watchdog to the family of President Jean-Claude Duvalier. *End summary*.

1. Undaunted by a shooting incident on 20 April 1976 between the "staff" of his commando unit inside Haiti and Haitian Government Security Forces, Alphonse Lahens, Haitian exile residing in New York City, is continuing to plot to overthrow the government of President Jean-Claude Duvalier. Lahens said on 5 May that the main body of his

¹ Summary: The Department transmitted a report indicating that Haitian opposition figures were persisting in their plans to overthrow Duvalier even after an April 20 clash between security forces and coup plotters forced key conspirators to flee the country.

Source: National Archives, RG 59, Central Foreign Policy File, D760187-0287. Secret; Priority; Exdis. Drafted by Strasser, cleared by Yohn, Haddox, and Ortiz; approved by Luers. All brackets are in the original except those indicating text that remains classified. In telegram 1031 from Port-au-Prince, April 21, the Embassy reported on a firefight in the Carrefour district of the city that might have been connected to the reported assassination plot against Duvalier. (Ibid., D760151-0590) In telegram 1035 from Port-au-Prince, April 22, Isham informed the Department that in light of the possible link between the Carrefour incident and the reported coup plot, he had met with Duvalier on April 21 to convey the "gist of latest report on anti-GOH plotting." (Ibid., D760152-1130) In telegrams 1065 and 1089 from Port-au-Prince, April 26 and 28, the Embassy reported that Haitian officials were playing down the firefight and did not appear to regard it as a serious incident. (Ibid., D760157-1030 and D760164-0193) According to a July 8 memorandum of conversation, journalist Jean Dominique told Isham that the shootout had been followed by the arrest of a number of middle-class Haitians and intellectuals. (Ibid., Central Files, 1970-1973, ARA/CAR, Lot 79D323, Memorandum of Conversation, 1976)

300-man commando unit in Haiti remains intact. [*3½ lines not declassified*] (Also see Port-au-Prince Embassy telegram 1089 dated 28 April 1976, for another account of the shooting incident.)

2. Lahens said Haitian Ton-Ton Macoutes (Volunteers for National Service—VNS) surprised Hubert Legros, commando staff leader; his brother, Michel Legros, Raymond Fils-Aime, Maisoneuve (FNU), and Colon (FNU) on the morning of 20 April in a house in the Waney area on the road to Carrefour, about 14 miles from Port-au-Prince. The Ton-Ton Macoutes killed Maisoneuve and captured Colon. The commandos killed an unidentified yardboy whom they suspected of having informed the Haitian security forces of their whereabouts. [*1½ lines not declassified*]

[*1 paragraph (3½ lines) not declassified*]

3. The Legros brothers and Fils-Aime escaped to the Dominican Republic in a Jeep commandeered from SNEM, an international anti-malaria organization. As of 5 May they were in hiding in Santo Domingo at the home of a former official of the regime of General Rafael L. Trujillo. Lahens was in frequent telephone contact with Legros and was seeking to aid the men in leaving the Dominican Republic. The commandos were considering asking asylum from the Mexican or another Latin American embassy in Santo Domingo in order to rejoin Lahens in the U.S. Legros told Lahens via telephone on 5 May that he feared the former Trujillo official might betray them. Legros planned to move their hiding place the next day and said he would advise Lahens of a new telephone number. Lahens questioned Legros about a report received from a contact in Port-au-Prince that one of the commando staff group had visited the National Palace the day before the fire. Legros denied this. Later Lahens said he believed this report may have been true, since the five commandos had excellent military contacts in the Palace and had even received some Palace arms.

4. Lahens claimed to have other arms still undiscovered in Haiti. On 6 May he intended to inspect some arms which were for sale in the New York area and was confident of obtaining more money with which to purchase the arms. He added he was not worried that Colon would break under interrogation, because Colon knew only the names of the commandos who were with him at the time of his capture. Lahens said he had been ready to send Mireille Fabius, the courier, to contact Hubert Legros in Port-au-Prince on 20 April when he received news of the fire fight, and canceled her trip. Legros had informed Lahens by telephone that he was prepared for the coup attempt and could not run the risk of delay much longer. Legros had planned to assassinate members of the Duvalier family on 22 April at the inauguration of a school in Leogane, about 35 miles from the capital. The commandos had planned to wear stolen uniforms of Haitian Army officers.

Fabius's mission was to inform Legros about the secret sub-plot to switch the roles of General Gracia Jacques, Commander of the Presidential Guard, and General Jean-Baptiste Hilaire, Armed Forces Chief of Staff. If the coup had been attempted on 22 April without her instructions, Jacques would have been killed instead of Hilaire as originally planned by the commandos. Lahens said he also suspected that Haitian exiles in New York City may have informed the Government of Haiti (GOH) about the plot, among them Raymond and Leo Joseph and Paul Magloire, all members of the 12 November Revolutionary Movement (MR12N), and also Moringlade (FNU).

5. According to a confidant of General Gracia Jacques, the 30-minute firefight in Waney resulted from the suspicions of a Ton-Ton Macoute named Medi (FNU), who noticed unusual activity in a small house near his home. He and eight other Ton-Ton Macoutes decided to investigate and upon entering the house were immediately fired upon by the five dissidents. The Ton-Ton Macoutes killed one man, arrested another, who was taken to the Dessalines battalion barracks for interrogation; and captured ammunition and a number of automatic weapons. Later the same day the security forces seized a cache of uniforms of Haitian Army officers and two walkie-talkie radios in Leogane. Jacques said the GOH sent a special diplomatic mission to Santo Domingo to request official assistance in apprehending the revolutionaries and returning them to Haiti. As of 5 May, the men were still at large.

6. Immediately after the shooting incident Jacques doubled the guard at the National Palace and remained at his post for over 48 hours. He learned from the interrogation of Colon that the commandos had planned to assassinate him at the Triumph Theater in Port-au-Prince, which he visits almost nightly. Jacques is now taking security precautions including changing his pattern of activities. He described the President as naturally very anxious to know the full details of the plot and to capture the others involved. About 40 persons have been arrested and interrogated, some of whom are still in jail. Most of those arrested are Haitians who have become U.S. citizens or residents and have returned to Haiti in the past 20 months. The President is aware that exiles in the U.S. concocted the plot. The confidant added that despite Jacques's recent statements of disgust for the Duvalier family and his earlier reluctance to inform the President about the coup plotting, Jacques has reverted to the role of loyal watchdog which he has played for nearly 20 years. In the final analysis, the confidant said, Jacques probably realizes that his fate is tied to the Duvalier family. End quote.

7. [2 lines not declassified]

8. [8 lines not declassified]

423. Telegram 182198 From the Department of State to the Embassy in Haiti¹

Washington, July 23, 1976, 0221Z.

182198. Subject: Coup Plotting Against the Government of Jean-Claude Duvalier by Senior Haitian Government Officials.

[1 paragraph (8 lines) not declassified]

1. [5 lines not declassified]

2. On 15 July 1976 a high-ranking official of the Government of Haiti (GOH) said that a number of senior members of the GOH had agreed on a plan to overthrow the government of President Jean-Claude Duvalier. The official said that the coup d'état had been planned so as to be executed in series of orderly steps designed to avoid bloodshed. He refused to speculate on a timetable for the actual replacement of Duvalier.

3. The official said that one of the first steps was to reduce the influence of Henri Siclait, Director of the government's tobacco monopoly and behind-the-scenes power in Palace politics. This step was already in motion as a result of sharply increasing differences between Madame Simone Duvalier, Siclait's greatest ally and the President. The official added that the President was not actively challenging the influence of his mother and Siclait within the Palace.

4. Another preliminary step was to replace the present "Chief of Internal Security," who has had a secret working relationship with Siclait unbeknownst to the President. (*Source comment:* This person could be Luc Desir, Chief of the Volunteers for National Security (VSN), Lieutenant Colonel Jean Valme, Chief of the Presidential Security Service, or another official. His name was not given.)

5. The official described the plotters as experienced members of the intellectual elite of Haiti. He said that they included Emmanuel Bros, Secretary of State for Finance, and Gerard Dorcelly, Subsecretary of State for Foreign Affairs. He said that military leaders, including Lieutenant General Jean-Baptiste Hilaire, Chief of Staff of the Armed Forces, were totally disaffected with Duvalier's lack of leadership, and that they felt concerned and threatened by the President's recent intense in-

¹ Summary: The Department forwarded information indicating that senior Haitian Government officials and military officers were disaffected with Duvalier's lack of leadership and had agreed on a plan to overthrow the President.

Source: National Archives, RG 59, Central Foreign Policy File, D760285–0376, D760283–0869. Secret; Stadis; Exdis. Drafted by Strasser, cleared by Heavner, Ortiz, and Kaiser, and approved by Luers. All brackets are in the original except those indicating text that remains classified.

terest in the Military Academy, the National Training School for officers. He added that high-ranking officers were convinced that Duvalier planned to replace senior officers with hand-picked junior officers from the military academy.

6. Finally, the official emphasized that the coup plotters desired to maintain good relations with the United States Government. He also stressed the point that none of the plotters was a Communist nor was there any Communist influence in the planned coup d'état.

7. [2½ lines not declassified]

8. [5½ lines not declassified]

Robinson

424. Telegram 2441 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, September 10, 1976, 1920Z.

2441. Subject: Haiti's Governmental Shakeup Removes Powerful Duvalierist Advisor. Ref: Port-au-Prince 2408.

Summary: Among the governmental changes announced Sept 7 (reftel), the dismissal of Henri Siclait, Director of Regie du Tabac, ranks as a major event in Haitian politics comparable to the ouster of strongman Luckner Cambronne in 1972. Siclait, through his control of non-fiscalized taxes collected by the Regie on a broad range of commodities, was the power behind the throne, a notoriously corrupt and shadowy Machiavellian eminence whose influence was pervasive and whose ambitions in recent times may have extended to the Presidency itself. Duvalier has now cut short such hopes and sent Siclait into exile. This action, acclaimed by Haitians of all classes, should consolidate the President's authority and may open the way for a long overdue regu-

¹ Summary: The Embassy reported that Duvalier had removed Henri Siclait from his powerful position as the head of the official tobacco monopoly, noting that the dismissal of such an influential and corrupt figure was a significant step that inspired hopes for further constructive changes.

Source: National Archives, RG 59, Central Foreign Policy File, D760342-1193. Confidential; Priority. Repeated to Kingston and Santo Domingo. In telegram 2408 from Port-au-Prince, September 8, the Embassy transmitted a new Cabinet list and news of several other appointments and dismissals, observing that the removal of Siclait from the Regie du Tabac was the most noteworthy change. (Ibid., D760340-1062)

larization of Regie operations, although judgment on that score must await further developments. *End summary.*

1. Reasons for Sicalait's fall: Sicalait appears to have fallen victim to his own avarice and ambition. Both qualities were unchecked by any prudent sense of restraint; in recent months both brought him squarely into conflict with the young and increasingly self-confident President. Sicalait's espousal of a scheme this spring to accept a high French bid for a World Bank-financed thermal power station in return for a substantial kickback failed when World Bank consultants, alerted by Pierre Petit, then the Public Works Minister, vetoed the deal. Sicalait's success in ousting Petit and installing his own protege, Fernand Laurin, a man who appears unqualified for the job, opened him to criticism. At the same time, Sicalait reportedly intensified his efforts to place his supporters in key governmental positions and, according to one knowledgeable source, he even began to give cash to military officers to procure their loyalty. Finally, Sicalait's taste for conspicuous consumption grew more pronounced and in recent months he purchased land and built houses at a dizzying pace. President Duvalier reportedly missed none of these moves, quietly decided that Sicalait's challenge had to be met, and gave Sicalait no inkling of the fate in store for him, even permitting him to participate as usual in the recent discussions on cabinet changes. Sicalait was placed under house arrest September 7 and unceremoniously deported to France the following day.

2. Casualties: Sicalait's dismissal is being interpreted as a distinct loss of power for Madame Simone Ovide Duvalier who, with Sicalait's help, has tenaciously contested her son's decisions and sought to protect old guard Duvalierists against the tides of change. One source even describes the move as a "no holds barred attack on the first lady's power base" which could impel her in the course of coming months to take an extended rest cure in Europe preparatory to retirement abroad (her daughters Marie-Denise Dominique and Simone live in Paris). Madame Duvalier's departure would eliminate the crippling dualism of power in the Palace and would thus permit more concerted efforts at reform and economic development under Duvalier's leadership. A prospective casualty is Public Works Minister Laurin, a Sicalait protege who seems overwhelmed by his job. A Petit reappointment is a definite possibility, although Petit would insist on stiff terms and a renewed mandate.

3. Beneficiaries: Long-term National Bank President Antonio Andre, who at Sicalait's behest had been shifted from the bank to the lesser post of Commerce and Industry Minister in the last Cabinet reshuffle, has been conducting bureaucratic warfare against Sicalait for months. Andre's reincarnation at the bank is a victory for this sagacious counselor and for Finance Minister Bros, who shares his views on fiscal

responsibility. Other beneficiaries include the respected economist Jules Blanchet, a Siclait antagonist reappointed to supervise the Central Auditing Bureau, and Fidelia Wainwright, an irreproachable technician and ally of Petit reappointed to direct the State Electricity Authority.

4. Implications for U.S. policy:

(A) We have consistently made known to senior Haitian Government officials our view that extensive, unaccountable, and secret Regie takings were difficult to reconcile with other evidence in recent years of a serious governmental intent to mobilize resources for national development. The World Bank has been even more pointed, and the present IMF representative has echoed the theme. Nevertheless, President Duvalier has resisted all outside suggestions for publicizing the degree to which Regie funds are actually being used for developmental purposes and for placing Regie funds under greater budgetary controls, although he is well aware that some move in these directions would make a favorable impression on the international donor community. However, the anachronism of the Regie has been increasingly brought home to him, and the recent five-year planning exercise has highlighted the difficulties many key ministries will have in operating programs unless additional sources of revenue are made available.

(B) Thus the Siclait ouster opens the way for a new look at the Regie in relation to development requirements as assessed by the responsible ministers. The President will be cautious about curtailing his control over a fund he has identified with his political survival, but according to well placed sources he does intend to place a greater proportion of these funds at the direct disposal of regular budgetary programs and to grant Finance Minister Bros greater authority in deciding on their use. We must defer judgment on this prospect until we know Siclait's successor.

5. Reactions in Haiti: Siclait's dismissal has been acclaimed by the business community and the professional class (apart from a few leading Syrian merchants who profited from their association with him), and it will please key military officers who have cordially detested the high-living Regie Director. Foreign Minister Brutus told the Ambassador that Haitians felt as if a great burden had been lifted from their hearts.

6. Conclusion: In the five-year course of young Duvalier's development from callow untested youth to a more poised and assertive leader in his own right, the Siclait ouster will be recorded as a benchmark comparable to the dismissal of strongman Luckner Cambronne in 1972. Many political uncertainties, conceptual ambiguities, and economic challenges remain, but the September 7 events have encouraged Hai-

tians of good will to hope for further constructive changes to deal with Haiti's multiplying economic problems.

Isham

425. Memorandum of Conversation¹

Washington, November 5, 1976.

SUBJECT

Human Rights and Political Changes in Haiti

PARTICIPANTS

Georges Salomon, Ambassador of Haiti
Gerald de Santillana, ARA/CAR

A luncheon conversation with Ambassador Salomon November 5 covered a number of topics.

The Regie du Tabac

Salomon had just returned from a two weeks' visit to Haiti, where, among other things, he attended the meetings of the Joint Commission on the Implementation of Foreign Assistance. He thought the meetings went very well.

According to Salomon, representatives of the GOH, in connection with the Joint Commission meetings, promised that funds from the *Regie du Tabac* henceforth would be allocated to the regular and development budgets. The commitment was oral, but Salomon said it would soon be reduced to writing. Salomon said this was a key step he and others had long been urging on President Duvalier. Duvalier was understanding of the concern of the international agencies regarding the use of the *Regie* funds, but had been unable to do anything as long as the tobacco and match monopoly was under the control of Henri Siclait. Siclait's recent ouster, according to Salomon, was a decisive step which cleared the way for better use of *Regie* funds.

¹ Summary: In a conversation with De Santillana, Haitian Ambassador Georges Salomon sought to portray recent developments in Haiti in a positive light by pointing to forthcoming reforms of the official tobacco monopoly, progress in the field of human rights, and the removal of Henri Siclait.

Source: National Archives, RG 59, Central Foreign Policy File, P830032–0063. Confidential. Drafted by De Santillana.

Saying I was certain that fiscalization of the *Regie* would impact very positively on the assistance agencies, I asked how much of the *Regie* funds would be allocated to the regular budget. Salomon could not specify, but indicated it should be a substantial portion.

Human Rights

Salomon then volunteered that he considers the issue of human rights his number one priority in Haiti's relations with the U.S. He claimed he has regularly raised the matter with President Duvalier during his visits to Haiti. It is difficult for foreigners to understand the importance and independence of our Congress on issues such as this, he went on, so he has been trying to explain the role of Congress in his reporting to his government. He himself had received direct inquiries on political prisoners in Haiti from several members of Congress, including Representative Don Fraser of Minnesota. He was planning to try and contact some of these Congressmen directly, and encourage them to visit Haiti.

Salomon went on to say that there had been real progress in human rights in Haiti since the 1960s, but further progress was both possible and needed. At the same time, he asserted that Haiti, just 40 miles from Cuba and astride the Windward Passage, faced a genuine threat of Communist subversion. He thought it important to the U.S. and the other non-Communist nations of the hemisphere that Haiti be able to defend itself against subversion.

I observed that the basic concerns of Congress for human rights are fully shared by the Department, that we were encouraged by recent steps in Haiti such as the convening of the regular criminal courts and the release of 261 prisoners in September, but that we remained concerned for continued shortcomings, particularly the lack of due process for most accused persons, prolonged detention without trial, the government's secrecy concerning persons imprisoned, and the like. Under the Universal Declaration of Human Rights, there appeared to be no reason why persons engaging in or plotting violence could not be detained, as long as the accused were afforded due process and humane treatment.

Salomon agreed, and acknowledged there was definite weakness in Haiti in the area of "procedures." He said some of these deficiencies, particularly concerning the political prisoners, could be resolved with a "stroke of the pen," but the GOH felt it had to move a step at a time owing to the danger of subversion. Nonetheless, Salomon felt he could assure me there would be continued improvements in the observance of human rights over the coming year.

Siclait Ouster

Returning to the ouster of Siclait, Salomon characterized it as a major political development clearing the way for further change and

“liberalization.” Siclait and the people associated with him (whom the Ambassador did not name) had long been the key obstacles to reform, opposing any change on the grounds it would endanger the regime. Salomon said he was sure Siclait’s removal would lead to a number of political as well as financial reforms.

Racetrack Project

On the subject of reform, I mentioned I had recently learned of a multi-million dollar project to build an auto racing complex near Port-au-Prince, apparently with GOH financial support. Noting that the project, if it materialized, would be reported overseas, I suggested it would almost certainly draw unfavorable attention in the U.S. as a questionable diversion of Haiti’s limited resources from development.

Salomon replied quickly that he had been aware of the project since last April. He said at that time he told President Duvalier the international assistance agencies would be certain to object. Duvalier, who seemed to have been sold on the project, told him that the international agencies had objected to a GOH project once before, the question of the Ericsson telephone contract, but the GOH had gotten by without a cutoff of aid. Nonetheless, Salomon said misgivings in the GOH were such that National Central Bank President Antonio Andre and Finance Minister Emmanuel Bros had refused to sign off on a letter of commitment hiring a French company to plan the project.

Salomon went on to say he now has the distinct impression the project is not moving forward. Here again, the ouster of Henri had brought a change for the better. The people supporting the President’s interest in the project were mainly associated with Siclait, while nearly all the people remaining in the government are opposed. Therefore, although the project is an “extremely delicate matter” to raise with the President, the Ambassador said he was confident it would not get off the ground. It is “sinking of its own weight,” he concluded.

Aviation and Textbooks

Salomon then said he had two matters he wished to raise with me. One is the problem of obtaining some airline service for Haiti to replace the Port-au-Prince to San Juan service discontinued by Eastern Airlines. Salomon said that the Dutch Government was filing a request with the CAB for ALM (Dutch Antillean Airlines) to fly the Haiti-San Juan route, and the GOH hopes the State Department will be able to support this Dutch application, at least for temporary service for this winter season. I said I would check with our aviation specialists and look into it.

Salomon also said that Foreign Minister Edner Brutus had asked him to investigate the possibility of obtaining foreign assistance of some sort to supply textbooks to Haitian secondary schools, which now have virtually none. I said that the need for Haitian textbooks to be in

French would probably limit what the U.S. could do, but I would pass the request on to AID.

COMMENT: Salomon was clearly trying to cast developments in Haiti in a positive light (e.g., on human rights and the *Regie du Tabac*), but he also seemed straightforward and personally confident that further reforms or improvements are in the offing. Several times he mentioned meetings with Foreign Minister Brutus, leaving the impression the two have close and good relations.

Salomon, an experienced and capable professional diplomat, appears to be doing a good job as Haitian Ambassador in Washington, seeking opportunities to advance friendship and aid for Haiti whenever possible in a low-key and friendly manner. He would seem to have good access to President Duvalier.

426. Telegram 3091 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, November 9, 1976, 2150Z.

3091. Subject: Mixed Haitian Reaction to Carter Victory: Government Apprehensive, People Enthusiastic.

1. *Begin summary*: Haitian reaction to U.S. election was predictably two-fold. Government circles apprehensive about return of Democratic administration to White House for reasons ranging from simple uncertainty about intentions of a new administration to fears that it might revert to the well-remembered *démarches* of the Kennedy Administration against the regime of Papa Doc. Apart from senior government officials, however, most people welcomed Carter election because they perceive him as progressive figure who embodies their hopes for greater economic development and increased human rights in Haiti. This group, in the main, does not expect interventionism from a Carter Administration but does expect it to keep government more aware of U.S. policy concerns. Given this dichotomy, naivete of Haitian reaction and complexity of our relationship with Haiti, initial contacts with Hai-

¹ Summary: The Embassy reported on Haitian reaction to the U.S. Presidential elections, noting that the public welcomed Carter's victory but that officials feared that U.S.-Haitian relations would cool under a Democratic administration.

Source: National Archives, RG 59, Central Foreign Policy File, D760419-0847. Confidential. Repeated to Santo Domingo.

tians by new administration should be especially deliberate, measured and balanced. *End summary.*

2. As reporting in USIS channels indicates, 1976 U.S. Presidential election was followed with intense interest by Haitian Government and public. Both the campaign and the election night results were reported in unprecedented detail. All three Presidential debates were shown on television and election night coverage prompted constant phone calls to radio stations and dominated all conversations following day.

3. This coverage made profound effect on Haitians who have so little experience of democracy themselves. One friend of the Embassy was still expressing his amazement after the election that Carter had had the temerity to contradict the President of the most powerful country in the world in a public debate. Even more impressive, of course, to many Haitians who have become accustomed to presidents for life, was the fact that an incumbent President could be challenged and beaten.

4. It was quite clear before the balloting that senior government officials were pulling for President Ford. When the results came, their private reactions to us were predictably cool and apprehensive. The Education Minister observed, "We don't have very good luck with Democrats." The Minister of Agriculture hoped that the next Democratic administration would not repeat mistakes previous ones had made regarding Haiti. He singled out Kennedy administration's sanctions against Francois Duvalier and said they were wrong because Haiti's problems were misunderstood and also because no equivalent action taken against far greater violations in South Africa. The Foreign Minister was somewhat more balanced. "So he won, we'll just have to wait and see." He then went on to recall that the Haitians had been similarly worried about the election of FDR because of his association with the Wilson Administration's occupation of Haiti but that their fears had not been borne out since Roosevelt quickly moved to end the occupation. He evidently hoped that GOH fears about Carter would also be disproved.

5. According to one well-informed young journalist, GOH reaction is more pessimistic than indicated above. He thinks the government firmly believes the Carter victory will mean reduction in foreign aid, restriction of foreign investment, cooling of relations, and even an overt attempt on the part of the U.S. to overthrow Duvalier. According to this same source, Haitian Ambassador in Washington Salomon wrote President Duvalier before the election giving his personal analysis of the effects on Haitian-U.S. relations if Carter should win. Salomon reportedly predicted problems for the Duvalier government and we are told that President Duvalier toyed with the idea of publishing Salomon's

letter—presumably to gird the loins of Haitian patriots—until wiser heads prevailed.

6. Response to election by both government and non-government circles is in tradition of Haitian overreaction and sensitivity to developments in its single most important neighbor to the north. Government response based on almost paranoid fear of white intervention dating from independence, reinforced by U.S. occupation 1914–1933, pressures of Kennedy administration, non-stop plotting of exile groups—mostly located in the U.S.—to gain power and seated in failure to achieve more than modicum measure of political, economic or social progress in nearly two centuries of independence. Non-government response fed by same factors but with reverse goals in mind. Although naive and simplistic, their response accurately reflects importance Haitians attribute to U.S. role overseas.

7. Little countries always tend to over-exaggerate the interest of big countries in them but U.S. has in fact many interests in Haiti dating from emergence of Haiti as first independent and Black republic in Western Hemisphere. U.S. big stick policy has been replaced in recent years by expanding interest in assisting the most needy and improving Haitian human rights performance. Our policy has been complicated by heavy, economically inspired, illegal emigration to U.S. and reinforced by the fact that Haiti remains our friendliest Black neighbor in the Caribbean. Americans and American investment are welcome and country so far is free from the racial tensions of the area despite marked sensitivity on this question and despite its being one of poorest countries in the world. The complexity of our relationship with Haiti and the acute—if naive—sensitivity of all Haitians towards the new administration argue for as deliberate, measured and balanced an exposition of new administration policy for Haiti as possible.

Meade

427. Telegram 3658 From the Embassy in Haiti to the Department of State¹

Port-au-Prince, December 29, 1976, 2215Z.

3658. Subject: Christmas Amnesty in Haiti: A Constructive Human Rights Initiative.

1. *Summary*: The traditional Christmas Amnesty this year was unusually extensive, affecting 164 common law and political prisoners, including several well known old guard Duvalierists fallen from grace and into oppositionist habits, a group of eight suspected Communists (immediately deported to Europe), and members of the abortive 1970 Coast Guard mutiny. The scope of the action, and the decision to exile rather than detain the eight who were considered dangerous subversives, reflects the government's growing responsiveness to human rights factors and may have been designed to deflect pressures from the U.S. anticipated during the Carter administration. *End summary*.

2. *Scope of Measure*. Christmas or New Years' Amnesties have become traditional since Jean Claude Duvalier's accession to power, and some 500 prisoners have been released thus far in the five preceding amnesties. However, the number of common law and political prisoners released December 24 (list carried in press December 27) substantially exceeded any previous amnesty. Of the total of 164 prisoners released, ninety were identified as political prisoners, the first time such a distinction has been made. The amnesty covered a wide range of the political spectrum, from suspected Communist subversives to disaffected "old guard" Duvalierists to participants in the 1970 Coast Guard mutiny. Many of these men had been the objects of Dr. Francois Duvalier's personal wrath, notably Clemard Joseph Charles, former President of the Commercial Bank of Haiti, and Jean Julme, former Minister of Defense and Interior (1964–67) and former President of the National Assembly (1962–64). Both men, former favorites, had fallen from grace and had engaged in oppositionist maneuvering. Charles had been under arrest since 1970 for complicity in the Coast Guard rebellion and Julme was implicated in the discovery in 1975 of illegal arms in a shipment consigned to a former Deputy of Hinche, Mme. Ulrick Paul Blanc, who was also released. List of released prisoners being pouched.

¹ Summary: The Embassy reported on Duvalier's unusually extensive Christmas amnesty, pointing to the measure as a sign of the Haitian Government's growing responsiveness to U.S. concerns about human rights.

Source: National Archives, RG 59, Central Foreign Policy File, D760476–0338. Confidential; Priority. Repeated to Santo Domingo, Kingston, and Paris. In telegram 3584 from Port-au-Prince, December 21, the Embassy reported on other recent positive steps taken by the Haitian Government to improve its human rights record. (*Ibid.*, D760468–1200)

3. Pro-Communist Group Deported. In a departure from usual practice toward Communist suspects, eight prisoners charged with subversive activities and connections with the outlawed Haitian Communist Party (PUCH) were placed aboard an Air France flight to Paris December 24 and provided with \$300 in pocket money with which to start their exile. The men were: Frantz Lofficiel, Lionel Derenoncourt, Alix Pierre-Louis, Franck Dure Placide, Garry Philippi, Max Charlier, Serge Calvin, and Jean Gerard Pierre. Derenoncourt, a former Church World Service employee, had been the object of the Ambassador's specific inquiries to Foreign Minister Brutus, while French Ambassador Deble had interceded on behalf of Lofficiel, an Administrator of the French-Financed National Pedagogical Institute. The decision to deport the men, most of whom had been imprisoned less than a year, was significant under a government obsessed with the threat of Communist-directed subversion and alert to the continuing efforts by Communist organizations to establish clandestine networks in Haiti. Security officials know, for example, that Cuba continues to encourage Haitian exile groups to work for the overthrow of the regime. Accordingly, the decision to release and deport the eight men reflected both a more restrained anti-Communist policy and a more sophisticated balancing of internal security risk against international political advantage.

4. The International Dimension. This past year has seen an increasing responsiveness to the human rights factor in Haiti's bilateral and international relations. After the abortive April 1976 plot to overthrow the regime, and in contrast to earlier periods, interrogations and arrests were selective rather than designed to instill terror in the population. The government took careful note of Secretary Kissinger's human rights speech at the Santiago OAS General Assembly in June, a speech which the Embassy formally brought to the Foreign Ministry's attention. Emphasis on human rights issues during the U.S. Presidential campaign and the explicit positions taken by President-elect Carter were also noted here. Even before the campaign, however, President Duvalier reportedly had begun secret evening interviews in the Palace with individual political prisoners in order to evaluate the grounds for their original arrests and to reach a decision as to their eventual release. A delegate from the International Red Cross inspected the Port-au-Prince penitentiary earlier in the year and word of a return IRC visit reportedly prompted the President to make a personal inspection visit, which resulted in the September 29 release of 261 prisoners who had served excessive periods of time while awaiting trial. Greater acceptance of government responsibilities in the human rights field, as reflected in the recent Chilean amnesty and in the Soviet Union's continued deportation of prominent dissidents, was not lost upon Haitian authorities. Quiet high level talks between GOH officials and the Papal Nuncio, the Ambassador of France and the CFMS, and the visiting

Chairman of the House Judiciary Committee, Congressman Peter Rodino, have all contributed in recent months to sensitize the government toward the human rights issue and to the necessity to improve its record in this field.

5. Local Reaction. Haitians in the business and professional circles of Port-au-Prince have welcomed the latest amnesty as a significant step, reflecting a good deal of political courage on the part of the President and, in the view of many, auguring well for further reforms in the administration of justice and the treatment of prisoners. Many discern evidence of a more astute Presidential grasp of affairs, a greater willingness to face up to the serious residual social and legal consequences of Dr. Francois Duvalier's repressive practices, and a greater confidence that more flexible methods can assure internal security as effectively as the more heavyhanded measures used under the previous regime. At the same time, observers point out some prominent political prisoners remain under detention, notably Claude Duval, son of a leading Port-au-Prince businessman, who was arrested in early 1976. Duval is widely regarded as a test case of the regime's ability to distinguish between active conspirators and left wing theorists carried away, in Haitian fashion, by their own rhetoric. The government's continued failure to provide any word of Duval's present condition or whereabouts remains deeply troubling. Moreover, until the government gives an accounting of those who have died in jail—and the number is believed to be substantial—the effect of this and other amnesties will be limited and the atmosphere will continue to be poisoned by memories of the brutal and arbitrary fate visited upon real or imagined oppositionists during the 1960s.

6. Policy Implications. The 1976 Christmas Amnesty should consolidate President Duvalier's authority as his own man, more resolute in loosening the psychological grip exerted by his redoubtable father and in contesting Madame Duvalier's reactionary counsels. The fundamental question remains, however, whether a sweeping political amnesty such as this will encourage, among some segments of society, demands for more effective and institutionalized protection against widespread legal abuses and administrative malfeasance. As one Haitian observer commented, "democracy is a demanding notion; it is no more possible to be a little bit democratic than it is to be a little bit pregnant." In any case, the 1976 Christmas Amnesty ended the year on a hopeful note and gave some reason to think that Haitian leadership would exhibit in 1977 a more sustained and realistic attention to the many unresolved problems of human rights in Haiti.

Isham

Jamaica, The Bahamas, and the Eastern Caribbean

428. National Intelligence Estimate 87.7-73¹

Washington, February 1, 1973.

THE BAHAMAS

Conclusions

A. There will be some new and potentially vexing problems in U.S.-Bahamian relations attendant on the forthcoming independence of the Bahamas in July 1973. Local pressures on the multitude of U.S. interests in the islands are growing. The Bahamians are increasingly concerned about achieving tighter control over their resources and preventing outsiders from holding jobs that could be held by native Bahamians. U.S. citizens, especially those who reside in the islands, will inevitably face new difficulties, and U.S. investors, though attracted by the absence of an income tax, will encounter new restrictions on their operations.

B. The U.S. has three important military installations in the Bahamas for which rent has never been a requirement. The Bahamian Government will insist on renegotiating the base agreements in an effort to obtain some financial compensation, economic and military assistance, and a bilateral defense arrangement with the U.S. The negotiations will probably be difficult, but the Bahamian Government leaders are unlikely to press their demands in such a way as to jeopardize the prospects for an overall agreement.

C. Prime Minister Pindling is a skilled politician and will almost certainly remain in power for the next few years, but he [*less than 1 line not declassified*] will have a difficult time asserting effective control over his government. The more extreme nationalists among his top advisors will still wield considerable influence, as will certain shady operators

¹ Summary: This estimate analyzed problems in U.S.-Bahamian relations that were likely to arise as a result of Bahamian independence in July 1973.

Source: Central Intelligence Agency, National Intelligence Council Files, Job 79R01012A, Box 472, Folder 4. Secret; Controlled Dissem. According to a note on the cover sheet, the Central Intelligence Agency, the intelligence organizations of the Departments of State and Defense, and the NSA participated in the preparation of this estimate. All members of the U.S. Intelligence Board concurred in the estimate except the representative of the FBI, who abstained because the subject was outside his jurisdiction. All brackets are in the original except those indicating text omitted by the editors or that remains classified.

dealing in real estate, banking, and gambling. Nevertheless, Pindling is a cautious man who understands that he must work closely with international business circles. He is aware of the importance of financial assistance from the U.S., and he is unlikely to press for nationalizations or widespread expulsions that might damage the image of the Bahamas.

D. Under Pindling, both a sharp economic decline and rapid radicalization of politics will probably be avoided, at least for the next several years. But, over the longer run, the prospects for the Bahamian economy are not particularly good. In time, the problems caused by growing mismanagement and corruption together with unfulfilled expectations may open the way to power to less responsible and less capable leaders. Although, in such a situation, Cuban leaders might consider some form of political involvement in Bahamian affairs, they would be constrained by fear of the U.S. reaction. And any Bahamian government would try to make sure that relations with the U.S. Government do not deteriorate to the point where the islands' vital links with the U.S. are affected.

[Omitted here is the body of the Estimate.]

429. Telegram 327 From the Embassy in Jamaica to the Department of State¹

Kingston, February 2, 1973, 2155Z.

327. Subj: Manley at One Year.

1. *Summary.* Prime Minister Manley, though facing large and growing problems, has fared rather well and remains popular. His approach to economic issues has been largely orthodox, with some signs of success. He is in firm command of his government, but beset by skill shortages which affect his ability to carry through.

¹ Summary: The Embassy reviewed the performance of Jamaican Prime Minister Michael Manley during his first year in office.

Source: National Archives, RG 59, Central Files, 1970–1973, POL 15–1 JAM. Confidential. Repeated to Bridgetown, Georgetown, and Port of Spain. In telegram 3425 from Kingston, October 3, Chargé Hewitt characterized Manley as “one of the most magnetic and commanding figures I have met and dealt with,” though he was concerned by the Prime Minister’s “apparently limited grasp of the details and problems of government.” (Ibid., Central Foreign Policy File, [no film number])

2. Following a bitterly fought parliamentary election campaign, Prime Minister Michael Manley, basking in the glow of an overwhelming victory, took office almost one year ago on March 2, 1972. Although a full year has not elapsed since that time, the Embassy wished to comment on Manley's first year prior to the Ambassador's departure.

3. Personal Popularity. The very high personal popularity of Michael Manley remains undiminished. At virtually all of his public appearances on the island, he is greeted by cheering crowds, anxious to shake his hand or to speak with him. His popularity remains highest with the rural people and urban working classes, but he is also highly respected by many substantial members of the business community and middle class, who respect him and his government for their comparative honesty. The conservative business community has accepted, albeit grudgingly on occasion, the austerity measures of the past six months, understanding their necessity in view of Jamaica's foreign exchange position. The youthful sector of the business community, many of whom heavily backed Manley's election campaign, continues its enthusiastic support for Manley's efforts to transform the economy and bring about greater economic democracy—"enlightened self-interest." One group which is conspicuously skeptical of the intentions of the Manley government, however, is the Chinese community. Despite the fact that many Chinese have attained positions of high responsibility in the Jamaican business world, have been given important posts in the Prime Minister's party and government, and apparently supported the PNP in the election, very many middle class Chinese traders and merchants are increasingly conscious of their exposure and high vulnerability, should things change drastically in Jamaica. They are also probably nervous about the arrival of a PRC Mission in Kingston, fearing that pressures will be brought to bear on them to support China.

4. Leadership of Government. In the early months of his administration Manley was beset by a series of pronouncements and actions by some of his more overzealous followers and Cabinet ministers. The public reaction, particularly in the business community, to these events was sufficient to cause Manley to rein in his wayward supporters, and over the last several months it appears that he has been able to assert firm control over the activities of his followers. Knowledgeable observers have attributed the behavior of these subordinates to a lack of experience in dealing with the everyday problems of government and believe that, with more experience under their belts, they have settled down to their jobs with dedication and a sense of realism. A case in point is the Minister of Industry and Tourism, P. J. Patterson, who over the years has been characterized as somewhat of a radical, but since assuming office, has been pragmatic, and even dynamic, in carrying out his responsibilities. Similarly, the flamboyant Tony Spaulding (Hous-

ing) and Dudley Thompson (Minister of State) have recently approached their jobs in a responsible and non-ideological fashion.

5. Economy. The state of the nation's economy and its prospects has been the major headache for the Prime Minister. For without a vigorous economy the unemployment problem, with its potential for social disorder, can only worsen. Manley inherited a rapidly deteriorating balance of payments situation. He has moved vigorously, if belatedly, to correct this, but in doing so has somewhat damaged confidence in the Jamaican economy and dampened economic growth. He has moved to expand domestic industry and food production, however, which if successful, could contribute significantly both to Jamaica's balance of payments and general level of economic activity. Manley has given significant attention to tourism and its benefits to the economy and continues to be aware (probably painfully) of the immense importance of the bauxite/alumina industry. The policies he has adopted to date to deal with Jamaica's problems have been orthodox answers to balance-of-payments crises and imaginative, though sometimes seemingly wishful, economic development schemes.

6. Foreign Relations. In the election campaign, Manley promised he would follow a foreign policy based on Jamaica's own interests. Only the Jamaicans can define this, and during 1972 the Jamaican Government decided that the establishment of relations with Cuba and China would serve those interests. The reaction of Jamaicans to these moves was mixed, with the opposition screaming "communism" and Manley supporters pointing to the emerging Jamaican leadership in the Third World and the economic benefits to be gained. In the cold light of day, nothing has changed drastically; Manley still speaks of the importance of U.S.-Jamaica relations, and the island has not been invaded by Communist subversives. The major result has been that probably a large number of Jamaicans feel some satisfaction in Jamaica having taken distinctively independent acts without bringing down the wrath of Uncle Sam.

7. Health and Mood. The Prime Minister appears as vigorous as ever. He is still by a long shot the most effective public speaker on the island and relishes the opportunity to mix with the people. He is relatively honest (the Embassy hears from many sources of the lack of corruption in the Manley government) and so far demands the same of his subordinates. He has suffered a few illnesses in the past year—a minor eye infection and several bouts with the flu—but seems to be in generally good health. Since mid-January he has been on the wagon, to the relief of some of his closest confidants, and has undertaken a physical fitness campaign—he jogs daily.

8. Michael Manley has survived a difficult year with his popularity virtually undiminished. He is still faced with a shortage of technical

and managerial skills, so vital to translating his grandiose words into action. He is also faced with the problem of energizing his people—whether it be to participate in the literacy campaign, to increase productivity, to work their fields, or to practice family planning. Whether he has the perseverance to follow through with these problems will have to be measured a year from now.

De Roulet

430. Memorandum From William Jorden of the National Security Council Staff to the President's Assistant for National Security Affairs (Kissinger)¹

Washington, April 16, 1973.

SUBJECT

U.S. Policy Toward The Bahamas and Base Rights Negotiations

Background

In August 1971, the Senior Review Group (SRG) considered a paper (Response to NSSM 117) reviewing U.S. policies and programs in the Caribbean. One issue considered was U.S. policy in view of British disengagement from the Caribbean and, specifically, from The Bahamas. The recommendations relating to the Bahamas approved by the SRG were:

¹ Summary: With Bahamian independence approaching, this memorandum recommended that the United States seek an extension of the existing U.S.-UK base agreement while offering the Bahamian Government reasonable remuneration for use of the facilities.

Source: National Archives, Nixon Presidential Materials, NSC Institutional Files, Box H-181, NSSM Files, NSSM 117. Secret. Sent for action. In the margins, Kissinger wrote, "I approve for Pres. (There is no real choice.) Redo NSDM. Give new response [?] date of July 1." Attached but not published is a March 16 memorandum from Eliot to Kissinger outlining the Department of State's position on The Bahamas. Tabs B, C, D, I, and II are not attached and not found. In an April 12, 1972, memorandum to Kissinger, Laird suggested "some kind of Bahamas association with the U.S." as an alternative to full independence. (Ibid.) In an April 18, 1972, memorandum to Kissinger, Jorden called the association idea a "non-starter" but recommended that Kissinger not reject Laird's suggestion out of hand. (Ibid.) In a March 9 memorandum to Kissinger, Kennedy and Jorden noted Richardson's request for a Senior Review Group meeting on The Bahamas; an attached note from Scowcroft to Kennedy conveyed Kissinger's request that the issue be resolved without the necessity of a meeting. (Ibid.)

—try to keep the British engaged in the Bahamas as long as possible; and

—postpone decisions on U.S. bases in the Bahamas until *after* Bahamian independence has been achieved. The possibility of seeking some kind of special association with the Bahamas, with some delegation of sovereignty to the U.S., was specifically discarded as being unacceptable to the Bahamas and involving unnecessary cost to U.S. interests.

In April 1972, then-Secretary Laird asked for a “thorough, evaluation of alternatives to early, full Bahamian independence” through the NSC system. Defense laid out its position and recommendation in the paper at Tab A “U.S. Policy Toward The Bahamas.” The DOD paper considers U.S. security interests in The Bahamas and ways of protecting them. The basic issue it poses is “whether the requisite degree of cooperation desired by the U.S. can be assured through full Bahamian independence or whether some kind of formal association with the U.S. would be better.” Its recommendation: that the U.S. initiate preliminary talks with The Bahamas and the British, as necessary, to explore the feasibility of some form of association to maximize protection of U.S. long-term security interests in The Bahamas. Failing attainment of such a relationship, a treaty relationship (probably a mutual defense agreement) would be an acceptable fallback.

The NSC Inter-Departmental Group for Inter-American Affairs (NSC-IG/ARA) prepared a paper (at Tab B) setting forth options for U.S. policy on how best to protect our security interests in The Bahamas; it focuses on the problem of assuring continued use of our bases in The Bahamas following Bahamian independence. It agrees with DOD on the desirability of initiating early talks with the Bahamian Government. We now have agency positions on both papers and on the options contained in them (Tab C).

Since submission of the DOD paper several events have occurred.

—Prime Minister Pindling won an overwhelming parliamentary majority on an “independence now” platform;

—Pindling and the British have agreed on a firm schedule leading to Bahamian independence on July 10, 1973;

—the Pindling government has requested that we begin preliminary talks on base rights prior to formal Bahamian independence;

—the U.S. Government has talked with the British on the implications of Bahamian independence and agreed to further talks in early April to be followed by tripartite discussions (U.S., UK, Bahamas).

All agree that U.S. security interests in the Bahamas are significant due to their geographic proximity and to the strategic nature of our installations. A description of our military bases in The Bahamas is at Tab D. U.S. security interests in The Bahamas are:

—maintenance of a politically and economically stable Bahamas favorably disposed to the U.S.;

- maintenance of U.S. base rights and facilities in The Bahamas;
- denial of bases to unfriendly foreign powers and interdiction of subversive infiltration; and
- unimpeded navigation and overflight by U.S. military forces on the high seas and in international air space in the area.

The options suggested in the DOD paper have been overtaken by events. It is no longer feasible to try to delay independence for The Bahamas until we can negotiate a new relationship.

The IG/ARA paper sets forth the following basic options for U.S.-Bahamian relations:

I. U.S. agreement with a sovereign and fully independent Bahamas

A. Bilateral negotiations to *extend agreements now in force* (with UK), *with payment of a reasonable remuneration* for use of bases.

- this is probably acceptable to The Bahamas and to the U.S. Congress but may be economically costly.

B. Negotiation of *new base agreements* with the U.S. *extending a bilateral defense commitment and with no base payments.*

- economical but Bahamas are unlikely to accept agreement with no tangible remuneration.

C. Negotiation of *new base agreement with a U.S. bilateral defense commitment and reasonable base payments.*

- could be costly, might encounter some congressional opposition, but would probably be acceptable to The Bahamas.

D. Negotiation of a *comprehensive agreement* including base rights and subjects such as protection of U.S. investment, freedom of navigation guarantees, law enforcement cooperation. Would provide for remuneration.

- would establish close U.S.-Bahamian ties, increase U.S. leverage in The Bahamas, but likely to increase the price demanded by Bahamas if accepted at all.

Failure to achieve agreement on any of the above might force us to consider relocation of bases on U.S. territory. This would entail: balance of payments advantages, expensive relocation costs and degradation with significant strategic implications in facilities, particularly the advanced submarine and underseas surveillance programs.

II. Relationship with a Bahamas with Limited Sovereignty

A. Independent Bahamas, with U.S. having all rights necessary to guarantee Bahamian security (similar to Canal Zone situation).

- would satisfy security requirements; likely to be costly but could minimize future Bahamian requests for economic assistance; unlikely to be acceptable to Bahamas; congressional opposition likely.

B. Association with U.S. assuming responsibility for defense and foreign affairs.

—no chance of Bahamian acceptance; costly; congressional opposition likely.

C. Association with U.S. similar to Puerto Rican Commonwealth.

—firm security arrangement but highly unlikely to be acceptable to Bahamas; congressional opposition likely.

Agency positions are as follows:

A. *Timing*:—State, Defense and CIA agree that we should respond to the Bahamian request and begin preliminary talks with the Bahamian Government, and the British, on the nature of our future relationship—and specifically on arrangements for continued U.S. use of our bases. In view of the early date of independence and the importance of our interests in the Bahamas, I agree.

B. *Parameters*:—State, Defense and CIA now agree our talks should aim at some form of agreement with a fully independent Bahamas (Options I A, B, C, and D). State and CIA favor option I A—seeking Bahamian extension of the agreements now in force (with the UK) with a reasonable payment by the U.S. for use of the bases. As a fallback State feels we should be prepared to accept variants I B or I C or, finally I D. CIA comments that these latter options would involve protracted negotiations with a new and inexperienced government and are, therefore, less desirable.

Defense favors “retention of existing rights at least expense” through acceptance of any of the variants of Option I. Presumably Defense would prefer the most comprehensive agreement possible but at the least cost. In addition, Defense, while recognizing the impracticability of such an arrangement now, recommends leaving open the possibility of establishing some form of association should there be Bahamian overtures in that direction.

We need the President’s approval to initiate preliminary talks and to require Defense and State to develop a detailed negotiating position for his approval prior to holding formal negotiations. They need guidance for developing those positions. I recommend that we approve development of a negotiating position that would seek to extend our present arrangements for base use (Option I A), with variants I B (new agreement with a U.S. defense commitment and no base payments) or I C (new agreement with U.S. bilateral defense commitment and reasonable base payments) as fallback positions.

Should we be unable to negotiate an arrangement within these parameters I recommend that the subject be submitted for further consideration before we decide to seek a comprehensive agreement involving

subjects such as U.S. investment, law enforcement cooperation and the like. It is clear that the more comprehensive any agreement with The Bahamas, the more tangible benefits The Bahamas will expect, and the more opposition we can expect in The Bahamas and in the Congress. I also recommend that we specifically rule out at this time any effort to seek some form of association involving diminished sovereignty for The Bahamas. Any such proposal would be entirely unacceptable to The Bahamas and could jeopardize chances of achieving an agreement to safeguard our immediate security interests.

Recommendations:

1. That you sign the memo to the President at Tab I.
 2. If he approves the recommendation, that you sign the instruction to State and Defense at Tab II.
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431. Telegram 1701 From the Embassy in Jamaica to the Department of State¹

Kingston, May 22, 1973, 2300Z.

1701. Subj: The Little Boy with His Finger in the Dyke.

Summary: There appears to be some slippage in the bauxite/alumina industry here in Jamaica in its relations to the Government of Jamaica.

1. It had been a long, long time since Prime Minister Manley and I had discussed bauxite in any way. Having been taught years ago that when a deal is a deal, don't bring it up again, I steadfastly refrained from discussing Manley's commitments to me and the future of the bauxite/alumina industry. I have deliberately taken the point of view that the case is closed and his agreement to me to leave current agreements untouched was a course of action he intended to follow.

¹ Summary: Ambassador Vincent de Roulet reported on a meeting in which he discussed the future of the Jamaican bauxite industry with Prime Minister Manley.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Limited Official Use. In telegram 99360 to Buenos Aires, May 23, the Department repeated the text of this report to Kubisch. (Ibid., [no film number]) In telegram 1622 from Kingston, May 17, the Embassy referred to comments by Isaacs indicating that the government "intended to become more involved in the operations of the bauxite industry." (Ibid.)

2. In a somewhat friendly, but rough, meeting with the Prime Minister on May 16, I specifically and coldly asked him if he intended to harass the bauxite industry with some of his new tax proposals or did he have designs on securing equity or concessions through the route of coercion. To this Manley flatly stated, "No."

3. There followed a discussion aimed at the members of the industry who had large tracts of land that were unused or used only for cosmetic purposes and contributed nothing to the alleviation of Jamaica's problems of production, employment, agriculture and the like. Manley has always had strong feelings about the full usage of land, and I attempted to elicit from him the particular companies that were the offenders. He singled out Alcan for its fine contribution to Jamaica in the form of tenant farmers on their yet uncommitted property and Alcoa for its contributions in ancillary investments and experiments on the land that it owns, plus, I suspect, his personal rapport with John Harper. He stated that a secret survey was under way to see and be able to prove which companies were not doing their share and what could be done. By elimination, it is not difficult to figure out who are the offenders.

4. I asked Manley about the previously reported utterances of the Minister of Mining Allan Isaacs. Manley merely shrugged his shoulders expressing disinterest in Isaacs and his statements, but once again he indicated the decision and the future of the bauxite industry lay solely with him.

5. It is possible that with an air travel card, \$500 in cash, a week on the road, and a little arm twisting and selling, I can cure this problem in the short run at least. One wonders, like the story of the little boy with his finger in the hole in the dyke, whether it is not time to get some other hand, some other fingers, and some other thinking into this plugging process.

6. *Comment:* The water's rising.

De Roulet

432. Telegram 1757 From the Embassy in Jamaica to the Department of State¹

Kingston, May 29, 1973, 1925Z.

1757. Subj: Secretary's Visit—LA—Secretary's Meeting with the Prime Minister. Ref: State 90066.

The following is an uncleared memo on the conversation which took place at 1120, May 28, 1973, at Jamaica House, Kingston, Jamaica. Participants were the Honorable Michael N. Manley, Prime Minister of Jamaica; Senator the Honorable Dudley Thompson, Minister of State in the Prime Minister's Office; Sir Egerton Richardson, the Prime Minister's Adviser on Foreign Affairs and the former Jamaican Ambassador to the United States; Mr. Vincent H. McFarlane, Permanent Secretary in the Ministry of External Affairs; the Honorable William P. Rogers, Secretary of State; the Honorable Jack B. Kubisch, the Assistant Secretary Designate for Inter-American Affairs; Mr. Richard Pederson, Counselor of the Dept of State; Ambassador De Roulet; George B. Roberts, Jr., DCM, Kingston.

1. After the photographers left, the Secretary told the Prime Minister how pleased he was to be in Jamaica because Jamaica and the U.S. were such special friends. The Secretary said that the U.S. realized that Jamaica was very different from Latin America, but he said that he was pleased to see that Jamaica was playing an important role in the OAS. The Prime Minister said that he was glad that the U.S. was aware of Jamaica's OAS activity. He said that previously Jamaica's external ties had all been towards the UK.

2. The Prime Minister said that he had two questions to ask the Secretary. He asked whether the U.S. was taking a new look at the Western Hemisphere, and he asked what was the U.S. attitude toward the OAS. The Secretary said that the U.S. was trying to shift away from a paternalistic approach to its hemispheric neighbors. He said that the U.S. wanted to move away from being held responsible and from being blamed for all hemispheric problems. The Secretary said that we felt that nations had to be responsible for themselves. He said that this would not mean that we were not interested but simply that we had noticed our neighbors' complaints about interference. He said that a good

¹ Summary: Rogers and Manley met and discussed bilateral relations and Western Hemisphere issues during the Secretary's visit to Jamaica.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Limdis. Repeated to all American Republic diplomatic posts in telegram 112155 from the Department, June 10, because the memorandum of conversation touched "succinctly on a number of topics which are important to hemisphere problems." (Ibid., [no film number]) Telegram 90066 from the Department was not found.

indication of our continuing interest in the hemisphere was the fact that we had contributed \$600 million in aid in 1971 and were planning one billion dollars in 1973. The Secretary said that the U.S. was taking into account the hemisphere's new nationalism but that we were still definitely interested in hemispheric affairs.

3. The Secretary said that the response had been very good to the new U.S. approach. He said that this was so even though there was still some reluctance among Latin American countries to being treated as a real equal. He mentioned the Latin complaints about "sensitivity." And he said that he had told the Latin officials to whom he had spoken that they had to expect to be treated in the same manner as the U.S. treats other friendly but sovereign nations. The Secretary said that he had heard much about ideological pluralism during his trip but he did not know what this term meant. He said that many countries which had formerly been opposed to the U.S. were now being extremely careful about what they said about us in public. He mentioned Romania, the Soviet Union, and the People's Republic of China in this context. The Secretary said that friendly Latin governments should be at least as careful about what they said publicly about the U.S.

4. The Secretary said that the U.S. opposed expropriation because it discouraged investment. He said that the U.S. recognized a country's right to take over property within its boundaries with adequate compensation, but that the U.S. did not recommend such action because of the depressing effect it had on investment flows. The Prime Minister commented that Jamaica was committed to non-expropriation. He asked, however, what was meant by compensation. The Secretary said that, in our view, nations had a right to take foreign owned property much as they had the right of eminent domain with respect to their citizens. He pointed out, however, that the manner in which this right was exercised had an important effect on the investment climate in the countries concerned. He said, for example, that foreign investors had great faith in Mexico because when the Mexicans made rules they stuck to them. He also commented favorably on Indonesia, which had been saddled with crippling debts by Sukarno's government yet had still agreed to honor them. The Secretary said that as a result, Indonesia was now getting a considerable amount of foreign investment even though some of their debts had had to be rescheduled.

5. The Prime Minister asked what the U.S. view was on the question of creating an organization parallel to the OAS but without the U.S., or of reforming the OAS. The Secretary said that, in general, we favored the latter view. He said that the OAS needed restructuring and should be enlarged. He said that the U.S. would particularly like to see Canada become a member. The Prime Minister said that Jamaica opposed Article 8 of the OAS Charter which excluded countries which

had disputes with member countries. The Prime Minister pointed out that Article 8 served not only to exclude Guyana from the OAS but also served to prevent Belize (British Honduras) from gaining independence. The Secretary said that we would agree to a change in Article 8 if others would agree. He said that we did not want to lead. The Prime Minister asked, "but you would support us quietly?" The Secretary answered, "Yes."

6. The Secretary said that Cuba had announced time and again that it did not want to be in the OAS. The Prime Minister said, however, that countries often changed their policies. He said that there had been many political volte faces in recent times. The Secretary said that this was true but that such policy shifts had always been preceded by some private indication that the change was on its way. He said, for example, that the Chinese had indicated privately to us that they wanted to be in the UN. The Prime Minister said that Cuba had told Jamaica that they would join the OAS but it would have to be an OAS without the U.S. The Prime Minister said that Jamaica did not agree with this condition and had so told the Cubans. The Secretary said that such a situation would be a recipe for continued confrontations between the restructured OAS and the U.S. The Prime Minister said that Jamaica agreed with this observation and repeated that he thought an OAS without the U.S. was a very bad idea.

7. The Prime Minister asked if the U.S. had any intention of relaxing its restrictions against Cuba. The Secretary observed that the U.S. record of improving relations with its former adversaries was very good. He pointed out, however, that Cuba was different. Cuban policy continued to be one of opposing the U.S. and subverting its neighbors. He said that Cuba was totally dependent on the Soviet Union. He said that he saw no sign of change in this situation. The Prime Minister asked whether, since détente was in the air, was there not a case for détente with Cuba? He said that Jamaica was totally committed to democracy and the rule of law. He said, however, that he thought there should be at least détente in simple matters like trade. The Secretary said that such a détente had to be based on mutuality. He said there was no sign whatsoever of a corresponding move by Cuba. The Secretary said that Cuba was like Albania. He observed that even during the recent hijacking negotiations, the Cubans specifically let us know through the Swiss that they were still completely hostile to us.

8. Sir Egerton asked how important we thought the Cuban-Soviet military alliance was. The Secretary said that we would want to see more than just words as an indication of a Cuban shift of attitude. He said that Castro had spread poverty to his people, had turned his country into a Russian base, and was continuing to subvert his neighbors. The Secretary pointed out that the U.S. had excellent relations

with the Yugoslavs and the Romanians and could now be said even to have good relations with the Soviets. Senator Thompson asked whether the Soviets might not be putting the Cubans up to their intransigent attitude. The Secretary said that this might be true but our experience with Eastern European governments indicated that when they did not go along with such a Russian policy they would follow the policy publicly but let us know privately of their true feelings. The Cubans have not done this. The Secretary observed that many LA nations had been spared serious security problems in recent years and thus were not aware of the threat Cuba could pose to their security. He said that countries in other parts of the world were much more cognizant of security considerations and were much more willing to support policies formed with security considerations in mind. The Secretary indicated that he was referring to the Cuban/Soviet alliance and the threat it posed to hemispheric security.

9. The Prime Minister asked about bauxite disposals from the U.S. stockpile. The Secretary said that we planned to consult with any foreign nation which would be affected by our stock pile disposal program and that we had no desire whatsoever to disrupt world markets to the disadvantage of producer countries. He said that we knew that our stockpile disposals were extremely important to many countries. He said that we wanted to dispose of a tonnage equalling approximately 33 percent of Jamaica's annual bauxite production but that we planned to do this over a period of years so as not to disrupt the international bauxite market.

10. The Prime Minister asked whether there was any prospect of increasing the U.S. quota for Jamaican sugar. The Secretary said that he would not think there would be any increase as long as Jamaica was unable to fill its present quota. The Prime Minister said that it was a question of priorities and of which quota had to be filled first.

11. The Prime Minister asked if the discussion could be continued in private, and the meeting ended at 1200 noon.

De Roulet

433. National Security Decision Memorandum 221¹

Washington, June 5, 1973.

TO

The Secretary of State
The Acting Secretary of Defense

SUBJECT

U. S. Policy Toward The Bahama Islands

The President has reviewed the issues relating to U.S. Policy Toward The Bahamas as discussed in the response to NSSM 117 and The Bahamas Options Paper prepared by the NSC/IG for Inter-American Affairs dated December 7, 1972. He has also reviewed the positions of the Departments with respect to these issues.

The President has approved the holding of preliminary talks with the British and Bahamian Governments aimed at extending our present agreements (with the U.K.), with the U.S. being prepared to offer a reasonable remuneration for use of the bases. Any agreement worked out in the preliminary talks should be on an *ad referendum* basis and should be submitted to the President for final approval.

If final agreement is not reached before the date of Bahamian independence (July 10), an interim progress report on the negotiations should be submitted by that date.

Henry A. Kissinger

¹ Summary: President Nixon approved the holding of talks with the British and Bahamian Governments on the extension of U.S. base rights in The Bahamas.

Source: National Archives, RG 59, National Security Memoranda, 1969–1977, Lot 83D305, NSDM 221—6/5/73, U.S. Policy Toward The Bahama Islands. Secret. Copies sent to the Director of Central Intelligence and the Chairman of the Joint Chiefs of Staff. In a July 9 memorandum to Kissinger, Eliot reported that June 22–25 technical talks with the British and Bahamian Governments had resulted in an agreement in principle on a carry-over agreement allowing the continued operation of U.S. bases in The Bahamas, pending the conclusion of a permanent agreement. (Ibid.)

434. Memorandum From Secretary of State Rogers to President Nixon¹

Washington, June 25, 1973.

SUBJECT

Diplomatic Relations with the Commonwealth of The Bahamas

The British colony of The Bahamas will become an independent member of the British Commonwealth on July 10, 1973. Her Majesty's Government has advised us that it will accredit a resident High Commissioner to the new government. The Bahamas is also expected to apply for full membership in the United Nations and the Organization of American States.

Because of the large area they encompass and their proximity to the U.S., The Bahama Islands are of strategic importance to us. We have had military facilities in the area since World War II and we hope to retain and operate the three remaining bases after independence. In addition, U.S. economic interests in the islands are substantial. U.S. private investment totals some \$1 billion and there are approximately one million tourists who visit The Bahamas each year.

In view of these important strategic and economic interests, I recommend that you approve:

1. United States recognition of the Government of The Bahamas immediately upon the achievement of independence on July 10, 1973.

2. The elevation of our Consulate General in Nassau to Embassy status, and the accreditation of a resident Ambassador.

William P. Rogers

¹ Summary: In a memorandum informing Nixon that The Bahamas would become independent on July 10, Rogers recommended recognition of the new nation and the elevation of the Consulate General in Nassau to Embassy status.

Source: National Archives, RG 59, Central Files, 1970–1973, POL 17 US–BAH. Confidential. Drafted by Wauchope on June 5 and cleared by Burke, Hurwitch, Gantz, Malmberg, and Smoak. A note on the memorandum indicates it was approved by the White House on June 30. In telegram 134523 to Nassau, July 10, the Department transmitted to the Consulate General the text of a message from Nixon to Prime Minister Pindling that extended recognition to the Bahamian Government. (Ibid., Central Foreign Policy File, [no film number])

435. Intelligence Memorandum¹

Washington, June 28, 1973.

THE BAHAMAS STRIKE OFF ON THEIR OWN**Summary**

On 10 July, The Bahama Islands will become the 33rd independent member of the British Commonwealth and the fifth British colonial possession in the Atlantic-Caribbean area to gain nationhood in the last 11 years. Full independence will be more a formality than a bold new departure for The Bahamas, since the islands have been almost wholly self-governing for several years. What will be new are the opportunities the Bahamians will have to set their own policy courses abroad and to make themselves heard on international issues.

The Bahamian Government is likely to play a generally responsible role in the international community. A sense of nationalism and identification with the causes backed by the less developed countries will sometimes impel The Bahamas along paths divergent from those of the U.S. and the other large powers. Many Bahamians already have mixed feelings about their giant neighbor to the northwest, and independence can be expected to accentuate the differences. The islands' longstanding ties with Britain and the U.S., their dependence on U.S. tourism and money, and the basic practicality of the Pindling government will tilt the scales heavily in favor of a continued close association with the U.S. and the West.

[Omitted here is the body of the memorandum.]

¹ Summary: This memorandum analyzed the Bahamian political scene and U.S.-Bahamian relations on the eve of Bahamian independence.

Source: Central Intelligence Agency, Office of Current Intelligence Files, Job 79T00861A, Box 16, Folder 29. Secret; *[handling restriction not declassified]*. All brackets are in the original except those indicating text omitted by the editors.

436. Telegram 135953 From the Department of State to the Embassy in Jamaica¹

Washington, July 11, 1973, 2327Z.

135953. For Ambassador De Roulet. Subject: Ambassador Fletcher Calls.

1. Jamaican Ambassador Douglas Fletcher telephoned Deptoff (Burke) this morning (July 11) for an urgent appointment to discuss a matter of importance. When he arrived a half hour later, he said that he had received telephonic instructions from Kingston on the evening of July 10 to come to the Department to discuss a sensitive matter. He said that according to his information Prime Minister Manley would be raising the same subject with you, probably during the course of July 11.

2. Obviously somewhat embarrassed, Fletcher took a bit of time in getting to the point. He said that his government had learned (source unidentified) that the American Embassy in Kingston had reported or was on the point of submitting a report to Washington that Jamaica was “on the verge of going Communist under the leadership of Prime Minister Manley.” He said that he had instructions to assure the USG in the strongest terms that the Manley government was most friendly to the U.S., wished to continue to have the best of relations with the U.S., and, despite recent contacts with Cuba, did not intend to head down the primrose path to Marxism any time soon.

3. Fletcher was informed that Deptoff had no knowledge of any recent reporting from Embassy Kingston which indicated any radical shift in Jamaican policy either toward the U.S. or the Communist world. Deptoff cited the Secretary’s recent successful visit to Jamaica as being illustrative of fact that relationship as far as we were concerned was based on a solid friendly foundation. Deptoff referred also to Prime Minister Manley’s visit to Washington in the fall of 1972 at which time he had had mutually satisfactory exchanges with several high officials of USG.

4. In Fletcher’s rather elliptical approach to the subject, there was some hint that Manley, or those around Manley who had set him in

¹ Summary: The Department informed Ambassador De Roulet of a meeting in which Jamaican Ambassador Douglas Fletcher assured the Office of Caribbean Affairs of Jamaican friendship with the United States, noting that his government had received reports indicating that the U.S. Embassy in Kingston had characterized Manley’s administration as being “on the verge of going Communist.”

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I. Confidential; Immediate; Nodis; Eyes Only. Drafted and approved by Burke and cleared by Shlaudeman.

motion to make this démarche, were somewhat fearful that Prime Minister had not been able to establish same rapport with U.S. that had existed with Prime Minister Shearer. Without replying to the point directly, Deptoff assured Fletcher that we valued highly the relationship which had grown up between you and Manley, his accessibility to you, and how this channel had enabled us to resolve quickly questions of common interest when they had arisen.

5. At the conclusion of the interview Fletcher's embarrassment at having been obliged to make the démarche had intensified. He said that he would be getting in touch with Kingston immediately to report his conversation and possibly to register a strong complaint at having been sent on this errand in the first place.

Rogers

437. Telegram 2301 From the Embassy in Jamaica to the Department of State¹

Kingston, July 12, 1973, 1715Z.

2301. Subject: Peace and Love, Pedge. Reference: State 135953.

1. Upon receipt of State 135953, I was absolutely speechless, a rare state of affairs here in Kingston, and flabbergasted with the contents therein. I have been in constant contact with Manley, exchanged two notes just yesterday, turned down his offer to accompany him alone into the hills to review the troops, discussed visa problems and Kingston's now-departed DCM, set up some public relations for the two of us on Monday, and God knows what else. In other words, the dialogue is continuous. At no time has Manley mentioned the contents of the reftel and the whole thing smelled fishy to me.

¹Summary: De Roulet reported on a telephone call he made to Manley after learning of Ambassador Fletcher's July 11 visit to the Department.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I. Confidential; Immediate; Exdis. All brackets are in the original except "[s]", added for clarity. In airgram A-122 from Kingston, June 21, the Embassy transmitted an assessment of Manley's record, concluding that the Prime Minister was "clearly committed to a policy of moderate redistribution." (Ibid., RG 59, Central Files, 1970-1973, POL 15-1 JAM) In telegram 2370 from Kingston, July 18, De Roulet reported on a July 17 meeting with Manley and emphasized the importance of a direct channel of communication between the U.S. Ambassador and the Jamaican Prime Minister in order to avoid misunderstandings between the two countries. (Ibid., Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I) Telegram 135953 is published as Document 436.

2. By the time I had built myself into a proper rage (it didn't take long) and called Manley on the telephone, in spite of the fact that the helicopter was outside to take him to the troops with their engines running, I asked him just what the hell was going on, reminding him of our long standing commitment to each other that any problem that might exist between the two of us personally or our governments would be thoroughly aired between the two of us before going out to the appendages of the bureaucracy.

3. Shouting at Manley, I read excerpts from the reftel and he was absolutely at a loss for words, a fault he seldom shares with me, uttering a series of oaths in which it was clear he didn't have a clue what I was talking about. I explained to Manley that no document left this Embassy suggesting the government was going Communist or anything like it, and certainly wouldn't without my having an in-depth discussion about his ideology, and in fact the newly arrived political officer, William T. Breer's current input (Kingston A-122, June 21, 1973) had moved our assessment of his government more toward a middle-of-the-road position.

4. Manley really didn't care what I said since it hadn't occurred to him that we [s]hafted him as referred to by Fletcher. Muttering and cursing about one of the Bobbsey Twins, Sir Egerton Richardson, who, like the proverbial snake, is apparently pretty tough to kill, he informed me he would have Richardson appear before him at four this afternoon and would demand some form of explanation and would report rpt report back to me.

5. I was still shouting, the rotors could be heard in the background and there was little more to be said at this point, so Manley wound up with the appropriate quote, "for God's sake, peace and love, pedge."

6. *Comment:* There is really nothing humorous about this event. The Department, as well as Embassy personnel, and particularly my successor, should be aware that in external affairs there exists the usual lack of discipline and representations made in Washington on behalf of Kingston quite often do not reflect the policies of the government. It is imperative that the Chief of Mission here maintain a one-on-one relationship with the Prime Minister with specific understanding by the Dept that many things t'ain't necessarily so until the Ambassador or the Prime Minister have had a chance to go over the problems. Documenting this, Manley said to me that if the contents of the reftel had been true, his immediate action would have been to telephone me first in order to attempt to straighten things out.

7. Manley is a lousy liar, I know him too well. It is obvious he had no prior knowledge of these events. What a way to start a day!

De Roulet

438. Diplomatic Note From the Jamaican Ambassador (Fletcher) to Secretary of State Rogers¹

July 20, 1973.

Sir,

I have been directed by the Prime Minister of Jamaica, the Honourable Michael Manley, to convey to you the following:

"I have the honour to draw attention to an Associated Press report originating from Washington yesterday which stated, *inter alia*, that Mr. Vincent de Roulet, Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica, under oath intimated at a hearing of the Senate Foreign Relations Sub-Committee on Multinational Corporations that in 1972 he had made a deal with me in my then-capacity as Leader of the Opposition to the effect that there would be no United States interference if I agreed not to make nationalisation of the American bauxite and alumina industries in Jamaica an issue in the 1972 General Elections in Jamaica. This report I denied in a public statement issued here at 7.00 p.m. on the 19th July, 1973.

"In the circumstances I am of the opinion that Mr. de Roulet's usefulness in fostering good relationships between the United States of America and Jamaica has been severely prejudiced by the unfounded allegations which he has made and further intercourse between himself and my government will prove extremely difficult. For these reasons the Government of Jamaica no longer considers Mr. de Roulet *persona grata*, and I should be obliged if steps could be taken with the least possible delay with a view to the termination of his appointment and to the appointment of a suitable successor.

"I wish to emphasize that this action in no way reflects upon the excellent relations which have always existed between the Government

¹ Summary: The Jamaican Government declared De Roulet *persona non grata* after the Ambassador asserted that Manley had agreed in 1972 not to raise the nationalization of the bauxite industry as a campaign issue in exchange for a pledge by De Roulet that the United States would not interfere in the Jamaican elections.

Source: National Archives, RG 59, Central Files, 1970-1973, POL 17 US-JAM. No classification marking. In a July 23 memorandum to Kubisch Burke assessed the likely impact of De Roulet's recall, concluding that the incident would have "unsettling consequences throughout the English-speaking Caribbean." (Ibid., ARA/CAR Files, Lot 75D463, POL 17-1, Acceptability and Accreditation, Jamaica 1973) In telegram 2461 from Kingston, July 24, the Embassy reported that Manley had assured an Embassy officer that his request for the termination of De Roulet's mission was "not an anti-American gesture but an action he regretted very much taking." (Ibid., Central Foreign Policy File, [no film number]) The Department agreed to recall De Roulet in a suggested reply to Fletcher's note that was transmitted to Kissinger under a July 27 memorandum from Eliot. (Ibid., Central Files, 1970-1973, POL 17 US-JAM)

of Jamaica and the Government of the United States of America and which we are anxious to maintain at the highest level.

“Accept, Sir, the assurances of my highest consideration.

Michael Manley”

Douglas Fletcher

439. Telegram 198985 From the Department of State to the Embassies in Barbados, Guyana, Jamaica, and Trinidad and Tobago¹

Washington, October 5, 1973, 2219Z.

198985. Subject: Sugar; Démarche by Commonwealth Ambassadors Protesting Proposed Reduction West Indies Sugar Quota for CY 74. Reference: State 189220.

1. On learning that USDA was releasing preliminary 1974 sugar quotas October 4, four Commonwealth Caribbean Ambassadors (Jamaica, Barbados, Trinidad and Tobago, Guyana) sought urgent appointment with Assistant Secretary Kubisch. In his absence (Kubisch in New York at UN), Ambassadors met with Deputy Assistant Secretary Shlaudeman at 5:00 pm yesterday. Ambassadors handed him joint note addressed to the Secretary.

2. Four-page note protests proposed ninety percent cut in West Indies sugar quota for CY 1974 and restates explanation of failure to fill

¹ Summary: Shlaudeman assured the Ambassadors from four Caribbean nations that the U.S. Government would examine ways of ameliorating the effects of a reduction in those nations' sugar quotas.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Limited Official Use; Priority. Drafted by Burke; cleared by Thomas Turgman in EB/ICD/TRP, Paul Pilkauskas in EB/ORF/ICD/TRP, and Charles Reynolds in ARA/ECP; and approved by Shlaudeman. Repeated Priority to London, Geneva, and the Mission to the EC. Section 202 (D) (4) of the U.S. Sugar Act Amendments of 1965 stated that if a country failed to fill its established quota, it would be reduced. (79 Stat. 1271) On September 20, the four Ambassadors met with Kubisch to protest the reduction of their nations' sugar quotas. (Telegram 189220 to Nairobi, September 24; National Archives, RG 59, Central Foreign Policy File, [no film number]) On September 26, King informed the Department of Reid's great concern regarding the reduction of the quota. (Telegram 1437 from Georgetown, September 26; *ibid.*, [no film number]) According to a Department of State memorandum to Scowcroft, October 3, the sugar quota for Jamaica, Barbados, Trinidad and Tobago, and Guyana would be reduced from approximately 200,000 short tons in 1973 to 25–30,000 short tons for 1974. (*Ibid.*, Central Files, 1970–1973, ARA/CAR Files, Records Relating to Regional Matters, Lot 75D475, Sugar Work File)

quota made orally to Kubisch September 20 (reftel): Climate conditions in the producing region worst in twenty years; concern over negotiations with the EC and possible loss of access to traditional UK market caused them to give priority to filling Commonwealth quota. Note goes on to emphasize prime importance of sugar industry to economies of the Caribbean and disastrous consequences likely to flow should production cutback be necessary. Note proposes a meeting between officials of the United States Government and West Indies governments in mid-October with a view to finding a satisfactory solution not only to the immediate problem of 1974 sugar exports, but to set a firm basis for a longterm policy." Note concludes with following paragraph: "It is confidently expected that the 1974 West Indies sugar production will return to normal. On this basis, and taking account of the ministerial review in early October should the 1974 quota be maintained at existing levels, if necessary through Presidential action, the Secretary of State can be assured that every effort will be made to fill that quota."

3. After reading note, Shlaudeman reiterated to the Ambassadors that problem was a legal one and that USDA's action under Section 202(D)(4) of the Sugar Act was obligatory and non-discriminatory. He further informed them that Section 204(A) was being examined to see what applicability it might have to the present situation. He emphasized, however, that it did not appear that action required under 202(D)(4)—namely the setting of a revised 1974 quota—could be nullified by 204(A). He agreed that in an examination of the overall problem presented by the law, discussions between governments, as proposed in their note, could be helpful.

4. Ambassador McCombie (Barbados), again acting as spokesman for the group, expressed the hope that in giving consideration to the legal position, account could be taken of the fact that shortfall resulted from a decision to fill traditional Commonwealth quota at a price disadvantage of approximately dol sixty per ton when compared to what the sugar would have commanded in the U.S. market. Thus, though the letter of Section 202(D)(4) might have been violated, its intent (the prevention of profiteering) had not been contravened.

5. The other Ambassadors supported McCombie and repeated points made in earlier meeting, notably that a sharply reduced quota could adversely affect the West Indies when new sugar legislation was being drafted, that it would impede efforts now underway (in Trinidad and Tobago and Jamaica) to obtain capital for the modernization of the industry, and that it could be disruptive politically and socially.

6. Shlaudeman pointed out that prospects were that world sugar market would remain firm for the foreseeable future and West Indies would probably be able to sell all the sugar they could produce during 1974 at good prices. As for the shape of future sugar legislation, there

was always possibility that Congress might choose to abandon quota system.

7. Ambassadors responded that their governments attached great importance to the existence of a reliable U.S. quota even if world market remained firm and price exceeded that paid in U.S. market. Fletcher (Jamaica) observed that contracts were bankable instruments and important to small producing nations such as his. As for the possible abandonment of the quota system, McCombie wondered if, realistically, Congress would abandon a system which over the years had provided a guaranteed supply to the U.S. market.

8. In conclusion, Shlaudeman repeated assurances that State was sympathetic and understanding of problem and we would continue to examine ways and means whereby the adverse consequences could be ameliorated. He promised to keep the Ambassadors informed as the situation developed and to be back in touch regarding the scheduling of the meeting they proposed.

9. *FYI to posts*: Section 204(A) provides inter alia quote that if the President determines that such action would be in the national interest, and part of a deficit . . . may be allocated . . . on such basis as the President finds appropriate end quote. *End FYI*.

Rush

440. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Kubisch) to the Under Secretary of State for Political Affairs (Porter)¹

Washington, October 17, 1973.

Circular 175 Procedure: Request for Authorization to Negotiate and Conclude an Executive Agreement with the Government of The Commonwealth of The Bahamas Regarding Our Continued Use of Military Facilities, Continued Exercise of Certain Operating Rights and the Status of U.S. Forces in The Bahamas

Tripartite talks with representatives of the Bahamas (GCOB) and United Kingdom (UK) Governments resulted in an agreement by the GCOB to permit U.S. military facilities and operating rights to continue in The Bahamas after independence which occurred on July 10, 1973. An interim agreement to preserve the status quo pending the conclusion of definitive arrangements was concluded on July 20, 1973 pursuant to the Acting Secretary's authorization dated July 9, 1973. This memorandum requests your authorization for the negotiation and conclusion of definitive arrangements.

The definitive agreements would delineate the facility and operating rights which we seek to maintain in return for certain monetary, matériel and other considerations. As the tripartite formula is no longer appropriate in the post-independence period, we propose to designate our Ambassador, Ronald I. Spiers, as the principal negotiator with the Bahamian Government. He will act in coordination with the Departments of State and Defense and have the support of their technical experts available, as required.

Specific foreseeable U.S. military requirements on which we would hope to achieve GCOB agreement include the following:

1. Continued use of the Atlantic Undersea Test and Evaluation Center (AUTEC) on Andros Island, the U.S. Naval Facility on Eleuthera Island and the U.S. Air Force Eastern Test Range facilities on Grand Ba-

¹ Summary: Kubisch requested authorization for negotiations with The Bahamas on the continued use of military facilities there, outlining U.S. objectives and the prospects for successful talks.

Source: National Archives, RG 59, Central Foreign Policy File, P830032-0676. Confidential. Attached to a February 6, 1976, memorandum from Rogers to Sisco, published as Document 460. Referenced attachments have not been found. Drafted by Burke and Michel on October 16 and cleared by Shlaudeman, Feldman, Harry Anderson in EUR, Eleanor McDowell in L/T, John MacKenzie in H, Hugh Camitta in L/OA, Ted Borek in L/ARA, Alan Ford in PM/PA, Jonathan Stoddart in PM/ISO, and Gen. Wallace in DOD/ISA. Porter approved all four recommendations on October 23. NSDM 221 is published as Document 433.

hama Island through 1988; and a Coast Guard Long Range Aid to Navigation (LORAN) Station through 1974;

2. Continued operating rights for U.S. military vessels and aircraft to utilize indefinitely Bahamian air space and waters (essential for our security and NATO planning). We also desire to retain certain wartime and emergency powers accorded us in the 1941 Leased Bases Agreement with the UK, but we do not regard the land rights portion of these as essential to the conclusion of a generally satisfactory agreement; and

3. A Status of Forces agreement covering U.S. personnel assigned to our facilities in The Bahamas.

In addition, we propose an exchange of notes with the UK to terminate existing agreements between the U.S. and the UK that will be extended or superseded by our new U.S.–GCOB arrangements. This bilateral U.S.–UK agreement would also complement a conferral of third party rights on the UK in the text of the U.S.–GCOB facilities agreement, permitting the UK to continue to use our facilities in The Bahamas.

The UK desires the following:

1. Continued use of our AUTEC and Eastern Test Range facilities as long as the U.S. retains them;

2. Continued use of its Joint Relay Station in Nassau;

3. Conclusion of a Status of Forces agreement covering their military personnel in The Bahamas; and

4. Rights to utilize Bahamian airspace and territorial seas similar to those which we seek.

As evidenced by their acceptance of the July 20 Carry Over Agreement, the Bahamian Government appears disposed to grant all of our essential requirements. For its part, it is interested in achieving some special relationship with the U.S. after independence based upon the geographic proximity of the islands to the U.S. and the extent of U.S. private investment (approximately \$1 billion) and tourism there. In its view, such a relationship would be manifested through (1) U.S. measures for enhanced Bahamian security and (2) U.S. economic concessions. The Bahamian Government believes that its post-independence security problems would best be met by (1) international recognition of the islands as an archipelago; (2) entry into or association with NATO; (3) entry into the OAS and adherence to the Rio Pact; and (4) enhanced Bahamian police and Coast Guard capability through training of personnel and acquisition of equipment as well as funds for annual operating costs.

Economically, the Bahamians mainly desire (1) cash for lease of the facilities; (2) eligibility for U.S. defense articles and training; (3) U.S. measures to stimulate tourism to the islands such as continuation in

Nassau of our Customs and Immigration preclearance facility, as well as an increase in customs exemptions for visitors to The Bahamas; and (4) access to a number of U.S. cities for the Bahamian flag international airline. (A preliminary determination has been made that The Bahamas on independence succeeded to existing air rights. Accordingly, service by presently operating airlines to the U.S. has not been interrupted.)

Although the Bahamians have not insisted that all of the foregoing desires be satisfied before agreement can be reached, they are, understandably, seeking as much as possible. During the preliminary talks, we have made clear to them our problems in fulfilling all of their expectations: archipelago concepts must await resolution in the 1974 Law of the Sea Conference; the North Atlantic Treaty limits new membership in NATO to European states, and then only by unanimous vote; and we are closing bases at home and abroad rather than paying for retaining them. Nevertheless, we think that considering the value of our military facility and operating rights in The Bahamas we should be reasonably forthcoming with this new neighbor so that our relations are propitiously initiated.

Based upon the preliminary talks, we believe that we can obtain all that we require if we were to negotiate toward this maximum offer:

1. Annual payment of approximately \$500,000 as land rent for the facilities.

2. Provided that adequate legal authority can be found, payments over 15 years to the GCOB of an additional amount presently estimated not to exceed \$23.6 million which may be used toward the acquisition of certain defense articles and services, including training, appropriate to the needs of the country. The \$23.6 million figure is the result of a DOD survey of Bahamian security requirements. (The issue of legal authority is discussed in further detail at pages 4-5 of the Memorandum of Law at Tab C.)

3. Maintenance of the air strip at the U.S. Naval Facility on Eleuthera in operating condition (cost of which has amounted to approximately \$100,000 annually in the past), as well as making the strip available for use by the Government of The Bahamas and, subject to the authorization of the Government of The Bahamas, properly insured civilian and commercial aircraft.

4. A continuous review of employment practices at the U.S. facilities in order to insure that there will be no unfair treatment in the employment of Bahamians or in their compensation. (In this connection, the Department of Defense is exploring the possibility of structuring the salaries of specially employed U.S. contractor employees so as to avoid invidious comparisons with salaries to Bahamians for the same work.)

5. Augmentation of the presence and frequency of U.S. Coast Guard patrols in the area of The Bahamas, to be conducted by larger vessels whenever available, for the purposes of search and rescue missions and as a means of serving mutual security interests.

6. Support, or sponsorship, should the Government of The Bahamas so desire, of Bahamian membership in the UN specialized agencies, the OAS and the Rio Pact.

7. Review with The Bahamas Government and the British Government of the difficult security and economic problems the Bahamian Government foresees as arising out of the geography of The Bahamas and the existing law of the sea with a view to formulating possible solutions which might command wide international consensus.

8. While noting continuing balance of payments difficulties in the U.S., recommendation of a review of existing customs rates and practices to see whether any modifications could be effected which would provide a further spur to tourism.

9. Where they meet the Bank's standards, prompt and favorable consideration of Bahamian projects being considered by the Ex-Im Bank.

10. Consideration of The Bahamas as a location for offshore deep water ports for the transshipment of petroleum to the extent the U.S. finds it has a requirement for such ports abroad.

As its contribution to the entire package for obtaining continued use of its own and U.S. facilities, and exercise of general operating rights, the UK is prepared to make a parallel offer set forth at Tab D.

To achieve settlement on this basis, we propose to offer and hold to as long as feasible an annual land rental of about \$500,000 for the lease of the bases. (The U.S. Armed Services are prepared to go as high as \$3.5 million annually, although an offer above a "fair rental value" of \$500,000 for the land could pose legal difficulties.)

At Tab B there are attached the text of a draft U.S.–GCOB Facilities and Status of Forces Agreement, a U.S.–GCOB Operating Rights Agreement, and a U.S.–UK Agreement relating to continued UK use of U.S. facilities in The Bahamas. However, if the Case bill is enacted it would appear desirable to have the provisions covering facilities and status and those concerning operating rights in a single agreement. We anticipate that simultaneously with the signature of these agreements we would execute with the GCOB a lease of our military facilities, a memorandum of understanding regarding foreign military sales, and an exchange of notes outlining the remaining elements of the U.S. offer, described above. The proposed agreements at Tab B have been reviewed by the Office of the Legal Adviser. That office has determined that they can be concluded as executive agreements under present law, but rec-

ommends congressional consultation regarding the form of the various proposed agreements. A memorandum of law is annexed at Tab C.

Although, as the memorandum of law at Tab C concludes, the proposed agreements can all properly be concluded as executive agreements under present law, the Congress has exhibited during recent years an ever-increasing interest in the form and substance of international agreements relating to U.S. military facilities abroad. Accordingly, we plan to offer to consult with the concerned Congressional committees prior to the formal negotiations. Should these consultations result in a request that any part of the proposed agreement be submitted to the Congress for approval, further recommendations to you regarding this matter will be forthcoming.

NSDM 221 of June 5, 1973 requested a progress report on negotiations by July 10 and directed that any agreement worked out should be on an *ad referendum* basis and submitted to the President for final approval. Our initial response to this NSDM reported on the interim carry over agreement which will preserve our military rights in The Bahamas while negotiations continue on a definitive agreement. There is annexed at Tab A a proposed supplementary progress report describing as the basis for the further negotiations the approach recommended in this memorandum.

The Department of Defense concurs in the foregoing.

Recommendations:

1. That you authorize the Assistant Secretary for Inter-American Affairs or his designee to engage in negotiations based upon the draft agreements at Tab B for the purposes and in the manner described above, including consultation with the concerned congressional committees.

2. That you authorize the Assistant Secretary for Inter-American Affairs, subject to the concurrence of L, PM, H, DOD, and other concerned offices and agencies, to approve changes in the texts of the agreements at Tab B resulting from negotiations and consistent with the U.S. objectives described above.

3. That you authorize the Chief of the United States Diplomatic Mission in Nassau to sign the resulting agreements, subject to the President's approval in accordance with NSDM 221.

4. That if you approve the foregoing recommendations, you approve the transmission to Gen. Scowcroft of the memorandum at Tab A informing him of your decisions.

441. Telegram 217552 From the Department of State to the Embassy in Barbados¹

Washington, November 5, 1973, 1521Z.

217552. Subject: Grenadian Independence. Reference: Bridgetown 1425; 1426.

1. We have read with great interest your telegrams reporting your recent conversations with Premier Eric Gairy of Grenada and your comments on the nature of our post-independence relationship with that island.

2. As you will recall, we have had strong reservations over Great Britain's intention to grant independence to Grenada, a 133 square mile island with less than 100,000 citizens and little visible means of support. On several occasions we have discussed the problem with the British and have encouraged them to move slowly in granting independence or ideally to defer it indefinitely. Given the various demands on British resources elsewhere, they have obviously decided to push this fledgling out of the nest and thereby eliminate yet another drain on Her Majesty's Exchequer. (We realize that Gairy himself was helpful to them in taking this decision, bent as he appears to be on leading his fellow Grenadians willy-nilly into independence.) Despite Britain's decision, which now appears irrevocable, we continue to have strong reservations about Britain, or the Dutch for that matter, cutting loose their Western-Hemispheric dependencies and leaving them on our doorstep as non-viable and potentially troublesome independent nations and we will continue to make this point to London and The Hague as opportunity presents itself.

¹ Summary: The Department expressed concern about the prospect of the emergence of "non-viable and potentially troublesome" island nations in the Caribbean and stated that it was not prepared to offer bilateral aid to Grenada when the British colony attained independence.

Source: National Archives, RG 59, Central Foreign Policy File, [no film number]. Confidential; Limdis. Repeated to The Hague, London, Port of Spain, Georgetown, and Curacao (by pouch). Drafted by Burke; cleared in draft by Gilbert Sheinbaum in EUR/WE, Joseph Becelia in EUR/NE, George Krieger in ARA/MGT/FM, Patrick Daly in S/CPR, and William Wheeler in ARA-LA/CAR, and in substance by Fred Flemings in PM/ISO and R. Gooden in DOD/OSD; and approved by Shlaudeman. In telegram 1425 from Bridgetown, October 11, the Embassy recommended at least modest aid to Grenada as an independence gift. (Ibid., [no film number]) In telegram 1607 from Bridgetown, November 22, Donovan reported that the Embassy had delivered a letter to Gairy outlining the U.S. position on development aid and diplomatic representation. (Ibid.) In telegram 241 from Bridgetown, February 8, 1974, the Embassy reported that independence celebrations had taken place without incident, despite political tensions during the period leading up to the ceremonies and the arrest of Maurice Bishop of the opposition New Jewel Movement on the eve of independence. (Ibid.) Telegram 1426 from Bridgetown was not found.

3. Grenada is, of course, the first of possibly as many as six independent political entities which can be fashioned out of the associated states. Whether or not the other islands will opt for full independence or choose (a) to remain with Britain or (b) seek a form of independence as part of a federation will depend to a large extent on Grenada's experience in the post independence period. We are not, as you note in your cable, prepared at this stage to take on additional bilateral aid responsibilities in the world. We prefer to make what resources we have available for Grenada and the other islands through the CDB. Whatever hope Gairy has for post-independence assistance will be limited in the first instance to Britain (which has in our view a continuing moral obligation to Grenada after independence), Canada, and/or the Caribbean Development Bank. If Grenada is able to gain admission to the United Nations and the OAS (this latter is a very "iffy" possibility) it will also have access to the UNDP and the IDB. In any event, no great cornucopia will open and shower largesse on Grenada on February 7. The post-independence period will likely be a turbulent and disappointing one for Mr. Gairy and for the Grenadians. If this is indeed the case, the other associated states may very likely be discouraged from seeking an early severance of the British cord.

4. We feel it important that in these pre-independence months we speak very candidly to Mr. Gairy about what we won't be able to do after independence so that his disappointment may be tempered. It would be dishonest on our part and probably adversely affect the post-independence relationship with St. George's if we are not absolutely candid with him from the start. We are certain that you have in your last meeting been preparing Gairy so that he will not be surprised by our failure to make bilateral assistance available to him and his government immediately after independence. It will be important in your future meetings with him between now and February 7 to reiterate this position for his benefit so that he does not miss the message. (In any conversations you may have with Gairy, you may wish to emphasize that since 1970, AID has made loans of \$32.3 million available to the Caribbean Development Bank. Much of the \$22.3 million in loans authorized during FY 73 is not yet committed by the Bank, which is giving priority in its allocation to the less developed countries, including Grenada. The CDB has allocated \$250,000 of the 1970 AID loan to the CDB Special Fund for Grenadian projects, specifically small industrial credits and Carriacou Airport extension. It is our understanding that the CDB has identified for possible allocation from the second AID loan to the Special Development Fund requirements in excess of \$700,000 for Grenadian projects, including industrial estates, land settlements on Grenada and Carriacou, the marketing board and communications on Carriacou. In addition, Grenada is eligible for sub-borrowing under the AID Housing Loan to the CDB.)

5. We have since receipt of your cable taken another look at the possibility of some resident U.S. presence in Grenada after February 7. On the basis of our review and in light of current budgetary limitations, we feel that there is no possibility that we would be in a position to establish even a one man post in St. George's after independence. Even if the post were created with only a limited consular responsibility, we fear that Gairy would be tempted to use it at best as a sounding board and at worst as a hostage. There is also the risk that it would become a focal point for any unrest that might develop in independent Grenada. We will, however, make every effort to increase Embassy Bridgetown's travel allotment so that you and your staff may travel to Grenada as frequently as may be necessary after independence.

6. In response to the recommendations contained in your telegram, we have developed the following information:

A. U.S. Delegation: Department memo to White House on composition of official delegation will follow recommendations outlined in ref tel. Memo to White House must include formal invitation from Government of Grenada. We would hope that the formal invitation will be forthcoming at an early date.

B. Assignment of Navy Ship: Department informed by DOD that Navy can arrange to have a suitable ship available for port call at time of Grenada independence celebrations. Ship would hold open house and provide battery salute at appropriate time. DOD does not believe it practical to depend upon ship for transportation from Barbados to Grenada, or to provide vehicles for use on shore. Commanding Officer will want to release two-thirds of crew (approximately 200 men) for shore leave. Navy will need to know docking facilities available in St. George's before making final determination on ship.

C. "Fly Past": Neither U.S. Navy "Blue Angels" nor U.S.A.F. "Thunderbirds" are available during January–February period. DOD is investigating possibility of obtaining team from Puerto Rico Air National Guard.

D. U.S. Independence Gift: S/CPR states that official U.S. gifts must be decorative—an urn, a tray, etc. There are no exceptions and funds for decorative gift may not be used for any other purpose. We will explore possibility of supplementary "tangible gift" (e.g., an ambulance, hospital equipment, etc.) which might be given in conjunction with official gift.

E. Special Development Activities Fund: A recent proposal to create an SDAF for an independent Bahamas was denied. Similarly, there does not appear to be any prospect that an SDAF can be established for Grenada.

7. We regret not being in a position to respond more affirmatively to your proposals. We do intend to be a helpful good neighbor to Gre-

nada—but within the limits imposed by a realistic assessment of our own interests.

Rush

442. Telegram 34 From the Embassy in Jamaica to the Department of State¹

Kingston, January 4, 1974, 1600Z.

34. Subj: Bauxite Commission and GOJ Bauxite Policies. Ref: Kingston 21.

1. Herewith my own conclusions based on recent events and conversations on this subject over the past two weeks.

2. PM Manley's announcement today that contracts with bauxite companies will be renegotiated makes it clear that a major change is in the offing in the conditions under which the bauxite/alumina industry operates in Jamaica. Whether this change will be a moderate and negotiated one with which all parties can live, or whether it constitutes a radical departure from current conditions, hangs in the balance. There are deep divisions within the GOJ on this issue. Thus far the moderates far outnumber the radicals and hold the high ground, as it were. Despite their weakness, the radicals hold three strong cards, however. One is Sir Edgerton Richardson whose will, intelligence, and fanaticism make him a formidable factor in the present situation. The second one is Prime Minister Manley himself, whose personal ideology and Third World romanticism would probably carry him in a nationalist and socialist direction if not restrained by other factors. The third strong card held by the radicals might be called the motherhood factor; it is simply hard for even the most moderate elements to oppose action described as protecting the Jamaican patrimony.

¹ Summary: The Embassy reported on Manley's announcement that he intended to renegotiate the Jamaican Government's agreements with the aluminum companies involved in the country's bauxite industry.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I. Secret; Immediate; Exdis. In a December 24, 1973, memorandum to Casey, Kubisch stated that while the Jamaican Government clearly intended "to seek changes in the way that the companies have been doing business," information available to the Bureau of Inter-American Affairs and to the Embassy in Kingston did not indicate that nationalization of the industry was imminent. (Ibid., RG 59, Central Files, 1970–1973, ARA/CAR Files, Lot 74D416, Bauxite) Telegram 21 from Kingston is dated January 3. (Ibid., Central Foreign Policy File, P750001–1772)

3. Manley's action in calling upon the Bauxite Commission to come forward with its summary conclusions, after a member of the commission had told an Embassy officer in late Nov that the report was six months away, could have been the result of several considerations. By early Dec Manley was already aware that the fuel crisis was going to have a disastrous effect on Jamaica's foreign exchange position and an increase in the take from bauxite/alumina may well be the only way to compensate. It is, of course, possible that, as Isaacs stated in reftel, there was an element of collusion between Manley and Forbes Burnham, who was visiting Jamaica about the time Manley ordered the commission to prepare a summary document and who announced his own moves against Reynolds in Guyana at about the same time. It is also remotely possible that Manley and Edgerton Richardson may believe that Jamaica may be near making a deal with his Third World colleagues (primarily Libya's Khadafi) which would help Jamaica with both the energy crisis and the processing of Jamaican bauxite.

4. If things should develop as suggested in the foregoing, Manley's tactics may be doomed to failure when Allan Isaacs's strategy comes into play, (reftel), accompanied by a predictably large outcry from the more conservative business community which has a large stake in continuing friendly relations with foreign (North American) financial institutions. The combination of Manley and Richardson should not be underrated, however, for Manley has a history of preempting his opposition by simply making a public announcement and leaving his cabinet to pick up the pieces.

5. In any event Manley's announcement and the Bauxite Commission's report are likely to touch off a major debate within the councils of the government. The debate is likely to remain primarily internal to the government and the PNP. The JLP may take advantage of the situation to snipe at the govt, but it will be in no hurry to take strong positions on an issue as loaded with emotion and uncertainties as this one.

6. I believe both we and the bauxite companies should stand aside while this internal scrimmage is going on. When one side or the other emerges firmly in possession of the ball there will be time enough for the development and coordination of positions and tactics. I especially feel it would be a mistake for the companies to be frightened into coming through with a "quickie" offer of some kind by rumors or scare tactics. Such a course would be regarded as weakness by Manley and strengthen the fundamentally weak hand of the radicals.

7. Assuming the moderates emerge with the ball I think the companies should be prepared to negotiate seriously, and the sooner the better. In the short run Manley and his govt are under enormous pressure from the energy crisis, inflation, and the peculiarities of the island's history and economy. A solution that made some real contribu-

tion to alleviating their current difficulties, and which they could portray as a victory, would be most attractive. In the longer run the economic difficulties may shunt the govt towards the Left and higher costs for oil will certainly increase its appetite for a greater take from the industry. In addition Manley might just pull off some kind of deal with the Arabs or North Africans, as he apparently hopes to do. Such a success would greatly strengthen both his political position and his confidence in Third World solutions to Jamaica's problems.

8. Needless to say, neither the USG nor OPIC should become involved in the upcoming negotiations as a party, and should resist attempts by either side to draw them into such a role. However, the good offices of both the USG and OPIC on both sides are likely to be extremely important and, indeed, could be the critical factor in determining the outcome.

9. It is presumptuous to suggest a negotiating position for the companies, but they may wish to consider focusing their efforts on an agreement that would guarantee stability to the industry for some specific period, say ten to fifteen years. Such a commitment would be so valuable to them that they should be in a position to make substantial concession in the revenue area, and some concessions with respect to the disposition of lands and reserves. The question arises whether the PNP is in a position to guarantee stability beyond its own term of office. It is a legitimate one, but I think the answer is yes. Jamaica has a pattern of two term government. Even if the JLP should win in 1977 it stands to the right of the PNP on most economic issues, and hence would be unlikely to overturn such a PNP commitment. Robert Lightbourne, who hopes to start a third party, stands still further to the right. There is no party to the left of the PNP and none is likely to appear. In the remote contingency that the few Marxists or Black Power weirdos to be found in Jamaica somehow manage to get control of the govt all bets would be off anyhow, not only this one.

10. The companies may also wish to consider hiring, either collectively or separately, a negotiator who could protect the interests of the industry by hard bargaining, but who is personally known to and highly respected by Prime Minister Manley and other members of the Cabinet. (John Connolly's name immediately comes to mind, but there might be others willing and able to do the job.) In any event the companies should seek some discrete means of resolving the differences and contradictions in their respective positions. Failure to overcome these differences invites defeat.

Hewitt

443. Memorandum of Conversation¹

Washington, March 13, 1974.

SUBJECT

Secretary's Meeting with Prime Minister Manley

PARTICIPANTS*Jamaica*

Prime Minister Michael Manley

Sir Egerton Richardson, Special Adviser to the Prime Minister

Mr. Mayer Matalon, Special Adviser to the Prime Minister, former Chairman,
Jamaican Bauxite Commission

Ambassador Douglas Fletcher, Jamaican Ambassador to the United States

U.S.

The Secretary

Carlyle Maw, Legal Adviser

Harry W. Shlaudeman, Deputy Assistant Secretary, Bureau of Inter-American
Affairs

Elkin Taylor, Bureau of Inter-American Affairs

(At about 3:35 March 13, Secretary Kissinger received the group. After an exchange of greetings and some picture-taking all of the participants except for the Secretary and Prime Minister Manley left the room. At approximately 4:20 the other participants reentered the Secretary's office and joined the conversation.)

The Secretary: The Prime Minister and I have had a very good talk, but I explained to him that I was no authority on bauxite. I told him that I have had some briefing on the principal issues, but that I had not been given a detailed analysis of the positions.

I told the Prime Minister that, first, we are in basic sympathy with his efforts to improve his country's foreign exchange position. We recognize that there is a real problem. Secondly, we appreciate the attitude which his government has taken. We will not inevitably accept the companies' position, but we will certainly take a very careful and sym-

¹ Summary: Kissinger and Manley reviewed their private discussions on the Jamaican Government's proposals with respect to the bauxite and alumina industry.

Source: National Archives, RG 59, Central Foreign Policy File, P820043–2156. Confidential. Drafted by Elkin Taylor in ARA. Telegrams 940 and 1047 from Kingston, March 16 and 25, reported on initial meetings between Jamaican and aluminum company representatives, noting that the corporate executives were "stunned and shocked" by the proposal that Manley transmitted to them on March 15 and that negotiations "got off to a shaky and uncertain start" on March 16. (Ibid., Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I) In telegram 802 from Kingston, March 7, the Embassy transmitted Thompson's explanation for remarks in Mexico City in February that were seen as being critical of U.S. policy. (Ibid., RG 59, Central Foreign Policy File, [no film number])

pathetic look at the Jamaican Government's position in a cooperative spirit. Third, we agreed that we would stay in touch on this problem.

We will be making a detailed, independent analysis on the problem. The Prime Minister was so persuasive that it was all I could do to keep from accepting all of his positions. (laughter)

Prime Minister: I was warned before I came: When you say that you do not know anything about a problem, it really means that you know more about it than most people can learn in a lifetime of study. (more laughter)

The Secretary: Well, that certainly is not true in the case of bauxite. In any event, we will keep in mind that we have many common interests. We should be looking at this problem in the context of the whole of our relations. We know you are a part of the Third World and have obligations in that respect. Now perhaps we should see how the discussions go.

(turning to Mr. Maw) Have you been following this?

Mr. Maw: Yes.

The Secretary: Would you and Mr. Shlaudeman stay for a few minutes after the meeting?

Prime Minister: Well, Mr. Secretary, I really appreciate your kindness in receiving me and in hearing our case.

The Secretary: Not at all. You have presented a very effective case. It is now up to us to look at the total implications of your proposals and make a complete analysis of the situation.

(At this point the participants rose and, while exchanging greetings, began to leave the room.)

The Secretary: By the way, please give my regards to your Foreign Minister (Minister of State Dudley Thompson), whom I met in Mexico. Someone told me that there was a feeling that I was displeased by him. Really, to the contrary, I found him a very charming and interesting fellow. At least I always knew where he stood! (laughter)

(More handshakes and departure of the Jamaican participants. The meeting ended at approximately 4:25).

444. Telegram 88820/Tosec 91 From the Department of State to Secretary of State Kissinger in Alexandria¹

Washington, May 1, 1974, 0007Z.

88820/Tosec 91. Subject: Jamaican Bauxite. For the Secretary and Maw from Eagleburger.

1. Yesterday Tom Enders, Mark Feldman and I met separately with Jamaican representatives and company lawyers (who had heard we were meeting with Jamaicans and asked to come in) to hear both sides review current bidding in bauxite negotiations. Negotiations between companies and GOJ will resume Thursday for at least a two-day non-stop bargaining session. Company Chief Executives are now meeting, possibly to come up with a new proposal. Prospect of imminent rupture therefore appears reduced, but will very much depend on how companies handle themselves on Thursday.

2. Company lawyers told us that basic issue is a “genuine, fundamental” difference of opinion over true value of Jamaican bauxite to the U.S. market. They explained that revenue issue remains the key matter in dispute, with the sides still differing by a factor of 2½–3 times. Companies appear considerably more relaxed as to secondary issues of participation and expanded production. Their latest proposal—offered “ad referendum”—provides for a total estimated GOJ annual revenue of U.S. \$80 million versus U.S. \$48 million under initial offer. Jamaicans have rejected this offer. They are pressing for annual revenues of about U.S. \$220 million based on a price of U.S. \$23 per ton of bauxite. (In contrast the companies insist that the current fair value of bauxite is only \$11–12 per ton.)

¹ Summary: After informing Kissinger and Maw of separate discussions with Jamaican Government officials and aluminum company representatives regarding the state of negotiations on the future of the bauxite industry in Jamaica, Eagleburger suggested that the parties’ future contacts with the Department should be shifted away from the Secretary’s office so that Kissinger would not become “embroiled in the details of the negotiations.”

Source: National Archives, RG 59, Central Foreign Policy File, D740103–0572. Secret; Immediate; Exdis. Drafted by Adams; cleared by Rush, Enders, and Feldman; and approved by Eagleburger. Kissinger was in Egypt engaging in shuttle diplomacy between Egypt and Israel. In telegram 78/Secto 145 from Alexandria, May 4, Kissinger approved the approach suggested by Eagleburger. (Ibid., D740113–0944) In telegram 92365/Tosec 252 to Kingston and Jerusalem, May 4, Eagleburger reported that he had informed the Jamaicans and the aluminum companies that Kissinger did not wish to become directly involved in negotiations but that he hoped both parties would keep Maw and Enders informed of developments. (Ibid., D740108–0435) In telegram 1557 from Kingston, May 3, the Embassy reported that the Jamaican Government and the aluminum companies had suspended their negotiations. (Ibid., Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I)

3. I told company lawyers that you urged that both sides continue to negotiate in good faith, and that artificial constraints such as unilateral actions or legislation be avoided. I said we regard the matter as one between the companies and the Jamaican authorities. I repeatedly stressed that we are not involving ourselves in any way with either side, but were merely passing along to you the views of each. We are, however, concerned that the interests of U.S. consumers receive their proper weight.

4. The Jamaicans, headed by Matalon—as eloquent as ever—reviewed with us their version of recent negotiating history, with an emphasis on claims of statistical “duplicity” and confusion on the part of the companies. They agree with the companies, however, that the value of bauxite is the key issue. They also believe that they may be close to obtaining agreement from the companies to the concept of a sliding scale of taxation based on the market price of the metal. But they concede (and the companies confirm) that they remain far apart on the percentage rate of taxation that should be applied.

5. I told the Jamaicans—as I earlier told the company lawyers—that our only interest is in continued good faith negotiations and that we were merely listening to each side’s views. I noted your hope that legislation could be avoided. They replied that Prime Minister Manley would “bend over backwards” to meet your desires. But, Matalon said, the GOJ must soon submit and defend its budget, and the Minister of Finance must be able to describe where revenue will come from. He emphasized that any great delay in presenting the budget would present real political problems to GOJ and that this process might compel them to impose legislation (relating only to the revenue issue) if agreement not reached in near future. Nevertheless, said Matalon, GOJ “may be prepared” to delay budget submission if companies show “genuine interest” in reaching agreement when talks reopen. We have since learned that the Jamaicans have told ARA they will wait an additional two weeks as a “courtesy” to you before introducing any legislation.

6. *Comment:* Relations between the GOJ negotiators and the companies have clearly worsened, with each side evidencing to me increased irritation with the other. I am not particularly sanguine about the immediate future, and am inclined to think that we are—at least for the short term—in for a rough time.

7. We have picked up comment by company representatives—probably inspired by Jamaican misrepresentation—suggesting that existence of a special channel through me to you indicates State Department sympathy to the Jamaican case.

8. Thus, I believe it is time we gently sought to shift these informal briefing sessions away from your immediate office to Enders and Maw;

we need to put some distance between you, the companies, and the Jamaicans or we may see you (through me) embroiled in the details of the negotiations. Should this happen it will be much more difficult to use your influence to mediate between the parties at the critical junctures.

9. If you agree, I will seek to persuade both the companies and the Jamaicans to shift their focus to EB and L, while preserving your commitment to Manley that I be available for urgent private messages. Ken Rush agrees that this is the proper course to take.

Rush

445. Telegram 110874 From the Department of State to the Embassy in Jamaica¹

Washington, May 26, 1974, 1607Z.

110874. Subject: Jamaican Bauxite. For Chargé.

1. Please deliver following letter to the Prime Minister from the Secretary:

Quote:

Dear Mr. Prime Minister:

I have much appreciated being kept fully informed of the evolution of negotiations between the Government of Jamaica team and the bauxite producing companies.

I was deeply disappointed when the two sides were unable to reach agreement.

¹ Summary: The Department transmitted a letter from Kissinger to Manley urging the Jamaican Prime Minister to make another effort to reach an agreement with the bauxite companies.

Source: National Archives, Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I. Secret; Immediate; Exdis. In telegram 110650 to Jerusalem and Kingston, May 25, the Department reported that the aluminum companies had decided to make a new offer to the Jamaican Government and had persuaded former Supreme Court Justice Arthur Goldberg to present their offer to Manley. (Ibid., RG 59, Central Foreign Policy File, D740131–0652) In telegram 1849 from Kingston, May 29, the Embassy reported that Chargé Hewitt had delivered Kissinger's letter to Manley, who said he would give full attention to Justice Goldberg in a meeting scheduled for May 30. (Ibid., D740134–1034) In telegram 1876 from Kingston, May 31, the Embassy reported on Goldberg's account of his meeting with Manley, noting that Goldberg commented "that he thought it was very late in the day for him to play a decisive role" and that Manley had publicly reemphasized that "the revenue issue was closed." (Ibid., D740138–0076)

So much rides on this negotiation for both countries—not only the short-term problems of revenue and inflation, but the longer-term problems of the viability of the companies and the attractiveness of bauxite and other investments in Jamaica—that both sides must surely have an overriding interest in reaching agreement. As you know, we have consistently urged upon the companies as well as your representatives the importance of settlement by mutual agreement.

It is hard for me to think that having come this far, it will now be impossible for the two teams to reach agreement, and that we must face the jeopardies of a unilaterally imposed solution. As you already know, Justice Goldberg, after consultations with the companies, is prepared to put forward certain ideas of his own as to ways and means by which both the revenue and the other issues in the negotiations could be resolved. He is doing so as a private citizen. Let me express the hope, Mr. Prime Minister, however, that you will be able to give the effort by Justice Goldberg the most serious consideration as a possible key to resolving the impasse.

I much look forward to learning, on return from the Middle East, of the results of Justice Goldberg's discussions with you. With warm regards, Henry A. Kissinger. End quote.

Brown

446. Memorandum From the Director of the Office of Caribbean Affairs (Burke) to the Assistant Secretary of State for Inter-American Affairs (Kubisch)¹

Washington, June 7, 1974.

**Bauxite Negotiations—Implications for our Future
Relationship with the Government of Jamaica**

—Company negotiators are scheduled to meet again with Jamaican counterparts on June 11. Justice Goldberg will not travel to Kingston for these meetings. In fact, he has said to me that he will become involved again only if an impasse develops and then only if his services are jointly requested by the GOJ and the companies. Goldberg is not optimistic that the new proposals discussed in Washington June 3 and 4 will be accepted by the GOJ.

—In his first meeting with PM Manley on June 5, Ambassador Gerard correctly stated that, until the negotiation had been played out, it would be difficult to predict how the USG/GOJ relationship might ultimately be affected by the GOJ's effort to obtain a new arrangement with the aluminum companies.

—Despite Manley's protestations to the contrary, it seems clear that there is an important ideological element involved in the hard line positions taken by the GOJ with the companies in their negotiations to date.

—If he gets all or most of what he has demanded of the companies, Manley sees his position as being enhanced, not only within the Caribbean Commonwealth but also in the International Bauxite Association (IBA), and the Third World (we know that Jamaica has sent emissaries to the other member nations of IBA soliciting support for its position).

—Unless the GOJ softens its position, it seems difficult to imagine that the basic relationship with the USG which has existed since independence in 1962 will not be importantly altered.

¹ Summary: Burke reviewed the implications of the failure of the bauxite negotiations for future relations with the Jamaican Government, concluding that it was difficult to imagine that the relationship would not be "importantly altered."

Source: National Archives, RG 59, Central Files, 1970–1973, ARA/CAR Files, Lot 76D482, Bauxite, Jamaica 1974. Confidential. Attached but not published is telegram 1909 from Kingston, June 4, in which the Embassy noted that the cancellation of a planned loan to support rural education in Jamaica would not favorably influence bauxite negotiations and recommended that the loan be allowed to go forward. (Ibid.) In telegram 1949 from Kingston, June 5, the Embassy reported that Ambassador Sumner Gerard had discussed the future of U.S.-Jamaican relations in light of the failure of the bauxite negotiations during his first meeting with Manley. (Ibid., Nixon Presidential Materials, NSC Files, Country Files—Latin America, Box 786, Jamaica, Vol. I)

—In extremis, depending on what the companies decide to do *vis-à-vis* ICSID and OPIC, we may eventually be obliged to take certain actions affecting our bilateral aid program in Jamaica, and cooperation on combating drug trafficking could be affected.

—Insofar as possible, we should avoid any public quarrel with Jamaica. Such a David/Goliath confrontation would obviously be “won” by the Jamaicans and could impact on our hemispheric relations.

—We should continue to make clear privately to the Jamaicans our regret that they have chosen to take what amounts to such radical action in an effort to change its relationship with the companies.

NOTE: You may also wish to raise the \$9.1 million Rural Education Sector Loan to Jamaica which is ready for submission to the inter-agency Development Loan Committee prior to authorization. There has not been time to present a memorandum to the Secretary on this question though one was prepared for Mr. Rush on the eve of his departure in which we recommended that State concur in the approval of the loan by the inter-agency Development Loan Committee and in AID proceeding with authorization. The Embassy in Kingston has strongly recommended that the loan go forward (telegram attached).

447. National Intelligence Analytical Memorandum 87-1-74¹

Washington, June 11, 1974.

PROSPECTS FOR THE CARIBBEAN

Précis

Long a protected colonial preserve, the Caribbean is being swept by nationalism and by the spirit of assertiveness common throughout

¹ Summary: Noting frustrations over inequality, unemployment, and poor public services, this memorandum concluded that the Caribbean faced a troubled future and predicted that points of conflict between the nations of the region and the United States would develop.

Source: Central Intelligence Agency, National Intelligence Council Files, Job 79R01012A, Box 484, Folder 4. Secret; Controlled Dissem. According to a note on the cover sheet, the Central Intelligence Agency, the intelligence organizations of the Departments of State and Defense, and the NSA participated in the preparation of this memorandum. All members of the U.S. Intelligence Board concurred in the memorandum except the representatives of the FBI and the Atomic Energy Commission, who abstained because the subject was outside their jurisdiction. All brackets are in the original except those indicating text omitted by the editors.

the underdeveloped world. The area is characterized by small land areas, a general lack of natural resources, and populations large enough to burden economies but too small to provide markets of scale.

A troubled future for the Caribbean seems inevitable. Socio-political problems are mounting, and the risk of turbulence is growing. The basic problem will be one of too many people and too few opportunities.

Frustrations over social and political inequities, unemployment, and poor public services are creating a climate exploitable by radicals and demagogues. The trend toward personalist authoritarianism will continue and power will be retained by increasingly repressive means. There are likely to be crises of varying intensity and duration, but they will probably remain localized.

Outside influences are generally constrained by the region's strong insularity.

—Cuba is carefully cultivating its neighbors but its influence will grow slowly, particularly so long as it is a Soviet client.

—China and the USSR will try to increase their official presence and their influence within the limits of opportunities offered, but the region remains a low priority for them.

The U.S. is the major influence on the area. Various points of conflict with the U.S. will develop but few are likely to pit a united Caribbean against the U.S. However, the contradictory needs and insecurities of the countries, and in many cases, the personalities of their leaders will make them difficult to deal with.

—An adversary relationship is predictable on the terms of U.S. investment in the Caribbean (U.S. private investment totals \$3.4 billion), especially for the highly visible extractive industries.

—Chances are good that the U.S. can retain its military facilities in the area, but at greater cost.

—The U.S. will remain an important market for the area's products and the U.S. will continue to supply a significant portion of the region's imports.

—The political fragmentation of the region, the lack of self-confidence by local governments, and a desire to avoid even symbolic connection with the colonial past will continue to complicate U.S.-Caribbean relations. It will be easier to deal bilaterally with these fragmented states. But because the image of independence will be an overriding requirement for the new countries, they will often be more comfortable dealing through international organizations, especially in such matters as aid and assistance.

[Omitted here is the body of the memorandum.]

448. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Kubisch) and the Assistant Secretary of State for Economic and Business Affairs-Designate (Enders) to Secretary of State Kissinger¹

Washington, June 24, 1974.

Jamaica: AID Loan for Rural Education

Problem:

What action should be taken on a pending AID loan for Jamaica in light of the bauxite problem?

Background/Analysis:

AID has ready for possible authorization this fiscal year a \$9.1 million loan to Jamaica for rural education. The loan project has been developed over the last year in close collaboration with the Jamaican Government which gives it a high priority. Because of its continuing involvement the GOJ is aware of where the loan stands and has been expecting authorization momentarily. Ambassador Fletcher has been inquiring almost daily as to the status of the loan.

The Country Team recommends proceeding to authorization and signing as originally planned. The argument here is that deferral would be regarded by the GOJ as an attempt to coercion—as penalizing poor Black children in the interests of rich corporations—and would produce no positive effect on the future of the bauxite negotiations (Tab A). AID also favors proceeding normally and is concerned that deferral or tying the loan to the negotiations would be seen as an inappropriate use of development resources to support U.S. company interests.

ARA and EB do not believe this small loan provides any real leverage, but consider it neither timely nor wise to proceed under the cir-

¹ Summary: Kubisch and Enders requested a decision from Kissinger on how to proceed with a planned AID loan to Jamaica in light of the bauxite problem.

Source: National Archives, RG 59, Central Foreign Policy File, P800080-1424. Confidential. Drafted by Shlaudeman on June 22 and cleared in substance by Kleine and Maw. Telegram 1909 from Kingston, June 4, is attached but not published. An unknown individual hand underlined "but consider it neither timely nor wise to proceed under the circumstances on a 'business as usual' basis;" and "until the bauxite situation improves." Kissinger approved the first recommendation (option 3) on June 25. In telegram 162106 to Kingston, July 25, the Department reported that Kubisch had informed Fletcher that the loan had been approved but that "our ability to provide assistance is not unrelated to developments in the bauxite negotiations." (National Archives, RG 59, Central Foreign Policy File, D740202-0526) In telegram 2613 from Kingston, July 29, the Embassy expressed concern about the possible reaction of the Jamaican Government to the linkage between the loan and the bauxite negotiations. (Ibid., D740205-0824)

cumstances on a “business as usual” basis. Such a course could be misinterpreted in Kingston and here as USG acquiescence in Manley’s bauxite impositions. At the same time, shelving or cancelling the loan could have a harmful effect on our ability to influence the bauxite negotiations.

ARA and EB therefore propose AID authorization now from FY 1974 funds, while concurrently informing the GOJ that the signature of any bilateral agreement can not be unrelated to developments in the negotiations. The authorization would be presented as evidence of our presumption that a resolution to the differences with the companies will be found and that conditions will permit us to go ahead in the near future with the rural education loan. L concurs in the proposed signing delay but does not favor tying final actions to progress on the bauxite front.

Ken Rush agrees that we should not go ahead with business as usual. He also favors authorization of the loan but holding off signature until the bauxite situation improves.

L notes with respect to legal issues that, while the passage of the Jamaican revenue legislation probably constitutes a “step to repudiate or nullify existing contracts” as set forth in the Hickenlooper amendments, assistance to Jamaica is not yet foreclosed. The GOJ has six months to “take appropriate steps” to discharge its obligations.

If the loan is to be authorized this fiscal year, a decision to go ahead is needed as soon as possible.

The Options:

1. *Proceed with loan authorization in FY 1974 and signing thereafter in accordance with standard procedures.*

Pro:

—Would have a positive effect on U.S./GOJ relations and would demonstrate our desire to maintain these relations on a cooperative basis in the spirit of your hemispheric policy.

—Could have a favorable effect on the atmosphere for the bauxite negotiations.

Con:

—Could be viewed by the GOJ and others as an indication of relative indifference on the part of the USG toward GOJ unilateral action in increasing bauxite revenues and its expressed intent to reject ICSID authority on matters involving natural resources.

2. *Shelve loan authorization for the time being.*

Pro:

—Would signal to the GOJ and others that the USG is seriously concerned about Jamaica’s actions in the bauxite field.

—Would demonstrate USG support of the interests of U.S. companies and the American consumer.

Con:

—Would be viewed by GOJ as punitive action, would antagonize friendly elements in GOJ, and adversely affect U.S./GOJ relations.

—Would not cause the GOJ to modify its legislation on bauxite revenues.

3. *Proceed with AID loan authorization but tie execution of the bilateral loan agreement with Jamaica to developments in the bauxite negotiations.*

Pro:

—Would indicate to the GOJ a desire to proceed with the loan and a presumption that we will do so, but would also make it clear that the USG cannot be indifferent to actions adversely affecting its nationals or its interests.

—Would indicate USG support for aluminum company and American consumer interests.

—Would leave open the option of using the loan as part of a large package of “incentives” for leverage with the GOJ.

Con:

—Would relate our assistance efforts to the bauxite negotiations and could result in Jamaica claiming coercion by the U.S.

—Could result in the GOJ rejection of the assistance because of economic pressure with a harmful effect on future bauxite negotiations.

Bureau Views:

AID recommends proceeding with the loan as scheduled in FY 1974 (Option 1). ARA and EB recommend authorizing the loan but tying execution of the loan agreement to developments in the bauxite negotiations (Option 3). L recommends that the loan be authorized in FY 1974 but that the agreement only be delayed sufficiently to avoid the impression of “business as usual” without tying it to the bauxite negotiations (variation of Option 1). If this is too fine a line, Carl Maw feels we should go ahead with the authorization and signature on schedule. No one is recommending shelving the loan indefinitely. (Option 2)

Recommendation:

That the loan be authorized by AID in FY 1974 but execution of the subsequent bilateral agreement with Jamaica be tied to developments in the bauxite negotiations (Option 3).

Alternatively, that the loan be authorized in FY 1974 and the subsequent agreement negotiated and signed normally (Option 1).

Alternatively, that the loan be authorized in FY 1974 and tied to progress on bauxite, but that the agreement be delayed sufficiently to avoid the impression of “business as usual” variation of Option 1).

Alternatively, that the proposed loan authorization be indefinitely shelved (Option 2).

449. Telegram 1369 From the Embassy in The Bahamas to the Department of State and the Department of Defense¹

Nassau, July 31, 1974, 1821Z.

1369. Subj: Facilities Negotiations. Ref: State 162871.

1. Ambassador and EmbOff met with MinExtAff Adderley and Permanent Secretary Russell, pursuant instructions reftel.

2. Ambassador noted that he had fully reported GCOB position on facilities talks conveyed by Adderley June 28 (Nassau 1177) and he had now received instructions re response.

3. Washington had expressed disappointment in departure from what we had considered to be agreed context of negotiations, that U.S. facilities and operating rights requirements would be considered in context of specific security interests of both countries. In pre-independence negotiations we had tried to make clear that quid pro quo for our facilities and operating rights could not be related to general economic assistance. U.S. now reaffirms this point.

4. On assumption we had such an agreed context, U.S. sent technical survey team to Nassau last September with Bahamian agreement to review Bahamian security requirements with a view ultimately to determining what U.S. contributions in this field might be agreed upon as appropriate in connection with quid for facilities and operating

¹Summary: The Embassy reported on a July 31 meeting between Ambassador Spiers and Adderley in which it became clear that the Bahamian Government had never accepted the view that an agreement on military facilities would not involve a program of economic assistance.

Source: National Archives, RG 59, Central Foreign Policy File, D740208–0920. Secret; Priority to Department of State. Repeated to London and CINCLANT. In telegram 1177 from Nassau, July 1, the Embassy reported that Adderley had suggested that talks on military facilities should lead to an agreement involving considerable U.S. financial aid to The Bahamas. (Ibid., D740174–0756) In telegram 162871 to Nassau, July 26, the Department noted that there was “no realistic prospect for bilateral economic or developmental assistance to the GCOB.” (Ibid., D740203–0797) In telegram 165649 to Nassau, July 30, the Department transmitted additional guidance for Spiers’s July 31 meeting with Adderley. (Ibid., D740207–0497) In telegram 2130 from Nassau, December 31, the Embassy transmitted a Bahamian request that the target date for completion of the negotiations be moved to June 30, 1975. (Ibid., D750001–0554)

rights. So far GCOB has not commented on technical survey team's report.

5. Ambassador said on question of operating rights we would find useful an indication of which specific rights appear troublesome to GCOB, and would welcome a GCOB counter-draft to ours.

6. Ambassador went on to state Washington finds reduction in period of agreement from 15 to 10 years not acceptable. Any shorter period would make it necessary to consider alternative of a phase-out agreement. Key date was 10 July 1988 and any period expiring prior to that would require consideration of phase-out alternative. Ambassador also clarified our AUTECH site requirements in accordance with para 6 reftel.

7. Ambassador concluded by stating that we had basic conceptual problem in connection with these negotiations and we must have a meeting of minds before we can get very far on specifics. U.S. is prepared to consider a package only in security context and not in wider economic area. Unless we can achieve such an approach we would reluctantly be forced to consider phase-out, a result which Ambassador believed would not be in best interests of either side. In sum, continued use of U.S. facilities must rest on agreement concerning a reasonable payment. We would hope GCOB would review its position in light this U.S. response and, having rejected our half-million-dollar-per-year payment offer, come up with a definitive counter-offer.

8. MinExtAff, after hearing Ambassador out, noted that he had not been a participant in pre-independence talks but his recollection of record was Bahamians had made clear all along their interest in economic assistance which GCOB considered part of "security" problem since Bahamian security was very much a function of its economic situation. As he recalled, U.S. had also spoken in terms of economic elements of package, even though these somewhat vague and required spelling out in subsequent negotiations. He admitted Bahamian interest in survey report and in security assistance but only as one element in overall package. He said he would review record of earlier talks and get back to us, but thought that U.S. had a very bad case on this point. Bahamian position has never varied.

9. Adderley did not comment on other elements Ambassador's presentation except to note that GCOB had thought 10-year period would be acceptable to U.S. since present agreements were scheduled to conclude in 1983.

10. Adderley clearly had law of the sea and GCOB archipelago position uppermost on his mind and spent rest of lengthy session dealing with these issues, as reported in septel.

11. *Comment:* Adderley's comments make it clear that in his view U.S. had never either sought to or made clear, and Bahamians had

never accepted, idea that quid pro quo for our facilities and operating rights package could not be related to economic assistance. We are sure that when Bahamians come back to U.S. on this point they will attempt to show that U.S. had viewed this as legitimate subject for consideration in listing of quids during pre-independence discussions. Bahamians take a much wider view of their “security” needs than simply fulfilling technical survey report. Embassy believes that we should continue to make points we have repeatedly made in past:

A. That for U.S. facilities question is pretty much a cost benefit calculation and we are willing to pay Bahamians in form of rent some figure up to what it would cost U.S. to relocate.

B. Bahamas is too wealthy a country to qualify in competition with others for U.S. economic assistance, and U.S. public and congressional views today are increasingly less hospitable to economic assistance.

C. There are many areas, particularly in transfer of U.S. expertise, where U.S. can be helpful to Bahamas in very relevant ways, but these should be specifically identified and considered on their own merits and not be made part of a general quid pro quo package on bases.

12. Reftel, as well as State 162871, which arrived just as we were going into session with Adderley, do not in our judgment accurately characterize pre-independence talks, either on Bahamian side or ours, since we were prepared at that time to include economic quids, and, as we see record, were viewed by Bahamians only as being “too intangible” in the form they were put forward. This does not mean that GCOB ever dismissed or rejected idea of economic assistance, and opted for security assistance instead. U.S. handling during tripartite independence talks may have been “deft and firm” but we doubt it will be lasting. As final comment we would like to call once more to Department’s attention inter-relationship between how we fare in facilities talks and how we handle Bahamian LOS concerns. They see a relationship, whether it is explicit or not, and Adderley’s subsequent jeremiad on this issue indicates that way we handle LOS issues can have definite backlash on how we come out on security talks. Somebody up there better be putting these two together.

Spiers

450. Telegram 4147 From the Embassy in Jamaica to the Department of State¹

Kingston, November 18, 1974, 2100Z.

4147. Subject: Manley Lambasts Capitalism and Reaffirms Socialism for Jamaica.

1. In an emotional speech to a PNP rally yesterday in the Kingston ghetto, P.M. Manley attacked capitalism as the system which brought slavery to Jamaica and under which the country has suffered for 300 years. "No way shall capitalism continue in Jamaica. The day of capitalism is over. We are going to build a socialist system in this country . . ." He promised that when he has finished the job of Socialist reconstruction, "the little champions of capitalism will run and hide."

2. Decrying the unemployment and exploitation which was allowed to exist by previous "capitalist" governments of Jamaica, Manley announced that next year a law would be introduced during the 1975 sugar crop that will provide that the 11,000 sugar workers who have no job during the out-of-season period are provided with jobs by the estates. In the absence of this the state will provide them with jobs. Replying to critics of the Special Works Program, which has put many of the unemployed to work cleaning streets, the PM declared that next year government would be finding tasks all over the city and the workers could rest assured that they were "permanent workers in Jamaica. Under the principles of socialism, no way shall the crash program stop in Jamaica."

3. Referring to his JLP political opponents, Shearer and Seaga as supporters of capitalism, Manley said he was going to "whip" both of them with socialism. He announced that he would spell out from "A to Z" the PNP's Socialist philosophy at a mass public political education rally to be held at the parade on November 21.

4. Follow-up speakers to the PM went even heavier on the political rhetoric. Minister of State Dudley Thompson labeled capitalism a "cannibalistic organ," adding that "under this government we are going to bury capitalism in this country."

¹ Summary: The Embassy reported on a speech by Manley in which the Jamaican Prime Minister denounced capitalism and pledged "to build a socialist system in this country."

Source: National Archives, RG 59, Central Foreign Policy File, D740334-0198. Limited Official Use. In airgram A-199 from Kingston, November 20, the Embassy reported on the recent reemergence of socialism as a political issue in Jamaica, noting that Manley's People's National Party and the opposition Jamaican Labor Party had "debated the evils (JLP) and virtues (PNP) of socialism with varying degrees of intensity for over 30 years." (Ibid., P740130-0955)

5. *Comment:* A desultory debate on “socialism” has been going on in the local media for several weeks. Vaguely worded statements by ministers about government intentions have provided a field day for the opposition to interpret “socialism” in terms intended to increase the unease of the business community and have led to demands for clarification of government policy. It looks like PM has now decided to take off the gloves and make “socialism” a major issue. His apparent decision to do so lends greater credence to rumors that the PNP is aiming for a general election in January to be fought on the issue of socialism for Jamaica.

Gerard

451. Telegram 1375 From the Embassy in Jamaica to the Department of State¹

Kingston, April 11, 1975, 1800Z.

1375. Subject: Ambassador’s Meeting with PM Manley. Ref: Kingston 1181.

1. I met with Prime Minister Manley at his request (reftel) late afternoon April 9. Others present were Robert Mason, Perm Sec PM’s office and Gordon Wells, Perm Sec External Affairs. After general discussion bauxite agreement concluded between GOJ and Reynolds (septel) PM raised following subjects in chronological order.

2. Manley Visit to Washington—PM stated that he interpreted our failure to respond favorably as a “deliberate slap in the face” and said that if this were the case it had brought Jamaican-U.S. relations to an

¹Summary: Gerard reported that an April 9 meeting with Manley had been “friendly and relaxed” but that the Jamaican Prime Minister had raised several difficult subjects, leading the Ambassador to conclude that Manley had “not yet determined on the policy he now plans to follow with the U.S.”

Source: Ford Library, National Security Adviser Papers, Presidential Country Files for Latin America, 1974–1977, Box 4, Jamaica—State Department Telegrams, To Secstate—Exdis. Confidential; Immediate; Exdis. In telegram 1181 from Kingston, March 26, the Embassy reported that a meeting between Gerard and Manley was scheduled for April 9. (National Archives, RG 59, Central Foreign Policy File, D750107–0155) In telegram 1369 from Kingston, April 11, the Embassy reported on the agreement between Reynolds Aluminum and the Jamaican Government that was discussed by Gerard and Manley in their meeting. (Ibid., D750128–0579) In telegram 1360 from Kingston, April 10, Gerard reported that Manley had also alleged in his April 9 meeting with Gerard that the CIA was carrying out inappropriate activities in Jamaica. Gerard denied the charge. (Department of State, INR/IL Historical Files, Kingston 1963–1969, Roger Channel)

all-time low. He realized that Jamaica was a comparatively unimportant country but felt it did have something to contribute and wished to do so. He considered the linkage between his visit and progress in the bauxite negotiations to be a deliberate affront. I replied that this was in no way intended but that the original January time frame suggested by him for the visit had posed real problems in terms of the President's and the Secretary's schedules at that time. Recalling the Prime Minister's meeting with the Secretary last year, I reminded him that he had personally requested that the USG not become involved in the bauxite negotiations, (which he agreed was the case) and that a meeting within the time frame originally requested would inevitably have had to raise the unresolved bauxite issue. Furthermore, meetings with the President and the Secretary before the bauxite issue had been resolved would have subjected them to strong and conflicting pressures in the U.S. and possibly even embarrassment. I concluded the subject stating that the possibility of a visit might well be reconsidered. He replied that the visit was immaterial (though I gathered he would still like to make one) compared to the major question of our basic relationship, and that was why he had raised the question.

2. [*sic*] Anti-government Activities of U.S. Missionaries—The PM stated that certain fundamentalist U.S. missionaries on the island were actively defaming the GOJ and himself as Communist. He stated that he was deeply troubled by the missionaries' activities but made a point of emphasizing that he did not believe that they were in any way tied to the CIA. I replied that I was disturbed to hear this and if the GOJ furnished proof of these activities, I would try and do something about it. PM said he would appreciate my assistance and would be providing sworn affidavits.

3. Bauxite/Aluminum Stockpile—The PM rhetorically asked why a new bauxite/aluminum stockpile arrangement could not be worked out. He felt that the stockpile in the past had provided a valuable balancing mechanism which smoothed out price fluctuations. He referred to a recent report by the U.S. Comptroller General on the subject and requested Mr. Mason to supply me a copy for study.

4. LOS—The PM inquired whether the USG could be more supportive, if only "ever so slightly," of the GOJ's bid to have the Seabed Authority sited in Kingston. I replied that as the Embassy had informed the GOJ, we supported the GOJ application but wanted to see greater progress achieved toward the substantive conclusion of the treaty before publicly declaring our support. When I asked whether there were any other serious contenders and what he thought Jamaica's chances were, he replied that Malta was the only other rival and chances of the Seabed Authority being located in Kingston were good.

5. P.L.-480 Title I—PM said he was pleased that an FY-75 agreement had been approved and asked about the prospects for an FY-76 agreement. I said I shared his satisfaction and was particularly pleased that despite the severe shortages this year, we were able to gain approval of the program on humanitarian grounds. As for an FY-76 agreement, I suggested that application only be made after the FY-75 program was finalized. Mr. Mason confirmed that this was the way GOJ wished to proceed.

6. Problems Involved in Major Capital Projects—The PM said that he foresaw major problems developing in CY-76 in connection with several large capital projects which he anticipates would be getting underway. He specifically mentioned the new alumina complex which would involve the GOJ, Mexico, Venezuela, Kaiser, and Reynolds. Additionally, negotiations on the Luana refinery were progressing rapidly, and it was one of the basic topics he would be discussing in Caracas with President Perez. I asked if he had recent information about reports that Howell Refining Co. of Texas was looking into the possible construction of a refinery in Jamaica, but he evaded the question, commenting that he understood that they had been on the island recently, but he had no details concerning their discussions.

7. The construction boom in Jamaica in CY-75 when these projects were started would underline the shortage of skilled local workers, especially in the building trades. The skilled labor which exists has already been drawn into the Kingston area, and there is now a dearth in the countryside. He wanted to know whether there was any possibility that the USG would be willing to help devise and support a skill training program. His brother Douglas (Minister of State for Youth and Community Affairs) has been impressed by techniques and training aids developed in the U.S., especially mobile training units (Douglas Manley and several other GOJ officials visited Reverend Sullivan's Opportunities Industrialization Center International Project in Philadelphia in late 1972). I replied that as the Prime Minister knew, AID funds were extremely tight. The PM had seen what happened to the President's aid bill, and I wondered whether the education-sector loan might provide the training opportunities he envisaged. The PM said no, that he was specifically thinking of the mobile training approach mentioned by his brother. I concluded the subject by saying that I obviously could not make any commitments but we would be willing to discuss it in greater detail with his brother.

8. In discussing the impending construction activity, the PM waxed ecstatic about the growing regional cooperation in the Caribbean. He felt that the cooperation of Mexico, Venezuela and Jamaica, along with the great multi-national corporations like Kaiser and/or Reynolds or Alcan in the construction of the alumina plant in Jamaica

and the aluminum smelter in Mexico was an example of the collaboration he felt to be the wave of the future. He commented that while it had not been determined which of the companies would participate in the Mexico smelter, he thought that Kaiser would do the engineering and possibly be joined by Reynolds and/or Alcan.

9. Commonwealth Meeting—Manley having gone through the list of topics he apparently wished to raise, I asked what he foresaw coming out of the Commonwealth meeting later this month. Manley said that economic issues should dominate the meeting but might get sidetracked depending on how much time was devoted to discussion of the urgent southern African issues. He and his government were committed on the southern African issues and would give them precedence, yet hoped there would be ample time left for consideration of economic issues. It was his view that the Third World had no choice but to develop a close political affiliation and identity of view which would give them the strength to deal on a basis of equality with the developed world on economic matters. The individual leaders of the developed world would not give anything substantive away on their own. This restraint was inherent in their political systems. The only way the LDCs could really obtain satisfactory realignment on economic matters was by dealing on a bloc-to-bloc basis with the developed world. He was encouraged by the results of the ACP/EEC negotiations and believed it underlined his point.

10. I responded that there were two points I wanted to make with regard to the evolution of bloc politics.

A. That the USG noted with serious concern that on matters that were not of great importance to the GOJ it had voted in UN forums against the U.S. position even after strong representation on our part. At this point Wells interjected that the GOJ was not a party to steamroller tactics and bloc voting, to which the PM added that the GOJ's votes were determined by principle. They both then admitted that it was important for Jamaica to preserve its credentials with its Third World allies if Jamaica was to retain their support on economic issues which Jamaica considered of great importance. I commented that we could accept votes based on principle and hoped that true principle would guide the positions the GOJ took in international forums in the future.

B. My second point was that I thought that the imbalance in the world economic situation had led the DCs to look hard at the problems of the LDCs and that there was a real desire on the part of my government and other DCs to examine in detail the full range of economic issues which jointly confronted us. I felt that the complexities of the subject dictated that we approach our problems in a serious, on-polemical, and methodical fashion. This kind of approach would pro-

duce the greatest results, and I sincerely hoped that it would be the path Jamaica would follow rather than confrontation.

11. Jamaican Ambassador to U.S.—Responding to my inquiry, the Prime Minister said that the selection of a new Ambassador to the United States was the subject of great interest and concern to his government. He was acutely aware of the importance of this position and although it might take the GOJ a while to settle on the right man, they were actively searching and any delay involved should not be construed as the creation of a deliberate vacancy.

Comment: This meeting at the request of the PM was the final one in a series of meetings with ministers I had instigated in an effort to restore some sort of meaningful dialogue with the GOJ which was largely in suspension “pending substantial progress in the bauxite negotiations.” While the tone of the meeting was friendly and relaxed (the Prime Minister has never with me gone off on one of his well-advertised tirades) the rather strange content mix gives pause as well as the approach on several of the discussion subjects. It appears to me that the PM has not yet determined on the policy he now plans to follow with the U.S. On the one hand, he seems to indicate that he is ready to get tough if that is the way we want to play it. On the other hand, he appears to want to be conciliatory and cooperative if we will let him. It is possible with any such multifaceted and erratic character, given the pressures of his domestic and foreign politics, that he will be more at home in the long run with a dichotomy. I believe we can expect a see-saw relationship without much control on our part of the angle of the plank at any particular moment. However, unless we are to give a permanent tilt to our end on the downside, I think we should review immediately our loosely-defined policy of “substantial progress in the bauxite negotiations” as a *sine qua non* on substantive matters especially now that an agreement has been reached with Reynolds. It is now clear this policy serves no useful purpose, indeed if it ever did. On balance, it seems likely we will be dealing with Manley and his party for the next seven years, and I think we must move now or lose our options with him if we have not done so already.

Gerard

452. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) and the Assistant Secretary of State for Economic and Business Affairs (Enders) to Secretary of State Kissinger¹

Washington, June 11, 1975.

Jamaica: AID Loan for Rural Education

The Problem

Do developments to date in the bauxite negotiations between Jamaica and the bauxite companies justify execution of the authorized AID Loan for Rural Education?

Background

Since 1973, the Jamaican Government, in cooperation with AID, the World Bank, and Canadian technicians, has been at work on a developmental project to improve educational opportunities for the rural, predominantly Black, poor of Jamaica. AID's participation in the project, a concessional loan, became ready for authorization in early June, 1974, which coincided with the GOJ's bauxite actions. At the time, ARA and EB did not believe this small loan provided any real leverage and recommended that it be authorized with final execution related to developments in the bauxite negotiations. Accordingly, on the joint recommendation of ARA and EB, you approved proceeding with the authorization of a \$9.1 million AID Rural Education Loan with the proviso that "execution of the subsequent bilateral agreement . . . be tied to developments in the bauxite negotiations" (Tab 1). The GOJ was informed of this decision (Tab 2). In December, 1974, a copy of the draft loan agreement was submitted to the GOJ for study and review. On April 18, 1975, the GOJ notified our Embassy in Kingston of its readiness to begin final negotiations on the loan agreement preparatory to its execution. GOJ officials in Kingston and in Washington have pressed for a response over the last several weeks.

¹ Summary: Rogers and Enders presented the views of their respective bureaus on whether or not to proceed with a planned AID loan to Jamaica prior to the resolution of the bauxite issue.

Source: National Archives, RG 59, Central Foreign Policy File, P830115-0764. Confidential. Drafted by Norton and Stebbing on June 9, and cleared by Eagleburger and John Murphy in A/AID and in draft by Bushnell, Luers, Kleine, Gantz, Burke, and Boeker. Kissinger approved the first recommendation on June 24 and wrote: "Make sure we get Treasury aboard." Tab 1 is published as Document 448; Tab 2, telegram 162106 is dated July 25, 1974. (National Archives, RG 59, Central Foreign Policy File, D740202-0526)

The bauxite investment dispute was created by the GOJ's passage of the Bauxite (Production Levy) Act in May, 1974. This legislation imposed a tax on bauxite production tied to the price of primary aluminum. As a result, the GOJ derived an estimated \$150 million from the bauxite levy in 1974, as compared to only \$25 million in bauxite revenues in 1973. The other Caribbean bauxite producers have established levies along the lines of the Jamaican formula. To prevent three companies from exercising contractual rights to submit disputes to the International Centre for the Settlement of Investment Disputes (ICSID), it canceled, insofar as awards concerning natural resources, existing statutory authority, which, pursuant to the provisions of the ICSID convention, obligated Jamaica to recognize any ICSID award to be as enforceable in the Jamaican Supreme Court as would be a final judgment of that court, and binding upon the parties.

Jamaica's further objectives have been to regain ownership of company ore reserves, obtain majority equity participation in the mining operations (the companies retain managerial control, at least through an initial period), and secure additional company investment in the bauxite/alumina industry in Jamaica. Negotiating separately, three U.S. firms—Kaiser, Revere, and Reynolds—have now negotiated heads of agreements in conformity with all the Jamaican objectives. Revere, however, has notified the GOJ that it wishes to close down production in Jamaica for a minimum of six months and is holding discussions with the GOJ. There is no precise timetable for the remaining companies, Alpart (a consortium composed of Kaiser, Anaconda, and Reynolds), Alcoa, and Alcan, to complete negotiations; and they may run into late 1975 or 1976.

Analysis

ARA Position

ARA believes that prompt negotiation and signing of the agreement for this small development loan directed at Jamaica's rural poor is justified in terms of the progress made to date in the bauxite negotiations.

ARA views our continuing delay in negotiating and signing this small loan as serving only as an adverse influence on the negotiating climate and souring our bilateral relationship to a degree far beyond the intrinsic importance of the loan.

The GOJ has reached agreements in principle with the three companies most dependent on Jamaica. Further delay on the loan will not force any change in the GOJ strategy with the remaining companies. It will only stiffen the Jamaicans' resistance, and they can be counted on to raise the question publicly. Within the next few months, Manley will be traveling to Mexico and Cuba and is scheduled to address the

UNGA Special Session on September 3—and could exploit the current situation to his advantage. The Latins are, to a man, opposed to our efforts to tie aid to good behavior towards multinational corporations, with the Hickenlooper and Gonzalez amendments among our biggest headaches in the hemisphere.

We have been working hard to defuse this dispute for the last year, and we have succeeded in good measure. Why expose ourselves to a fresh round of criticism about “economic coercion” for something which will have no practical effect anyway?

So says ARA—strongly.

ARA also views the prolonged delay in taking action on this loan as akin to keeping Jamaica under an indefinite sentence. Further delay ties the USG to supporting the companies’ positions without knowing whether or not their positions are in our best interest. Furthermore, using this loan as the sole measure of signaling our displeasure is only confusing the GOJ in that, in other activities, including P.L.-480, EXIM-BANK credits, CCC agricultural credits, etc., we have been pursuing what could be characterized as a normal bilateral relationship.

Of particular concern to ARA is the fact that the sanction involves a program designed to help Jamaica’s neediest people, and that withholding the loan can be exploited to our discomfort by the GOJ as an act of callousness by the USG.

The Trade Act, which was not available to the USG to use as leverage last June, provides possible sanctions to employ against Jamaica should unfavorable developments in the negotiations occur. The GOJ is fully aware of the eligibility requirements for GSP consideration and has taken note of the Taft amendment, which penalizes a country for failure to uphold an arbitral award. In addition, we might consider making a strong *démarche* and withholding other concessional credits if the situation warrants. These are potentially more effective levers, although the application of economic sanctions in these matters is of questionable effectiveness.

ARA would agree that no new loans (after the education loan) should be considered until there is a satisfactory solution of the bauxite problem.

EB Position

EB sees no benefit to the U.S. from granting the \$9 million loan. The best that can be said in favor of signing now is that we could possibly avoid some uncomfortable criticism.

There is a much greater and far reaching risk, however, in granting the loan at this time. Our response to Jamaican efforts to break contracts and treaty commitments, jack up prices and form a producer cartel will inevitably be viewed by other primary producing countries as an im-

portant indicator of USG policy toward such efforts. It would be a serious error to allow our policy to be misinterpreted. If we ratified Jamaican tactics, Jamaica and other raw materials producers would be encouraged to repeat them. The Jamaicans have thus far (a) imposed demands unilaterally and in breach of contract through legislative action and (b) withdrawn from treaty commitments to the U.S. (The GOJ rescinded legislation that gave ICSID awards relating to natural resources the statutory force in Jamaica required by the ICSID convention). It is essential that the U.S. not appear to accept such tactics as legitimate means for pursuing national objectives. Likewise, the USG should not appear to approve the terms imposed by the GOJ on three U.S. companies to date. Accordingly, the rural education loan should be delayed, as a minimum, until the major U.S. companies have reached agreements in principle and we are able to assess the implications of those settlements in light of U.S. national interest.

Further, we should not have a continuing aid program in Jamaica, given that bauxite will be a continuing problem between Jamaica and the U.S. Prime Minister Manley will continue to squeeze the companies further, regardless of contractual commitments, given his policy of establishing a socialist economic system and his need to turn again to bauxite for fiscal relief in the future. It would thus be folly to present to the GOJ new loan proposals which almost inevitably will become ensnared in a resurgence of the bauxite dispute.

L Position

L calls attention to the ICSID proceedings filed by Alcoa, Reynolds, and Kaiser against the GOJ (Reynolds and Kaiser have agreed in principle to withdraw as part of their Phase II settlement). Because we do not want the GOJ to interpret our action on the loan as suggesting that the ICSID question is not important to us, L recommends that we clearly point out to the GOJ our interest in the integrity of the ICSID proceedings and to voice the expectation that the GOJ, like the USG, will honor any award eventually granted.

Treasury Position

Treasury's position is that this loan was obligated with an explicit decision, in which Secretary Simon participated, to hold up signing as leverage to press Jamaica to resolve the bauxite disputes. Treasury reconsidered the situation, including a personal review by Secretary Simon, taking into account recent agreements in principle between the GOJ and three of the bauxite producers, and feels strongly that the USG should continue to withhold the proposed aid loan for now. This case must be viewed in the context of our overall expropriation policy. Signing the loan would signal the rest of the world—and particularly the LDCs inclined to support or follow the GOJ's lead—that the USG is

not concerned with and will not meaningfully respond to GOJ (and other LDC) efforts to (a) subvert ICSID as an institution for settling investment disputes, by unlawfully withdrawing consents earlier given to arbitrate and (b) unilaterally abrogate contracts with foreign investors which remain abrogated or unresolved from the foreign investor's point of view. We do not wish to provide some elements within the GOJ the opportunity to claim success in redressing the power balance with the MNCs while at the same time acquiring concessional assistance from the USG.

In addition, Treasury wants to point out that (a) to the furthest extent possible, we should encourage Alcoa not to accept a settlement which is disadvantageous to the U.S. (Alcoa has expressed the view that it would be better not to sign the loan now), and (b) we should not provide concessional assistance to fill a foreign exchange gap in Jamaica at a time when it is discouraging private capital flows by its attitudes and actions toward foreign investment in bauxite and in other areas.

The Options

1. Initiate final negotiations on the loan agreement with intention to sign loan agreement when negotiations are completed, with internal USG understanding that no further AID capital lending would be provided to Jamaica until there is a satisfactory solution of the bauxite problem, including the ICSID aspect. In informing the GOJ of our decision, we would convey our continuing interest in the integrity of the ICSID procedure.

Pro

—Requires that future assistance take into account the status of negotiations and would provide flexibility for future sanctions in the event GOJ undertakes additional initiatives.

—Would remove an irritant in our bilateral relationship and demonstrate our interest in maintaining friendly relations with Jamaica.

—Could help preserve an atmosphere conducive to a favorable settlement of all negotiations.

—Reduces potential GOJ exploitation of the linkage between this loan and the bauxite negotiation in appeals to hemispheric and Third World allies.

Con

—To provide USG financial assistance in the context of a major unresolved investment dispute could be mistakenly interpreted as lack of USG support for fair treatment of U.S. investors.

—Granting the loan could be viewed as indifference to the GOJ position that it will not honor an ICSID award, should Alcoa pursue its contractual right to arbitration to a conclusion.

—Execution of the loan could be falsely interpreted as official approval of the terms of the settlements negotiated to date.

—The loan would provide no leverage to obtain moderation of GOJ demands in its negotiations with the companies.

—Treasury would take execution of the loan as confirmation of Treasury's long-standing allegation that State is too "soft" to remain in charge of expropriation policy.

2. Continue to delay negotiation and execution of the loan agreement until there is a mutual resolution of issues at dispute with the major companies; e.g., delay decision until outcome of the Alcoa negotiations is clear.

Pro

—Would convey a conviction that new bilateral lending is inappropriate in the context of a major unresolved investment dispute.

—Would support USG disapproval of the stated GOJ position that it will not honor an ICSID award in the natural resources area.

—Would avoid an appearance of lending official approval to the terms of agreements reached to date.

—Would head off an allegation by Treasury that State is too "soft" to remain in charge of expropriation policy.

Con

—Would be viewed by the GOJ as a punitive action, antagonize friendly elements in the GOJ, and have an adverse effect on U.S.–GOJ bilateral relations.

—May encourage the GOJ to take precipitate action in imposing a unilateral solution on those companies with which it finds difficulty in negotiating a settlement.

—Would enable the GOJ to implicate the USG for using economic assistance to protect MNCs, especially Alcoa, against economic nationalism in appropriate multilateral fora.

—Would probably delay execution of the loan, which has already been authorized almost a year, for several more months; i.e., into 1976.

—Would postpone signing well into the next academic year, which might force the GOJ to seek financing for the educational loan program elsewhere.

Bureau Recommendations

ARA strongly supports proceeding with final negotiations and execution of the loan agreement (Option 1). Continued delay in executing this loan is no deterrent, only an irritant. The Jamaicans will not knuckle under on bauxite to get this loan. And rejecting it does not convey a clear signal of the USG position, given our approval of over \$21 million in EXIMBANK credits and \$1.5 million in P.L.–480 Title I assistance since June, 1974. The Trade Act's sanctions against countries which refuse to comply with an ICSID award provides leverage that far outweighs this loan. ARA agrees that no additional loans should be considered until there is a solution to the bauxite problem.

EB recommends Option 2. Granting the loan will not induce the GOJ to reduce its demands upon the aluminum companies. The invest-

ment dispute has not been resolved; until it is, execution of this loan to Jamaica is not appropriate.

L also supports Option 1 on grounds that it most clearly follows existing guidance. Execution of this modest loan is not unreasonable in view of the progress in the negotiations to date, and in any event, is consistent with the Hickenlooper amendment and the January, 1972, policy statement. The GOJ should be made aware, however, of our continuing interest in the integrity of the ICSID procedure.

Unless State has overriding political reasons for not moving forward with the loan at this time, AID prefers Option 1 on the grounds that the loan is fully justifiable in developmental terms and represents an orderly final step in a development activity that was well underway long before the bauxite problem arose. AID is concerned that further delay could lead the GOJ and others to attack the use of developmental assistance as a form of economic coercion. If we proceed with the loan, AID concurs in L's recommendation that we make clear our position on ICSID to the GOJ.

Recommendation:

That we proceed to negotiate and sign the loan with the internal USG understanding that no further AID capital lending would be considered until there is a satisfactory solution of the bauxite problem, including the ICSID aspect. In informing the GOJ of our decision, we would convey our continuing interest in the integrity of the ICSID procedure (Option 1) (ARA, L, and AID).

ALTERNATIVELY, that we continue to delay negotiation and execution of the loan agreement until there is a mutual resolution of issues at dispute with the major companies, e.g., delay decision until the outcome of Alcoa negotiations is clear (Option 2) (EB, and Treasury).

453. Telegram 2743 From the Embassy in Jamaica to the Department of State¹

Kingston, July 17, 1975, 1700Z.

2743. Subject: CERP 0002: Visit to Cuba of PM Manley. Refs: (A) Kingston 2624; (B) Kingston 2711.

1. *Summary*: PM Manley has returned from his Cuban visit full of unrestrained praise for his Communist neighbor and scorn for anyone who would criticize the Cuban model or Fidel Castro's leadership. Two agreements were signed, one cultural and another on economic, scientific and technical cooperation which establishes a joint Jamaican/Cuban mixed commission. Manley's invitation to the Cuban premier to visit Jamaica was accepted, and Castro says he will be coming next year. A lengthy joint communiqué (ref B) was issued which called for Third World solidarity to promote the NIEO, combat imperialism, colonialism, and neo-colonialism, and declared Cuba an integral and important member of the Latin American and Caribbean community. *End summary*.

2. A euphoric Michael Manley returned to Jamaica and told a PNP audience assembled at the airport July 13 that "What we were able to see after 16 years of history is something amazing. No people in the world have such a feeling of happiness and contentment." The PM described as "vicious, stupid, and irrelevant" the lies that were told about Cuba. They were designed to destroy, and were spread by stooges of certain forces of economic imperialism in the world.

3. Like Cuba, Jamaica must now take a Socialist road in which there was hard work and one in which the people will want to work to build a nation for themselves, said Mr. Manley. He warned, however, that in this process of national building there was no room for people who were seeking palaces and wanting to become millionaires and "invited them to note that there are daily flights to Miami where there is a different kind of society in which they might feel more comfortable."

¹ Summary: The Embassy reported on a visit by Manley to Cuba, noting that many of the Prime Minister's statements during and after the trip appeared to reflect a pre-sumption of fundamental antagonism between Jamaica and the United States.

Source: National Archives, RG 59, Central Foreign Policy File, D750247–0647. Confidential; Priority. Repeated to Bridgetown, Georgetown, Mexico City, Port-au-Prince, Port of Spain, and Santo Domingo. In telegram 2624 from Kingston, July 9, the Embassy reported on Manley's departure for Cuba. (Ibid., D750237–0211) In telegram 2711 from Kingston, July 16, the Embassy transmitted the text of the joint communiqué issued by the Jamaican and Cuban Governments at the conclusion of Manley's visit. (Ibid., D750246–0115) In telegram 3005 from Kingston, August 1, Gerard reported on a July 31 meeting with Manley in which the Ambassador expressed concern about the tone of the communiqué released by Jamaica and Cuba. (Ibid., D750266–1139)

3. Addressing a mass rally in Havana July 12 Manley declared that although Jamaica triumphed over imperialism in 1962, the country's struggle against capitalism and neo-colonialism has just begun. "There is no future for mankind under international capitalism."

4. A joint Cuban/Jamaican economic commission, through which the two countries will cooperate on economic, scientific, and technical matters, has been established under the economic agreement signed in Havana. The commission will meet at least once each year alternately in Cuba and Jamaica, with the first ministerial-level meeting scheduled for October in Jamaica. A cultural and educational agreement was also signed which will provide for organization of seminars and conferences, the granting of scholarships, the exchange of technicians, researchers and cultural groups, etc.

5. Four areas of technical cooperation are to be initiated as a result of the visit: fisheries development; establishment of sugar by-products industries; agriculture; and, tourism and foreign trade. In regard to fisheries, it was agreed that Cuba would send to Jamaica shortly a team of fishing experts to conclude arrangements to train young Jamaicans in all aspects of fishing. The Cuban experts will also look into the possibilities of setting up a joint project to build a ferro-cement boat of much larger dimensions than hereto constructed, for fishing off the Mexican bank. A number of Jamaican technicians are to examine the production in Cuba of paper from bagasse.

6. A release issued at the conclusion of the Castro/Manley talks stated that they covered the international marketing of sugar, the Belize independence question, the SELA, the new world economic order, recycling of petrol dollars, and the law of the sea. During an in-flight press conference on the way home, Manley told reporters that his talks with Castro, as well as those held recently with Mexican President Echeverria, were all aimed at preparing for the conference due to be held in Lima, Peru in September on a sugar marketing strategy for the region. The communiqué issued at the end of the visit was very similar to that which appeared following Forbes Burnham's trip to Havana. However, there were some notable differences in the Manley communiqué: (A) The U.S. was not explicitly identified by name in the communiqué although it is implicit throughout that the U.S. is the leading threat to the non-aligned and Socialist camp. (B) Self-determination for Puerto Rico is mentioned but the formulation is rather mild and ambiguous. (C) The Manley communiqué not only condemns Allende's overthrow, but it supports the just struggle of the Chilean people against the "repressive facist regime of Augusto Pinochet." (D) Treatment of the Arab/Israeli dispute is much more muted than in the Burnham communiqué and reiterates the call for strict observance of Security Council Resolution 242.

7. *Comment:* Without saying so specifically, there is in Manley's statements in Cuba and on return, and in the communiqué issued, a rhetorical presumption of fundamental antagonism between the GOJ and the USG. This development has been evident, though muted, over the past few months and has emerged much more explicitly during the Cuban visit. The PM's statements reflect a sense of moral superiority, historical inevitability, and a fear of an "imperialistic" reaction to what he conceives to be his own "social revolution" in Jamaica. If, as the Embassy believes, Mr. Manley encounters increasing frustration in achieving his socialistic goals, largely due to his own mismanagement of the economy, the possibility of his striking out against the foreign boogiemán (read USG) will be commensurately increased.

8. Manley's gushing embrace of Castro and the social system he oversees has his conservative critics in Jamaica crying "I told you so" to any who will listen. The Embassy suspects many will listen and one result of the Cuba visit might be the stimulation of formerly passive Manley doubters into active opponents.

9. The Embassy would appreciate receiving a copy of the communiqué as released in Havana July 13, if available from FBIS or elsewhere. The communiqué was not released locally until the evening of July 15, and the Embassy would like to do a comparison of the two to see whether the delay might have been attributable to editing for local consumption.

Hewitt

454. Telegram 3672 From the Embassy in Jamaica to the Department of State¹

Kingston, September 17, 1975, 1830Z.

3672. For Assistant Secretary Rogers from Ambassador. Subject: Conversation with Minister of National Security and Justice—Eli Matalon. Ref: Kingston 3581.

1. [*less than 1 line not declassified*] has been disturbed by what was characterized by head of Jamaican CID as “temporary” stoppage in customary mutual exchange of information. *FYI*: They have until August 29 been giving us useful [*less than 1 line not declassified*] Cuban and Chinese material on a weekly basis. *End FYI*.

2. I raised the subject during my last visit with Manley (reftel), and he suggested I discuss with Security Minister Eli Matalon.

3. An unusually frank one-to-one discussion took place AM Sept 16, which unearthed an interesting scenario, cleared up a number of unresolved items, and raised new speculations.

4. Matalon confirmed that the stoppage of information flow was by his personal orders with PM’s concurrence. He said that the flow had become a one-way street, and he was receiving nothing in return. This had not previously been the case under my predecessor De Roulet and the then-DCM Roberts. He had not trusted Chargé Hewitt, however, and while the information flow had continued on the lower level, he had been unwilling to talk with him on major matters. So far as I was concerned, he had no reservations and was prepared to talk completely openly and to make any information I wished available at any time, but

¹ Summary: Gerard reported on a September 16 meeting in which National Security Minister Eli Matalon explored the possibility of linking Jamaican cooperation in a range of areas to the provision by the United States of a package of economic aid.

Source: Ford Library, National Security Adviser Papers, Presidential Country Files for Latin America, 1974–1977, Box 4, Jamaica—State Department Telegrams, To Secstate—Nodis. Secret; Immediate; Nodis; Stadis. All brackets are in the original except those indicating text that remains classified. In telegram 3581 from Kingston, September 11, Gerard reported on part of his September 9 meeting with Manley in which the Ambassador expressed concern that previously routine exchanges of intelligence between the U.S. and Jamaican Governments were no longer taking place. (Department of State, INR/IL Historical Files, Kingston 1963–1969, Roger Channel) In telegram 3770 from Kingston, September 25, Gerard reported on a September 23 meeting in which Matalon laid out the general shape of proposed U.S. assistance, including credits to finance Jamaican exports, in exchange for trade and investment benefits, more favorable treatment of U.S. bauxite interests, and expanded exchanges of information. (National Archives, RG 59, Central Foreign Policy File, D750333–0110) In telegram 240693 to Kingston, October 9, the Department indicated that the Jamaican Government should be encouraged to formulate more realistic proposals. (*Ibid.*, D750350–0441)

he preferred to deal only with me. (*Note: Soft Soap is an inexpensive negotiating commodity.*)

5. He said that he had definite, firsthand information derived covertly from the highest opposition sources (Seaga), that a substantial U.S. financial commitment had been made to the opposition and that a threat of withdrawal of this support had recently been made unless the opposition took certain immediate steps. This was known to the Prime Minister and had served to increase his willingness to listen to his left wing, anti-U.S. advisors.

6. Matalon said he believed former Ambassador De Roulet had been involved in the arrangements, and that he thought it entirely possible that the CIA was also involved. He had no confirmation yet but had been actively working on it. He said he had visited De Roulet in New York last year, faced him with a list of his Jamaican visitors, and had asked him to desist without success.

7. I made the usual demurrers, as I had previously to the Prime Minister, about no such activity by the USG. Matalon said he believed me, but that he had proof of his allegations regarding support from U.S. sources of the opposition which he would make available at the proper time on my request.

8. Matalon said that the “conservatives” in the Cabinet were now a minority, and that they were working against “tremendous odds” and under great pressure. He said his only concern was to solve the economic crisis which was upon them with a minimum of disruption and to preserve an independent Jamaica. He realized that they would have to turn elsewhere for economic help but that many of the Prime Minister’s advisors were proposing turning to the Russians or even the Chinese as “benefactors.” He said he wanted no benefactor unless it were the U.S. and felt that Jamaica’s problems would be solved on a business-like basis with her traditional friends. He said that the U.S. had never dictated policy in return for her help but that either of the others most certainly would. If there were to be any other benefactor, he and others in the Cabinet would most certainly “bail out.”

9. The Minister said that, while there might be a rapprochement with Cuba, he had his job to do. Others in the government might choose to appear unaware, but, for example, he knew that in the shortly arriving Cuban agricultural delegation, there were two high ranking security types “who wouldn’t know a bean if they saw one.” He said that it was supposed to have been fully understood with the Cubans that there would be no passing of information or intelligence activity on either side but purely technical and cultural cooperation. He was also aware that the Chinese were indulging in other than purely representational activities, and that when the Russians got here, it would become an even more active ballgame.

10. He felt that we had a community of interest, and that U.S. resources were much greater than his. He would be pleased if he could cooperate but that "it had to be a two-way street." He said he was studying the Cuban apparatus and confirms he is sending CID Chief Humphrey and one or two senior and experienced officers to Havana for ostensible training. He feels we have a properly professional capability, and that he needs such help. "I am all alone against the Cubans, Russians and Chinese."

11. Matalon is going to Washington September 24 for three days to talk with newly-arrived Ambassador Rattray about the bulk commodity proposal he had outlined to you when we lunched with the Prime Minister and would be willing to talk to anyone on the above subjects if considered desirable, but that he did not plan to call you. He did say that he had purposely insisted on coming to the PM's lunch to meet you and make a personal assessment. His appraisal was that you were a man with whom he thought he could do business, though you had not perhaps fully understood yet what he had in mind in connection with the "Trade Package."

12. Regarding this package, he and the government had been making extensive computations, and we wished to discuss their approach to USG with Rattray. What he hoped was that "Technical Teams" could be put together on both sides to discuss the proposition and try to negotiate out a deal. Mayer Matalon would head up the Jamaican side. He was aware that there were grave problems with any government to government financing of the \$150 to \$170 million he was talking about, but that other financing might be available for what he had in mind.

13. When I pressed for details, Matalon said he was not quite ready but would probably give me a copy of the initial document before he goes to Washington. However, what to emerge was that what he envisages is some sort of a bargaining session where he does not expect to get what is initially asked for and where a whole series of trade-offs can be laid on the table, including Jamaica's major asset, bauxite. In this connection, he specifically mentioned future arrangements with the U.S. companies and the possibility of the GOJ providing bauxite for a stockpile in the U.S.

Comment: A. The assumption by the PNP that support is being given the opposition by USG may be paranoiac but is almost impossible to refute.

B. It is possible that anyone of a number of private groups are giving support, including perhaps one or more aluminum companies.

C. The fact that Matalon claims current information after De Roulet's death (who had the motive and the means) gives credence to such a possibility.

D. It is equally possible Matalon's (and the Prime Minister's) allegations are self-serving red herrings.

E. The juxtaposition of discussions regarding intelligence, economic assistance and fear of Communist influence suggests a willingness to cooperate in a broad range of U.S. interest areas for a quid pro quo.

F. I suggest that an opening may exist for useful access to Cuba and recommend that consideration be given to conversation by SRF with Matalon, when he is in Washington. He might not give much before discussion of his quid pro quo, but it would flatter him as an amateur sleuth and might be productive down the road with little risk now. I don't see where we have anything to lose.

G. I further recommend willingness to listen, though perhaps skeptically, when the Jamaicans are ready to talk about their proposition.

H. The fact is that their economic plight is desperate, and, regardless of the probability that this whole scenario is well-orchestrated, if we don't lend an ear, they have no choice but to seek elsewhere. Not that I currently believe they can be successful in finding another "benefactor" on the scale they need, but they will do a lot of thrashing around, and some of Manley's advisors are more ideological than patriotic or realistic.

I. In brief, Matalon is offering fuller Jamaican cooperation in several areas at an unknown price to us. We may only be considered the lesser of possible evils. However, I think he can deliver now. I am not sure how much longer he and his friends will be able to do so.

J. If no solution to their problems is found with our cooperation, I see no alternative to an increasingly leftist authoritarian regime under the P.N.P. The opposition lacks muscle and would probably be no improvement from our point of view anyway. If we do nothing, they still need our market for their bauxite, but the price will inevitably be higher and the stability of supply lower.

14. SRF advised on content this message.

Gerard

455. Telegram 1584 From the Embassy in The Bahamas to the Department of State¹

Nassau, September 25, 1975, 1707Z.

1584. Subj: Facilities Negotiations. Ref: Nassau 1350 (191745Z Aug 75).

1. Following is text of letter no. Ext/C.80/15, dated September 25, 1975 from GCOB MinExtAff: Quote.

Excellency,

Supplemental to my communication to you of the 15th August, 1975 referenced Ext/C.80/15, I now have the honour to submit to you, for your government's consideration my government's proposals relevant to the financial terms and conditions the government would be prepared to agree for the operating rights and the facilities of your government in the Commonwealth of The Bahamas and within areas falling under the jurisdiction of the Government of the Commonwealth of The Bahamas.

Accordingly Sir, I have the honour to state for Your Excellency's government's consideration the following:

(I) The Government of the Commonwealth of The Bahamas would wish Your Excellency's government to agree that the consideration be in the nature of a cash rental payment of dols 5 million per year for the sites.

(II) The provision of economic, technical and security assistance in the total sum of dols 500 million U.S. dollars over a period of 10 years.

(III) That the consideration mentioned in (I) above and the economic, technical and security assistance mentioned in (II) above be effective as of 10th July, 1973.

¹ Summary: The Embassy transmitted a Bahamian proposal that the United States pay \$5 million in rent per year and provide \$500 million in economic, technical, and security assistance over 10 years in exchange for the use of military facilities in The Bahamas.

Source: National Archives, RG 59, Central Foreign Policy File, D750333-0140. Confidential; Immediate. Repeated to London, DOD, and CINCLANT. In telegram 1350 from Nassau, August 19, the Embassy transmitted the text of a Bahamian note linking military facilities talks to economic assistance. (Ibid., D750286-1135) In telegram 1616 from Nassau, September 26, Weiss reported on his meeting with Adderley, in which the Ambassador gave his personal view that "there was not a prayer of a chance that Washington would be prepared to consider any economic and technical assistance" and that the Bahamian Government "might be under a false impression concerning the value of the facilities in The Bahamas to the USG." (Ibid., D750337-0263) In telegram 234776 to Nassau, October 2, the Department reported that it was reviewing its position and probably would be unable to provide a more definitive response until at least the end of October. (Ibid., D750343-0202)

Yours faithfully,

P.L. Adderley,

Minister of External Affairs unquote.

2. Letter vividly illustrates what I have repeatedly stated, i.e., that GCOB has grossly distorted assessment of value of facilities to U.S. Thus while I am not surprised at having received a ridiculous asking price, I confess that even I am a bit jolted by just how high that price is. Even as an opening negotiating ploy it illustrates a total lack of reality and, as such, is not in my view even good bargaining tactics. In any given negotiation one might hope to split the difference or even do better. In this case, the GCOB figures are so far out of line that the government would be placed in an embarrassing position if it ever became known what they asked as contrasted to what I visualize to be the upper limit of what we would be willing to offer.

3. I had previously arranged an appointment to see Adderley at 10:30 Friday morning. I had a number of things that I wanted to discuss with him and I had intended to include an informal probe designed to secure clarification and amplification of Adderley's August 15 letter to me.

4. I intend to keep my appointment. However, when the subject gets around to the facilities matter, I intend to tell Adderley that I have transmitted both his communications to Washington and have no instructions in response thereto. However, I intend to express my own personal point of view to the effect that there is not a prayer of a chance that the U.S. quid will approach even a small fraction of the GCOB proposal. I will state that my personal view is that the USG is not in a position to secure congressional authorization for any economic or technical assistance. I will also state that even rental figure standing by itself will almost certainly be substantially more than USG would be willing to pay since in my judgment it would almost certainly be more cost effective under these circumstances to relocate bases elsewhere.

5. Depending upon Adderley's response to my personal views and upon Washington's reaction to above letter we can then formulate a formal response to the two letters from Adderley. My inclination at the moment, however, would be to make a direct approach to Pindling to be sure that he understands that if GCOB is really serious about the proposal they have now forwarded that it would be our intention not to even bother to enter into a renegotiation of the terms of our presence at facilities in The Bahamas but rather to discuss the timing of phase-out of those facilities. In this latter connection, by the way, I hope DOD will be doing some urgent calculations as to just how quickly we can phase-out if it comes to that.

Weiss

456. Telegram 2135 From the Embassy in Barbados to the Department of State¹

Bridgetown, November 21, 1975, 1430Z.

2135. For Assistant Secretary Rogers from Chargé. Subject: Cuban Use of Barbados. Ref State 274684.

1. In response to my request for appointment, Prime Minister asked that I see Minister of External Affairs George Moe instead. Because Cabinet in session most of day, Moe was able to receive me only at 4:00 p.m.

2. I told Moe of information we had re Cuban use of Barbados, described Cuban intervention in Angola at some length, stressed that U.S. deplored such intervention and urged that GOB prohibit further use of Barbadian facilities. I also pointed out that facilitating Cuban intervention risked associating Barbados with such intervention.

3. Characterizing information as "a shock," Moe commented that GOB certainly did not wish to be associated with Cuban intervention. He promised to have matter investigated and said GOB would take steps to prevent further Cuban use of Barbados if information should prove accurate. He also said, without any prompting on my part, that he would bring matter to Barrow's personal attention. Nevertheless, he noted that except for weekly Cubana flights, no Cuban planes have transited Barbados in recent months.

4. I then inquired of Moe as to GOB's position on recognition. He assured me that GOB would take no action in this regard until it was clear "who's in charge."

5. *Comment:* Weekly Cubana flight goes through Barbados on Tuesday en route to Port of Spain, turns around there and returns to Barbados on Wednesday. If recent flights have been diverted to Angola, Embassy Port of Spain may be able to ascertain facts. We suggest therefore that reftel and this one be repeated to Port of Spain.

6. We are concerned that information relayed by Department may prove not to be accurate. Certainly, State 266239, which makes it ap-

¹ Summary: Chargé Simms reported on a démarche to Barbadian officials regarding refueling stops in Barbados by Cuban planes carrying troops and arms to Angola.

Source: National Archives, RG 59, Central Foreign Policy File, D750406-0426. Secret; Immediate; Exdis. In telegram 274684 to Bridgetown, November 20, the Department instructed Simms to protest Cuba's use of Barbados as a refueling stop. (Ibid., D750403-0815) In telegram 2270 from Bridgetown, December 18, the Embassy reported on a Barbadian protest to Cuba over use of Barbados as a transit point en route to Angola. (Ibid., D750440-0792) Telegram 266239 to Brasilia, Mexico City, Caracas, Quito, Lima, Bogotá, Panama City, Kingston, Georgetown, Santo Domingo, San José, and Tegucigalpa is dated November 11. (Ibid., D750391-0348, D750403-0864, and [no film number])

parent that most Cuban troops in Angola and Congo arrived by either ship or Soviet aircraft, in no way supports allegations that Cuban troops are transiting Barbados. Furthermore we wonder whether Soviets and/or Cubans do not have aircraft capable of flying direct from Cuba to Congo without refueling. If information should turn out to be false, we will have done considerable damage to our credibility with regard to things Cuban in general. Despite Socialist and Third-World rhetoric, and occasional obeisance to idea of Caribbean brotherhood, GOB is aware of threat of Cuban subversion. Nevertheless, GOB believes that USG tends to show undue anxiety and to act in manner disproportionate to threat. We hope to present appeal to GOB is not case of crying “wolf” when none is in sight. *End comment.*

Simms

457. Memorandum From Stephen Low of the National Security Council Staff to the President’s Assistant for National Security Affairs (Scowcroft)¹

Washington, December 19, 1975.

SUBJECT

Bahamas Military Facility Negotiations

The negotiations over the three U.S. military facilities in The Bahamas are entering a crucial stage. There is considerable difference between State and Defense on how to handle these, but enough agreement has been reached for them to proceed. There is a possibility, however, of a more serious breakdown with the Bahamians. The following is an outline of the issues.

¹ Summary: Low briefed Scowcroft on military facility negotiations with The Bahamas, noting that Weiss had been authorized to offer \$5 million in rent per year for a 15-year period.

Source: Ford Library, National Security Adviser Papers, NSC Latin American Affairs Staff Files, 1974–1977, Box 1, Country Files, Bahamas. Secret. Sent for information. Scowcroft wrote ‘Thanks’ on the memorandum. In telegram 301837 to Nassau, December 23, the Embassy transmitted the revised text of the U.S. reply, which offered \$5 million in annual rent for 15 years and pointed out the additional benefits that would accrue to The Bahamas through spending on salaries, training, and infrastructure. (National Archives, RG 59, Central Foreign Policy File, D750445–1053)

There are three facilities in The Bahamas. AUTEC on Andros Island is an Atlantic undersea test facility where almost 1,000 Americans and Bahamians provide facilities for weapons (torpedoes), acoustic and calibration testing which virtually every ship in our Navy undergoes. We have an investment of about \$85 million under conditions which would be difficult to duplicate elsewhere because of the unusual depth of the ocean in an area free of commercial shipping and close to U.S. ports.

The second facility is NAVFAC, considerably smaller and less elaborate, which is a SOSUS site (sound surveillance system) engaged in monitoring Soviet and other west Atlantic Ocean naval activity. While important, the base could be relocated in CONUS. Neither the number of men nor the financial investment is great.

The third facility is the Air Force Eastern Test Range on Grand Bahamas Island involving a large area but very few people and a \$10 million investment. It could be relocated in Florida if necessary, given a lead time of two to three years.

These three are facilities rather than bases. AUTEC is by far the most important of them. The Navy describes it as critical, but not irreplaceable. Sy Weiss (the Ambassador) understands from DOD that this is an economic negotiation, i.e., that there is a certain price (a relatively low one) beyond which we would prefer relocating the facilities. He wants to carry on the negotiations in these terms with the Bahamians. He is concerned, however, that he may not have the whole picture and that if we give them a top figure which they refuse, DOD will want to go back with a new offer which would confirm in the Bahamians' minds the "irreplaceable" nature of the facilities and cause them to hold us up for an unreasonable amount. Their initial proposal received earlier this year was for \$5 million annual rent and \$500 million in aid. We have made clear to them that this is out of the question. With a per capita GNP of \$2,600, bilateral development assistance to The Bahamas is not supportable. Weiss has now been authorized to make a firm proposal. He will offer a \$5 million annual rent for 15 years with a fallback to \$6.15 million. Under consideration is the further possibility of a \$30 million lump sum prepayment of rent with a \$4 million annual rent for the rest of the period.

The present concern is that the difference between our offer and their demand is so great, and their naiveté and inexperience so considerable, that they will simply reject our offer and tell us to remove the facilities. Thus, Sy wants to go with a high initial offer while Defense wants to go in lower and be prepared to offer more later. I will keep you informed if any serious problems arise on this.

458. Telegram 5073 From the Embassy in Jamaica to the Department of State¹

Kingston, December 24, 1975, 1909Z.

5073. Subject: Current Jamaican Assessment. For Assistant Secretary Rogers from Ambassador Gerard.

The following is a personal assessment perhaps suitable for light reading on a plane trip.

1. Prime Minister Manley is at the eye of a storm consisting of a series of fronts all building up and affecting each other in a confusing and unclear pattern.

2. He is 51 years old and has been in power since 1972. While he has effected considerable change as advertised in his book "The Politics of Change," it has largely been in the breaking down of socio/economic stratification and existing patterns, but he has not been successful in developing effective and workable substitutes. Jamaica today is in overlapping both economic and political crises. Manley has not, therefore, been able to provide himself with a solid enough pad from which to launch himself as the revered Third World prophet-philosopher-economist-reformer-teacher-leader he and his influential mother see himself as. He is having continued mild physical and less mild domestic difficulties. His current wife is a strong-willed leftist with personal political ambitions of her own and reportedly not much patience with Manley's always-extensive extracurricular amorous activities. It is my view that Manley is at the moment a singularly frustrated man with an extra-severe case of the "fifties" syndrome. Some of his closer friends and observers continue to suggest that some psychological problems which he has had in the past are recurring more frequently and are now interfering with his ability to make rational judgements.

3. While his perception of the problems of Jamaica, the Caribbean, and the Third World and his understanding of the demographic and social pressures involved may be not far from the truth, his grasp of business and development economics is tenuous at best. His assess-

¹ Summary: The Embassy reviewed the political situation in Jamaica for Assistant Secretary Rogers in advance of a visit to the island by Secretary of State Kissinger.

Source: National Archives, RG 59, Central Foreign Policy File, D750447–0498. Confidential; Niact Immediate. In telegram 303010 to Kingston, December 24, the Department provided press guidance relating to reports on Kissinger's vacation in Jamaica, noting the Secretary would be there from December 26 through January 3 or 4. (Ibid., D750447–0709) A memorandum of conversation transcribes a January 3 meeting during which Kissinger and Manley discussed law-of-the-sea issues, bauxite negotiations, and the situation in the Middle East and Angola. (Ibid., P820117–0507)

ment that he is "living inside a time bomb with 60 percent of the population under 30 years old and 30 percent of these unemployed" and his conviction that special concessions and attention must be made to this group, can hardly be questioned, but his virulent alienation of the entrepreneurial middle class as well as foreign corporations with the means and capability of providing more jobs certainly can be questioned. This, coupled with a constant jingoistic elevation of the level of expectation of the desperately poor majority, dangerously shortens the fuse on the bomb.

4. What is unclear is the degree to which Manley is a slave of his own rhetoric, the victim of advice he has received from a series of what the British High Commissioner terms "third-string laborite pinkos" (n.b., the bauxite levy scenario was masterminded by some of these), or simply sincerely and honestly concerned, but weak, vacillating, and amateurishly served. I am inclined to the latter. There is a deep split in his Cabinet and other close associates between the more conservative "liberals" and the leftists, most of whom are indistinguishable from party-line "scientific Socialists" or Communists. Manley currently seems to be lending his ears and tongue more often to the latter group and unable or unwilling to control their actions.

5. The Interlocking Crises:

A. Economic: A desperate shortage of foreign exchange resulting from fuel prices, declining bauxite and other exports, a stagnant tourism industry, poor agricultural and industrial production resulting in increased imports, coupled with a stampeding inflation, all point to a major crunch by first quarter 1976. Government estimates of foreign short-term borrowing required for current account may be low at \$150 million in the coming year. Jamaica credit is weakening and aid inflows declining owing to poor performance. Foreign private capital inflows are at a virtual standstill because of uncertainty and lack of confidence in government policy. No significant or effective measures have been taken by government to deal with inflation and related problems to date and no planning is evident for the future.

B. Political: Interrelated with the above is an accelerating breakdown of law and order in many sections of Kingston now spreading to all other urban concentrations. The Jamaican tradition of politically-motivated, executed, and protected violence and terrorism exacerbates the problem. Police and military forces are traditionally fragmented and inadequate to deal effectively with the situation. At the root are the difficulties of a Labor government in dealing effectively with labor. Authorized and unauthorized strikes coupled with 100 to 500 percent or more wage raise demands are endemic and epidemic. Manley has so far been unwilling or powerless to establish guidelines or to discipline the major unions on which both political parties are based. The Opposi-

tion union (BITU) has, if anything, been more restrained and responsible than the government NWU, but the outlook is not encouraging despite constant last-minute government interventions to maintain essential services.

6. The GOJ has recently made some overtures, rather naive in presentation and content, to the USG dealing with their economic problems. These have received what was characterized in a recent Intelligence Summary as a “cold shower.” The \$64 question is what alternatives are open to Manley. I have not seen him since the massive Cuban build-up in Angola and am not aware how this may affect his great “friendship” with Castro, or his stated assessment that Castro is separable from the Soviets, but the Jamaica-Cuban rapprochement seems to be percolating along on several medium burners, and I would not be surprised if Manley turned to Castro for advice and possible help. Whether the United States responsiveness in some measure to these dilemmas would retard or deflect this avenue is open to debate. “Au fond,” I believe Manley recognizes the inevitability of his economic dependence on the United States but will certainly make every effort to get out from under to any degree possible on any pretext and will increasingly yield to existing significant pressures from his leftist anti-United States associates. His opposition is presently weak and largely ineffective, although a significant proportion of the voting population is fearful of the Cuban connection and far from sympathetic to the directions Manley’s government is leading Jamaica.

Gerard

459. Telegram 253 From the Embassy in Jamaica to the Department of State¹

Kingston, January 19, 1976, 1700Z.

253. Subject: Anti-American Activity in Jamaica and Visit of Mayer Matalon to United States. For Assistant Secretary Rogers from Ambassador Gerard.

1. In meeting with Prime Minister January 15, I expressed my great concern about the apparent acceleration of an anti-American campaign evidenced by the consulate demonstration, scurrilous leaflets, placards, newspaper articles and a spatter of "CIA out" graffiti all over Kingston within the last few days. A number of these bear the imprimatur of the PNP youth organization and at least two public statements are attributed to Dr. D. K. Duncan, PNP Secretary General.

2. Despite assurances received from Minister of Security Munn that PM had "sat" on his Left following last week's unrest and demonstrations, Manley was evasive in his reply. Saying only that he felt it was important to keep the radical youth within his party and that, although he recognized that from time to time they were guilty of excesses, he thought that a number of actions attributed to them were instigated by others (presumably the extreme Left represented by Trevor Monroe). Furthermore, they were merely reflecting the facts which emerged from the Senate hearings on the CIA. He turned off the subject by saying that he did not want the meeting to become "acrimonious." Considering that this was our first meeting since the consulate stoning and subsequent shooting of the guards, I found this attitude somewhat less than satisfactory.

3. In a subsequent meeting I had the same day with Minister of State in the Prime Minister's office responsible for economic and party affairs, William Isaacs, he expressed concern about the activities of

¹ Summary: Gerard reported on the apparent acceleration of an anti-American campaign in Jamaica and noted that Manley appeared to have made a definite turn to the Left.

Source: Ford Library, National Security Adviser Papers, Presidential Country Files for Latin America, 1974-1977, Box 4, Jamaica—State Department Telegrams, To Secstate—Exdis. Confidential; Priority; Exdis. In telegram 97 from Kingston, January 7, the Embassy reported on an anti-American demonstration during which protesters had thrown rocks at the U.S. consulate. (National Archives, RG 59, Central Foreign Policy File, D760005-0814) In telegram 96 from Kingston, January 7, the Embassy reported on political violence in the Jamaican capital that had broken out on January 6, just prior to the protest at the Consulate. (Ibid., D760005-0848) In telegram 305554/Tosec 250103 to Kissinger, then in Jamaica, December 31, 1975, the Department reported that Mayer Matalon had contacted Eagleburger and Rogers in an apparent effort to revive discussions on the possibility of arranging U.S. assistance to Jamaica in exchange for friendlier Jamaican policies. (Ibid., D750451-0956)

the PNP youth, said that their activities were the subject of a special meeting with Manley also January 15, but he left with the strong impression that he was doubtful that they either could or would be disciplined.

4. In the light of all recent events, I am even more convinced that my assessment made immediately following Manley's trip to Cuba is correct, and that he has made a definite flip to the Left. In addition, he has continued to alienate in an accelerating time frame all segments of the existing establishment, including the security forces, in such a curiously impolitic manner that one is led to the conclusion that he has either lost control or has deliberately aligned himself with the radical, pro-Communist Left.

5. When I learned from the update to the Secretary's briefing papers (State 305554) that Mayer Matalon had called you and Larry Eagleburger suggesting the meeting in Washington rather than conversations here with Al Fishlow, I received a clear signal that it presaged the start of one of the famous Matalon double-talk end runs. Matalon advised me that he intended to stop in Washington around January 20 following a trip to England. I have told Matalon that I wished to see him urgently prior to his departure to discuss his approach to USG, which he agreed had been mishandled to date. He has not responded, and I am now advised by the Israeli Ambassador who is extremely close to the Matalons—his office is in theirs—that Mayer was reluctant to see me until he had cleared with the Prime Minister and that Mayer had been unable to arrange an appointment to date. The Israeli Ambassador also informed me that this had hurt Mayer's pride and that the Matalons were extremely upset by the Prime Minister's recent announcement of a PNP "self-defense force."

6. I therefore now question whether it is in the best interests of the USG to pursue talks with Mayer Matalon in Washington on any basis until further clarification of the attitude of the Manley government. The economic noose is tightening, and it is certain that the GOJ is desperately seeking assistance from non-U.S. sources. If it develops any such alternative, which is viable, it will take it. If none is presented, it will probably again turn to us. But I suggest that now is not the proper time from our point of view and that any further approach by the Jamaicans must be made in a much less ambiguous manner than currently through the Matalons.

Gerard

460. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Rogers) to the Under Secretary of State for Political Affairs (Sisco)¹

Washington, February 6, 1976.

Circular 175 Procedure: Request for Authorization to Negotiate and Conclude an Executive Agreement with the Government of The Commonwealth of The Bahamas Regarding Our Continued Use of Military Facilities, Continued Exercise of Certain Operating Rights and the Status of U.S. Forces in The Bahamas

Summary

It is anticipated that talks will shortly begin with the Government of the Commonwealth of The Bahamas looking to the conclusion of a definitive arrangement permitting the continued use of U.S. military facilities and operating rights in that country. This memorandum updates the Circular 175 approved on October 23, 1973, and requests that you authorize me and those officers designated by me to carry out negotiations on this matter.

Discussion

Following independence on July 10, 1973, an interim agreement was concluded with the Government of The Bahamas on July 20, 1973, to permit U.S. military facilities and operating rights to continue in that country pending the conclusion of definitive arrangements. The interim agreement set the end of 1973 as the target date for the conclusion of negotiations for a definitive agreement, and on October 23, 1973, the then Under Secretary for Political Affairs approved a U.S. negotiating position as outlined in a Circular 175 memorandum (Tab 1). At the request of the GCOB, however, the target date for reaching agreement

¹Summary: Rogers requested renewed authorization for the conclusion of an agreement with The Bahamas on access to military facilities there, and he described the terms of the offer that the United States was prepared to make to the Bahamian Government.

Source: National Archives, RG 59, Central Foreign Policy File, P830032-0668. Confidential. Drafted by Heavner on January 19; cleared by Rovine and in draft by Michel, Nelson, Masson, May, and Hintze. Sisco initialed his approval to all three recommendations on February 7. A copy was sent to Crowley in EUR/NE. The attachments at Tabs 1 and 2 are published as Documents 440 and 455. Tabs 3 and 4 are attached but not published. In telegram 427 from Nassau, March 12, the Embassy reported that Adderley intended to renew talks after an upcoming trip to the United Nations. (National Archives, RG 59, Central Foreign Policy File, D760094-0529) In telegram 1740 from Nassau, November 5, Weiss reported that the Bahamian Government was not approaching the negotiations with a sense of urgency. (Ibid., D760413-0688) NSDM 221, dated June 5, 1973, is published as Document 433.

was extended several times, and no definitive agreement has as yet been negotiated.

The GCOB has now made it clear that it wishes to commence negotiations. Accordingly, we have authorized our Ambassador to proceed with an offer, the substance of which is outlined below. This authorization was based on the authority of the above-mentioned Circular 175 which I believe (and L concurs) remains applicable in its major points. The purpose of this memorandum is to update certain portions of the original negotiating authority.

The definitive agreements would delineate the facility and operating rights which we seek to maintain in return for certain monetary and other considerations. This Circular would authorize me or my designees to undertake negotiations with the Bahamian Government. We will act in coordination with the Department of Defense and have the support of their technical experts as required.

U.S. Objectives

Specific foreseeable U.S. military requirements on which we hope to achieve GCOB agreement include the following:

1. Continued use through 1991 of the Atlantic Undersea Test and Evaluation Center (AUTEC) on Andros Island, the U.S. Naval Facility on Eleuthera Island, the U.S. Air Force Eastern Test Range facilities on Grand Bahama Island, and a Coast Guard Long Range Aid to Navigation (LORAN) Station;
2. Continued operating rights for U.S. military vessels and aircraft to utilize Bahamian air space and waters during the same period. (We do not regard these operating rights as essential to the conclusion of a generally satisfactory agreement, however); and
3. A Status of Forces agreement covering U.S. personnel assigned to our facilities in The Bahamas.

In addition, we propose an exchange of notes with the UK to reflect our new U.S.–GCOB arrangements. This bilateral U.S.–UK agreement would also complement a conferral of third-party rights on the UK in the text of the U.S.–GCOB facilities agreement, permitting the UK to continue to use our facilities in The Bahamas.

UK Objectives

The UK desires the following:

1. Continued use of our AUTEC and Eastern Test Range facilities as long as the U.S. retains them;
2. Conclusion of a UK/GCOB Status of Forces agreement covering UK military personnel in The Bahamas; and
3. Rights to utilize Bahamian airspace and territorial seas similar to those which we seek.

GCOB Position

Although a special relationship with the U.S. appeared to be the primary GCOB aim at the time of independence, economic consider-

ations are evidently now paramount in the minds of the Bahamian leaders. In a September 25 letter to our Ambassador, the Bahamian Foreign Minister suggested an extremely high price for our continued use of our facilities and operating rights in The Bahamas: annual rental of \$5 million, plus \$500 million over ten years in "economic, technical, and security assistance," both to be retroactive to July 10, 1973 (Tab 2).

The GCOB is apparently no longer interested in association with NATO or entry into the OAS. It does continue to attach considerable importance to its chief interest in LOS matters, its claim to archipelago status, and our support on this issue may again be sought during the anticipated negotiations. (We have taken the position that we will support their archipelago concept only in the context of an acceptable international LOS agreement which meets our requirements, particularly as regards transit rights.) The GCOB may also continue to have an interest in U.S. measures to stimulate tourism to the islands and in eligibility for U.S. defense articles and training.

U.S. Offer

DOD has conducted an extensive review of the current military value of the facilities and the resources available to DOD to meet GCOB compensation requirements. Based on this study and other considerations, we believe we may be able to conclude a satisfactory agreement if we negotiate with the following as our maximum offer:

1. Annual rental payments of \$6.15 million, based on a 15-year lease to begin with conclusion of the agreement. An allocation of a portion of the rental monies in the amount of approximately \$15 million over a 15-year period may be applied to a training program for Bahamian citizens (a shorter lease period or retroactive rent would require an appropriate scaling down of the maximum rent we are prepared to pay);

2. Offer of \$5 million in FMS credits for FY 77 and sympathetic consideration of future FMS credit requests up to a total of \$25 million, subject to congressional authorization (such FMS credit could be used to fund the acquisition of defense articles specified in a 1973 DOD survey of GCOB security requirements or other items or services as agreed and authorized);

3. We are also willing to offer, subject to congressional approval, if necessary, a formula which would allow a lump-sum prepayment of part of the rent which would accrue to the GCOB over the 15-year period;

4. The turn back to the GCOB of over 2,000 acres of land now included in the U.S. facilities;

5. Continued improvement of the U.S. facilities, with accompanying economic benefits to the GCOB, totaling about \$15 million;

6. A continuous review of employment practices at the U.S. facilities in order to insure that there will be no unfair treatment in the employment of Bahamians or in their compensation.

In addition, the UK is willing to provide a grant of 3.5 million pounds in security assistance, plus an annual payment of 0.5 million pounds, all of which are contingent on conclusion of a successful agreement between the U.S. and the GCOB.

Main elements of the above offer were conveyed to the GCOB December 24. The GCOB has not yet replied.

We are not, at this time, prepared to offer concessionary economic assistance to the GCOB as a part of the quid for continued use of the facilities. State/AID strongly oppose provision of such assistance, because the relatively high Bahamian per capita income (about \$2,400) eliminates The Bahamas from the category of poor countries which Congress clearly intends should benefit from U.S. economic aid. State/AID also believe that the provision of such assistance to The Bahamas would inevitably raise the price of our continued use of military facilities in Barbados and in Antigua (the present agreement for the use of which expires in 1977). The DOD, for its part, does not wish to completely foreclose the possibility of considering the addition of a modest economic assistance package to our quid if it becomes clear that negotiations will fail without such assistance. All Agencies agree, however, that negotiations should be opened without extending any prospect of economic assistance to the GCOB.

Ancillary Agreements

At Tab 3, there are attached the texts of a draft U.S.–GCOB Facilities and Status of Forces Agreement, a U.S.–GCOB Operating Rights Agreement, and a U.S.–UK Agreement relating to continued UK use of U.S. facilities in The Bahamas. We anticipate that, simultaneously with the signature of these agreements, we would execute with the GCOB a lease of our military facilities, a memorandum of understanding regarding foreign military sales, and an exchange of notes outlining the remaining elements of the U.S. offer, described above. The proposed agreements at Tab C have been reviewed by the Office of the Legal Adviser. That Office has determined that they can be concluded as executive agreements under present law, but recommends congressional consultation regarding the form of the various proposed agreements. A Memorandum of Law is annexed at Tab 4.

Legal Authority

Although, as the Memorandum of Law at Tab 4 concludes, the proposed agreements can all properly be concluded as executive agreements under present law, the Congress has exhibited during recent years an ever-increasing interest in the form and substance of international agreements relating to U.S. military facilities abroad. Accordingly, we are consulting with concerned Congressmen and congressional committees. Should these consultations result in a request that

any part of the proposed agreement be submitted to the Congress for approval, further recommendations to you regarding this matter will be forthcoming.

NSDM 221 of June 5, 1973, directed that any agreement worked out should be on an *ad referendum* basis and submitted to the President for final approval. Our initial response to this NSDM reported on the interim Carry Over Agreement which will preserve our military rights in The Bahamas while negotiations continue on a definitive agreement.

The Department of Defense and the Coast Guard concur in the foregoing.

Recommendations:

1. That you authorize the Assistant Secretary for Inter-American Affairs or his designee to engage in negotiations based upon the draft agreements at Tab C for the purposes and in the manner described above, including consultation with the concerned congressional committees.

2. That you authorize the Assistant Secretary for Inter-American Affairs, subject to the concurrence of L, PM, H, DOD, Coast Guard, and other concerned offices and agencies, to approve changes in the texts of the agreements at Tab C resulting from negotiations and consistent with the U.S. objectives described above.

3. That you authorize the Chief of the United States Diplomatic Mission in Nassau to sign the resulting agreements, subject to the President's approval in accordance with NSDM 221.

461. Memorandum Prepared in the Central Intelligence Agency¹

Washington, March 5, 1976.

SUBJECTJamaica at the Crossroads²

Jamaica's effort to fulfill the requirements and aspirations of independence without drastically altering its colonial political system and social structure has begun to take a turn that could have tragic consequences. After 14 years of independence, two basic forces are in contention. On one side are the pressures for orthodoxy imposed by the fragility of the island's economy and by the political preferences of a privileged establishment. On the other is the pressure for drastic overhaul that emanates from the worsening plight of the peasant and from the energetic persuasions of a radicalized young urban generation. The balance between these conflicting but long-stalemated interests now is shifting in favor of the more dynamic second force.

Jamaica's burden of third-world problems is pushing it toward third-world formulas for solution. Prime Minister Manley, who detects disaster ahead if the island maintains its present direction, sees possible solution only in risking the uncertainties of an untried course. Manley's deep understanding of Jamaica, his appreciation for the impact of outside influences on his country, and his familiarity, after four years of leadership, with the limits and potentialities of his levers of power give him confidence in his own political instincts.

His assessment in general terms is fairly clear. He believes Jamaica's system as it stands cannot serve the interests of most islanders. The strongest evidence of its failure is in the attitudes of the new generation: the intelligent, educated young people are typically revolutionary radicals; many of the less fortunate, jobless and hopeless, expend their energies in criminal and violent action.

Manley's vision of how to respond to the exigencies he identifies is also generally clear. He will explore the range of models available in the third world, evaluate their applicability to the local scene, and in-

¹ Summary: This assessment reviewed the situation in Jamaica, concluding that Manley was increasingly influenced by pressures for a drastic overhaul of the country's political and economic systems.

Source: Central Intelligence Agency, [text not declassified] Files, Job 85T00353R, Box 1, Folder 26. Confidential. All brackets are in the original except those indicating text that remains classified.

² This paper was prepared by the Office of Current Intelligence, Western Hemisphere Division of the Central Intelligence Agency. All comments and queries should be addressed to [less than 1 line not declassified].

roduce specific elements of them as circumstances permit. At the same time, he will do what he can to create a hospitable climate for his experiment.

With this goal in mind, he probably considers that the time has come to determine the limits of his maneuverability. He will test and probe to find the source and strength of opposition. He will want to see, too, what minimum pace will suffice to keep his radical advisors on his side.

Manley has adopted tactics that he hopes will have a double payoff. In dealing with the middle class, he seems to accept their alienation as a necessary cost but one that he hopes to minimize. While he encourages the most disaffected to leave the island, thus removing a potential source of opposition, he is sufficiently responsive to middle-class concerns to prevent the kind of stampede that would do intolerable damage to his and Jamaica's image. The first approach builds his credibility with his radical associates; the second demonstrates the wisdom of slowing the revolutionary process as conditions dictate.

He is also concentrating on consolidating his personal power, and herein lies the fatal flaw in his vision. Manley will whittle away at his opposition and probably can manage, over time, to ensure that his party monopolizes the political process. He envisions Jamaica's future with himself at its center. His radical supporters, though, are looking beyond Manley, and their "new Jamaica" is likely to be a grotesque version of his.

"Democratic socialism" offers Manley the key to fulfilling his obligation to build on his father's legacy. The concept honors the senior Manley's democratic principles and adds the new dimension required by the new generation. Manley's model melds what he sees as the best in both the democratic and authoritarian political forms. It also suits his style, which combines a love for political rough and tumble with a paternalistic political morality. Offended by the predatory, exploitive flaw he discerns in both communism and capitalism, Manley is attracted to the inventive correctives sought by the Third World.

Both domestic and external circumstances tell Manley that the moment is ripe for political audacity. He believes conditions on the island are becoming intolerable, that Jamaica is a tinderbox ready to explode into total violence unless there is some visible, credible effort to remedy social and economic discrepancies. Despite his past failures, his charisma is untarnished and re-election—with the opposition fragmented and intimidated—is a near certainty.

In the world outside his island, he sees the growing solidarity among the less developed countries as providing a salubrious climate for independent behavior by a small nation. He is inspired by the example of new societies around the world, especially nearby Cuba, and

sees little likelihood of damaging reaction from U.S. investors if he tries to emulate them.

U.S. policy toward Jamaica is a significant ingredient in the mix of factors that will shape the island's future. Like other entities in the Caribbean, it cannot sustain its current level of development, much less improve, on its own. Over the long term, Manley believes that dependency might be eliminated by the wealth-sharing envisioned under the "new international economic order." But for now, the island's advancement is tied to help from outside.

The lack of attention perceived from the U.S. is a source of despair to Manley's opposition and the growing ranks of defectors from his cause. U.S. assistance, they think, would ameliorate Jamaica's bleak economic situation, reduce the social tension, and sweeten the island's prospects under a moderately nationalistic but pro-Western government. They fear that U.S. indifference will enhance the young radicals' ability to influence Manley and hasten the corruption of parliamentary democracy. Many middle-class Jamaicans have already decided that Manley's infatuation with Castro, his affection for the young rabble-rousing Jamaicans, and his attacks on capitalism make the leftward drift irreversible. They are abandoning the island.

For Manley, the U.S. is a weakened giant that will not help but can still cause harm. The island's dependence on income from mainland tourists and U.S. aluminum companies makes it essential for Manley to avoid outraging the Americans. Not sharing the unalterable enmity his youthful advisers feel toward the U.S., moreover, his mind is not closed to a productive alliance with Washington. But he sees such an alliance as out of the question with the current administration, which he stereotypes as hostile toward the Third World. Until he detects a turnaround in Washington's attitude, he will postulate Jamaica's final independence on gradual disengagement from the U.S.

Beyond this formidable economic restraint on the speed with which he replaces capitalism with socialism, there is little to impede Manley. His adversaries have little to use against him except rhetoric, which cannot match his own. If they resort to violence they will provide him the excuse to use the security forces against them, to call for martial law, or to unleash the self-defense force that he has created within the party. In the streets, his support from the left gives him access to the slum gangs and party militants responsive to his radical housing minister, Anthony Spaulding. As long as Manley moves within constitutional bounds, he has nothing to fear from the apolitical Jamaican Army. [3 lines not declassified]

Manley seems likely to continue on his leftward course, pausing only to withdraw or water down proposals that create more tension than he wants. Over the next year or so, the situation in Jamaica will

probably remain much as it is today with continuing political conflict and violence, and with Manley winning a little more authority in each round. The game will be election politics until the voting delivers to Manley the people's stamp of approval on his blueprint for a new Jamaica.

Manley's relatively practical approach to bilateral affairs with the U.S. suggests that he recognizes the limits of Jamaica's possibilities. At the moment he remains at liberty to balance a radical foreign policy against a contrasting moderation in matters that directly affect the island. If he currently inclines toward his tough-minded advisers, he nevertheless remains unindebted to them while they continue dependent on him. His imperious confidence that he knows what is best for Jamaica and his growing impatience with the frustrations of a parliamentary system, however, imply a vulnerability to radical exhortation.

Unless the radical elements burn themselves by pushing Manley too hard or abusing what license he grants them, they will remain the obvious heirs to his power monopoly. As his more sober advisers leave him or trim their sails to the prevailing winds, Manley seems likely to become increasingly isolated with and impressed by the blandishments of the young revolutionaries. Their ideas about cutting the imperialist knots will be less modest than his.

They will want a more intensive policy on the Jamaicanization of industry, at a minimum. They probably will speak against the wide range of cultural and economic intrusions from the U.S., whose media, information, entertainment, and lifestyle pervade the island and whose citizens own a substantial amount of property there. The radical political formulas that would result would almost surely deny Jamaica access to aid, investment, or support from the U.S., Western Europe, or Japan, or any "capitalist" source.

Manley already has the support and sympathy of Cuba, but how far he would wish to or could parley that affinity into a real subsidy from the Communist world would depend on a host of variables. The most commanding questions are whether the Soviets would have any interest in bearing the cost, directly or through their Cuban surrogates, of another Socialist "victory" in the U.S. domain; and whether Manley could be converted or forced by desperation to pay the political price of such support.

462. Memorandum for the Record¹

Washington, March 23, 1976.

SUBJECT

ARA/CIA Weekly Meeting, 19 March 1976

PARTICIPANTS

ARA—Assistant Secretary William D. Rogers;
CIA—Mr. Richard Sampson, Mr. Ray Warren;
INR/DDC—Francis De Tarr

[Omitted here is material unrelated to Jamaica.]

Jamaica: Reston article; Questions

Assistant Secretary Rogers said that James Reston's article ("Castro and the Caribbean") in the *New York Times* two days earlier had caused much comment, particularly the first paragraph ("Fidel Castro's Cuban Government, according to high officials of the Ford Administration, has entered into an agreement to train the police forces of Jamaica, and is also increasing its political contacts with Black revolutionary elements elsewhere in the Caribbean basin.") There have been many questions about the article. The Jamaican Ambassador had complained; Prime Minister Manley was upset. It probably would be enough for us now not to say any more and to refer reporters to a statement made by the Jamaican Minister of Security, Keble Munn. It did not appear that any sources were compromised by the story.

A discussion ensued as to what, if anything, we should do about Jamaica. Noting that Jamaica's big problem is its economic situation, Assistant Secretary Rogers noted that the IMF does not want to get involved. Mr. Sampson said that this is why the Jamaicans are looking to the Cubans. Assistant Secretary Rogers asked whether we should be concerned. Perhaps we should let the Cubans bail the Jamaicans out? Mr. Warren said we *should* be concerned about a possible close relationship between the Jamaicans and the Cubans, and said that to the extent the Jamaicans see they are getting nothing from us they will look to the Cubans and Soviets. Assistant Secretary Rogers speculated on the possibility of going back to Congress to try to get \$200,000,000 to bail the

¹ Summary: Officials from the Bureau of Inter-American Affairs and the Central Intelligence Agency discussed which actions, if any, the United States should take with respect to the situation in Jamaica.

Source: Department of State, INR/IL Historical Files, ARA–CIA Weekly Meetings, 1975–1976. Secret; Sensitive. All brackets are in the original except those indicating text omitted by the editors. The James Reston article entitled "Castro and the Caribbean" appeared in the *New York Times* on March 17, 1976, p. 41.

Jamaicans out for one year. Mr. Warren said that Jamaica presents Cuba with an opportunity in the hemisphere, and said we also need to look beyond Jamaica. Mr. Sampson noted that the President recently made a statement warning about armed intervention in Latin America. But what if Cuban intervention comes piecemeal. Suppose we did nothing? What would the White House say? If the Cubans bail Manley out, they will get him into their sphere. What if Jamaica becomes a Cuban satellite? This does bother us. What should we do?

Assistant Secretary Rogers asked what the likely economic outlook would be if we do not help Jamaica. And if we did, would we be subsidizing the incompetent? If we don't lift a finger, what would Manley's response be? If the Soviets offer \$200,000,000, would he proclaim Jamaica a Marxist popular Socialist republic? How a country governs itself is its own business.

Mr. Sampson asked what the attitude of the White House would be to such questions. President Kennedy had been concerned about Cheddi Jagan's activities. Assistant Secretary Rogers suggested that Mr. Bush be asked to raise the subject in the NSC. In any case, Congress was not going to provide money. What should be done?

[Omitted here is material unrelated to Jamaica.]

463. Telegram 866 From the Embassy in Barbados to the Department of State¹

Bridgetown, May 10, 1976, 1937Z.

866. Subj: Barrow Continues Attack on U.S. as By-Election Nears.
Ref: Bridgetown 835 and Bridgetown 845.

¹ Summary: The Embassy reported on charges by Barrow that the United States was engaged in an effort to destabilize his government and those of other Caribbean countries.

Source: National Archives, RG 59, Central Foreign Policy File, D760180-0615. Confidential. Repeated to Georgetown, Kingston, Nassau, and Port of Spain. In telegrams 835 and 845 from Bridgetown, May 6 and 7, the Embassy reported on Barrow's allegations that the United States was seeking to destabilize the Governments of Jamaica, Guyana, and Barbados, and suggested that Barrow's comments were an effort to revive the faltering popularity of his political party. (Both *ibid.*, D760175-0360 and D760177-0354) In telegram 1826 from Kingston, May 6, the Embassy reported on a conversation with Manley on charges by Jamaican officials that the United States was involved in destabilization efforts there. (*Ibid.*, D760176-0268)

1. PriMin Barrow on May 5 charged the United States with attempting to “de-stabilize” Caribbean governments (reftels) and, without specificity, said the U.S. does so through “nationals” of these islands. On May 7, before a massive Friday night rally of the Democratic Labour Party in the city’s main square, Barrow charged that it was the CIA which was the U.S. agent of the destabilization of which he had spoken. Barbadians should beware of joining American-based international groups, Barrow warned, for they may thereby unwittingly abet the CIA, which operates under the cover these groups provide. One such group, according to the PriMin, who cited a book written by “a former CIA agent is the International Federation of Women Lawyers (IFWL). It happens that the opposition, the Barbados Labour party, has put forward a candidate, Miss Billie Miller, who is a well-known member of the IFWL.

2. As Barrow explains, the U.S. is attempting to destabilize the Govts of Jamaica, Guyana and Barbados because the U.S. believes they will be influenced by Cuba and because Jamaica and Guyana in pursuit of their Socialist policies had made decisions anathema to U.S. concepts of capitalism. Barrow reaffirmed his own belief in democratic socialism.

3. *Comment:* We have reported that Barrow has taken to this anti-U.S. campaign because he and his party, in power for 15 years, are failing politically. A loss in the May 12 by-election would confirm this, so Barrow and the DLP want desperately to win it. Barrow hopes—vainly, we believe—that slanging the U.S. will improve the DLP’s situation. We do not know how much support he has within his party for the course he has chosen, but it does not matter since the PriMin is an autocrat. There probably are some DLP dissenters, albeit secret dissenters, from this foolhardy and crude attack on the opposition through the U.S.

4. We also said that in attacking the U.S. Barrow may be speaking his true sentiments. In understanding Barrow one must appreciate that he is a British Socialist, parlour variety. To think of him primarily as a Black leader taking his country to full independence after centuries of white colonialism is to misunderstand the man. Even if he has no antipathy to the U.S. as such, he has that mild cultural aversion to the U.S. found among some elements of British society, usually but not always of the Left. The campaign seems to be bringing these attitudes of the man out into the open. *End comment.*

5. *Advocate-News* reports on Barrow’s remarks at the DLP rally and the opposition’s response being reported septel.

Britton

464. Memorandum of Conversation¹

Santiago, Chile, June 9, 1976, 9:15 a.m.

SUBJECT

Secretary's Meeting with Jamaican Foreign Minister Thompson

PARTICIPANTS

Jamaica

Foreign Minister Dudley Thompson
Ambassador to the United States Alfred A. Rattray

U.S.

The Secretary
Assistant Secretary William D. Rogers, ARA
Stephen Low, NSC (Notetaker)

The Secretary: I think my African trip was extremely useful. I was very impressed by Nyerere.

Thompson: He is very good. Calm, philosophical, and unemotional.

The Secretary: I believe we can keep the situation confined to the African framework. We don't want the cold war in Africa.

Thompson: There is a lot I don't know about Africa—Ethiopia, for instance.

The Secretary: There are a lot of anomalies even for us. In Ethiopia we give military aid. For all I know they may be anti-American.

Thompson: The situation is disorganized. Another country that is not easy to understand is Nigeria. (The Secretary was called out of the room for a phone call. The conversation continued on his return.)

The Secretary: Let's talk about destabilization . . . but first about Africa. We have to get at the problems of Southern Africa and support development in the rest of the continent. We simply cannot accept organized military intervention by Cuba. That is a fact. There will be an American reaction; I guarantee you that, no matter what you may read

¹ Summary: Kissinger and Thompson discussed allegations that U.S. funds were supporting disruptive elements in Jamaica as part of a campaign of destabilization.

Source: National Archives, RG 59, Central Foreign Policy File, P820118-1658. Secret; Nodis. Drafted by Low and approved by Collums on July 14. The meeting was held in the Secretary's Suite at the Hotel Carrera. Kissinger and Thompson were in Santiago to attend a meeting of the OAS General Assembly. In telegram Secto 16094 from Mexico, June 11, Kissinger informed Gerard of his "extremely frank review of destabilization problem" with Thompson. (Ford Library, Gerald R. Ford Papers, Trip Briefing Books and Cables for Henry Kissinger, 1974-1976, Kissinger Trip File, Box 26, June 6-13, 1976—Latin America, Secto) Jack Anderson's article, "Terrorist 'Fish' in a Sea of Tourists," is printed in the *Washington Post*, May 16, 1976, p. 35. The *Wall Street Journal* article is not further indented.

in the press. Cuba can conduct a global foreign policy if it wants, but not engage in military intervention.

Thompson: Surely the initiative is not Cuba's. The mainspring is the Soviet Union. Cuba was on the bones of her tail and doesn't have the means or the resources to send its people that far. But what puzzles me is why is it that, if this is the case, the Russians are getting along so well with you.

The Secretary: Our relations have suffered seriously.

Thompson: The thing that affects us is the increase of tension after Angola.

The Secretary: What do you think is being done?

Thompson: Money is being poured in.

The Secretary: By whom, the CIA?

Thompson: CIA agents themselves or others. It is going into trade unions and to other disruptive elements in my country, and it is coming from the U.S.

The Secretary: There may be disruptive elements, but they don't come from the U.S.

Mr. Rogers: At least there is nothing by way of official policy.

The Secretary: I told Prime Minister Manley that I would look into this. I did and there is nothing going on. If you produce any evidence of what is going on, we would appreciate receiving it. No private U.S. organization would do anything in a friendly country. It is possible that, if companies ask whether to put money into Jamaica, it may not be our policy but I have no doubt that, there are people in the government who might say that it is not a stable country. Frankly, I hear all the time that you are not stable.

Thompson: We have a group of unemployed men who had nothing. All of a sudden we see them in well-organized, well-equipped and supplied groups. Where does the money come from?

The Secretary: Let's do a joint investigation. I can assure you that this money is not coming from us. If you want to say it publicly, we will get mad; but if you really want to know I can assure you about this. I can't control every last person in the government who may advise someone against putting money into Jamaica. It is possible that, in reply to a question, someone would answer that the situation was very unstable and that they may not get their money out. You are barking up the wrong tree if you are going after us.

Thompson: I have always denied that the U.S. was directly involved.

The Secretary: I know a public relations genius when I see one. You deny everything but in the process repeat it again.

Thompson: We understand that beyond government agencies there are some elements in the U.S. that might be involved. It started in the trade unions.

The Secretary: I tell you I can't be sure there is not some private institution which is going to spend some money, but I would be glad to have a joint investigation or else you make the investigation and tell us. There are three possibilities: first, either it is not going on; or, second, if it is, it can only come from two sources—another foreign group or, if from the U.S., from a private group without the knowledge of the government. There is absolutely no authorization for this, and I can't imagine a private group doing it. Could we get an investigation?

Thompson: It is not a lot of money.

The Secretary: One hundred thousand, two hundred thousand?

Thompson: More. Millions . . . 1 million, maybe 2 or more.

The Secretary: When I get back I will get the FBI investigating this issue. We will say you estimate there are 1 or 2 million dollars going into Jamaica.

Thompson: Or even more. It comes from Jamaicans who left. They took it out of the country with them when they went. They sold out and are operating from America.

The Secretary: Can you give us leads—names of people you suspect?

Thompson: They are based in Miami Beach and New York.

Mr. Rogers: There may very well be a violation of U.S. law.

The Secretary: If it is going on we will put a stop to it. How do they get the money out?

Thompson: They have couriers. They took some with them and then they come back again.

The Secretary: We have to start an investigation. (To Rogers): Will you write a letter to the Attorney General. Tell him that this charge has been made and that you want to request a formal investigation of it.

Mr. Rogers: Can you suggest any one of your people with whom we can get in touch.

Thompson: G. Arthur Brown.

The Secretary: We will tell our law enforcement people to get in touch and let you know the results. You know I like Manley.

Thompson: I know you wouldn't do anything which is not in our interest, but it is very frustrating. We try to get some money and suddenly things just dry up. Is this a conspiracy against us?

Mr. Rogers: Some of this has to be due to the banks and to normal workings of market forces.

The Secretary: What we hear is that you are moving closer and closer to Cuba. I can assure you there is no government effort here. We have done nothing to restrict credit or take any punitive action. There

may be something going on with private groups, but I have not seen any evidence of this.

Thompson: There is a clear line about this. I follow it very closely. I look over every project and every single activity the Cubans are engaging in, whether it is one person for a construction project or for social development. As we move closer to Cuba, we become completely confident we have examined their system and found that it is not the one we want. Neither the Jamaican Government nor the opposition finds it applicable. The closer we get the more confirmed we are in this view. We would like the U.S. to understand this.

The Secretary: Whatever you send the people there for or whatever they put on the curriculum, it is impossible that they can spend time there without indoctrination. I can assure you of that.

Thompson: We think it is going the other way around. These fellows see things they have never seen before.

The Secretary: We have no right to tell you how to run your foreign affairs, but we are concerned that there might develop a degree of Cuban influence that would be difficult to manage. Your relations are none of our business, and we have no campaign to weaken your government.

Thompson: Take the press. There was a statement in the *Wall Street Journal* that we have over 300 policemen being trained in Cuba. The facts are that we have some 300 policemen trained all over the world. Two hundred fifty of them are in the United Kingdom. There are several in the U.S. and exactly three in Cuba. I gave the correction to the *Wall Street Journal*, and they misprinted it again, so I sent them a tape of the interview and they finally printed a correction.

The Secretary (To Rogers): Isn't it in our internal government papers that they have 300 in Cuba?

Mr. Rogers (To Thompson): Three?

Thompson: Another time there were nine: a policeman or two, some internal security and protection people—no more than 50 have ever been trained there. Sometimes there is a special case that is being investigated but never more than 20 at any one time.

The Secretary: I thought it was 300.

Thompson: There you are!

The Secretary: We believed it officially. It is quite possible some reporter checked this in Washington. If someone was doing an article on the subject, it is possible that he would make an inquiry and get a figure like this from us, but we never announced it.

Thompson: It all passes over my desk. Every Cuban who comes in I know about. The *Wall Street Journal* published another article about the doubling of the Cuban Embassy staff from 38 to 68. As a matter of

fact, there are 16, including drivers, in the Embassy. It is little bits of poison like this that hurt us.

The Secretary: The U.S. press has been engaged in a concerted campaign against me for over a year. We can't control what they write. They check with us and we give them the facts. You tell our Embassy what the facts are. I thought there were three hundred.

Ambassador Rattray: I asked the State Department to correct the figures.

Mr. Rogers: That was after the story was printed.

The Secretary: They retract it in some obscure place and then re-print it in the retraction, so it gets two hearings. I don't ask for retractions any more.

Thompson: When I complained to the *Wall Street Journal* I said: "This is what I said. . . ." They replied that that was not what their reporter said, so I sent them a tape of what I had told the reporter. Then there was another article in the *Washington Post* by Jack Anderson.

The Secretary: He is totally out of our control. I don't exclude that there may be some complaining against Jamaica. If Jack Anderson writes something, he has checked his facts first. He printed an excerpt from a briefing I gave after I came back from Africa. It was out of context and misleading, but not totally inaccurate.

Thompson: The Jack Anderson article was about a supposed exotic terrorist sect in Jamaica that was going to the Olympics and was planning all kinds of terrorist activities. There are supposed to be 3,000 in New York City, and they came from Ethiopia and are linked with the Red Terrorists of Japan. Well, this is a hippy, flower-children type group. They smoke marihuana and are not violent. There isn't one who knows where Japan is, and they don't know whether Kuala Lumpur is a boy or a girl. They were religious nuts. To link them with terrorists is nonsense.

The Secretary: I don't read him unless he mentions me. I didn't see that article.

Thompson: The *Washington Post* is a prestigious paper. Whatever you think of Anderson, he is an honest man. He says that his article is based on "intelligence data" which says this.

The Secretary: If he says it, then he got hold of something.

Thompson: You know the Jamaicans. They are peaceful people and they certainly are not terrorists. These people wander around and smoke marihuana and end up in jail. There were words used in the article from locations 50 miles from Kingston. Nobody could possibly have known them unless it came from sources inside Jamaica. But he cited them as "intelligence sources."

The Secretary (To Low): Steve, look into that. See whether there is any intelligence report on which this could have been based.

The Secretary (To Thompson): If there was a report it can't have gone to many people. We can see who received it. It is possible that someone else leaked it to Anderson. Our discipline has eroded since the campaign started. We will begin to investigate this immediately to find out whether the transfer of funds which you believe is going on is coming from Jamaican émigrés. We'll tell our enforcement people to get in touch with the gentleman whose name you gave us. With respect to allegations like the 300 Jamaicans in Cuba, if you make sure that we are properly informed on things like this before the stories appear, we won't wittingly spread such stories. I see reports, and our Ambassador believes that there is a systematic anti-U.S. campaign going on in Jamaica. He has been trying to see Manley for some time. He is very exercised about the situation. I can even say he is outraged. I don't follow it closely myself but apparently your government sent a telegram of appreciation to the Latin American journalists meeting, thanking them for the resolution on destabilization.

Thompson: A group of journalists were meeting in Mexico. There were some strong Cuban efforts there to point fingers. The Jamaican journalists refused to sign.

The Secretary: But your government congratulated them.

Thompson: They mentioned the destabilization efforts. They didn't publicly point to the U.S.

The Secretary: Strangely enough, that word was never used by any American official, but it is a word which is clearly identified with the U.S.

Thompson: Its genesis was not far from here. Whether it comes from the trade unions or from other sources, we are finding it tough. I am speaking to you as a friend of Jamaica. We know you are sympathetic to us.

The Secretary: I tried to help you on the bauxite negotiations.

Thompson: Yes, we know. But I am sure you realize how much we need your help. They circulated a rumor that Alcoa was closing down. They did it through the trade unions.

The Secretary: Is Alcoa leaving?

Thompson: No. In fact, it was closed briefly, but Revere is still in court. There is no doubt they are trying to collect insurance. They make impossible demands—like one single item for enough cement to pave the whole island. But we are not going to expropriate. We are not going to let anyone push us into a corner. You know best how to assist us. We need financial help.

The Secretary: Let me tell you that I am well-disposed to Jamaica. It is not a country that can be a threat to us but it could be a disaster for you. I am generally well-disposed to help you get credit. I know Prime Minister Manley sent up a friend who made a request for a large sum. We don't do that. There is an impression that Manley wants to get himself reelected on the basis of an anti-American campaign. In some quarters this is the impression.

Thompson: I am glad you mentioned this because it is false. It is utterly revolting to my mind. Manley is going to win, but not in this way.

The Secretary: It would help if we could lower the rhetoric which we address to each other. Maybe we can restore calmer conditions. We have no policy not to be helpful. I have not addressed your problem in detail, but I remember there was some very large sum you asked for.

Mr. Rogers: We have been working with the World Bank which has been consulting with Jamaica on this matter. Our problem is that Jamaica is one of the wealthiest of the underdeveloped nations on a per-capita basis. We are under a congressional mandate to restrict our assistance to the neediest. But we are trying to put something together with the Bank.

Ambassador Rattray: The difficulty is that that is long term.

Thompson: We have to look to see where we can get it quickly. It is an urgent matter with us.

The Secretary: I got a report that the Soviet Union has offered through Cuba to buy all your excess bauxite and sugar.

Thompson: That's good news. I would sell anything they would buy. I know that Algeria is going to buy some of our bauxite, but this is news to me. It wouldn't necessarily make Manley popular in Jamaica. There is a certain amount of anti-Americanism, but I will be frank. I heard that a part of the youth wing of our party was going to stage a march. I denied it. Some Communists were going to organize it. The march took place. That was when a Jamaican policeman was shot in front of the American Embassy. That sort of thing is what creates popularity.

The Secretary (getting up): Why don't I write to you or to Manley within three weeks to tell you exactly what the situation is. Can you make sure that we reduce the level of rhetoric?

Thompson: What do you think of this place? I think they muffed the ball a second time. They were afraid to allow me to see anything. I like to look around and see how things are going.

The Secretary: We will operate on the basis of my statement yesterday.

Thompson: It makes me feel like Nuremberg in 1933. Just to look at this show of force makes me uncomfortable. The stark military aspect is oppressive.

The Secretary: They had a tough problem as you recognized in your speech.

Thompson: Yes, there was a fear creeping up in people. I don't like to endorse people like this. I will not leave my name as having seen this country and been satisfied with it.

The Secretary: We won't sign any endorsement. Will you?

465. Interagency Intelligence Memorandum¹

Washington, July 19, 1976.

SUBJECT

Jamaica at the Crossroads

KEY POINTS²

Prime Minister Manley's outlook and methods of governing have shifted steadily to the Left since he assumed office in 1972.

—The shift became pronounced following his first meeting with Fidel Castro in late 1973 and is reflected in an increasing array of ties and in the growing belief in Manley's circle that Cuba provides a model for meeting Jamaica's needs.

—From an early belief in romantic socialism, Manley has progressed to a vague program of "democratic socialism;" more recently he has asserted that the capitalist system is corrupt and moribund and incompatible with democracy.

—Manley is breaking with his conservative and middle class advisers—including most of his fellow members of Parliament—and is re-

¹ Summary: This assessment concluded that Manley's outlook and methods of governing had shifted steadily to the left since he assumed office in 1972 and that a second Manley administration would most likely be more radical than the first.

Source: Central Intelligence Agency, National Intelligence Council Files, Job 91R00884R, Box 10, Folder 11. Secret; [handling restriction not declassified]. All brackets are in the original except those indicating footnotes in the original document or text omitted by the editors. In a July 12 report on destabilization charges in Jamaica, INR concluded that Manley's campaign was "part of an election tactic using the U.S. as a scapegoat for Jamaica's problems." (National Security Council, Ford Intelligence Files, Subject Files A–L, Box 11, Jamaica, 20 Jul 1976–17 Aug 1976)

² This memorandum was prepared by the Central Intelligence Agency and reviewed and coordinated by representatives of the Bureau of Intelligence and Research, Department of State, the Defense Intelligence Agency, the Department of the Treasury, and the National Security Agency. [Footnote in the original]

placing them with a "kitchen cabinet" composed of young radical leaders of his People's National Party.

—Mounting evidence suggests that Manley is attracted to the radicals' efforts to impose one-party hegemonic rule.

—He increasingly sanctions the confrontational techniques favored by the radicals—most of whom performed their political apprenticeships in the Black supremacist, New Left, and Marxist groups that thrived in Jamaica in the late 1960s—and who have intimate ties with Cuba.

—Since last summer Manley has brought the military and police forces more under his control by replacing apolitical officers with individuals who are personally loyal to him.

—The traditionally independent media have come under mounting pressure to report favorably on Manley and his programs.

We believe that Manley, in his determination to continue as Prime Minister, will employ all tactics necessary to achieve this end, but he has probably not yet committed himself to ending democratic rule in Jamaica.

—The state of emergency, imposed on June 19, has been enforced in a blatantly political manner to debilitate the opposition Jamaica Labor Party and to help guarantee that Manley and a majority of his party's candidates will win in the elections that must be held by next May.

—In November he will be allowed by the Constitution to create seven new parliamentary districts, and he undoubtedly plans to make most of them safe for his candidates.

—Fraudulent voter lists will be prepared.

—Manley holds another trump card in being able to conclude favorable agreements with the U.S. and Canadian aluminum companies before the elections; this would be highly popular.

Prospects for an early agreement between Jamaica and the aluminum companies are only fair, because Manley will have to further increase their taxes to stem spreading economic decline.

—The three U.S. firms and one Canadian firm involved have been prepared to sign final agreements, but Manley has delayed.

—He may be waiting for an upturn from world recession to increase his leverage on the companies.

—Jamaican bauxite and alumina account for two-fifths of U.S. supplies, and it would take the U.S. companies, which have invested more than \$660 million in Jamaica, several years to develop alternate sources.

—We do not believe that Manley now plans to expropriate the companies during the next few years.

—If the U.S. market were lost, it would have disastrous effects on the Jamaican economy.

—Manley would be unable to sell more than token amounts of the ores to the Communist countries.

A second Manley administration most likely would be more radical than the first.

—He could be expected to move into even closer alliance with the young radicals and become more alienated from the middle and upper classes.

—As this occurred, whatever is left of consensus, ministerial, and parliamentary forms of government would further erode as the party became the central arbiter of national policy.

—Such shifts could culminate, toward the middle or end of a second term, in institutionalized one-party authoritarian rule.

—Manley would probably move cautiously but persistently to expand public ownership and control of the economy.

—Relations with Cuba would become even more extensive; the Castro government is likely to expand human and technical assistance to draw Jamaica into its sphere of influence.

—Manley probably would want to reevaluate relations with Washington, and look for positive changes in U.S. policy. Relations with the U.S. could easily deteriorate into a chain reaction of confrontations, nonetheless.

[Omitted here is the body of the memorandum.]

466. Memorandum From Samuel M. Hoskinson of the National Security Council Staff to the President's Deputy Assistant for National Security Affairs (Hyland)¹

Washington, August 17, 1976.

SUBJECT

Covert Action in the Caribbean

Bill Wells has sent you the attached paper concerning the possibilities for covert action in Jamaica and the Caribbean in general. His basic conclusion is that there is little or nothing that can be done at this time in the way of covert action to influence Manley or the outcome of Jamaica's forthcoming elections. Wells does promise, however, to

¹ Summary: This memorandum commented on the possibilities for covert action in Jamaica and the Caribbean in response to worrisome developments in the region.

Source: National Security Council, Ford Intelligence Files, Subject Files A–L, Jamaica 20 July 1976–17 August 1976. Top Secret; Outside the System. Sent for information. Hyland wrote, "I agree," next to statements asserting that aid to Jamaica was unlikely to buy much good will and that rising Cuban influence in the Caribbean was worrisome. Hyland wrote, "OK," next to the suggestion that he ask the CIA about the status of a paper on possible covert action in the region; the paper is in the National Archives, RG 59, Central Foreign Policy File, P860055–1161. Also published is the attached August 5 memorandum from Wells to Hyland. Secret. The July 19 memorandum referred to in the attachment is published in part as Document 465.

provide a proposed program to counter expanding Cuban influence throughout the Caribbean.

Outside the covert action arena, Wells recommends offering Manley significant economic assistance as an inducement to stay out of the Socialist camp and keep his distance from Castro. David Lazar believes that the amounts involved are simply not realistic and doubts that they would in any event buy much good will from Manley.

The success of Cuban initiatives in the Caribbean—especially in Jamaica and Guyana—is worrisome. It certainly deserves some high priority attention by the DDO which should be encouraged to develop a covert action program for OAG consideration. *You might probe Wells on how this paper is coming at the Working Group meeting.*

Attachment

Memorandum From the Deputy Director for Operations, Central Intelligence Agency (Wells) to the Deputy Assistant to the President for National Security Affairs (Hyland)

Washington, August 5, 1976.

SUBJECT

Situation in Jamaica and the Caribbean

1. Cuba has been acting with skill and energy to expand its influence in the Caribbean. Cuban initiatives have been highly successful in both Guyana and Jamaica and are beginning to bear fruit in the smaller Caribbean countries. But while the growth of Cuban influence in Guyana is of concern to Guyana's Latin American neighbors, particularly Brazil and Venezuela, Jamaica's fate is not of major importance to other Latin nations. The United States, however, does have a primary interest in trying to prevent an irreversible Jamaican commitment to the Cuban/Soviet camp. Further Cuban expansion in the Caribbean could trigger a new U.S.-Cuban confrontation, while a reversal of the Jamaican Government's pro-Cuban policies could cause the Cubans to lose much of the ground they have been gaining elsewhere in the area.

2. The current situation in Jamaica is described in detail in the attached 19 July 1976 Interagency Intelligence Memorandum entitled "Jamaica at the Crossroads." The memorandum documents Jamaica's steady leftward shift since Prime Minister Michael Manley assumed office in 1972, noting that this shift became pronounced following Manley's first meeting with Fidel Castro in 1973, and that the shift is reflected in the increasing Cuban influence on Jamaica and in the grow-

ing belief in Manley's circle that Cuba provides a model for meeting Jamaica's needs. The paper also outlines the measures being taken by Manley to debilitate the opposition Jamaica Labor Party (JLP) and to guarantee that Manley and his People's National Party (PNP) will win the national election which must be held by next May. The memorandum concludes that Manley is determined to continue as prime minister and will employ all tactics necessary to achieve this end, but that he probably has not yet committed himself to ending democratic rule in Jamaica. Jamaica is therefore "at the crossroads."

3. In anticipation of the upcoming Jamaican elections, this Agency had prepared a draft proposal for the Operations Advisory Group. The proposal contained two options: the first was to attempt to turn Manley around through economic assistance and diplomatic pressure; the second was to provide covert electoral support to the opposition JLP, which then seemed to have a good chance of winning a free election. Since the declaration of a state of emergency in Jamaica on 19 June, however, it has become apparent that Manley will not permit the JLP to mount an effective electoral campaign. JLP leaders, feeling they have no chance of taking over the government through legal electoral means, are increasingly inclined to adopt terrorist opposition tactics. Under these circumstances, we concluded that covert support to the JLP would be a high-risk proposition with little chance of success.

4. Having ruled out the JLP option—a true covert action operation which would have required OAG consideration—we are left with the proposal to try to turn Manley around. Since this proposal would have to be implemented by the Department of State and other U.S. Government components, with the Agency playing a very minor supportive role, submission to the OAG does not appear appropriate. Nevertheless the proposal itself still seems valid, and the objective appears important in terms of U.S. security interests. I am therefore bringing it to your attention for possible presentation to the Washington Special Action Group (WSAG) or whatever other forum you may consider appropriate.

5. The proposal is that the U.S. Government attempt to keep Jamaica out of the socialist camp and thus reduce the risk of a future U.S.-Cuban confrontation in the Caribbean by offering Manley significant economic assistance through a combination of direct U.S. financial grants, funds from international financial institutions, and possible investments by the private sector. Concurrently, a variety of diplomatic pressures would be brought to bear on Manley through third country leaders as well as through high-level U.S. diplomacy designed to convince Manley that Washington really cares about Jamaica and the other black Caribbean states. The cost initially would probably be as high as \$200 million, with substantial annual increments thereafter. Since Ja-

maica is not an attractive investment prospect it will be difficult for the U.S. to generate significant new loans from international financial institutions, and it is estimated that the U.S. will need to provide about half of the \$200 million which Manley has previously requested, using whatever funds can be made available from AID and the President's Fund. This in turn would probably generate an additional \$20 to \$50 million in loans from the IADB and the World Bank.

6. Regardless of the policy decision on Manley, the Agency believes that a covert action program may be useful and desirable as part of an overall effort to counter expanding Cuban influence throughout the Caribbean. The details of such a proposed program will be the subject of a separate submission to the OAG.

William W. Wells

467. Telegram 3724 From the Embassy in Jamaica to the Department of State¹

Kingston, September 6, 1976, 1300Z.

3724. Subject: Prime Minister on Jamaican-American Relations.

1. I called on Prime Minister Manley on the morning of September 3 at which time we discussed a variety of matters. I found the Prime Minister's mood serious and he was reserved at the outset—reflecting the after effects of his recent bout of flu. The only other person present at my request was Gordon Wells, permanent Secretary in the Prime Minister's office.

2. I used our meeting to describe to the Prime Minister the increasingly deep interest in the Caribbean which I had observed during my recent visits to Washington. I stressed that it is our desire to play a posi-

¹ Summary: Gerard reported on a September 3 meeting with Manley in which the Prime Minister stated that he no longer believed that the United States was attempting to destabilize Jamaica.

Source: National Archives, RG 59, Central Foreign Policy File, D760337–0410. Confidential; Priority; Exdis; Stadis. All brackets are in the original except those indicating text that remains classified. In telegram 3501 from Kingston, August 20, the Embassy reported that Thompson had renewed destabilization accusations against the United States in a speech at a meeting of the Non-Aligned Movement. (Ibid., D760320–0361) In telegram 3919 from Kingston, September 15, the Embassy reported on a September 9 meeting with Thompson which indicated that he was still convinced that the United States was seeking to destabilize Jamaica. (Ibid., D760348–0497)

tive role in the areas, but went on to say that our relations with some among our neighbors often make it difficult for us to do so. Nowhere is this more true than in the case of Jamaica.

3. I then said that within the Department of State there is a lively interest in Jamaica and her problems. I described in brief compass our efforts to respond to P.L.-480 request, but adding that Congress wishes such assistance to be directed toward the “poorest of the poor” and that other Departments—such as Treasury—question wisdom of assisting countries where there are unresolved problems. In case of Jamaica, Treasury’s problem lies with bauxite agreements. It not enough for us to assert that final agreements are near; signed documents are required. (Prime Minister interjected that he is anxious to push agreements to conclusion. His remarks are reported in septel.)

4. I then noted difficulties created by accusations that USG is seeking to “destabilize” Jamaica. My chief example was speech delivered by Foreign Minister Dudley Thompson at Colombo on behalf of the Prime Minister (see Kingston 3501). When Manley sought to argue that the remarks regarding destabilization had no specific target, I noted that the references to Guatemala, the Dominican Republic and Chile belied this, and then asked who he deemed included among the “hostile governments.” At this point, Manley said he did not entirely agree with Thompson’s remarks, whom he described as “posturing in a highly charged atmosphere.”

5. Manley then asserted that he himself has levelled no criticism at the United States in the recent past, and has no intention of so doing. I then asked him if he believed that the State Department had urged destabilization of Jamaica. He replied, “No, I don’t believe anything is being done now. I did once, but not now.” After mentioning his concern that other agencies of the USG might be less amenable to control he said, “That chapter is now closed,” but added that the whole affair had begun with the Secretary’s feeding of various allegations to Scotty Reston of *New York Times* earlier this year.

6. I expressed my concern that the U.S. “destabilization” of Jamaica and Guayana had become accepted leftist rote by reason of emphasis at NAM and propaganda support in *Pravda* and by the Cubans, we had not heard the end of it. Manley said that he did not intend to support this line further himself and thought it would die out.

7. *Comment:* I would like to think that we have indeed opened a new chapter in our relations with Jamaica. However, we have gone through relatively smooth periods before only to encounter yet another rough patch. Nevertheless, the Prime Minister’s comments on the movement toward agreements with the bauxite companies is a good augury. Perhaps he has need of better relations with us as elections approach. Two litmus tests coming up will be his behavior (and that of

other party leaders) at the PNP Annual Conference in mid-September, and the Jamaican delegation's behavior at the forthcoming UNGA. Will, for example, Guyanese and Jamaicans pursue the destabilization theme in New York?

8. Department please pass as appropriate to other ARA/CAR posts.

Gerard

468. Briefing Memorandum From the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to the Under Secretary of State for Political Affairs (Habib)¹

Washington, September 20, 1976.

Proposal to OAG to Counter Cuban Influence in the Caribbean

I have examined the proposal (Tab 1) on countering Cuban influence in the Caribbean. The main theme of the paper is that we should consider substantially increasing our economic assistance as the principal way to achieve increased U.S. stature and leverage in the area. I agree with that. The proposal for covert action is seen as secondary and only an appendage to the economic assistance. I am opposed to the proposal of covert action in the Caribbean *because it would not work*.

The following are some more specific comments which I would be pleased to discuss with you.

Comments on the "Background":

I have some substantive differences with the statement of the problem in this paper:

—*Fidel's tutelage has made Burnham and Manley stridently anti-American*. Fidel may have helped and taken advantage of Burnham and

¹ Summary: Shlaudeman stated his opposition to a proposal for covert action in the Caribbean to counter rising Cuban influence. He recommended increased aid to the region and the development of a corps of knowledgeable Caribbeanists within the Department of State.

Source: National Archives, RG 59, Central Foreign Policy File, P860055-1177. Secret; Eyes Only. Drafted by Luers on September 20. Habib saw the document on October 4. All brackets are in the original except those indicating text that remains classified. Attached as Tab 1, but not published, is a memorandum to the Operations Advisory Group proposing a program to counter Cuban influence in the Caribbean.

Manley's proclivities, but the reasons these two leaders have turned on us are deeply rooted in their personal, psychological, racial, economic and national pasts. The task is primarily how to deal with the Jamaica and Guyana problems *not* how to deal with Fidel. If we approach a new policy toward the Caribbean as a strictly anti-Cuban effort, it will most certainly fail.

—*We have not justified substantial economic assistance because these countries are poor risks (mismanaged and violent) and small unworkable economies.*

The reasons for our policy toward the English-speaking Caribbean of *not* providing significant bilateral aid are far more complex than those given in the paper:

1) In the 1960s, when the Alliance for Progress began massive bilateral programs, *we made a conscious decision*, with the exception of Guyana where we were fighting Jagan and the Soviets: *to leave the major bilateral role to the UK and the Commonwealth (Canada) and to concentrate on multilateral lending to reinforce federalist efforts.* With hindsight, that was probably a mistake but we have kept the UK active and Canada has increased significantly its AID to the English-speaking Caribbean.

2) In the 1970s, as Congress and we have increasingly decided to *concentrate bilateral assistance in the most seriously affected areas*, we have found that only Haiti really qualifies as an "MSA." We have phased down elsewhere in the Caribbean.

3) In the specific cases of Guyana and Jamaica, we have not moved our small bilateral programs because of the anti-U.S. voting pattern of Guyana (a decision taken by the Secretary against ARA's recommendation) and because of the aluminium company negotiations with Jamaica (the strong position of Treasury on this issue is well known). *We have been unable to get Treasury, OMB, and the President even to agree to a small (\$2.5 million) P.L.-480 program for Jamaica.* The prospects of developing support in the government for a substantial economic assistance program for Jamaica or others in the Caribbean seems bleak.

—*Steady increase of Cuban activity and the mini-state problem.* There has been more Cuban activity and the mini-states are a problem. We are naturally concerned about the Cuban activity. We are not, however, persuaded that the Cubans are being terribly effective thus far. The new Prime Minister of Barbados has already turned to debunking the charges of "destabilization." As to the mini-state problem, it is also troublesome. We must try to improve our relations in the area and develop a strategy. But these small islands will be prey not only to the Cubans, but to virtually anyone or group prepared to pick up the bill over the short run.

Comments on Options for the U.S.

The paper concludes that the only real means of increasing our influence in the area is through the commitment of U.S. economic re-

sources. We agree. We are prepared to propose a package to the Secretary and the President that would enable us to increase significantly our bilateral and multilateral efforts in the area:

—In *Guyana*, Burnham has recently expressed renewed interest. He is not taken by the Soviets and realizes we can help.

—It is clear that *Barbados*, and the mini-states would be greatly encouraged by increased U.S. attention and support.

—We would want to move cautiously in *Jamaica* so as not to propose a major new lending package to Manley on the eve of his elections (early 1977) thus interfering in the process—and in the immediate wake of the Agee affair.

Our proposal would be to:

—move on a few small loans for Guyana and Jamaica ready to be signed,

—move on new programs for Barbados and the mini-states, and

—prepare a larger more comprehensive package for early 1977 that we could put together with several donor nations, the three banks (IBRD, IDB and Caribbean Development Bank) and the IMF.

We do not minimize the opposition we would meet in Congress and other parts of the executive branch to such a plan, but we feel we must do it, and we have been planning it for some time.

Our rationale, by the way, *would not be primarily to combat Cuban influence*, but to assist in the more rapid economic development of the islands which are close to us, important to us, and already exporting hundreds of thousands of illegal and legal migrants to us every year, in part because of their underdevelopment. Indeed, the illegal migrant problem may be of greater long-term concern to us than the Cuban problem.

Comments on the "Proposal" for Covert Actions:

We would strongly oppose undertaking all the proposals under this section except those relating to propaganda against Cuban military activities and the proposal to support third country training of Jamaican security forces.

[2 lines not declassified] But we would strongly oppose any collaboration involving political covert action or developing agents of influence. These islands are small, open and suspicious. In virtually none of these are there clear, able long-term alternatives to the existing cast of characters. Even in Jamaica, it is not that obvious that Seaga would be able over the long run to do significantly better than Manley. In Guyana, the alternative to Burnham is Jagan. The benefits of political action are to say the least marginal—the costs of being caught would be absolutely disastrous. *Covert action just would not work.* We must stay com-

pletely out of the covert business in the Caribbean and make it very clear to all, including our liaison services, that we eschew all such political action.

The one thought that might have merit in the proposal is to encourage (and perhaps pay for) third country assistance for training Jamaican security forces. We note that the UK turned down a request from Jamaica. Should we not explore with the UK a U.S. supported UK program?

Political Action by Department of State:

To support a more forthcoming economic posture in the area, the Department can take several long range moves (if supported by the White House):

—*First, assign career officers to Caribbean posts as Chiefs of Mission.* One of our many problems with Manley stems from the enduring bitterness after de Roulet's period. We have had only one Ambassador in the past two decades who could communicate with Eric Williams in Trinidad. In Barbados (which also covers the many mini-states) we have had a long string of political Ambassadors (except for the tenure of Eileen Donovan) who have come close to being PNG'd. The recent nomination of a U.S. labor leader with ties to AIFLD as Ambassador to Guyana has stirred up deep and unnecessary concerns in Burnham about CIA connections.

This policy of sending wealthy, generally patronizing and often bigotted political Ambassadors to the Black Caribbean because of the lush English-speaking setting has taken its toll over the years. If we want to take this area seriously, we should develop a cadre of Caribbeanists who understand and can function in the area professionally.

—*Second, develop a career specialty of the Caribbean.* Instead of using the area as a dumping ground for officers who are seeking out-of-area (EA or EUR) assignments, we should develop a professional group who can relate knowledge of the Caribbean with Latin American experience.

—*Third, develop special training programs for our Caribbeanists* including university training to prepare our people for dealing with the particular Black Caribbean environment.

469. Memorandum From the President's Assistant for National Security Affairs (Scowcroft) to President Ford¹

Washington, undated.

SUBJECT

P.L.-480 for Jamaica

Last May Secretary Kissinger requested that you approve small P.L.-480 Title I programs for Afghanistan and Jamaica. You approved the program for Afghanistan, but disapproved the program for Jamaica (Tab C).

Secretary Kissinger now requests (Tab A) that you reconsider your adverse decision on the \$2.5 million program for Jamaica. Secretary Kissinger notes that Castro is cultivating Jamaica to broaden Cuba's influence in the Caribbean, that Jamaican Prime Minister Manley's suspicion of our motives is growing, and that by being forthcoming on this P.L.-480 program—which is fully justified on humanitarian grounds—we can deny Manley this pretext for attacking us in his election campaign.

Jim Lynn continues to oppose the program (Tab B). He argues that Jamaica can finance its own school food feeding program, that we have terminated AID development projects pending settlement of investment disputes between the Government of Jamaica and U.S. bauxite companies, and that the program is too small to have major political impact.

I believe that it is very important that you approve the program for Jamaica. Our relations with that country are slowly deteriorating. Prime Minister Manley, although he does not entirely trust the Cubans, seems to be increasingly persuaded of the validity of their argument that the United States is attempting to "destabilize" the GOJ because

¹ Summary: Scowcroft endorsed Kissinger's recommendation that Ford reconsider his decision not to authorize a small aid program for Jamaica, noting that U.S. assistance would help to undercut the destabilization charges being leveled against the United States.

Source: Ford Library, National Security Adviser Papers, NSC Latin American Staff Files, 1974-1977, Country Files, Box 4, Jamaica—Economic, Development, Social 1. Confidential. Sent for action. The memorandum is not initialed, and no approval or disapproval of the memorandum's recommendation is indicated. None of the attachments have been found. In telegram 3373 from Kingston, August 12, the Embassy observed that if the aid program were not approved, "we can be certain that the situation will be turned against us" and that the decision would be cited by some as evidence of a destabilization campaign. (National Archives, RG 59, Central Foreign Policy File, D760311-0268) A September 27 memorandum from Davis to Borg transmitted Ford's approval of the request to authorize the aid program. (Ibid., P760182-0976)

we don't like their Socialist form of government or their close relations with Cuba. Also, faced with an impending election and increasing dissatisfaction with the economic and political situation in the country, Manley is attempting to use the "destabilization" theme as an emotional campaign issue. This is being heard not only in Jamaica, but elsewhere in the Caribbean.

The mother/child and school feeding program proposed clearly will not reverse the trend in our relations, but there is a good chance that it can:

- make it more difficult for Manley to continue using the "destabilization" theme as a campaign issue;

- hold matters where they are with Manley, for the moment, while some additional initiatives are firmed up, by providing some concrete evidence to counter the "destabilization" line;

- provide some concrete evidence to the people of Jamaica of our continued concern for them (despite the Manley charges).

The proposed program is a continuation of our contribution to a program originally AID inspired but now carried out largely with Jamaican resources. It would not provide economic support, as opposed to humanitarian assistance, nor would we wish to do so at this time. Not continuing it, however, will be seen as a distinctly *negative* action and provide additional fuel for the "destabilization" charges. Further slippage in our relations could also negatively affect the negotiations with the major bauxite companies, which are proceeding well. The Prime Minister has raised continuation of this program with us directly, and obviously sees it as an indicator of our intentions in our bilateral relationship.

The program can be accommodated within your 1976/TQ budget level for P.L.-480.

Recommendation

I strongly recommend that you approve Secretary Kissinger's request to continue the \$2.5 million P.L.-480 Title I program in Jamaica.

470. Telegram 4183 From the Embassy in Jamaica to the Department of State¹

Kingston, September 28, 1976, 2115Z.

4183. Country Team message. Subject: Jamaica: Policy Options in a Confrontation Atmosphere. Ref: (A) Kingston 4104, (B) Kingston 4042, (C) Kingston 3965.

1. *Summary.* Philip Agee's visit to Jamaica has been only one of series of actions taken by the Manley government in recent months designed to utilize the "destabilization" theme as a political tool. Manley now has a number of options open to him, ranging from a continuation of the present set of tactics to more provocative action, including the expulsion of Embassy personnel. We recommend that we take action now to demonstrate our dissatisfaction with the course of events. Specifically we suggest recalling the U.S. Ambassador "for consultations." We also feel we should be prepared to reduce sharply our personnel or program presence if Manley escalates his campaign against the U.S., including by declaring PNG U.S. employees on the age/wist. *End summary.*

2. The Problem—The visit of Philip Agee to Jamaica can now be seen as part of a carefully orchestrated campaign organized by the Manley government to utilize the destabilization theme through the coming election period. (See background in reftels.) Manley's decision to use the U.S. as scapegoat for Jamaica's economic and political problems has serious implications for our bilateral relations. It is incumbent on us to review the likely course of developments and the alternative actions available to us.

3. Background—The date for elections has not yet been established but will likely take place anytime from mid-December through February. Despite a slip in popularity since the last election, current odds

¹ Summary: After reviewing recent indications that the Jamaican Government was using destabilization charges as a political tool, the Embassy recommended steps that would demonstrate U.S. dissatisfaction.

Source: National Archives, RG 59, Central Foreign Policy File, D760366-0235. Secret; Immediate; Exdis. In telegram 3742 from Kingston, September 7, the Embassy reported that former CIA employee Philip Agee planned to make four public appearances in Jamaica between September 10 and 14. (Ibid., D760338-0251) In telegrams 3965, 4042, and 4104 from Kingston, September 16, 21, and 24, the Embassy reviewed the background of the destabilization charges, assessed the evidence that the Jamaican Government had foreknowledge of Agee's visit, and assessed the political and policy implications of the visit. (All *ibid.*, D760350-0090, D760356-0655, and D760361-0457) In an October 1 memorandum sent to Kissinger through Habib, Shlaudeman presented possible reactions to Jamaican facilitation of Agee's destabilization charges, recommending that Gerard be recalled for consultations; no decision was recorded on the memorandum. (Ibid., P840125-0129)

would favor the return of the Manley government for another five-year term. Given the commanding position afforded the incumbent party by the state of emergency, we must operate under the assumption that the PNP will be at an advantage in this election. Notwithstanding this advantage, the PNP has cause to be concerned over the narrowness of its current margin. The Jamaican economy is in a shambles and likely to get worse before elections. The simultaneous slump in sugar, aluminum and tourism has created a critical foreign exchange crisis. There are serious threats of food shortages and there are persistent rumors of impending devaluation and drastic measures to reduce imports. There is a pervasive unease as demonstrated by capital flight and the length of visa lines. The situation begs for a scapegoat; in the CIA and the USG it appears Manley has found a credible candidate. He and his associates have accused the U.S. of “conducting press campaigns” to harm tourism, of instituting a “credit squeeze,” and of taking direct action to discourage investment. Allegations of this type have been issued by government and PNP spokesmen since earlier this year and they reached a crescendo during Agee’s carefully planned visit. Every indication is that Manley intends to continue use of the tactic through the election period and possibly beyond. There are a number of levels at which this could be done.

A. Manley could continue to allow the destabilization theme to circulate in the press and allow lower echelon government and party officials occasionally to fan the fires.

B. Manley, either directly or through Dudley Thompson, could ask U.S. for clarifications and explanations of the Agee list of alleged CIA agents with a view toward embarrassing the U.S. and publicly demonstrating his vigilance.

C. He or Thompson could personally embark on a major public campaign on the issue.

D. Operating from the Agee list or on his own information, Manley could, on a wholesale basis or selectively, PNG personnel for their “CIA activities.”

E. Alternatively, Manley could possibly lose control of the initiative and radical groups within or without his party could seize the issue in order to force a further deterioration of U.S./GOJ relations. A development of this type could lead to violent action directed at U.S. employees or citizens.

4. We feel it is improbable that Manley would either reverse the destabilization campaign or take so drastic an action as to declare PNG all those who were on the Agee list.

5. We consider it likely that Manley will choose a mix of the options outlined above. He would probably prefer to stay personally out of the fracas and to retain a “statesmanlike” role while actively encour-

aging his followers to play the destabilization theme for all it is worth. But, if he should be forced to involve himself, or if he should choose so to do, Manley will probably both “seek clarifications” and eventually throw one or more of the alleged agents out. The pressure to perform some demonstrable act will increase in direct proportion to his own desire or need to keep the issue alive.

6. At this time, there is no way of assessing whether the issue will trigger the violent fringe of Jamaican society and politics. The danger is, of course, exacerbated by publicity and the personalization of the destabilization issue.

7. Analysis—we must address two separate but related issues:

A. We must consider what policy options and courses of action we wish to take in the present circumstances.

B. We must consider what our reaction will be to any of the courses of action embarked upon by Manley in the near future.

8. Whatever actions we take in response to the current or anticipated situations must be taken with a complete understanding of the consequences within the Jamaica political milieu.

A. We must avoid actions which may damage our interests in Jamaica by foreclosing any possibility of Manley reversing or tempering his current course.

B. We must avoid actions which would damage opposition leader Seaga’s election prospects or freedom of action in the event he is elected.

C. We must avoid overreacting in the face of provocation of radical fringe groups.

D. When we act we should do so decisively and unambiguously with reactions geared to the level and intensity of the GOJ’s actions.

9. Options.

A. Business as Usual. To continue in a routine posture (except for action on Option C below) would be the simplest and most logical option to implement until events require a change. Jamaican and other screams of destabilization have been heard from Cuba to Sri Lanka and they have developed a life and credibility of their own. However, there is probably little this Embassy can do to counter them and they will probably eventually die down after the elections.

B. The Heart-to-Heart Talk. The Ambassador could, under instructions, meet with PM Manley to again underline, in a “no holds barred” talk, the seriousness with which the USG views present trends in U.S./Jamaica relationships. It would be made clear that: we find GOJ involvement in the Agee affair unjustifiable and unfriendly, continuance of the present campaign would inevitably lead toward major negative policy changes toward Jamaica, and that the USG is unwilling to allow

the physical safety of U.S. personnel to be threatened as a consequence of irresponsible PNP and GOJ behavior.

C. Recall for Consultations. The Ambassador presently plans to take approximately three weeks leave away from Jamaica commencing October 5. He could depart several days earlier and go directly to Washington "for consultations." He would be absent from Jamaica for nearly a month with little change in existing plans. The visit could be made known, both here and in Washington as a "recall for consultations" in connection with a "review of U.S./Jamaica bilateral relations."

D. Face-to-Face Meeting with the Secretary. A meeting with Manley could be arranged for Secretary Kissinger or another high-level U.S. official. In this meeting, U.S. views would be clearly set forth and Manley would be put on notice that we do not intend to tolerate further posturing at our expense.

E. Reduction in U.S. Presence. The final option would be to proceed now with a major reduction in the U.S. presence in Jamaica, including assistance programs, pending some indication that the Manley government or its successor would be willing to reverse the course of current trends.

10. Discussion. It is our judgment that the "heart-to-heart talk" approach would fail to serve our objectives. The Ambassador has met with Manley several times previously on the issue of destabilization and has frequently made our concern known. Manley does not respond to threats, and he could twist any approach which included threats against us in some public fashion. He might also assume he could ride out threats and any implementation thereof, until after the New Year.

11. For the same reason, we feel an approach by the Secretary or other high-ranking spokesman would serve no purpose at this time. Manley would do everything possible to use such a meeting as tangible demonstration of his continuing dialogue with the U.S. even in the face of his own allegations of destabilization. His own reported assumption that a new administration will take over in Washington after the U.S. election would discount the value of any such meeting.

12. The "recall for consultations" option combined with "business as usual," for the time being, offers the most advantageous reaction to the current situation. It commits us to nothing while strengthening the hand, not only of the opposition in Jamaica, but also of the moderate wing within the Manley government; i.e., all those in Jamaica concerned about the future course of this country's relationships with the U.S. The option has some intrinsic flexibility since we can adjust at will the "significance" of the recall with its implications of policy review.

13. Finally, the cutback option should be held in reserve for possible use in the event Manley adopts one of the more extreme options available to him in pressing the destabilization campaign. We are reluc-

tant to recommend this option at this time given Manley's temperament and the Jamaican character. Under the present circumstances it would be perceived here as a bullying tactic, and might drive Manley faster and further to the left than would otherwise be the case, while also weakening the position of our friends here. If, however we continue to experience a deterioration in our bilateral relationship as a consequence of Manley's rhetoric and allegations, either personally delivered or by proxy, we may inevitably be forced into this alternative.

14. Recommendations:

A. That the Ambassador be recalled to Washington for "consultations" immediately prior to his forthcoming period of leave from Jamaica. Kingston 4156 has already proposed timing.

B. That we not initiate any program or personnel reductions, unless the current situation deteriorates significantly and there is clear evidence that the Manley government has embarked on one of the more hostile alternatives listed above, or of other tangible threats to staff security.

C. That, for contingency purposes, the USG begin consideration of areas in which U.S. programs of assistance and cooperation might be reduced if circumstances so warrant.

Gerard

471. Action Memorandum From the Assistant Secretary of State for Inter-American Affairs (Shlaudeman) to Secretary of State Kissinger¹

Washington, November 8, 1976.

*What to Do About Jamaica . . . and
the Caribbean (an Update)*

The Problem

Our problems with Jamaica proliferate, with the bauxite disputes followed by the Cuban romance, then the chorus of destabilization charges, and most recently the Agee visit. In the background now is the threat of economic collapse, with attendant opportunities for more Cuban dabbling.

Jamaica cannot be seen in isolation. It is preeminent in the Black, English speaking Caribbean, and our problems there are symptomatic, and quite possibly prophetic, of developments in the other islands.

In most of the islands:

—the economy is deteriorating and population pressures are growing at an alarming rate.

—the population crunch is pushing mounting waves of illegal immigrants into the United States, adding a domestic dimension to our difficulties in the region.

—the leaders are increasingly attracted by radical solutions—seeing no political alternatives.

The radicalization of the Caribbean is against our interests. The destabilization campaigns of Manley, Burnham and Fidel are already spilling over into our hemispheric relations. Moreover, the politics of these small islands so close to us could have an inordinately large im-

¹ Summary: Noting the increasingly problematic nature of relations with Jamaica and with the Caribbean more generally, Shlaudeman reviewed several policy options and recommended the United States take a more supportive political and economic posture toward the region.

Source: National Archives, RG 59, Central Foreign Policy File, P860055–1143. Secret; Nodis. Drafted by Luers and Heavner. A note on the memorandum reads: “No action taken. No longer relevant for this Administration.” A portion of Tab 1, Shlaudeman’s September 20 memorandum to Habib, is published as Document 468. The remainder of Tab 1, a covert action proposal with Shlaudeman’s comments on it, is attached but not published. The text of Tab 2, a proposal to develop a Caribbean career specialty within the Department of State, not published, is contained within Document 468. In telegram Secto 34014 from the Secretary in Acapulco, December 29, Kissinger responded that the proposal on the Caribbean was “no longer relevant for this administration,” adding that the memorandum would be returned to ARA without action. (National Archives, RG 59, Central Foreign Policy File, D760474–0771)

pact on relations outside the hemisphere . . . in Africa and in the North-South debate. What can we do to change these trends?

Background/Analysis

The first difficulty in framing a "Caribbean policy" is the bewildering diversity of the region. Conceptually, we find it convenient to deal with the Caribbean in two parts: the Black, English speaking nations—the so-called Commonwealth Caribbeans—and "the others," i.e., Haiti, the Dominican Republic, the remaining Dutch and French dependencies and Cuba. In this paper we consider the Commonwealth Caribbean, with Jamaica as the focus and Cuba as a key radicalizing factor.

The Political Dimension. The Commonwealth Caribbean countries could be taking on a significance in world politics out of proportion to the size of their population, and their resources. This political factor stems from their strategic position, their articulate leaders, and their ethnic origins.

—Being so near to us and to Cuba, the Black Caribbean leaders can credibly threaten radical alternatives that could give us security concerns. Although the islands are not now seeking satellite status with the Soviets, events and economics could compel lesser leaders in the area in that direction in the future. Moreover, charges of neglect and destabilization coming from the Caribbean are believable to most of the world given the history of U.S. hegemony in the area.

—Manley and Burnham (and Eric Williams?) backed by Fidel, make a loud and effective Third World chorus. They are educated, articulate, compelling leaders who in today's world can command the attention of most international bodies. Their Socialist policies and still largely democratic systems give them a political and moral impact often greater than their African and Latin colleagues. Their radicalization could well spill over into the neighboring Caribbean area.

—Their racial and cultural make up links them to Africa and the problems of that continent—it also increasingly divides them from the Latins of this hemisphere. The Black leaders of the Caribbean can become effective links to Black Africa—they can also become very troublesome opponents should we find ourselves positioned against radical African leaders.

The Cuba Connection. Cuba's role in the Commonwealth Caribbean is on the rise:

—The attraction of Cuba's order, successes in Africa, and machismo is countered by Cuba's dependency on the Soviet Union, lack of political flexibility and suspect motives.

—Fidel would love to see more "revolutionary" regimes in the Caribbean, but he probably does not expect that Manley or Burnham have the will for revolution.

—Fidel can meddle in sensitive areas (police and intelligence training, ideological and propaganda against us), but the Cubans, in economic trouble themselves, cannot provide significant assistance.

Over the short term, Fidel can continue to play on natural Caribbean suspicions of us. He can also expand his support for Caribbean security forces, building a base for the future. A major challenge to us in the months ahead could come should one of the countries ask for Cuban military assistance. Fidel might be reluctant but tempted. Our posture would be critical. Also, an open conflict in Africa in which we are perceived to be with the whites could rapidly radicalize the volatile Burnham and Manley.

The long range impact of Cuba is more serious. If these small islands are not viable—if they cannot resolve their political/economic problems—their democratic systems will increasingly give way to one-party states like we have seen in Africa. Military and paramilitary factors will then begin to be more important. In that phase, the Cubans and Soviets could play a more important and seriously troublesome role.

The Soviet Role. The Soviet Union might be tempted to increase its support for a more radical Caribbean:

—A deteriorating Caribbean (Black, a U.S. neighbor and dominated by U.S. aluminum and oil) provides a virtual model for Soviet propaganda. But a Jamaica and a Guyana looking to the Soviets for massive help would also pose problems for the USSR.

—The Soviets do not generally supply the major monetary support Jamaica—and now Guyana—seek. The Soviet policy on this score is unlikely to change.

—The USSR has diplomatic representation only in Guyana, but a mission is likely to be opened in Jamaica shortly after the upcoming Jamaican elections.

—Soviet relations with us are likely to be a major moderating factor in the pace of Soviet entry into the area. Also, neither Burnham nor Manley want the Soviets in now except as potential donors, and to intimidate the United States.

In sum, the Soviets would probably prefer a Caribbean that troubles and costs us rather than one that troubles and costs them. Should they take on another nation in this hemisphere, they would probably want assurances of the irreversibility of its “revolution.”

The Economic Dimension. The Commonwealth Caribbean was largely left out of U.S. bilateral economic assistance programs. In the 1960s, when the Alliance for Progress began massive bilateral programs, we made a decision to leave the aid effort primarily to the U.K. and Canada. We used our multilateral lending to reinforce the abortive

federalist effort. (The only exception was Guyana, where we were trying to avoid the installation of a Communist regime under Cheddi Jagan—now we have Burnham.)

In the 1970s as Congress and we increasingly decided to concentrate our assistance in the most seriously affected areas, we found that the Commonwealth Caribbean did not qualify. Our assistance to the area has often been indirect and multilateral (\$42.3 million to the CDB), providing us little political influence.

The leaders of the Commonwealth Caribbean take very seriously the call for a New International Economic Order (NIEO). The remembered trauma of slavery adds to their perception of a basic and terrible inequity between the wealth and power of the United States and their own poverty and weakness. We cannot reach them emotionally or influence their political decisions without economic measures.

To turn the Commonwealth Caribbean around, we must change their perception of the United States as uncaring of their economic plight.

—The most important deterrent to Cuban influence in the area is the general need for foreign loans and investments *which Cuba cannot provide*.

—The wave of illegal immigrants takes its main impetus from the need for jobs which are not available in the island economies.

—Nationalism in the Commonwealth Caribbean as elsewhere is expressed most frequently in economic terms.

Jamaica. Jamaica is the largest and most important of the Black English-speaking nations of the Caribbean. In many ways *it is the key to the Commonwealth Caribbean*—and our relations with Jamaica have been deteriorating since 1973. Jamaican Prime Minister Manley believes:

—that we are indifferent to Jamaica's acute economic problems and not disposed to help;

—that we favor the opposition party because of his relations with Castro and his efforts to get more from the aluminum companies;

—that we may be trying to overthrow him by "destabilizing" Jamaica.

Manley came to power in 1972 promising a better life for Jamaica's poor masses. He has largely failed. Jamaica's economic and social problems are worse, not better. Unemployment—particularly among young males—remains dangerously high; violent crime is endemic; the country's balance-of-payments position is critical; and opposition to Manley's rule has grown.

At some point the Prime Minister decided that Jamaica's ills demanded a radical change in the system. He began to move left, particularly after his first meeting with Fidel Castro in late 1973—an occasion

Manley has described as “one of the great experiences of my life.” A visit from Nyerere in 1974 reinforced his tendency to see the solution in terms of a one-party, Socialist state.

The prospect of a tough election campaign also probably influenced his yearning after the kind of social discipline and control offered by the Cuban model. Manley must call general elections before May of next year. The opposition *Jamaica Labor Party* has been making gains—at least up until recently—and still seems to have some chance of winning under the vigorous leadership of Edward Seaga.

Despite Manley’s clear shift to the Left and despite his government’s repeated allegations about U.S. destabilization, he has reached out to us. In fact the basic reason he thinks we are destabilizing him probably stems from his sense that we have not responded to his vague but real pleas.

Late last year Manley sent a special emissary to the U.S. with a vague plan for economic cooperation. The chief feature was a request for loans and credits over the next ten years to make up a substantial part of Jamaica’s projected \$150 million annual balance-of-payments shortfall. Given Jamaica’s relatively high per capita GNP and their badly managed economy, *we were only able to suggest strategies for getting more help from the international lending agencies.*

All is not lost for us in Jamaica. On October 6, after more than two years of negotiations, the GOJ finally signed an agreement with Alcoa. If, as expected, this agreement is followed by similar agreements with the other aluminum companies, a major irritant will have been removed from our bilateral relations. (The bauxite disputes are the reason for strong Treasury and OMB opposition to AID lending in Jamaica.) *The President’s decision—taken after an appeal from you—to continue a small P.L.–480 program for Jamaica* is important as a symbolic indication of our continuing goodwill.

The aluminum industry also should take an upswing next year which could help the Jamaican economy. We also have other advantages on which to build:

—The economic tie is obvious, with *virtually all of Jamaica’s export earnings coming from the West.*

—The bauxite connection is especially strong: we get over half of our bauxite imports from Jamaica and cannot quickly shift to other sources, while revenues from bauxite sales to the U.S. amount to about 70% of Jamaica’s total export earnings.

—There may be as many Jamaicans in the U.S. as in Jamaica, the United States is still viewed as the “land of opportunity” by ordinary Jamaicans, and the American life style is the ambition of most Jamaicans (which is a large part of the problem—they cannot afford it).

—Jamaica still maintains democratic institutions similar to our own—and Manley still professes attachment to them.

Clearly we are faced with a need for large resource inputs if we are to offer Manley a way out of his economic difficulties. Aside from the difficulty of finding such large resource inputs, we would want to consider very carefully the wisdom of a major lending package on the eve of Jamaican elections, and in the immediate wake of the Agee affair. *But a long delay, much less a failure to act, could also face us with a situation past repair.*

Guyana. Guyana represents what we do not want to happen in the rest of the Commonwealth Caribbean.

—Prime Minister Burnham aims at transforming Guyana into “the first truly Socialist state on the continent of South America,” and he has said publicly that Guyana will be a Marxist-Leninist state. We are skeptical.

—Burnham has taken a leading role in rallying Third World nations to confrontation positions vis-à-vis the U.S. and the developed nations. On UN votes, from the U.S. point of view, only Cuba has a worse record in this hemisphere.

—Ties to Cuba are strong. Several hundred Guyanese troops have been trained in Cuba, Cuban security experts are close to Burnham, and Cuba was allowed to set up a refueling facility (though it was apparently never used) at the time of the Angolan airlift.

—Burnham’s recent speech, accusing the United States of responsibility for the Cubana crash which cost 73 lives, has brought our relations to an all time low. Burnham’s accusations probably reflect a Cuban effort to influence him as well as his own keen memory of past U.S. interventions in Guyanese affairs.

The Guyanese seem to recognize that they have gone too far in their confrontation politics. We have received numerous signals that they would like to forget both Burnham’s speech and our sharp public rejoinder. In particular, they are eager to get our Chargé, John Blacken, back to Georgetown; Blacken has had singular success in establishing rapport with Burnham and Wills, and they apparently believe he can help them get their relationship with us back to at least pre-Cubana crash norms.

The Guyanese concern to restore normal relations with the United States may reflect increasing recognition of economic as well as political realities. Because of high sugar and bauxite prices in the 1974–75 period, Guyana had until recently a comfortable balance-of-payments surplus. Now, however, lower sugar prices, poor crops, labor troubles, and mismanagement in the bauxite industry have combined with worldwide inflation and high fuel prices to cut deeply into Guyanese reserves. The outlook is for BOP difficulties next year, and the possibility of a serious crunch later on.

Burnham is feeling the economic pinch, and he does not want to cut back on his development plans. This is probably a main reason for a somewhat improved atmosphere in our relations and a specific request (pre-Cubana crash) from Burnham that we go ahead with two long delayed AID loans. Another reason is he does not want help from the Soviets or Chinese.

Dearest to Burnham's heart is a hydroelectric/smelter project that may cost as much as \$1.5 billion. We could not fund it, and we doubt the Soviet aid team which just left Guyana will offer Burnham much encouragement. But if relations improved we could help with smaller projects, notably in administration and food crops.

Clearly Burnham is not going to be persuaded that he should abandon his Socialist course. But we are also not certain he knows what his Socialist course is. Probably he will remain on good terms with Castro no matter what we do. But it is not too late to improve our *relations to the point where we can at least cooperate in some areas and avoid systematic ideological hostility.*

Trinidad. Alone among the Commonwealth Caribbean nations, Trinidad has oil and gas. But it has not joined OPEC. Because of natural endowment, Trinidad's long-term economic prospects are excellent. Foreign reserves jumped tenfold in 1974 and now are well over \$800 million.

Trinidad is also blessed with Eric Williams, the scholarly—and often prickly—dean of Caribbean statesmen. Williams has just won an election by a wide margin, getting two-thirds of the seats in his Parliament. Tough and authoritarian, Williams is right more often than he is wrong, and overall he has been good for Trinidad. From our point of view, he is moderate and usually constructive—a welcome contrast to Manley and Burnham.

Despite these advantages, Trinidad is not without real problems. *Williams is in a race in which he must create employment for his youthful population more rapidly than unemployment and his radical opposition can generate social discontent.* He is hampered by shortages of managerial skills and a variety of bottlenecks typical of rapidly expanding economies.

We could probably be of considerable help on the technical and managerial side. We will certainly wish to continue to cultivate our present good relations with Williams—while keeping a careful eye on those most likely to succeed him.

Barbados. Most conservative of the Commonwealth Caribbean states, Barbados nevertheless briefly joined Burnham and Manley in the “destabilization” chorus against us a few months ago. Elected in early September, the new Prime Minister, Tom Adams, publicly dis-counted these charges, thus opening the door for what will hopefully be *a fresh start in our relations with this small and generally moderate nation.*

However, the apparent sabotage by anti-Castro Cubans of an Air Cubana flight bound from Barbados to Trinidad may again raise suspicions of USG covert actions. We are trying to allay such suspicions, but the incident could chill our relations at the outset of the new government.

Barbados relies on tourism, sugar and remittances from the U.S. to earn its foreign exchange. All are down. Moreover, the traditional safety valve for this already densely populated island—emigration to the UK or the U.S.—is twisting closed.

Barbados will probably look to the United States for some assistance in the course of the next few years. We have already had some indications of an interest in bilateral economic assistance.

The Associated States. Five small islands associated with the UK are in various stages of preparation for independence. One or two will probably opt for cutting the ties with Britain as early as next year.

With populations ranging from 64,000 to 110,000 and almost no natural resources, *these new mini-states will plainly be unviable*. They want independence in large measure because they see it as a way to get more external aid. If we are not disposed to be helpful, some may turn to Cuba, the Soviets or organized crime for help.

We already have some indications of Cuban activity in Dominica. Several of the islands have active radical movements. With independence, it is likely that British democratic forms will fade rapidly.

We cannot write off these mini-states. They are too near home. They will have votes in the UN and the OAS. In one, Antigua, we have a military facility of some value to us. Perhaps most important is the consideration of what it would mean politically in the region—and at home—for us to have a proliferation of Cubas (or Grenadas) in what used to be our lake.

The Options

The U.S. should devise a comprehensive strategy for dealing with the Caribbean which would *over the short run*:

- maximize the advantages to the Caribbean nations of associating with us;
- involve significant costs to those whose policies affect negatively our national interests.

And over the long run:

- build a more stable Commonwealth Caribbean which is more closely associated with the U.S.;
- limit the polarization affect of Cuba on the rest of the Caribbean.

There are a series of options, not all mutually exclusive, which could accomplish these objectives.

Option 1. The Divide and Rule Option. Under this option, the U.S. would de-emphasize our existing policies of strengthening regional co-

operation. We would place particular emphasis on bilateral economic and political favors for Caribbean countries such as Trinidad/Tobago, The Bahamas and Barbados and contrast these with a relatively cool approach toward Guyana, and Jamaica. We would (as we do in Eastern Europe) make clear distinctions in economic assistance, trade and other bilateral ways, and generally not deal with the Commonwealth Caribbean as a group. We would undertake propaganda efforts and a subtle diplomatic campaign to undermine the appeal of Burnham and even Manley in the other English-speaking areas.

Pro:

—demonstrate most quickly and clearly the cost/benefit to present and future leaders of undertaking policies that clearly are contrary to U.S. interests.

—make Burnham and Manley feel the pinch that comes from isolation from the U.S. and force them to make choices.

Con:

—leave us allied with conservative regimes and undermine our stated policy of accepting diversity.

—possibly backfire should other hemispheric (and African) nations become convinced that we are really trying to isolate two of the few “democratic” leaders in the hemisphere.

Option 2. Modified Divide and Rule with a Regional Stress. We could give new stress to our support for regional unity (CARICOM and the Caribbean Development Bank) by launching a regional donor’s effort for the entire region. We would bring Canada, Venezuela, Colombia and perhaps others to give new emphasis and attention to improving the region. Our stress would be on strengthening the economies, on education and technical assistance. We could supplement such a regional program with greater bilateral assistance and political attention to the region’s moderates, while offering some opportunities for bilateral assistance to Burnham and Jamaica should they seek improved relations with us.

Pro:

—would enable U.S. to expand its role while including other nations such as Canada and Venezuela which are in some parts of the Caribbean less distrusted than we.

—could serve to provide new impetus and new directions in the area. The costs of new programs would be relatively modest in the small islands. A new commitment might move Manley toward a more pragmatic path and give Burnham a clearer option.

Con:

—we probably would not be able to develop significant new resources, even with Canada and Venezuela, to satisfy even a half of Jamaica’s needs or of Burnham’s ambitions.

—there would be strong opposition in other government agencies and in Congress to important new program costs for the Caribbean because of its relatively high per capita income.

Option 3. Bold New Program for the Caribbean. We could make a major effort to turn around the adverse trends in the Caribbean, both working with the moderates and dangling the hope of substantial support before Manley, and perhaps even Burnham. We would make it very clear that the Caribbean is important to us, and we want to work with Caribbean leaders. Once the Jamaican election is over, we would attempt to repair our political relations with Jamaica through candid, high-level discussions designed to build a political foundation for solid economic cooperation.

The economic effort would be bilateral, but in the context of a donor consortium, probably spearheaded by the IMF. U.S. contributions in the range of \$20–30 million per year for Jamaica for several years might be required—with the expectation that the Jamaican economy can be put back on a solid foundation in a relatively short period *if* the GOJ takes the IMF medicine (devaluation, tough controls on imports, cutbacks in some social programs), *if* bauxite demand goes up as expected, and *if* the GOJ gets more support from its friends in the interim.

Pro:

—best chance of turning around the Caribbean situation, ensuring that U.S. interests in that key region are well served, and obtaining Caribbean support in Third World and African contexts.

—provides an effective counter to Cuban blandishments and the appeal of radical solutions generally.

—demonstrates to Third World and African leaders that cooperation with the U.S. pays.

—offers best hope of moving effectively to resolve our illegal immigrant problem, both by increasing employment in the Caribbean and by opening the door to positive cooperation by area governments.

Con:

—would require substantially more resources than are now available for the Caribbean, possibly entailing special justifications and/or requests for Congress.

—may stimulate demands for similar treatment from other regions.

—could be seen as rewarding Manley and Burnham for their opposition to us.

—may only moderate Manley and Burnham's policies in the short run, i.e., until they are past present economic problems.

Option 4. Political/Security Activities. In support of an economic assistance program, we would undertake a political action program designed to strengthen our own relations with key segments of the Commonwealth Caribbean and minimize the Cuban ties. We could seek a

secret agreement with the UK or other friendly governments whereby we would pay for the training of Jamaican and other security forces in order to preempt Cuban or other Communist activity in the security field. We would undertake gray or black propaganda efforts to discredit Cuba and Cuban activities and to surface the extent of Cuban intelligence activities in the area. (A more complete discussion of other covert options with my comment is at Tab 1.)

Pro:

—an action plan to counter Cuban and Soviet activity in the area is important in turning around the current deterioration of our relations with the area.

—over the long run, we will want to assure continued dominance of UK and other friendly nations within the security forces of the area since these forces are likely to take on increasingly important roles.

Con:

—any “covert” effort however modest could give rise to suspicions that we are destabilizing. The potential for discovery in these small, open islands is great.

—the key to the area is through the building of mutually beneficial relations, not through political action which is on the margin.

Option 5. The Cuban Option. How the U.S. deals with Cuba bilaterally will have an important impact on our future relations with the region. Cuba is no longer isolated and its relations with the area will expand. We will eventually want to reestablish relations with Cuba in order to provide Cuba with a cost/benefit consideration in undercutting our interests. “Détente” with Fidel could lower the tension and diminish the trend toward polarization in the region.

Pro:

—rapproachment with Cuba would likely lead to trade and economic ties that could be more important to Cuba than to the U.S. Such leverage would be useful.

—the hostility that now exists between us could be diminished and give credibility to our statements that we accept diversity and are not destabilizing.

Con:

—U.S. initiative toward early dialogue with Cuba could encourage Cuban adventures in Africa and elsewhere.

—U.S. relations with Cuba would likely increase Cuba’s acceptability in the region and promote more rapid development of bilateral relations with the Caribbean Commonwealth nations.

Recommendation:

I recommend that you agree to variants of Options 2 and 3. My own sense is that we should:

—begin immediately to demonstrate a more supportive political and economic posture toward Barbados, Trinidad/Tobago and the Associated States by high level visits (Phil Habib and/or me), high level treatment here (Chuck Robinson has seen the Barbadian Foreign Minister), and discussions of bilateral aid.

—begin planning now for a new regional initiative early next year, after the Jamaican elections (December 14, probably) and after Burnham has sweated. Looking to that approach, we could talk with the Canadians, the UK and the Venezuelans.

—consider with other agencies ways to mount a more effective propaganda effort in the region.

—discuss with the CIA whether ways can be found to finance UK or other third country training of Caribbean security forces.

—work out with the Director General of the Foreign Service a plan to install in the Caribbean an effective group of career Ambassadors and substantive officers who can begin to build the type of bilateral relations that we need after decades of assigning political appointees and weak career officers to the area. (See Tab 2.)

I recommend that you authorize me to proceed as proposed.

472. Telegram 2393 From the Embassy in Barbados to the Department of State¹

Bridgetown, December 7, 1976, 1446Z.

2393. Subj: Grenada's Election.

Begin summary: On Tuesday, December 7, approx 60,000 Grenadians are expected to vote for the fifteen House of Assembly seats and thus to determine the composition of the next govt. Running against PriMin Eric M. Gairy's Grenada United Labour Party (GULP) is a coalition of three opposition parties, the moderate Grenada National Party (GNP), the radical leftist New Jewel Movement (NJM) and a one-man

¹ Summary: The Embassy reported that the party of Grenadian Prime Minister Gairy was likely to lose forthcoming elections to an opposition coalition led by the New Jewel Movement, which it characterized as a radical, pro-Cuban organization.

Source: National Archives, RG 59, Central Foreign Policy File, D760451-1082. Confidential; Immediate. Repeated to Caracas, Georgetown, Kingston, Nassau, and Port of Spain. In telegram 2416 from Bridgetown, December 8, the Embassy reported that the December 7 elections in Grenada had been peaceful and that Gairy's party had apparently won a majority in the Grenadian legislature. (Ibid., D760453-1137)

paper party, the United People's Party (UPP). The opposition coalition ("The People's Alliance") is dominated by the NJM, which has supplied eight of its fourteen candidates and virtually all of its campaign workers.

Until recently, the Embassy felt Gairy could probably win even an honest election but that, in any case, a fair contest was unlikely. However, recent developments indicate the govt party is in trouble and stands a better than 50–50 chance of losing the election. While the Alliance's moderate parties (GNP and UPP) might possibly control an Alliance govt if their successful candidates outnumber those elected by the NJM, this appears unlikely. In our view, an Alliance govt, if elected, will probably be, with the exception of Cuba, the most radical and noisily anti-U.S. regime in the hemisphere, albeit a regime controlling one of the world's smallest and poorest independent states. Both GULP and Alliance victories at the polls, as well as two possible concomitant non-mutually exclusive outcomes—a preemptive Gairy coup and an NJM armed uprising—pose some threat to the post-election safety of American citizen residents. The extent of this threat cannot be determined at the present time. *End summary.*

1. The Issues: Communism, Christianity, Czechoslovakia—and Clancy. Although Gairy has embarked on the expected pre-election effort to repair roads and otherwise improve the superficial appearance of his domain and well-being of its people, the electoral battle has become almost exclusively a fight over "rights." GULP propaganda describes the Alliance as a front for the NJM, which in turn is the local incarnation of "godless communism" bent on the ruthless destruction of the church and family. Increasingly strident GULP radio propaganda draws heavily on the 1948 Czech coup and allegations that an Alliance govt would "turn churches into discoteques" and deport "foreigners" (read U.S. fraud fugitive Elmer Zeek, alias John Clancy) who have helped Grenada recover from hurricane Jewel. The opposition is relying on its criticism of Gairy's record of oppression, including amateurish police brutality, his failure to score with any of his sometimes bizarre development schemes, and his often erratic and sometimes ludicrous public conduct.

2. The Campaign: By far the major surprise has been the vigor and competence of the NJM effort. In addition to their effective stumping, youthful NJM cadre have cross-indexed the voting rolls in an attempt to short circuit Gairy's assumed plans to have his supporters vote in more than one constituency. The Alliance, in spite of Gairy's attempts at provocation, have been careful not to give the govt any pretext to cancel the election.

3. The Voters: Gairy's power base is the older, rural segment of Grenada's 105,000 citizens. Many of these, however, are reported to

plan not to vote at all. Apparently, while remaining sufficiently grateful for Gairy's past efforts in reforming the plantation system to refrain from voting Alliance, many of these voters are displeased enough with the PM's recent antics to withhold their votes. The "youth" (18–35 age) generally are anti-Gairy, and the fact that the electorate has increased 53 percent—an increase made up entirely of 18–26 year olds—is an ominous sign for his chances.

4. Stealing the Election? Given the NJM's effort and the island's electoral system, it will be difficult if not impossible for the govt to rig the election. Alliance supporters actually claim that, if stealing votes can be reduced to only 15 percent, they're in.

5. "The Man:" As already noted, Gairy himself is a major issue. During a two-hour talk with an Embassy officer on December 4, Gairy professed restrained optimism that the GULP would win. He expressed concern, however, over the fact that—according to him—the NJM is armed for a post-election coup.

6. The Outcome: As we see it, the respective chances of GULP and the Alliance for winning the election are 35–65. However, GULP can at best win narrowly, while there is, in our view, a 25 percent chance of an Alliance sweep. No one questions that an Alliance victory would result in the NJM "co-ordinator," Maurice Bishop, becoming PriMin (in the present govt GULP holds 14 of 15 seats, the fifteenth being held by the GNP leader, Herbert Blaise).

7. After the Election: If the opposition wins big, Gairy is expected to either (a) use force in an attempt to annul the result, or (b) flee the country. A narrow Alliance victory might tempt him to remain in the hope that the Alliance's component elements would quarrel among themselves and that the GULP could abet and take advantage of intra-Alliance divisions.

8. Violence?: An Alliance victory, even without a coup attempt by Gairy, would probably involve some violence by NJM supporters. However, it would probably be minor and could be quickly controlled. A Gairy attempt to blatantly steal the election will provoke the NJM to fight back and it is believed they have at least enough arms to cause real trouble. (The lone British Govt official stationed on Grenada believes the NJM to have a cache of mostly stolen arms.) In the event of a fight, the police are expected to remain largely neutral and the defense force to support Gairy.

9. Danger to U.S. Citizens: We do not expect post election violence to be specifically directed at foreigners. We have, however, reviewed E&E planning, informally coordinated with the British and Canadians and have plans to send an officer to the island if serious problems develop. On a Dec. 4–6 visit, an Embassy Off contacted key resident Americans and made plans to contact them again, if necessary. The

British official stationed on Grenada has established evacuation procedures and has promised to also assist Americans wanting to leave. At this juncture, it is impossible to determine the extent of the threat to foreigners.

10. U.S. Interests: While our interests in a micro-island state like Grenada are relatively minor, they clearly will not be well served if the island is controlled by either an erratic dictator (which Gairy must become if he survives) or the pro-Cuba NJM. Unfortunately, there is scant probability of any third alternative. Moderate Alliance supporters profess to believe the GNP/UPP can control the NJM after an electoral victory or that the NJM is not all that radical. As we see it, they are whistling in the dark. An Alliance govt, no matter how it comes to power, will be a NJM show, E.E., authoritarian, pro-Cuban and anti-American, and it is doubtful there will ever be another free election in Grenada.

Simms

473. Telegram 5459 From the Embassy in Jamaica to the Department of State¹

Kingston, December 16, 1976, 2110Z.

5459. Subject: Manley's Re-election: Implications for U.S.

1. After a campaign of unparalleled ugly sordidness, and a remarkably low level of appeal on both sides, Manley is undisputed king of the heap. Despite the fact that the whole affair was staged with considerable overkill (sic) in an atmosphere of emergency repression which hardly permitted free election in our terms and that the results in terms of parliamentary seats did not entirely reflect the popular vote (about 57 percent PNP), he and "democratic socialism" are firmly esconced for another five years. The extent of the win has virtually destroyed the opposition and will be taken by Manley not only to be a complete vindica-

¹ Summary: Commenting on Manley's general election victory, the Embassy predicted that the Prime Minister would continue to be critical of the United States and recommended the maintenance of "a correct, low-profile, working relationship."

Source: National Archives, RG 59, Central Foreign Policy File, D760464–1201. Secret; Limdis. Repeated to Bridgetown, Georgetown, Nassau, and Port of Spain. In telegram 4914 from Kingston, November 10, the Embassy tentatively predicated that the opposition Jamaican Labor Party would be likely to win the election if voting were held immediately. (Ibid., D760419–0258)

tion of past policy—both domestic and foreign, but also a clear mandate for accelerated change.

2. However, given the serious immediacy of his economic predicament, Manley will find his room for maneuver limited. In a speech last week, G. Arthur Brown, the Central Bank Governor, suggested that the winner of the election should take not more than an hour for celebration before applying himself to salvaging the economy. Obviously Manley's greatest problem in this connection is the restoration of international confidence. Now that he is firmly re-established for another five years, there will be a general reassessment in (on all sides) politico-economic terms of Jamaica's credit-worthiness. There are a few immediate winners. One is Canada, who placed a last-minute hedged bet on the table in the form of their \$25 million emergency six months loan. This literally saw Manley through the election. Another is Cuba, whose presence is now locally sanitized if not sanctified, and whose modest gestures may be expected to produce an accelerated love affair.

3. The U.S. is not among the winners. The destabilization-CIA theme was loudly played in the early stages of the campaign and although muted in the final movement, was still there as a leitmotif. It will be seen as having been an effective local political theme and may be expected to be replayed whenever a diversion from reality is required. The confirmed reason for the recent muting is the expectation of the Manley government of substantial goodies from the Carter Administration.

4. I have no way of assessing the validity of these expectations, but must at present assume they are (a) probably overly optimistic given the long line of those with similar hopes and perhaps higher priorities, and (b) completely unrealistic in terms of time. Furthermore, the USG is simply not geared to provide the type and amount of infusion required.

5. Who is going to put up the cash? This is probably an immediate \$150 million question. IMF might fade some \$40 million on standby credits, but this still leaves a substantial short-fall—and we are talking here only about immediate short term requirements, not the long-term rebuilding of the Jamaican economy. This has been critically weakened by inflation, recession, high oil prices, low bauxite and sugar revenues, falling production in both manufacturing and agricultural sectors, vanishing tourism, and disastrous budget management by the Manley government. Something along the lines of a consultative group would seem to be overdue.

6. Manley is now in a tighter vise than before. He used to talk about the necessity of giving rein to his left because of the "time bomb" in which he operated—composed of one-half the population under 21, 25 percent unemployed, and rising expectations. The basic parameters have not changed, much but the elections will most certainly have dra-

matically raised the expectations. What probably really won for him was his ability to project hope for the have-nots. But his capability of meeting that hope has been increasingly curtailed during recent past months. Some sort of an austerity program must inevitably be imposed, including restriction on imports and capital spending, and a curb on union demands. The latter may prove to be the most difficult since labor disputes in nearly all sectors have been temporarily swept under the rug by government intervention and are now ripe for eruption. Inflation in food prices continues, and it is possible that shortages will occur. In short, the outlook is grim, and it is hard to envision the Jamaicans responding to a plea for hard work, sacrifice, and greater productivity even if what managerial capability that existed before had not largely departed. Furthermore, the track record of the Manley government in economic management is not inspiring.

7. It should be noted that Manley in his election night interview, which was a scene of indescribable confusion, made much of the point that the accusations of communism leveled against him and the PNP had been “massively rejected by the electorate.” He interpreted his victory as one for the Third World and the non-aligned, among which he apparently included Cuba. In the long term, I would expect no major change in Manley’s foreign policy. If he solves his domestic problems, I would expect him to make another bid for his somewhat tarnished position as an important and messianic Third World leader. It is hard to say how long the soft-peddling so far as the U.S. is concerned will last, but I would be surprised if it will be for long, especially if his expectations of open-handedness are not quickly met. The elevation of some of his more vocal anti-U.S. left wingers to the status of M.P.’s and probably Cabinet ministers, coupled with his own deep-seated personal antipathy and bolstered natural arrogance, do not lead one to hope that he has indefinitely abjured the red, white, and blue punching bag. Furthermore, he will probably continue to need a foreign devil to distract attention from domestic difficulties. Additionally, I don’t think the stories in the U.S. press emanating from the elections are going to enthrall him.

8. It seems to me that we have no choice at present other than to continue a correct, low-profile, working relationship. I would anticipate no major requests from the GOJ until after January 20, and these will probably be made in Washington. The security situation should ease up, although it seems to me that the possibility of threats or incidents from the anti-Castro element is enhanced. Reliable indicators as to the direction the government will take are not apt to emerge until after the New Year.

Gerard