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C O N F I D E N T I A L UK COMMS ONLY  
DESKBY 110800Z  
SIC TEL NO 75  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 75 OF 10 FEBRUARY 1981  
INFO IMMEDIATE UKMIS NEW YORK  
INFO PRIORITY GUATEMALA CITY, WASHINGTON

MY TELNO 73 : BELIZE/GUATEMALA NEGOTIATIONS

1. PREMIER CAME OVER TO SEE ME LATE THIS AFTERNOON IN A VERY AGITATED STATE. HE SAID THAT COURTENAY WOULD NOT NOW BE RETURNING TO THE NEGOTIATIONS IN NEW YORK. HIS PLACE WOULD BE TAKEN BY DEPUTY PREMIER ROGERS AND MINISTER SHOMAN. THEY WOULD MAKE THEIR OWN WAY TO THEIR HOTEL AND ARE NOT ASKING TO BE MET.
2. THE PREMIER EXPLAINED THAT AT A FURTHER MEETING OF THE CABINET THIS AFTERNOON, COURTENAY HAD SAID THAT BOTH HE AND I REGARDED THE CABINET'S RESPONSE TO THE GUATEMALAN PROPOSALS AS INADEQUATE. SPEAKING UNDER CONSIDERABLE STRAIN, COURTENAY HAD ACCUSED THE PREMIER OF GOING BACK ON HIS EARLIER AGREEMENT ON THE 16 POINTS. COURTENAY THOUGHT THIS WOULD PUT THE PREMIER (AND HIMSELF) IN AN EMBARRASSING POSITION. HE HAD LOST HIS TEMPER. THE PREMIER HAD THEREFORE THOUGHT IT BEST THAT COURTENAY SHOULD NOT RETURN TO NEW YORK IN HIS PRESENT CONDITION. HE WAS OVER-TIRED.
3. I TOLD THE PREMIER THAT I WAS NOT SURPRISED THAT COURTENAY WAS TIRED. HE HAD WORKED HARD IN PRESENTING BELIZE'S CASE IN NEW YORK. AND HE HAD BEEN UNDER CONSIDERABLE STRESS SINCE HIS RETURN. THE GOVERNMENT COULD NOT HAVE HAD A BETTER NEGOTIATOR. HE HAD BEEN EXTREMELY FAIR IN HIS PRESENTATION OF THE CABINET'S DECISION TO ME LAST NIGH. HE HAD MADE A MOST DISAPPOINTING RESPONSE ALMOST CREDIBLE, AND I WAS EXTREMELY SORRY THAT HE WOULD NOT BE AT THE NEXT ROUND.
4. I THEN SHOWED THE PREMIER THE WORDING OF POINT NUMBER 14 OF THE 16 POINTS AND SAID THAT THE CABINET'S RESPONSE DID SUGGEST THAT BELIZE HAD TO SOME EXTENT GONE BACK ON ITS UNDERTAKING. WHILE THIS MIGHT BE A GOOD OPENING STANCE IN THE NEGOTIATIONS, SOME FLEXIBILITY WAS REQUIRED. IF THE GUATEMALANS APPEARED TO BE READY TO SETTLE FOR A LONG LEASE, I HOPED WE WOULD BE ABLE TO MEET THEM. OTHERWISE, THIS COULD WELL BE THE BREAKING POINT.

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5. PRICE WOULD GO NO FURTHER THAN TO AGREE THAT CABINET MIGHT RAISE THE NUMBER OF CAYES TO THREE AND EXTEND THE LENGTH OF THE LEASE TO A NUMBER OF YEARS - WHICH HE WAS NOT WILLING TO DEFINE.

COMMENT

6. IF THE REASON FOR COURTENAY'S DISMISSAL BECOMES PUBLIC KNOWLEDGE, THERE COULD PRESUMABLY BE SOME HARDENING IN THE GUATEMALAN POSITION. ON THE OTHER HAND - LOOKING ON THE BRIGHTER SIDE - THE PRESENT SPLIT IN THE CABINET SHOULD RESULT IN MORE FLEXIBILITY ON THE BELIZEAN SIDE. THE EXPOSURE OF TWO MORE MEMBERS OF CABINET TO THE NEGOTIATING TABLE IN NEW YORK MAY ALSO HELP TO PRODUCE A MORE REALISTIC BELIZEAN POSTURE IN THE END.

FCO PASS UKMIS NEW YORK, GUATEMALA CITY, WASHINGTON  
HENNESSY

(REPEATED AS REQUESTED)

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