

BELIZE/GUATEMALA

ADVANCE COPIES

16 Belize

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PS/MR RIDLEY

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FM BELMOPAN

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C O N F I D E N T I A L UK COMMS ONLY

DESKBY 170900Z FEB

SIC TELNO 86

TO IMMEDIATE FCO

TELEGRAM NUMBER 86 OF 16 FEBRUARY 1981

INFO WASHINGTON, UKMIS NEW YORK, GUATEMALA CITY

*Read in full*

UKMIS NEW YORK TELNO 128 TO YOU: BELIZE/GUATEMALA

1. I SPOKE TO PRICE THIS MORNING BEFORE HIS MEETING WITH HIS CABINET COLLEAGUES AND IMPRESSED ON HIM THE CRITICAL STAGE WE HAD REACHED IN THE NEGOTIATIONS. I STRESSED THE POINT THAT IF WE WERE TO GET A SETTLEMENT WITH THE GUATEMALANS IT WOULD BE NECESSARY TO PLAY THE STRONGEST POSSIBLE HAND. WHILE NO-ONE KNEW FOR CERTAIN WHAT THE GUATEMALANS WANTED IT HAD APPEARED TO OUR DELEGATION IN NEW YORK THAT A BOLD MOVE NOW MIGHT STILL BRING AGREEMENT. THE GUATEMALANS HAD ASKED FOR A 999 YEAR LEASE OF THE RANGUAMA AND SAPODILLA CAYES BUT THEY MIGHT TAKE LESS. HOW MUCH LESS WAS THE

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2. PRICE SAID THAT HE STILL BELIEVED THAT THE GUATEMALANS REALLY ONLY WANTED TERRITORY. THEY HAD NOT LOST HOPE IN THE AMERICANS. BUT ONCE THEY SAW THAT TERRITORY WAS OUT THEY WOULD BREAK OFF THE TALKS. WE HAD NO MORE CARROTS TO OFFER OR STICKS TO USE. A SETTLEMENT WITHOUT TERRITORY MIGHT HAVE MORE DISADVANTAGES THAN ADVANTAGES FOR PRESIDENT LUCAS. HOWEVER, WE HAD ALREADY SAID THAT TERRITORY WAS NOT NEGOTIABLE AND WE COULD NOT GO BACK ON THAT. SOVEREIGNTY WAS ALSO INVIOLETE, SO ANY LEASE WHICH APPEARED TO DEROGATE FROM BELIZEAN SOVEREIGNTY WAS ALSO OUT OF THE QUESTION. WITHIN THESE PARAMETERS HE WAS READY TO BE FLEXIBLE. A 99 YEAR LEASE, SUBJECT TO REVIEW AFTER THE FIRST 50 YEARS AND RENEWABLE FOR A FURTHER 49 YEARS, MIGHT BE POSSIBLE.

3. ON THE QUESTION OF THE EXTENT OF TERRITORY TO BE LEASED, PRICE SAID THAT IT HAD ALREADY BEEN MADE CLEAR TO THE GUATEMALANS THAT THE RANGUANAS COULD NOT FORM PART OF THE PACKAGE, BUT HE THOUGHT THAT THE MAJORITY OF THE SAPODILLAS COULD. (I URGED HIM TO CONSIDER OFFERING TO LEASE ALL (LAST WORD UNDERLINED) THE SAPODILLAS).

4. ON THE QUESTION OF CONDITIONS I TOLD PRICE THAT, HOWEVER DESIRABLE IT MIGHT BE TO RESTRICT THE USE OF THE CAYES TO TOURIST PURPOSES, THERE REALLY WAS NOT MUCH POINT SINCE THERE WAS LITTLE ANYONE COULD DO ABOUT ENFORCING THE CLAUSE ONCE THE LEASE HAD BEEN GRANTED. PRICE APPEARED TO RECOGNISE THE FORCE OF THIS ARGUMENT.

5. I GAVE PRICE AN OUTLINE OF THE TIMETABLE AS IT NOW APPEARED TO US AND HE SAID HE WOULD MAKE HIMSELF AVAILABLE FOR THE NEXT ROUND OF TALKS AT MINISTERIAL LEVEL FROM 2 MARCH ONWARDS. (HE HAS A BUDGET SESSION HERE STARTING ON THE 27TH.)

FCO PASS WASHINGTON, UKMIS NEW YORK, GUATEMALA CITY

HENNESSY

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