CONFIDENTIAL

FM GUATEMALA CITY 17/2000Z FEB 81

TO PRIORITY F C O

TELEGRAM NUMBER Ø76 OF 17 FEBRUARY

R F 1 : ROUTINE BELMOPAN (PERSONAL) UKMIS NEW YORK WASHINGTON

## BELIZE/GUATEMALA

1. I SAW US CHARGE D'AFFAIRES ON 17 FEBRUARY AND GAVE HIM, AND HEAD OF POLITICAL SECTION US EMBASSY, AN OUTLINE BRIEFING ON THE TWO ROUNDS OF TALKS IN NEW YORK.

2. CHARGE COMMENTED THAT HE HAD SEEN THE FOREIGN MINSTER THE PREVIOUS EVENING AT A RECEPTION FOR THE COLOMBIAN FOREIGN MINISTER, AND HAD FOUND CASTILLO VALDEZ UNPRECEDENTEDLY GLUM AND SILENT. HE COULD NOW UNDERSTAND WHY. HE SAID THAT HE WAS SURE THAT THE GUATEMALANS WANTED A SETTLEMENT SOON, BUT HAD NOT EXPECTED THEM EVER TO DISCUSS LEASING CAYS AS A SUBSTITUTE FOR CESSION OF TERRITORY. HE THOUGHT THAT WE SHOULD TAKE ADVANTAGE OF THEIR PRESENT MOOD, BUT FEARED THAT THEIR DEMANDS MIGHT NOW BE INCREASED IF THEIR PRIDE HAD BEEN HURT IN NEW YORK.

3. WHEN NASH DELIVERED THE TEXT OF MR RIDLEY'S MESSAGE TO DELPREE (MY TELNO Ø75) THE LATTER REMARKED THAT THE GOVERNMENT MIGHT NOT FIND IT EASY TO OBTAIN THE NECESSARY TWO THIRDS MAJORITY IN CONGRESS IF BELIZEAN CONCESSIONS WERE THOUGHT TO BE INADEQUATE. HE ALSO WARNED THAT ARMY OPINION, ESPECIALLY AMONG THE YOUNGER OFFICERS AND NEWER GENERALS, MIGHT BE OPPOSED TO A SETTLEMENT EVEN IF IT HAD PRESIDENT LUCAS'S BLESSING. HE SAID THAT THE CONTENT OF THE RECENT NEGOTIATIONS WAS KNOWN TO ONLY A HANDFUL OF OFFICERS. THE NEWSPAPER STORIES OF A 20 KILOMETRE STRIP WERE SEEN BY MANY OFFICERS AS OFFERING AN INADEQUATE CONCESSION. WHEN THE TRUTH CAME TO LIGHT THERE COULD BE A DANGER OF PRESIDENT LUCAS BEING OVERTHROWN BY THE MORE CHAUVINISTIC OFFICERS.

4. THESE CONVERSATIONS CONFIRM MY FEELING THAT WE HAD A CHANCE OF GETTING GUATEMALAN AGREEMENT TO A PACKAGE OF THE SIXTEEN POINTS, THE PUNTA GORDA ROAD, FREE PORT PRESENCE, AND A LONG LEASE ON THE SAPODILLAS. NOW, I FEAR, AFTER DAMAGING THEIR PRIDE BY BELIZE OFFERING TOO LITTLE, WE MAY FIND THAT THE SAPODILLAS ARE NOT ENOUGH AND THAT THE GUATEMALANS WILL AT LEAST HOLD OUT FOR THE RANGUANAS AS WELL. IT IS IRONIC THAT THE NEW BELIZEAN FLEXIBILITY REPORTED IN PARAS 2 AND 3 OF BELMOPAN TELNO Ø86 MAY BE A WEEK TO LATE TO CLINCH THE DEAL. I THINK THAT WE DID BRING THE GUATEMALANS TO THE WATER (PARA 1 OF BELMOPAN TELNO Ø87), BUT HAVING SCARED THEM AWAY I AM NOT SURE THAT WE CAN BRING THEM BACK AGAIN. [COPIES SENT TO NO 10 DOWNING STREET]

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