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SIC TEL NO 103

TO IMMEDIATE FCO

TELEGRAM NUMBER 103 OF 23 FEBRUARY 1981

INFO GUATEMALA CITY, WASHINGTON, UKMIS NEW YORK AND MEXICO CITY.

*The American (Barneby) may well have misinterpreted the situation. And the terms of this let are probably unnecessarily dramatic. Nonetheless this is not helpful,*

*Ames*

WASHINGTON TELNO 631 : BELIZE/GUATEMALA

1. BARNEBEY CAME TO SEE ME THIS AFTERNOON TO TELL ME THAT THE UNITED STATES HAD NOW FORMULATED HER POLICY TOWARDS BELIZE. IT HAD BEEN DECIDED LAST WEDNESDAY OR THURSDAY, FOLLOWING THE DETAILED REPORT THE AMERICANS HAD HAD FROM BOTH GUATEMALAN SOURCES AND BRITISH SOURCES IN GUATEMALA OF THE LAST ROUND OF TALKS. THEIR POLICY WAS TILTED TOWARDS GUATEMALA. THEY HAD LEARNED THAT THE GUATEMALANS WERE ASKING FOR A CESSION OF ALL THE CAYES FROM THE RANGUANA ENTRANCE SOUTHWARDS. THEY WERE ALSO

ASKING FOR A ROAD, A PIPELINE, PORT FACILITIES, ETC ETC. THEY FELT THAT THESE DEMANDS WERE REASONABLE THAT THE GUATEMALANS HAD COME DOWN A LONG WAY FROM THEIR ORIGINAL DEMANDS. THEY HAD SO INFORMED THE GUATEMALAN FOREIGN MINISTER LAST SATURDAY WHEN HE SAW SECRETARY HAIG. THEY HAD TOLD CASTILLO VALDEZ THAT THEY SUPPORTED THE GUATEMALANS' POSITION.

2. BARNEBEY WENT ON TO SAY THAT IT HAD BEEN AGREED BETWEEN OUR GOVERNMENTS LAST WEEK THAT BOTH THE UK AND USA WOULD NOW LEAN HEAVILY ON THE BELIZEANS IN AN ENDEAVOUR TO GET THEM TO AGREE TO THE GUATEMALAN DEMANDS. THAT IS WHY HE HAD SEEN PRICE ON INSTRUCTIONS LAST FRIDAY. HE HAD ACTED WITH THE KNOWLEDGE AND AGREEMENT OF THE BRITISH GOVERNMENT. HE UNDERSTOOD THAT BOTH BRITISH AND US REPRESENTATIVES WOULD BE LEANING ON PRICE OVER LUNCH IN LONDON TODAY. HE HOPED HE AND I COULD AGREE JOINTLY HOW TO DEAL WITH PRICE WHEN HE RETURNED TOMORROW. ALTHOUGH HE HAD HAD A COOL RECEPTION FROM THE PREMIER WHEN HE HAD MADE HIS DEMARCHE, HE EXPECTED OUR UNITED PRESSURE WOULD CAUSE PRICE TO CAVE IN.

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3. I SAID I DOUBTED IT. PRICE WOULD FIND IT IMPOSSIBLE TO GO BACK ON HIS PLEDGES NOT TO CEDE TERRITORY. AND IF HE DID, HE WOULD PROBABLY BE OVERTHROWN. I ADDED THAT I FOUND IT DIFFICULT TO BELIEVE THAT HMG HAD AGREED TO PUT PRESSURE ON PRICE TO CEDE TERRITORY. MINISTERS HAD REPEATEDLY SAID THAT CESSION WAS OUT OF THE QUESTION. I SAID I WAS SURPRISED, TOO, TO LEARN THAT THE US ADMINISTRATION HAD REACHED A POLICY DECISION ON BELIZE BEFORE DISCUSSING THE MATTER WITH US. ( BARNEBEY INTERRUPTED TO SAY THAT HIS UNDERSTANDING WAS THAT THE MATTER HAD BEEN DISCUSSED AND AGREED BETWEEN OUR GOVERNMENTS IN WASHINGTON OR IN LONDON.) I WENT ON TO SAY THAT I WAS EVEN MORE SURPRISED THAT SUCH AN IMPORTANT MATTER FOR BRITAIN SHOULD BE DECIDED JUST BEFORE YOU YOURSELF WERE DUE TO GO TO WASHINGTON. ( TO THIS BARNEBEY REPLIED THAT THE AMERICANS REGARDED THE MATTER AS FAR TOO URGENT TO AWAIT THIS WEEK'S MEETING.)

4. SPEAKING AS GOVERNOR OF BELIZE, I SAID I COULD ONLY REGRET THE AMERICAN ACTION. IT WOULD MAKE IT IMMEASURABLY HARDER FOR US NOW TO SOLVE THE DISPUTE. THE GUATEMALANS WERE NOT LIKELY TO BACK DOWN SO LONG AS THEY HAD US SUPPORT FOR WHAT THEY WERE DOING. INSTABILITY IN CENTRAL AMERICA COULD NOT BE HALTED BY GIVING IN TO BLACKMAIL.

5. I HOPED THE AMERICANS WOULD HAVE SECOND THOUGHTS. I ADDED THAT THE PREMIER WOULD NO DOUBT RAISE WITH ME THE PROPRIETY OF BARNEBEY'S INTERVENTION ON HIS RETURN TO BELIZE TOMORROW. HE HAD ACTED IMPROPERLY IN GOING DIRECT TO PRICE. HE HAD FLOUTED THE CONSTITUTION. I WENT ON TO SAY THAT IT DID NOT SURPRISE ME TO LEARN THAT PRICE HAD ASKED WHETHER THE US ACTION MEANT THAT AMERICA WAS NOW BACKING AWAY FROM THE UNITED NATIONS RESOLUTION. NOR WAS IT SURPRISING THAT PRICE SHOULD HAVE REFERRED TO HIS FRIENDS IN THE CARIBBEAN. WE HAD LONG FORESEEN THIS POSSIBILITY. HE HAD OTHER FRIENDS AT THE UN TOO AND THE AMERICANS MIGHT FIND THAT THE REST OF THE WORLD WOULD NOT REGARD GUATEMALA'S DEMANDS AS REASONABLE.

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6. BARNEBEY WAS OBVIOUSLY UNCOMFORTABLE AND AT TIMES SEEMED

STRAINED. HE MAY HAVE EXAGGERATED THE EXTENT TO WHICH THE AMERICANS HAD MADE UP THEIR MINDS ABOUT BELIZE. BUT HE LINKED THEIR NEW BELIZE POLICY TO THE LINE THE ADMINISTRATION IS NOW ADOPTING TOWARDS EL SALVADOR. SO IT MAY TAKE A LOT TO SHIFT THEM. IF THEY ARE NOT MOVED, FURTHER NEGOTIATIONS MAY BE EXTREMELY DIFFICULT. PERHAPS THE BEST WE CAN HOPE IS THAT, IF THE AMERICANS HAVE A LINE, IT IS BASED ON INACCURATE AND BIASED REPORTS OF WHAT ACTUALLY OCCURRED IN NEW YORK AND MAY BE SUSCEPTIBLE OF MODIFICATION AT YOUR MEETING WITH GENERAL HAIG ON 26TH.

FCO PASS ALL  
HENNESSY

[PASSED AS REQUESTED]  
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