GRS 950 CONFIDENTIAL DESKBY 10/0900Z

FM GUATEMALA CITY 09/2232Z JUN 81 TO IMMEDIATE F C O

TELEGRAM NUMBER 247 OF Ø9 JUNE

R F I : IMMEDIATE BELMOPAN (PERSONAL)

R F I : PRIORITY WASHINGTON

Thave not been marraing many of the alegrans to you but there is a good deal of diplomatic actuaty going on with the aim of baing Belige + Gratemala to the point of aprement.

Prime Ringter

YOUR TELNO 126 : BELIZE/GUATEMALA NEGOTIATIONS

1. I SAW THE GUATEMALA N FOREIGN MINISTER ON 09 JUNE, ACCOMPANIED BY WEBB, AND DELIVERED THE MINISTER OF STATE'S MESSAGE. 2. CASTILLO VALDEZ ASKED ME TO THANK MR RIDLEY FOR THE MESSAGE. HE SAID THAT HE WOULD HAVE TO CONSIDER THE CONTENTS CAREFULLY. HE WAS NOT SURE THAT HE AND HIS ADVISERS WOULD BE READY FOR A MEETING IN THE WEEK BEGINNING 15 JUNE, THEY HAD BEEN DELAYED IN PREPARING THE NEW YORK PAPERS FOR CONSIDERATION BY PRESIDENT LUCAS AND HAD NOT YET COMPLETED THE TRANSLATION OF THOSE PAPERS INTO SPANISH. (THIS DOES NOT SQUARE WITH WHAT HERRERA TOLD ME ON Ø4 JUNE - MY TELNO 239 PARA 2).

3. AT THAT POINT I SPOKE ON THE LINES OF PARA 2 OF YOUR TUR INCLUDING THE ASSURANCE ABOUT THE OAS AND THE RIO TREATY. I ALSO INFORMED CASTILLO VALDEZ, AS AUTHORISED BY KYDD ON THE TELEPHONE, THAT HE AND HIS ADVISERS. IF THEY WERE IN LONDON NEXT WEEK, WOULD BE INVITED TO THE ROYAL ENCLOSURE AT ASCOT ON WEDNESDAY 17 JUNE. THE ASSURANCE ABOUT THE OAS AND THE NEWS OF ASCOT BOTH BRIGHTENED THE FACE OF CASTILLO VALDEZ.

4. HE THEN SAID THAT HE THOUGHT IT UNFORTUNATE THAT THE WORK IN NEW YORK HAD ALL BEEN DONE ON ENGLISH TEXTS, CAUSING A DELAY IN GUATEMALA CITY. HE THOUGHT IT IMPORTANT THAT AT FUTURE MEETINGS BOTH LANGUAGES BE USED, BOTH IN SPEECH AND ON PAPER. HE SAID THAT THE GUATEMALAN GOVERNMENT HAD INTERPRETED THE HEADS OF AGREEMENT AS BEING BASED ON SUBJECTS DISCUSSED ON MANY OCCASSIONS, AND NOT AS BEING OPEN TO NEW INTERPRETATIONS. FOR THIS REASON HE THOUGHT THAT THE USE OF THE EXPRESSION QUOTE EXTREME DISSAPPOINTMENT UNQUOTE IN THE SECOND PARA OF MR RIDLEY'S MESSAGE WAS CORRECT, BUT THE EXTREME DISAPPOINTMENT WAS FELT NOT JUST BY BOBBY HERRERA BUT BY ALL OF THE GUATEMALANS WHO HAD BEEN IN NEW YORK, BY HIMSELF AND BY PRESIDENT LUCAS. HE SAID THAT IN LONDON IN MARCH HE HAD BEEN PREPARED TO ACCEPT NO MRE THAN THE QUOTE USE AND ENJOYMENT UNQUOTE OF THE CAYES BECAUSE HE FELT THAT THE QUOTE SNAKE UNQUOTE OFFERRED GUATEMALA WHAT SHE NEEDED IN TERMS OF ACCESS TO THE HIGH SEAS. THE SNAKE HAD NOW BEEN WITHDRAWN, AND THERE WAS TALK OF BELIZE EXTENDING HER TERRITORIAL WATERS TO 12 MILES EVEN IN THE SOUTH. IT WOULD BE IMPOSSIBLE TO CONVINCE THE GUATEMALAN PEOPLE TO ACCEPT A SETTLEMENT WHICH INVOLVED A REDUCTION IN GUATEMALA'S HISTORICAL PRESENCE, ACCESS. AND USE IN THE AREAS IN THE CAYES.

5. I THEN SAID, AND STRESSED THAT I WAS SPEAKING PERSONALLY AND NOT ON INSTRUCTIONS, THAT I FELT THAT THE EXTREME DISAPPOINTMENT WHICH T THE MINISTER HAD DESCRIBED TO ME WAS BASED ON SOME MISUNDERSTANDING OF THE SITUATION. I VSAID THAT THE DRAFT AGREEMENT TABLED BY

/ GUATEMALA

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GUATEMALA HAD SET OUT WHAT COULD BE DESCRIBED AS A MAXIMUM POSITION, WHEREAS THE DRAFT TABLED BY THE BRITISH/BELIZEAN DELEGATION MIGHT BE SEEN AS A MINIMUM POSITION. IN OTHER WORDS BOTH SIDES HAD EXPLORED THE OTHER'S POSITION, BUT ON A SUBJECT OF THIS DELICACY OFFICIALS BOUND BY THEIR INSTRUCTIONS HAD BEEN UNABLE TO BRING THE TWO POSITIONS CLOSER TOGETHER. IT WAS FOR THIS REASON THAT IT SEEMED TO US ESSENTIAL THAT THE MINISTER, PREMIER PRICE AND THE MINISTER OF STATE SHOULD APPROACH TOGETHER THE OUTSTANDING PROBLEM OF CAYES AND WATERS AND SHOULD SEE HOW BEST TO ACHIEVE A MIDDLE POSITION WHICH WOULD BE ACCEPTABLE NOT JUST TO THE PEOPLE OF GUATEMALA BUT ALSO TO THE PEOPLE OF BELIZE.

6. CASTILLO VALDEZ AGREED THAT IT WAS THE FUNCTION OF MINISTERS TO TRY TO USE THEIR JUDGEMENT ON WHAT WAS POLITICALLY POSSIBLE ON SUCH DIFFICULT MATTERS, AND HE APPEARED TO AGREE THAT IT MIGHT BE BEST TO LEAD INTO NEGOTIATIONS AT MINISTERIAL LEVEL BY FURTHER PRELIMINARY DISCUSSIONS AT OFFICIAL LEVEL.

7. HE SAID THAT HE WAS ABOUT TO MEET THE PRESIDENT. HE WOULD INFORM HIM OF MR RIDLEY'S MESSAGE, AND HE WOULD LET ME KNOW AS SOON AS POSSIBLE WHETHER HE WAS ABLE TO ACCEPT MR RIDLEY'S INVITATION. HE SUGGESTED THAT IT MIGHT BE A FEW DAYS BEFORE HE COULD GIVE ME A REPLY. I SAID THAT BOTH I AND EVERYBODY CONCERNED IN LONDON WOULD BE WAITING WITH GREAT IMPATIENCE, AND I HOPED THAT HE WOULD BE ABLE TO REPLY VERY SOON.

8 HIS ATTITUDE BORE OUT HERRERA'S WARNING, AND IN HIS REMARKS HE ATTACHED IMPORTANCE TO THE QUESTION OF ACCESS TO THE HIGH SEAS WHILST SCARCELY MENTIONING THE CAYES. I THINK THAT THE MINISTER OF STATE'S MESSAGE PLUS THE ADDITIONAL REMARKS THAT I WAS AUTHORISED TO MAKE WILL HAVE HELPED TO SMOOTH ANY RESENTMENT THAT THE GUATEMALANS ARE STILL FEELING AND MY GUESS, AT THIS MOMENT, IS THAT CASTILLO VALDEZ WILL ACCEPT MR RIDLEY'S INVITATION AND WILL BE IN LONDON NEXT WEEK.=

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