

IC STAFF
Routing Slip

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LOGGED
15 JUL 1985

TO:	ACTION	COORD	INFO
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D/ICS			—
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EA-D/ICS			<i>mb</i>
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SIGINT			X
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REGISTRY	<i>[Signature]</i>	<i>[Signature]</i>	
DDCI			
SUSPENSE: _____ Date			
REMARKS:			

**EXECUTIVE SECRETARIAT
ROUTING SLIP**

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA				
7	DDO	X			
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt		X		
13	D/OLL				
14	D/PAO				
15	VC/NIC		X		
16	NIO/LA		X		
17	C/CPN/DO		X		
18	C/LA/DO		X		
19	D/ALA/DI		X		
20					
21					
22					

SUSPENSE _____

Date

Remarks

12 Jul 85

Date

SECRET

4600

THE WHITE HOUSE

WASHINGTON

SECRET

July 10, 1985

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MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ
The Secretary of State

THE HONORABLE JAMES A. BAKER, III
The Secretary of the Treasury

THE HONORABLE CASPAR W. WEINBERGER
The Secretary of Defense

THE HONORABLE JOHN R. BLOCK
The Secretary of Agriculture

THE HONORABLE WILLIAM J. CASEY
Director of Central Intelligence

SUBJECT: Assisting Guatemalan Progress Toward Democracy (C)

During the past few weeks there has been valuable cooperation by a number of agencies in considering ways in which we could assist Guatemala during the period before the November 1985 elections. Recent reporting from Guatemala has underlined the political fragility which the Mejia government will face in the months ahead. The following actions would make an important contribution in assuring that the Guatemalan elections take place in a stable atmosphere. (S)

- Technical Help for the Elections: The State Department and AID should encourage the National Endowment for Democracy to fund projects related to the upcoming elections. Projects now being considered to print ballot paper and train poll watchers should be given high priority. (C)
- Assistance in Dealing with Energy Problems: State and AID are encouraged to identify funds which could be reprogrammed to finance the repair or partial replacement of Guatemala's thermal generators. (C)
- PL-480 and CCC Credits: An additional allocation of \$5 million out of the FY-85 Title I reserve has received interagency approval. The Treasury Department has noted that at a time when Guatemala has accumulated some debt arrearages, concessional PL-480 would be a more appropriate form of assistance than commercial-rate CCC guarantees. For this reason, Treasury, State and Agriculture should examine

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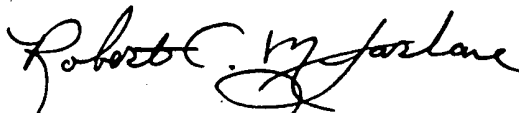
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again the possibility of providing additional PL-480 for Guatemala. Any PL-480 which can be allocated from the Title I reserve can substitute for the \$25 million tranche of CCC guarantees which is currently due for release. If no new PL-480 can be identified, on July 17, 1985 the Agriculture Department should release to Guatemala \$20 million in CCC guarantees. (C)

25X1

- Facilitate FMS-Cash Requests for Spare Parts: Defense should seek to raise the delivery priority of Guatemala's FMS case for spare parts. (C)



Robert C. McFarlane

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