

STAT

Declassified in Part - Sanitized Copy Approved for Release 2012/04/30 : CIA-RDP87M00539R001602510005-9

**Page Denied**

Next 1 Page(s) In Document Denied

Declassified in Part - Sanitized Copy Approved for Release 2012/04/30 : CIA-RDP87M00539R001602510005-9

**SECRET**

4600

THE WHITE HOUSE  
WASHINGTON

SECRET

July 10, 1985

J023/1

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

SECRET  
DECLASSIFY: OADR

**SECRET**



SECRET

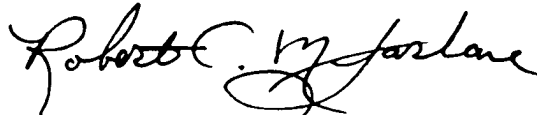
SECRET

- 2 -

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

SECRET

SECRET

STAT

Declassified in Part - Sanitized Copy Approved for Release 2012/04/30 : CIA-RDP87M00539R001602510005-9

**Page Denied**

Next 3 Page(s) In Document Denied

Declassified in Part - Sanitized Copy Approved for Release 2012/04/30 : CIA-RDP87M00539R001602510005-9