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**SUBJECT:** Appraisal of Security Situation in Guatemala

1. In our view there is an excellent chance that disturbances, strikes, and riots could break out in the capital between now and the elections. We are now in our second week with almost no petroleum products available in the capital and any day a riot could be sparked by the endless gasoline lines which stand for hours in front of those few stations which have some gas to sell. The Government has diffused some of the potential for disturbances by granting pay raises, which have mollified some of the poorer elements at least for the moment, and by decreeing that the school year is over and everyone will be promoted automatically. There is, however, still significant tension and fragility in the situation and the petroleum crisis, if it continues, could easily be the spark for rioting. Apparently, also, while some temporary relief may be in sight in terms of gasoline and diesel fuel, there is a real possibility that the country will be completely out of bunker oil by 20 October. If this happens, most of the country's industry will be forced to close down and there is significant danger of serious rioting and unrest in such a situation.

2. The major flashpoints in the city would be the traditional ones: the major market areas, the slums, and much of zone 1 which is the traditional business and commercial center of town. The university and high schools would normally be flashpoints as well but since they are now closed, they represent less of a potential danger.

3. Guatemalan authorities are determined to hold the elections and to cope with whatever violence may occur. The security forces did an excellent job in coping with recent disturbances, in an extremely humane way, and they could certainly cope with additional violence, despite equipment shortages, provided that demonstrations and riots did not set off a real popular spark and get completely out of hand.



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