

1983/02/18

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AMEMBASSY SAN SALVADOR

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TAGS: KPRP, PGOV, PINR, PINS, MCAP, MASS, ECON, ASEC,

PTER

SUBJECT: ANALYSIS OF RIOS MONTT GOVERNMENT

AFTER ELEVEN MONTHS

REF: GUATEMALA 9158 (POST REPORTING PLAN)

1. SUMMARY

THE BLOODLESS COUP OF MARCH 23, 1982, BROUGHT INTO OFFICE AN UNUSUAL MILITARY OFFICER, GENERAL EFRAIN RIOS MONTT. THE COUP WAS SUPPORTED BY THE SAME ELEMENTS OF THE SOCIETY

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THAT HAD DENIED HIM THE PRESIDENCY IN 1974, AND WAS CARRIED OUT BY MILITARY OFFICIALS OF DUBIOUS QUALIFICATIONS AND CHARACTER. THE COUP

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WAS POPULAR BECAUSE OF THE WIDESPREAD BELIEF THAT GENERAL ANGEL ANIBAL GUEVARA HAD WON THE MARCH 7 NATIONAL ELECTIONS BY FRAUD, AND BECAUSE IT OVERTHREW A REPRESSIVE LUCAS GARCIA GOVERNMENT. RIOS MONTT QUICKLY CONSOLIDATED HIS POSITION, DISSOLVING THE JUNTA AFTER ONLY SEVENTY-EIGHT DAYS. HIS DECISION NOT TO CALL FOR NEW ELECTIONS, AS THE POLITICAL PARTIES WANTED, INSURED THAT THE MLN DID NOT THEN COME TO POWER. A RESULT THAT WOULD NOT HAVE IMPROVED GUATEMALA'S IMAGE.

RIOS MONTT BEGAN HIS APPEAL TO DISAFFECTED ELEMENTS OF THE SOCIETY THROUGH A WEEKLY HE ALSO COINED "SERMONETTE" ON RADIO AND TV. THE WORD "GUATEMALIDAD" AS HIS VERSION OF ONE INDICATION THAT HIS MESSAGE NATIONALISM. IS BEING LISTENED TO IN THE RURAL AREAS IS THAT IT HAS BEEN JAMMED BY THE GUERRILLAS ON AT LEAST THE PRESIDENT HAS TAKEN OTHER TWO OCCASIONS. STEPS TO STRENGTHEN HIS POSITION, INCLUDING APPOINTING THE PRINCIPAL COUP LEADERS AS OFFICIAL ADVISORS AND CHURNING THE TOP COMMAND OF THE HE HAS BEEN CONCERNED ABOUT COUNTER MILITARY. COUPS, AND HAS MOVED ON AT LEAST THREE OCCASIONS TO ARREST PERSONS, INCLUDING MILITARY OFFICERS. IN ALL CASES, AFTER SOME PERIOD IN DETENTION FOR "INVESTIGATION", THESE PERSONS HAVE BEEN RELEASED THERE HAS BEEN NOTHING FOR LACK OF EVIDENCE. HEARD FROM THE SENIOR OFFICERS RELIEVED OF THEIR

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THE PRESIDENT AND MRS. COMMAND BY THE COUP. RIOS MONTT'S FAMILY CONNECTIONS IN THE MILITARY AND GOVERNMENT ARE DETAILED IN THIS REPORT.

WHILE THE G-2 (MILITARY INTELLIGENCE) AND THE YOUNG ADVISORS HAVE BEEN THE ONLY ELEMENTS OF THE MILITARY NOT TO HAVE CHANGED, THE CIVILIAN COMPONENT HAS REMAINED REMARKABLY STABLE WITH ONLY ONE CABINET OFFICER AND THE CENTRAL BANK PRESIDENT REMOVED FOR CAUSE. PERSONS, BOTH MILITARY AND CIVILIAN, BELIEVED TO HAVE SPECIAL ACCESS TO THE PRESIDENT ARE LISTED IN THIS REPORT.



THE INSURGENCY AND THE ECONOMY WERE THE TWO MAJOR ISSUES FACING RIOS MONTT. FIRST PRIORITY WAS GIVEN TO COMBATTING THE INSURGENCY WITH THE "BEANS AND RIFLES, " "PAAC, " AND "HOUSING, FOOD AND WORK" PROGRAMS. THE ECONOMIC OUTLOOK WAS BLEAK, AND THE GOG SUCCEEDED ONLY IN CUTTING LOSSES DURING ITS FIRST ELEVEN MONTHS IN OFFICE. THE OUSTED CENTRAL BANK PRESIDENT, JORGE GONZALEZ DEL VALLE, MAY HAVE COST GUATEMALA HALF A YEAR IN FORMULATING AN ECONOMIC RECOVERY PLAN BY OPPOSING NEGOTIATION OF A NEW STAND-BY WITH THE IMF. AN IMPORT QUOTA SYSTEM WAS IMPOSED BY THE GOG IN NOVEMBER, AND IMPORTS MAY HAVE TO BE CUT ANOTHER 20-35 PERCENT IN 1983 IF NEW EXTERNAL FINANCING

THE PRESIDENT HAS REORIENTED DEVELOPMENT POLICY TOWARD THE HIGHLANDS, BUT LARGE AMOUNTS OF FINANCING WILL HAVE TO WAIT ANOTHER YEAR UNTIL MAJOR INFRASTRUCTURE PROJECTS NOW UNDERWAY ARE COMPLETED. SOME SIGNIFICANT ASSISTANCE, HOWEVER, WAS PROVIDED IN



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THE FORM OF SCHOOLS, HOUSING, AND ROADS.
AFTER SOME INITIAL EQUIVOCATION, IT BECAME APPARENT
THAT RIOS MONTT HAD IN MIND A FUNDAMENTAL POLITICAL
REFORM. THE COUNCIL OF STATE BECAME THE FIRST
CONCRETE APPLICATION OF HIS DESIGN TO INCORPORATE
THE INDIGENOUS SECTOR INTO THE POLITICAL PROCESS.
HIS ANNOUNCEMENT THAT THE FIRST DRAFT LAWS FOR A
RETURN TO CONSTITUTIONAL GOVERNMENT WOULD BE READY ON
MARCH 23, 1983, CAME EARLIER THAN EXPECTED AND WAS
POPULARLY RECEIVED.

THE PRESIDENT'S EVANGELICAL FERVOR HAS ACTED AS A CATALYST ON THE RELIGIOUS COMMUNITY IN GUATEMALA.

THE ROMAN CATHOLIC CHURCH HAS ALMOST VISIBLY RELAXED ITS ACTIVIST STANCE, AND HAS BEGUN TO FOCUS ON



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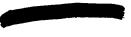
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PASTORAL WORK IN THE FACE OF A RAPIDLY GROWING EVANGELICAL MOVEMENT. THE POPE'S VISIT SCHEDULED FOR MARCH IS EXPECTED TO GENERATE SOME OF THE LARGEST AUDIENCES EVER TO ASSEMBLE IN GUATEMALA. THIS SPIRITUAL COMPETITION COULD OFFER BENEFIT TO THE POPULATION. THERE HAS ALSO BEEN POSITIVE DEVELOPMENT WITH REGARD TO THE DEMOCRATICALLY-ORIENTED UNION MOVEMENT.

MILITARY SUCCESSES BY THE RIOS MONTT GOVERNMENT ARE CREDITED TO ITS HAVING ADOPTED THE TACTICAL STRATEGY OF FORMER CHIEF OF STAFF BENEDICTO LUCAS. RIOS MONTT HAS BEEN AMBIVALENT ABOUT U.S. MILITARY ASSISTANCE, CHANGING HIS PUBLIC STANCE ON OCCASION, BUT ALWAYS TAKING THE POSITION THAT GUATEMALA MUST SOLVE ITS OWN PROBLEMS. THE MILITARY IS MAKING DO WITH

GLARING WEAKNESSES, IN PART, BECAUSE IT IS NOT YET INVOLVED IN A WAR OF SOPHISTICATED TECHNOLOGY. THE INSURGENCY IS NOT, HOWEVER, MORIBUND. THERE ARE SEVERAL MAJOR AREAS WHERE THE INSURGENTS REMAIN DANGEROUS AND UNDEFEATED. THE GOG DOES NOT HAVE A POLICY OF ELIMINATING ALL PARTICIPANTS IN THE INSURGENCY, BUT RATHER HAS REHABILITATED MANY FORMERLY WITH THE GUERRILLA FORCES.

IN HUMAN RIGHTS THE GOG HAS MOVED FROM A SIEGE MENTALITY TO ONE OF OPENNESS. HOW THIS ATTITUDE HAS ENDURED UNDER THE ONSLAUGHT OF NUMEROUS AND OFTEN HOSTILE HUMAN RIGHTS MISSIONS IS SOMETHING OF A MYSTERY. THE OPENNESS MAY HAVE BEGUN TO PAY OFF, AS SEVERAL EUROPEAN EMBASSIES HAVE CONTRADICTED CHARGES OF HUMAN RIGHTS VIOLATIONS IN THEIR RESPECTIVE COUNTRIES. THE PHENOMENA OF LARGE GROUPS SEEKING GOG PROTECTION IN CHOATALUM AND



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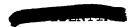
CHISEC HAVE A GREATER HUMAN RIGHTS SIGNIFICANCE THAN PREVIOUSLY UNDERSTOOD.

THE JUDICIAL PROCESS CONTINUES TO BE A WEAKNESS IN GUATEMALA AS ATTESTED TO BY RECOMMENDATIONS OF THE IAHRC REGARDING THE SPECIAL COURTS ESTABLISHED TO COMPLEMENT THE STATE OF SIEGE, AND THE TREATMENT OF AN AMERICAN CITIZEN ARRESTED AND PROCESSED UNDER PROVISIONS OF THESE COURTS. MEMBERS OF THE MILITARY ESTABLISHMENT CONTINUE TO APPEAR IMMUNE TO OPEN PROSECUTION FOR POLITICAL OR CRIMINAL CHARGES.

GUATEMALAN FOREIGN POLICY HAS REMAINED ALIGNED WITH THE WESTERN DEMOCRACIES. RELATIONS WITH LATIN AMERICAN COUNTRIES REMAINED MIXED. BELIZE NEGOTIATIONS HAVE NOT PROSPERED. GUATEMALA SUPPORTS THE U.S. PRESENCE IN THE OAS. YET, THE RIOS MONTT QUEST FOR "GUATEMALIDAD" CONTINUES TO DOMINATE HIS RHETORIC. THE FUNDAMENTAL FOREIGN POLICY ISSUE REMAINS HUMAN RIGHTS. HISTORICALLY, GUATEMALA UNTIL THE 1976 EARTHQUAKE DID NOT SEEK FOREIGN AID. THE EVANGELICAL CHURCHES THAT CAME TO HELP REBUILD GUATEMALA PROVIDED A MAJOR STIMULUS TO THAT MOVEMENT AND INDIRECTLY TO PRESIDENT RIOS MONTT. THE GOG COOPERATES WITH THE UN HUMAN RIGHTS AGENCIES,

AS WELL AS THE IAHRC, AND VOTES IN THIS UN BODY MORE CONSISTENTLY WITH THE U.S. THAN MOST OTHER LATIN COUNTRIES.

THE RIOS MONTT ACCOMPLISHMENTS IN 1982 APPEAR MORE ELEMENTARY THAN REVOLUTIONARY. THEY INCLUDE 1) STAYING IN OFFICE; 2) PUTTING INSURGENCY ON THE DEFENSIVE; 3) AND SOME PROGRESS IN IMPROVING



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THE COUNTRY'S INTERNATIONAL IMAGE. MEMBERS OF THE PRESIDENT'S STAFF CITE SUCH ACTIONS AS RAISING THE PUBLIC BUS FARE FOR THE FIRST TIME IN ALMOST FIFTY YEARS, AND CLOSING THE MILITARY COMMISSARY, AS MANIFESTATIONS OF THE NEW GOVERNMENT'S CONTROL. JUDICIAL REFORM WILL BE AN OBJECTIVE FOR 1983. A SENSITIVE ISSUE WILL BE THE APPLICATION OF THE NEW ELECTORAL LAWS AFTER MARCH 23, 1983. MAJOR VARIABLES IN THE OUTLOOK FOR THE RIOS MONTT GOVERNMENT INCLUDE THE POSSIBILITY THAT HIS GOVERNMENT COULD FALL TO ANOTHER COUP, OR HE COULD BE THE TARGET OF ASSASSINATION, OR THAT THERE COULD BE A GUERRILLA RECRUDESCENSE. HOWEVER, THE EMBASSY IS INCLINED TOWARD THE POSITIVE VIEW THAT THE RIOS GOVERNMENT WILL SURVIVE AND CONTINUE ITS POSITIVE



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MOMENTUM. END SUMMARY.

2. INTRODUCTION

AFTER SIXTEEN YEARS OF CONSTITUTIONAL GOVERNMENT, THE LAST TWELVE UNDER ELECTED MILITARY OFFICER PRESIDENTS, THE GUATEMALAN GOVERNMENT DISSOLVED IN A BLOODLESS COUP TWO WEEKS AFTER THE MARCH 1982 NATIONAL ELECTIONS. IRONICALLY, THE GUATEMALAN PUBLIC WELCOMED THE CHANGE BROUGHT ABOUT BY YOUNGER MILITARY OFFICERS OF DUBIOUS REPUTATION AND LITTLE RELEVANT EXPERIENCE, ENCOURAGED OR MOTIVATED TO SOME EXTENT BY SELF-INTERESTED POLITICAL LEADERS OF THE FOUR OPPOSITION PARTIES THAT CONTESTED THE ELECTIONS. EVEN MORE IRONIC, THE YOUNG COUP LEADERS CALLED ON AN INACTIVE SENIOR MILITARY OFFICER AND TWO OTHER MAINSTREAM ACTIVE DUTY MILITARY OFFICERS TO FORM A GOVERNING JUNTA. THE SENIOR MEMBER OF THE JUNTA, ALTHOUGH NOMINALLY A MILITARY MAN, QUALIFIED, HOWEVER, ON ALMOST EVERY OTHER COUNT AS BREAKING THE CONTINUITY OF THE THREE PREVIOUS ELECTIONS - WON BY THE RANKING ACTIVE DUTY ROMAN CATHOLIC MILITARY OFFICER IN EACH CASE. ALMOST BIZARRE WAS THE FACT THAT OPPOSITION PARTIES WELCOMED THE COUP AND SOME POLITICAL LEADERS TOOK CREDIT FOR BRINGING IT ABOUT. WHO DID THE YOUNG

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MILITARY LEADERS AND POLITICAL PARTIES COMBINE TO SUPPORT?

AN ADMINISTRATOR OF A SMALL EVANGELICAL SCHOOL, AN ACKNOWLEDGED WINNER OF THE 1974 PRESIDENTIAL ELECTIONS WHICH WAS TAKEN AWAY FROM HIM BY THE ARMY AND THE SAME MLN POLITICAL PARTY WHICH CLAIMED



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TO PARTICIPATE IN THE 1982 COUP, A MAN WHO ACCEPTED EXILE WITH HARDLY A MURMUR AND REMAINED OUT OF THE LIMELIGHT FOR SEVEN YEARS, A MAN WHOSE OVERTURES TO THE POLITICAL PARTIES IN THE 1981 PRE-CAMPAIGN MANUEVERING DID NOT PROSPER, AND A MAN WHO ACCORDING TO THOSE INVOLVED PLAYED ALMOST NO ROLE IN THE COUP AND PERHAPS WAS NOT THE FIRST CHOICE TO HEAD THE JUNTA. WITH THIS IN MIND, THERE IS LITTLE WONDER THAT THE WORLD OF GUATEMALAN POLITICS STOOD STILL FOR A TWO-WEEK PERIOD AFTER MARCH 23 WHILE ALL ATTEMPTED TO ASSESS WHAT HAD HAPPENED.

WHY IT HAPPENED WAS EASILY UNDERSTOOD, ESPECIALLY IN RETROSPECT. WHETHER THE ELECTION WAS FRAUDULENT OR NOT DID NOT MATTER. WITH THE ASSISTANCE OF THE LOSING POLITICAL PARTIES, ENOUGH PEOPLE WERE PREPARED TO BELIEVE THE WORST. HUMAN RIGHTS CRITICS ABROAD ASSUMED A FRAUD. AND THE GUATEMALAN PUBLIC WAS EAGER FOR A CHANGE THAT WOULD BREAK THE EXTREME TENSION OF THE TIMES, CAUSED IN PART BY COUNTRY WIDE VIOLENCE, IN PART BY A REPRESSIVE AND UNPOPULAR LUCAS ADMINISTRATION, AND TO SOME DEGREE BY THE COUNTRY'S GROWING INTERNATIONAL ISOLATION COUPLED WITH INCREASING REGIONAL VIOLENCE FOLLOWING THE JULY 1979 COLLAPSE OF THE SOMOZA GOVERNMENT.

EVEN SOME SUPPORTERS OF ANGEL ANIBAL GUEVARA, THE SO CALLED OFFICIAL CANDIDATE, ACKNOWLEDGED BEFORE THE ELECTION THAT A VICTORY BY AN OPPOSITION CANDIDATE WOULD BE BETTER FOR THE COUNTRY'S INTERNATIONAL IMAGE, AND THERE WERE MANY WHO HELD THIS TO BE THE HIGHEST PRIORITY OBJECTIVE OF THE ELECTION.

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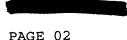
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THIS MIRACLE DID NOT OCCUR ON ELECTION DAY, THUS SETTING THE STAGE FOR THE UNEXPECTED - THE EMERGENCE OF GENERAL JOSE EFRAIN RIOS MONTT. HIS EXPLANATION THAT IT WAS "GOD'S WILL" WAS CERTAINLY THE MOST SUCCINCT AND POSITIVE EXPLANATION GIVEN. IT WAS ALSO REVEALING, FOR HE HAS SINCE OFTEN CONDUCTED HIMSELF AS IF GOD IS THE ONLY ONE TO WHOM HE IS ANSWERABLE.

CONSOLIDATION OF POWER

RIOS MONTT MOVED SWIFTLY TO CONSOLIDATE HIS POSITION. THE THREE MAN MILITARY JUNTA WAS DISSOLVED ONLY SEVENTY-EIGHT DAYS AFTER THE COUP, AS RIOS MONTT ASSUMED THE PRESIDENCY WITH AT LEAST THE

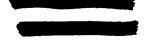


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ACQUIESENCE OF THE ARMY, IF NOT ENTHUSIASTIC SUPPORT. VERY EARLY THE OPPOSITION POLITICAL PARTIES DISCOVERED THAT HE DID NOT INTEND TO ACCOMMODATE THEIR WISH FOR AN IMMEDIATE CALL FOR NEW ELECTIONS. IN THIS DECISION HE PROBABLY PERFORMED A POSITIVE SERVICE TO GUATEMALA'S INTERNATIONAL REPUTATION, TO BILATERAL RELATIONS WITH THE UNITED STATES, AS WELL AS TO THE CHRISTIAN DEMOCRATS AND THE SMALLER PNR AND CAN PARTIES IN GUATEMALA, FOR IT WAS NEAR CERTAIN THAT THE RIGHT WING MLN WOULD HAVE BEEN THE VICTOR UNDER THE PREVAILING CONDITIONS AND ELECTORAL RULES. THIS REPORT WILL NOT ATTEMPT TO ANALYZE WHAT AN MLN VICTORY WOULD HAVE BROUGHT, BUT SUFFICE IT TO SAY THAT MARIO SANDOVAL, ADVISED BY LEONEL SISNIEGA, MIGHT HAVE MADE ANIBAL GUEVARA LOOK LIKE MARY POPPINS IN COMPARISON.

IN HIS FIRST APPEARANCE AS THE SPOKEMAN
FOR THE MILITARY JUNTA, IT WAS EVIDENT THAT GENERAL
EFRAIN RIOS MONTT WAS NOT A STEREOTYPE
LATIN AMERICAN MILITARY LEADER. HE HAD THE
REQUIRED EXPERIENCE, BUT HAD CHANGED IN HIS
YEARS OUTSIDE THE STRUCTURED ARMY ENVIRONMENT.
HIS CONVERSION FROM CATHOLICISM TO EVANGELICAL
PROTESTANISM AND ACTIVE PARTICIPATION IN THE
CHURCH OF THE WORD WAS THE MOST VISIBLE EVIDENCE OF
THIS.

PROPHETICALLY, AN EDITORIAL IN A U.S. NEWSPAPER ONLY TWO DAYS AFTER THE COUP NEATLY DEFINED THE TASK OF THE COUP MAKERS. THE SAN DIEGO UNION OBSERVED "IT IS POSSIBLE THAT THE JUNTA AND GENERAL



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RIOS MONTT WILL PROVE THEMSELVES MIRACLE WORKERS IN RALLYING GUATEMALANS TO THE GOVERNMENT SIDE AND DEFEATING THE MARXIST GUERRILLAS. FOR THAT TO HAPPEN, THE JUNTA WILL NEED TO CONVINCE DISAFFECTED PEASANTS AND INDIANS THAT IT IS SOMETHING MORE THAN JUST ANOTHER MILITARY GOVERNMENT PRONE TO THE CORRUPTION AND REPRESSION THAT GENERAL RIOS MONTT CHARGES CHARACTERIZED THE PREVIOUS REGIME."

RIOS MONTT APPEARED INSTINCTIVELY TO UNDERSTAND THIS FUNDAMENTAL TRUTH. HE INAUGURATED A WEEKLY SUNDAY NIGHT "SERMONETTE" ON RADIO AND TELEVISION IN WHICH HIS THEMES HAVE FOCUSSED ON THE NEED FOR GUATEMALANS TO CHANGE, TO SUBSTITUTE VIOLENCE WITH LOVE, AND TO ADOPT RESPECT FOR FAMILY INSTITUTIONS. HE FIRST ARTICULATED HIS PHILOSOPHY FOR BRINGING A BETTER LIFE TO THE HIGHLANDS AS COMMUNITARIANISM (SEE 82 GUATEMALA 3793), BUT WAS SEEKING A UNIQUE EXPRESSION AS A NATIONAL CONSCIOUS RAISING DEVICE. OTHER SERMONETTES CALLED FOR "TRUE SOCIAL JUSTICE, " CHALLENGED THE PRIVATE SECTOR TO INVEST IN GUATEMALA INSTEAD OF CONTRIBUTING TO THE CRISIS BY TAKING MONEY OUT OF THE COUNTRY AND THREATENED SEVERE SANCTIONS IF MERCHANTS RAISED PRICES, WARNED AGAINST COUNTRIES AND GROUPS ATTEMPTING TO IMPOSE A PHILOSOPHY AND CULTURE ALIEN TO GUATEMALA, QUESTIONED THE HONESTY OF THE PRIVATE SECTOR IN SUCH MATTERS AS TAX OBLIGATIONS, AND CAUSTICALLY BERATED THE GUERRILLAS FOR WANTON DESTRUCTION. ULTIMATELY, RIOS MONTT FOUND HIS WORD - GUATEMALIDAD - WHICH HE OFFERS AS THE ALTERNATIVE TO ALL WORLD POLITICAL MOVEMENTS. IMPLICIT IN HIS MESSAGE IS THAT THE CAMPESINO, THE MAN CAUGHT IN THE MIDDLE OF THE



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INSURGENCY, DOES NOT HAVE TO CHOOSE BETWEEN COMMUNISM AND DEMOCRACY.

THE RIOS MONTT RHETORIC HAS LONG SINCE BEEN TUNED OUT BY THE SOPHISTICATED GUATEMALAN, AND HIS MESSAGE HAS BECOME REPETITIOUS, BUT THERE IS EVERY INDICATION HE IS BEING LISTENED TO IN THE RURAL AREAS. IN JANUARY 1983 GUERRILLA ELEMENTS BEGAN TO JAM THE SERMONETTES. SEVERAL RADIO STATIONS ON THE NATIONAL NET, WERE INTERRUPTED WITH PROPAGANDA THAT OVERRODE THE PRESIDENTIAL MESSAGES ON AT LEAST TWO OCCASIONS - A GOOD INDICATION THAT THE GUERRILLAS, AT LEAST, THOUGHT THE SERMONETTES WERE DAMAGING TO THEIR CAUSE OR TO DEMONSTRATE THAT THEY COULD EASILY BREAK IN ON ANY RADIO BROADCAST, INCLUDING ONE BY THE PRESIDENT.

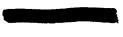
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RIOS MONTT HAS DEMONSTRATED HIS ABILITY TO SURVIVE BY A SERIES OF VERY SPECIFIC ACTIONS. THE SIX MILITARY OFFICERS WHO WERE THE PRINCIPAL LEADERS OF THE COUP WERE FO RMALIZED AS HIS OFFICIAL ADVISORS IN THE STATUTE OF GOVERNMENT THAT WAS ENACTED ON APRIL 28 BY DECREE LAW AS AN INTERIM REPLACEMENT FOR THE CANCELLED CONSTITUTION. SIMULTANEOUSLY, HE BEGAN TO CHURN THE TOP COMMAND OF THE MILITARY. ALL BUT TWO BASE COMMANDERS FROM THE ESTIMATED TWENTY OFFICER SENIOR LEVEL COMMAND STRUCTURE WERE TRANSFERRED OR RELIEVED WITHIN A SHORT PERIOD FOLLOWING THE COUP. PROBABLY MORE THAN HALF OF THOSE APPOINTED HAVE BEEN TRANSFERRED OR RELIEVED AGAIN. ALTHOUGH THERE MAY BE OTHER CIRCUMSTANCES THAT WOULD EXPLAIN SOME OF THE CHANGES, AN OBVIOUS REASON FOR THE WHOLESALE NATURE OF THE ACTION WAS TO KEEP THE MILITARY LEADERSHIP OFF BALANCE AND PREVENT THE ESTABLISHMENT OF POWER BASES THAT MIGHT CHALLENGE HIS LEADERSHIP.

COUP PLOTTING

WHETHER THIS STRATEGY WAS NECESSARY IS SUBJECT TO CONJECTURE. HAVING BEEN AWAY FROM ACTIVE MILITARY DUTY FOR NINE YEARS, RIOS MONTT DID NOT HAVE AN IMMEDIATE AND CLEARLY DEFINED SUPPORT BASE IN THE ARMY. ALMOST FROM THE BEGINNING HE APPEARED CONCERNED ABOUT COUP PLOTTING. ON APRIL 2 HE CHARGED IN A PRESS INTERVIEW THAT OUSTED PRESIDENT ROMEO LUCAS WAS ORGANIZING A COUNTER COUP. IN JUNE THE RUMORS CROPPED UP AGAIN, MOTIVATED IN PART BY SUPPORTERS OF THE TWO



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JUNTA MEMBERS WHO HAD BEEN FORCED TO RESIGN, BY GRIPING OVER MILITARY PAY, AND BY RESENTMENT IN SOME MILITARY QUARTERS OVER RUMORS OF PAYOFFS AND PRIVILEGES ENJOYED BY THE SIX ADVISORS. RIOS MONTT PUBLICLY NOTED IN LATE JUNE THAT SECURITY FORCES HAD UNCOVERED DETAILS OF A PLOT TO OVERTHROW HIM IN AUGUST. HIS CONCERN TOOK ON SUBSTANCE WHEN ON AUGUST 15 SECURITY FORCES MOVED TO ARREST A GROUP OF EIGHT INDIVIDUALS ASSOCIATED WITH POLITICAL PARTIES AND THE ARMY. THESE PERSONS WERE FROM

ZACAPA AND WERE LONG TIME MLN AND CAN LEADERS.
THE VICE PRESIDENT OF THE MLN, LEONEL SISNIEGA,
WAS ALSO SOUGHT FOR QUESTIONING, BUT MANAGED TO
HIDE AND HAS REMAINED UNDER COVER EVER SINCE.
AFTER BEING THREATENED WITH BEING TURNED OVER TO
THE COURTS IF FOUND GUILTY OF "CRIMES AGAINST
THE STATE," THE GROUP WAS SET FREE WITHOUT CHARGES.
TWO OTHER MLN ACTIVISTS, INCLUDING THE PERSONAL
BODYGUARD OF MARIO SANDOVAL, WERE ARRESTED FOR
INVESTIGATION IN OCTOBER AND RELEASED IN EARLY
DECEMBER.

FOUR ARMY OFFICERS, INCLUDING FORMER JUNTA MEMBER COLONEL GORDILLO, AND TWO OR MORE CIVILIANS WERE ARRESTED AND ACCUSED OF PLOTTING TO OVERTHROW THE GOVERNMENT ON THE OCTOBER 20 ANNIVERSARY OF THE 1944 REVOLUTION. THESE WERE RELEASED FOR LACK OF EVIDENCE IN MID-NOVEMBER.

THIS LATTER INCIDENT WAS GIVEN THE MOST SERIOUS ATTENTION DUE TO THE FACT THAT MILITARY OFFICERS WERE INVOLVED. THERE IS LITTLE DOUBT THAT LEONEL SISNIEGA OTERO OF THE MLN IS PLOTTING, OR THAT

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P 181916Z FEB 83 FM AMEMBASSY GUATEMALA TO SECSTATE WASHDC PRIORITY 3378 INFO AMEMBASSY BELIZE AMEMBASSY MANAGUA AMEMBASSY MEXICO AMEMBASSY PANAMA AMEMBASSY SAN JOSE AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA USMISSION USUN NEW YORK USCINCSO QUARRY HTS PN

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COLONEL GORDILLO WOULD WELCOME AN OPPORTUNITY TO REMOVE RIOS MONTT. HOWEVER, SO FAR, SUCH PLOTTING HAS BEEN INEPT. IT HAS MADE THE PRESIDENT SOUND PARANOID ON THE SUBJECT, AND PROBABLY ACCOUNTS FOR HIS HAVING TAKEN PRE-EMPTIVE MEASURES AGAINST THOSE HE BELIEVED TO BE INVOLVED.

THERE HAS BEEN ALMOST NOTHING HEARD FROM THE SENIOR MILITARY OFFICERS WHO SERVED IN THE GOVERNMENT OF LUCAS GARCIA. AT THIS WRITING, FORMER DEFENSE MINISTER GENERAL RENE MENDOZA, CHIEF OF STAFF GENERAL BENEDICTO LUCAS, CHIEF OF AIR FORCE GENERAL CARLOS MORALES, AND THE OTHERS ARE EITHER BIDING THEIR TIME, OR ARE RESIGNED TO THE TURN OF EVENTS. REPORTEDLY, AS MANY AS 250 OFFICERS

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WILL BE RETIRED IN THE NEXT FEW MONTHS. ACCORDING TO ONE INFORMED MILITARY SOURCE, APPROXIMATELY 150 OF THESE ARE OFFICERS WHO WILL HAVE REACHED THE AGE OF 55 AND THE OTHER GROUP CONSISTS OF OFFICERS WHO HAVE ALREADY FORMALLY RETIRED, BUT HAVE CONTINUED TO WORK ON A CONTRACT BASIS. IT IS NOT KNOWN HOW MANY OF THE SENIOR CADRE OF OFFICERS RELIEVED OF THEIR POSTS BY RIOS MONTT WILL BE INCLUDED IN THE MANDATORY RETIREMENT PROGRAM.

CHANNEL: n/a

FAMILY INVOLVEMENT IN GOVERNMENT

IT SHOULD BE NOTED THAT RIOS MONTT IS RELATED THROUGH HIS WIFE, TERESA SOSA AVILA, TO A PROMINENT AND STILL INFLUENTIAL MILITARY FAMILY. HER THREE BROTHERS ARE RESPECTIVELY, MANUEL SOSA AVILA, A RETIRED GENERAL AND FORMER MINISTER OF INTERIOR UNDER PRESIDENT MENDEZ MONTENEGRO, WHOSE SON-IN-LAW, NAVY CAPITAN EDGAR VILLANUEVA, HEADS THE PACIFIC PORT AGENCY (UNECPA); COLONEL ENRIQUE SOSA AVILA ASSIGNED TO THE PRESIDENTIAL OFFICE, AND FATHER-IN-LAW OF COLONELS VICTOR MANUEL ARGUETA, CHIEF OF THE PRESIDENTIAL STAFF, AND COLONEL FERNANDO CASTILLO, AIR FORCE CHIEF. ENRIQUE SOSA IS ALSO THE UNCLE OF COLONEL HECTOR ISMAEL MONTALBAN, HEAD OF THE PRESIDENTIAL STAFF UNDER LUCAS GARCIA AND NOW AT THE INTER-AMERICAN DEFENSE COLLEGE IN WASHINGTON. THE THIRD BROTHER IS COLONEL LUIS SOSA, FORMERLY INTERVENTOR OF AVIATECA AND CHIEF OF STAFF OF THE MINISTER OF DEFENSE UNDER KJELL LAUGERUD AND LUCAS GARCIA. RIOS MONTT ATTEMPTED TO

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NAME THE WIFE OF LUIS, RUTH CHICAS DE SOSA, TO HIS PERSONAL STAFF IMMEDIATELY AFTER THE COUP, BUT PUBLIC PRESSURE FORCED HIM TO RESCIND THAT APPOINTMENT.

THE PRESIDENT WAS BORN INTO A FAMILY OF ELEVEN CHILDREN. ONE OF HIS BROTHERS, MARIO ENRIQUE, WAS THE CATHOLIC BISHOP OF ESCUINTLA WHEN EFRAIN CAME TO THE JUNTA. THAT BROTHER HAS NOW TAKEN A "POLITICAL" LEAVE OF ABSENCE FROM HIS DIOCESE, PRESUMABLY FOR THE DURATION OF THE RIOS MONTT PRESIDENCY. A SECOND BROTHER, EDGAR AUGUSTO, IS THE MANAGER OF ZOLIC, THE FREE TRADE ZONE AT SANTO TOMAS DE CASTILLA NEAR PUERTO BARRIOS. EDGAR'S SON WAS KIDNAPPED BY A SUBVERSIVE GROUP LAST FALL BUT SUBSEQUENTLY LIBERATED BY SECURITY FORCES. A THIRD BROTHER, GILBERTO, IS AN AGRONOMIST WITH INACOP, THE NATIONAL COOPERATIVE INSTITUTE. A FOURTH BROTHER, OSCAR EDUARDO, IS BELIEVED TO WORK FOR THE MUNICIPAL GOVERNMENT OF GUATEMALA CITY. A TRAGEDY THAT HAPPENED TO THE FAMILY MAY HELP TO EXPLAIN THE PRESIDENT'S

HATE/LOVE RELATIONSHIP WITH POLITICS AND POLITICAL PARTIES. A FIFTH BROTHER, JULIO, WHO WAS A RURAL TEACHER BUT WHO WORKED IN THE 1974 PRESIDENTIAL CAMPAIGN FOR EFRAIN, WAS FOUND DEAD AND TORTURED IN EL PROGRESO JUST BEFORE THE ELECTIONS. IT WAS ASSUMED THAT HE HAD BEEN KILLED BY THE POLITICAL OPPOSITION (THE MLN). WITHIN HIS IMMEDIATE FAMILY OF ONE SON AND TWO DAUGHTERS, THE SON, HOMERO RIOS SOSA, IS A MILITARY CAPTAIN AND A MEDICAL STUDENT SERVING AS AN ADVISOR TO THE MINISTER OF HEALTH. A DAUGHTER IS MARRIED TO THE SON OF ENRIQUE RITTSCHER,



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FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 3379

INFO AMEMBASSY BELIZE

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

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FOUNDER OF THE CORPORATIST POLITICAL MOVEMENT KNOWN AS EQUICRACIA IN GUATEMALA (SEE 82 GUATEMALA 9414).

THE JUNIOR ADVISORS

SIGNIFICANTLY, THE TWO ELEMENTS OF THE MILITARY STRUCTURE TO REMAIN INTACT HAVE BEEN THE G-2 (INTELLIGENCE) AND THE PRESIDENTIAL ADVISORS. THIS LATTER GROUP REMAINS SOMETHING OF AN ENIGMA. SEVERAL HAVE KEY POSTS IN ADDITION TO THE BASIC ROLE. COLONEL VICTOR MANUEL ARGUETA IS, AS STATED, CHIEF OF THE PRESIDENTIAL STAFF. LT. COLONEL ANGEL ARTURO SANCHEZ IS CHIEF OF PRESIDENTIAL INTELLIGENCE, AND LT. COLONEL MARIO RENE ENRIQUEZ IS THE DEPUTY TO COLONEL ARGUETA. ALL THESE OFFICERS

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KEEP A LOW PROFILE, ACCEPT FEW IF ANY INVITATIONS TO SOCIAL EVENTS, AND TEND TO BE OVERLOOKED BY

OUTSIDERS AS BEING UNIMPORTANT IN THE POWER STRUCTURE. BEHIND THE SCENES, THERE ARE STORIES LINKING SEVERAL OF THEM WITH HEAVY HANDED PRACTICES AND FINANCIAL AVARICE. HENCE THE REFERENCE TO DUBIOUS REPUTATIONS AT THE BEGINNING OF THIS REPORT.

ACCESS TO THE PRESIDENT

IN CONTRAST TO THE MILITARY COMMAND, THE EXECUTIVE COMPONENT OF THE RIOS MONTT GOVERNMENT HAS BEEN REMARKABLY STABLE DESPITE MUCH SPECULATION AT THE END OF 1982 ABOUT IMPENDING CHANGES IN THE CABINET. ONLY TWO CABINET LEVEL MEMBERS HAVE BEEN FIRED - THE EDUCATION MINISTER FOR ALLEGED UNETHICAL ACTIVITIES, AND THE CENTRAL BANK PRESIDENT FOR LYING ABOUT HIS FAILURE TO APPROACH THE IMF TO OPEN NEGOTIATIONS ON A NEW STAND BY IN THE BACKGROUND WAS INCOMPATIBILITY WITH THE MINISTERS OF FINANCE AND ECONOMY AND HIS FAILURE TO DELIVER ON HIS REPUTATION AS A MAN WHO ENJOYED THE CONFIDENCE

OF THE INTERNATIONAL FINANCIAL COMMUNITY AND COULD ATTRACT BADLY NEEDED FOREIGN EXCHANGE EITHER AS LOANS OR DEPOSITS. THE FIRST MINISTER OF AGRICULTURE DIED IN A DOMESTIC PLANE CRASH. THE PRESIDENT MEETS REGULARLY WITH HIS CABINET AND APPEARS TO INVOLVE HIS MINISTERS IN THE DECISION MAKING PROCESS. AS WITH ANY GOVERNMENT, THE CABINET'S INFLUENCE WITH THE PRESIDENT VARIES ACCORDING TO ABILITY AND PERSONALITY, AND ACCESS

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TO RIOS MONTT IS NOT DETERMINED BY POSITION OR RANK.

THREE MILITARY OFFICERS REPORTED TO HAVE READY ACCESS TO THE PRESIDENT ARE FINANCE MINISTER LEONARDO FIGUEROA (A RETIRED COLONEL AND RIOS MONTT PROTEGE), DIRECTOR OF ARMY PUBLIC RELATIONS COLONEL PABLO NUILA, AND CHIEF OF PRESIDENTIAL STAFF COLONEL VICTOR MANUEL ARGUETA. THERE ARE, OF COURSE, OTHERS. AMONG THE CIVILIANS, IT WOULD APPEAR THAT COUNCIL OF STATE PRESIDENT JORGE SERRANO, PRESIDENTIAL ADVISOR HARRIS WHITBECK AND ECONOMY MINISTER JULIO MATHEU HAVE SOME INFLUENCE, WHILE FOREIGN MINISTER EDUARDO CASTILLO ARRIOLA APPEARS TO BE SOMEWHAT ISOLATED, EXCEPT FOR HIS INFLUENCE ON THE BELIZE ISSUE. THE LEADERS OF THE VERBO CHURCH ARE CLEARLY A THEY REPORTEDLY MEET WITH SPECIAL SITUATION. HIM WEEKLY AND PROVIDE MEMBERS OF HIS PRESIDENTIAL STAFF IN THE PERSONS OF PRIVATE SECRETARY ALVARO CONTRERAS, SECRETARY FOR PERSONAL AFFAIRS FRANCISCO BIANCHI, AND SOME OTHERS. THE LATTER TWO NOW SPECIALIZE ON DOMESTIC AND FOREIGN POLICY ISSUES, RESPECTIVELY.

MAJOR ISSUES - THE INSURGENCY AND THE ECONOMY

RIOS MONTT FACED TWO MAJOR ISSUES UPON ASSUMING POWER - THE INSURGENCY AND THE ECONOMY.

THE PRESIDENT MADE IT HIS FIRST PRIORITY TO BRING THE INSURGENCY UNDER CONTROL. HE BEGAN THIS BY OFFERING THE GUERRILLAS AN AMNESTY DURING THE MONTH OF JUNE AND ALSO MADE A PUBLIC GESTURE TO



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FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 3380

INFO AMEMBASSY BELIZE

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AMEMBASSY MEXICO

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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DIALOG WITH A GUERRILLA FRONT ORGANIZATION. IN THIS CAMPAIGN, HE INCORPORATED THE TACTICAL STRATEGY BEGUN BY FORMER CHIEF OF STAFF GENERAL BENEDICTO LUCAS, ADDING A LEGAL COLORATION BY FORMALLY DECLARING A STATE OF SIEGE IN JULY. CIVIL DEFENSE UNITS WERE EXPANDED TO THE PRESENT ESTIMATED STRENGTH OF 400,000. THE MILITARY MOVED IN FORCE



CHANNEL: n/a

INTO HUEHUETENANGO AND EL QUICHE, WITH THE NOW WELL-KNOWN "BEANS AND RIFLES" PROGRAM, PROVIDING THE NON-COMBATANT POPULATION WITH A RATHER HEAVY-HANDED BUT CLEAR CUT ALTERNATIVE TO THE GUERRILLAS. THIS WAS COMPLEMENTED BY A CIVIC ACTION PROGRAM GIVEN THE NAME "PLAN OF ASSISTANCE TO AREAS OF

CONFLICT (PAAC), "AND MORE RECENTLY A NEW PROGRAM



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OF "HOUSING, FOOD AND WORK."

THIS STRATEGY WAS FURTHER COMPLEMENTED BY NATIONWIDE HONESTY CAMPAIGN IN WHICH BOTH THE GOVERNMENT AND PRIVATE SECTORS WERE OBLIGATED TO PLEDGE NOT TO "ROB, ABUSE, OR LIE" TO THE PUBLIC. THE RESULTS OF THIS STRATEGY ARE ASSESSED IN SUBSEQUENT SECTIONS OF THIS REPORT.

THE ECONOMY

THE RIOS MONTT GOVERNMENT INHERITED AN ECONOMY SINKING RAPIDLY INTO A RECESSION ALREADY BEYOND THE CAPABILITIES OF HUMAN INGENUITY TO PREVENT. BY MARCH 1982 THE GOG HAD NO UNCOMMITTED FINANCIAL RESOURCES TO WORK WITH, EXTERNAL OR DOMESTIC, TO DEAL WITH AN ACCELERATING DECLINE IN OUTPUT AND JOBS. A COMBINATION OF WORLD RECESSION, POLITICAL TURMOIL AND ECONOMIC WOES ELSEWHERE IN CENTRAL AMERICA, EFFECTS OF THE INSURGENCY IN GUATEMALA, AND MISMANAGEMENT AND CORRUPTION WITHIN THE PREVIOUS REGIME, HAD EXHAUSTED FOREIGN EXCHANGE RESERVES, SHRUNK EXPORT EARNINGS, SHUT GUATEMALA OUT OF EXTERNAL CAPITAL MARKETS, AND COMMITTED THE GOG TO SPENDING FAR BEYOND ITS EARNINGS FOR YEARS TO COME. DESPITE A NATURAL RESOURCE BASE PROMISING FOR THE FUTURE, THE IMMEDIATE ECONOMIC OUTLOOK WAS BLEAK.

CONFRONTING THE RECESSION ALREADY UPON IT, THE RIOS MONTT GOVERNMENT SUCCEEDED ONLY IN CUTTING LOSSES DURING ITS FIRST 11 MONTHS IN OFFICE. IN THE AREA CONFIDENTIAL

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OF FISCAL AND FOREIGN EXCHANGE POLICY, THERE WERE SOME SOLID ACCOMPLISHMENTS AND SOME DIFFICULT CHOICES MADE AMONG UNSATISFACTORY OPTIONS THAT MAY HELP TO SET THE STAGE FOR RENEWED GROWTH A YEAR HENCE IN 1984; BUT THE MEASURES TAKEN COULD NOT AND DID NOT THE BUDGET WAS TRIMMED TURN THE TIDE OF RECESSION. \$238 MILLION (ABOUT 16 PERCENT), DESPITE RISING EXPENDITURES ON SECURITY, BY CANCELING SEVERAL GRANDIOSE PROJECTS AND TIGHTENING BELTS GENERALLY. THE RIOS MONTT GOVERNMENT SUCCEEDED IN EXTRICATING THE GOG FROM CONTRACTS BLOATED BY FRAUDULENT EXPENDITURES. REGARDING THE BALANCE OF PAYMENTS, HOWEVER, THE GOG DID NOT FACE UP TO THE SERIOUSNESS OF DISEQUILIBRIUM UNTIL LATE IN THE YEAR.

BANK OF GUATEMALA PRESIDENT JORGE GONZALEZ DEL VALLE, WHO INITIALLY APPEARED TO BE THE STAR OF THE RIOS MONTT ECONOMIC TEAM, TURNED OUT TO BE PERHAPS ITS GREATEST DISAPPOINTMENT. A PERSUASIVE PUBLIC SPEAKER AND ANALYST, HE STAKED EVERYTHING ON HIS ABILITY TO ATTRACT EXTERNAL FINANCING AND CAME UP EMPTY-HANDED. TO HIS CREDIT, GUATEMALA DID NOT RUSH INTO DEVALUATION, BUT HE OPPOSED NEGOTIATION OF A NEW STAND-BY WITH THE IMF AND MAY THEREBY HAVE COST GUATEMALA HALF A YEAR IN FORMULATING AN ADEQUATE PROGRAM OF ECONOMIC RECOVERY, A TASK STILL TO BE DONE. THE GOG AMELIORATED RECESSION BY PERMITTING MORE IMPORTS THAN GUATEMALA COULD AFFORD, BUT STILL 15 PERCENT LESS THAN IN 1981, THEREBY RUNNING UP SEVERAL HUNDRED MILLION DOLLARS OF OVERDUE COMMERCIAL DEBTS AND RUINING THE COUNTRY'S CREDIT RATING. IN NOVEMBER, UPON EXPIRATION OF THE EXISTING IMF STAND-BY, THE GOG

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FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 3381

INFO AMEMBASSY BELIZE

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IMPOSED IMPORT QUOTAS, BUT THE QUOTA SYSTEM DESIGNED BY THE CENTRAL BANK WAS SO POORLY STRUCTURED THAT IT RAISED A STORM OF PROTEST FROM IMPORTERS AND HAD TO BE REDONE IN JANUARY, 1983, AFTER TWO MONTHS OF GOG-BUSINESS SECTOR NEGOTIATIONS: WITHOUT MAJOR NEW EXTERNAL FINANCING, GUATEMALA FACES ANOTHER 20-35 PERCENT CUT IN IMPORTS IN 1983, A LEVEL SPELLING ECONOMIC DISASTER.

IT IS ON ANOTHER PLANE ENTIRELY THAT THE ECONOMIC/ SOCIAL POLICIES OF THE RIOS MONTT GOVERNMENT MAY HAVE THEIR GREATEST AND MOST ENDURING IMPACT. IN A HAPPY COINCIDENCE OF ECONOMIC LOGIC, CONCERN FOR SOCIAL JUSTICE, AND A MILITARY URGENCY TO WEAN THE HIGHLAND INDIAN POPULATION AWAY FROM INSURGENT



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HEGEMONY, THE GOG, WITH THE PRESIDENT HIMSELF ITS GREATEST INSPIRATION, HAS REORIENTED DEVELOPMENT POLICY TOWARD THE COUNTRYSIDE AND PARTICULARLY TOWARD THE HIGHLANDS ZONE OF CONFLICT. MEASURED IN FINANCIAL TERMS, THIS REORIENTATION HAS NOT YET OCCURRED; IN 1982 AND, FOR ONE FINAL YEAR, IN 1983 THE BIGGEST BUCKS WILL BE DEVOTED TO THE CHIXOY HYDORELECTRIC PROJECT AND THE PACIFIC PORT AT SAN JOSE. HENCEFORWARD PUBLIC CAPITAL PROJECTS WILL INCORPORATE A SCALE, TECHNOLOGIES, AND DEVELOPMENT IMPACT APPROPRIATE TO THE NEEDS OF THE IMPOVERISHED MAJORITY AND THE COUNTRY'S LEADING SECTOR, THIS REORIENTATION APPLIES TO PUBLIC AGRICULTURE. INVESTMENT REGARDLESS OF THE SOURCE OF FINANCING, EVEN WITH THE SKIMPY RESOURCES AVAILABLE, IN THE COURSE OF THE YEAR, THE GOG PROVIDED SOME 12,000 FAMILIES WITH ASSISTANCE IN THE FORM OF HOUSING MATERIALS, LOCAL ROADS, SCHOOLS, ETC. UNDER THE PAAC. FOOD-FOR-WORK PROGRAMS MADE AN IMPACT IN MANY AREAS OF THE HIGHLANDS, MOST NOTABLY IN HUEHUETENANGO, WHERE AUTHORITIES STATED THAT 200 PICK-AND-SHOVEL ROAD CONSTRUCTION PROJECTS WERE IN PROGRESS.

IN THE CONTEXT OF THE INSURGENCY IN GUATEMALA, UNEMPLOYMENT IS THE MOST FEARED CONSEQUENCE OF THE ECONOMIC RECESSION AND IS EXACERBATED IN THE SHORT RUN BY THE FISCAL BELT-TIGHTENING NECESSARY TO MEET THE APPROVAL OF THE IMF AND THE INTERNATIONAL FINANCIAL COMMUNITY. UNDER SUCH CIRCUMSTANCES, FORMATION OF CIVIL DEFENSE PATROLS SERVES THE DUAL PURPOSE OF ABSORBING IDLE TIME AND PERFORMING A MILITARY FUNCTION. FOOD-FOR-WORK PROGRAMS ALSO

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ATTACK UNEMPLOYMENT DIRECTLY.

THE YEAR 1982 WAS ONLY A BEGINNING, BUT IT MAY PROVE TO BE A WATERSHED YEAR IN GUATEMALA'S ECONOMIC HISTORY. THE RIOS MONTT GOVERNMENT IS COMMITTED BY ECONOMIC NECESSITY AS WELL AS RHETORIC TO GUIDING ECONOMIC DEVELOPMENT IN A THE CACM CANNOT PROVIDE A MARKET NEW DIRECTION.



IN THE 1980'S FOR TRADE-ORIENTED GROWTH OF MANUFACTURING TO THE SAME EXTENT AS IT DID IN THE 1960'S AND 70'S. AS THE DRAFT WORLD BANK REPORT ON THE GUATEMALAN ECONOMY CONCLUDES (82 GUATEMALA 9512), FUTURE GROWTH MUST DEPEND ON INTERNAL AND WORLD MARKETS, AND ON DEVELOPMENT OF GUATEMALA'S NATURAL RESOURCES, I.E. AGRICULTURE AND AGRO-INDUSTRY. IT MAY NOT BE TOO EARLY TO SAY THAT PRESIDENT RIOS MONTT IS INSTINCTIVELY IN STEP WITH THE ECONOMIC REALITIES FACING GUATEMALA, AND THAT THE ECONOMY, STILL AN AREA OF HIGH RISK FOR THE GOG, MAY GRADUALLY BECOME A SOURCE OF STRENGTH FOR THE REGIME.

DOMESTIC POLITICS

IN THE POLITICAL SPHERE, RIOS MONTT INITIALLY RESPONDED EQUIVOCALLY TO PRESSURES FROM THE TRADITIONAL PARTIES. ON SEVERAL OCCASIONS, HE ANNOUNCED AN EARLY RETURN TO ELECTIONS, BUT IT QUICKLY BECAM E EVIDENT THAT HE HAD A MORE FUNDAMENTAL REFORM IN MIND. IN JUNE, THE PRESIDENT ANNOUNCED PLANS FOR A COUNCIL OF STATE TO

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CHANNEL: n/a

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P 181916Z FEB 83
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC PRIORITY 3382
INFO AMEMBASSY BELIZE
AMEMBASSY MANAGUA
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INCLUDE THE POLITICAL PARTIES. HE MET PERIODICALLY WITH PARTY REPRESENTATIVES ON THE PARAMETERS OF THE COUNCIL BUT THIS DIALOG ENDED WHEN THE PARTIES ELECTED NOT TO PARTICIPATE IN A COUNCIL THAT WOULD HAVE A STRICTLY ADVISORY FUNCTION. THE COMPOSITION ESTABLISHED ON SEPTEMBER 15 OF THE COUNCIL, INDEPENDENCE DAY, WITH ONE-THIRD OF ITS 60 MEMBERS FROM ETHNIC GROUPS, WAS ANOTHER PRACTICAL APPLICATION OF THE PRESIDENT'S STATED INTENTION TO INCORPORATE THE INDIGENOUS COMMUNITY INTO THE POLITICAL PROCESS. THE PRESIDENT'S ANNOUNCEMENT ON OCTOBER 31, THAT DECREE LAWS MARKING THE FIRST STEPS IN THE PROCESS OF A RETURN TO CONSTITUTIONAL GOVERNMENT WOULD BE COMPLETED BY THE COUNCIL OF STATE ON MARCH 23, 1983, CAUGHT THE PARTIES OFF BALANCE. THIS ACTION WAS

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WIDELY REGARDED BY THE PUBLIC AS A POSITIVE STEP, AND PRIVATELY ACKNOWLEDGED BY SOME PARTY LEADERS TO HAVE COME EARLIER THAN ANTICIPATED. THE REFORMS

NOT ONLY INCLUDE BROADENING THE VOTER PARTICIPATION BY SIMPLIFYING THE REGISTRATION PROCEDURES AND ADDING SAFEGUARDS FOR THE INTEGRITY OF THE ELECTIONS, BUT ALSO ENVISION A BROADER SPECTRUM OF PARTICIPATION. RIOS MONTT GAVE A NEWS CONFERENCE

IN SAN PEDRO SULA, HONDURAS, AT THE TIME OF HIS BILATERAL WITH PRESIDENT REAGAN, IN WHICH HE SAID, "WE WILL ALLOW ALL SELF-STYLED DYED-IN-THE WOOL SOCIALIST PARTIES TO BE RECOGNIZED AND WE WILL GUARANTEE THEIR PARTICIPATION IN THE POLITICAL PROCESS." COUNCIL OF STATE PRESIDENT SERRANO REINFORCED THIS COMMITMENT IN LATE JANUARY 1983 WHEN HE HOSTED A SEMINAR ON THE DRAFT LAWS FOR THE DIPLOMATIC COMMUNITY.

A LEADER OF ONE OF THE OPPOSITION PARTIES PRIVATELY TOLD AN EMBASSY OFFICER IN EARLY FEBRUARY 1983 THAT SOME SOCIAL DEMOCRATS FORMERLY IN EXILE IN COSTA RICA HAD RECENTLY RETURNED TO GUATEMALA WITH THE INTENTION OF ORGANIZING, AND HAD ALREADY MET WITH RIOS MONTT TO OBTAIN DIRECT ASSURANCE OF THEIR WELCOME. REPRESENTATIVES OF THE FOUR OPPOSITION PARTIES FINALLY DECIDED TO MEET PRIVATELY WITH COUNCIL OF STATE PRESIDENT SERRANO TO PUSH FOR ACCEPTANCE OF SOME OF THEIR IDEAS IN THE DRAFT LAWS. THREE MEETINGS HAVE BEEN HELD TO DATE, IN PRIVATE, BECAUSE THE PARTIES STILL REFUSE TO ACKNOWLEDGE THE COUNCIL'S FUNCTION. BEYOND MARCH 23, 1983, NO DATES HAVE BEEN FORMALLY ESTABLISHED FOR CONVOKING THE CONSTITUENT



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ASSEMBLY.

AS DESCRIBED IN MORE DETAIL UNDER THE FOREIGN POLICY SECTION, THE ELECTIONS ARE EXPECTED TO TAKE PLACE IN EARLY 1984.

THE CHURCH

THE PRESIDENT'S DEEPLY HELD RELIGIOUS BELIEFS, APART FROM THE MANNER IN WHICH THEY MOTIVATE HIM AS A LEADER, HAVE HAD A CATALYTIC EFFECT ON THE QUESTION OF RELIGION AND THE ROLE OF CHURCHES IN GUATEMALA. FROM THE MOMENT OF THE COUP THE RELIGIOUS COMMUNITY SENSED A DIFFERENCE.

THE ROMAN CATHOLIC EPISCOPAL CONFERENCE MET ALMOST IMMEDIATELY WITH THE JUNTA AND REPORTED AFTERWARDS THAT IT HAD BEEN OFFERED GUARANTEES TO CARRY OUT ITS WORK. IN LATE MAY THE EPISCOPAL CONFERENCE ISSUED A PUBLIC

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STATEMENT WHICH EVENHANDEDLY BLAMED ELEMENTS OF BOTH THE EXTREME RIGHT AND LEFT FOR MASSACRES OF NUMEROUS CAMPESINO AND INDIAN FAMILIES. WITH THE LIFTING OF THE REPRESSIVE ENVIRONMENT, THE ROMAN CATHOLIC CHURCH HAS ALMOST VISIBLY RELAXED ITS ACTIVIST STANCE AND REORDERED PRIORITIES TO FOCUS ON PASTORAL WORK, AND PROBABLY NONE TOO LATE. EVEN A CURSORY LOOK AT THE GROWTH OF EVANGELICAL CHURCHES, INSPIRED BY THE PRESIDENT'S ASSOCIATION WITH THE CHURCH OF THE WORD BASED IN EUREKA, CALIFORNIA, INDICATES THAT THESE SECTS ARE FILLING

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P 181916Z FEB 83
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC PRIORITY 3383
INFO AMEMBASSY BELIZE
AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY PANAMA
AMEMBASSY SAN JOSE

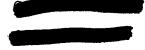


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A VOID. THE PRESIDENT OF THE EPISCOPAL CONFERENCE OBSERVED IN NOVEMBER THAT THERE WERE ONLY SOME 200 GUATEMALAN PRIESTS AND THAT THE CHURCH WAS NOT DOING VERY WELL. THE SPIRITUAL LEADER OF A DOMINICAN SEMINARY IN SOLOLA, FATHER PATRICK GREEN, RECENTLY CONFIRMED TO AN EMBASSY OFFICER THE HEAVY DROP OUT RATE AMONG THOSE STUDYING FOR THE PRIESTHOOD, AS WELL AS THE LEAD TIME REQUIRED TO BRING NEW PRIESTS INTO THE CHURCH. HE INDICATED THAT SERIOUS THOUGHT WAS BEING GIVEN TO BRINGING IN NEW PRIESTS FROM COUNTRIES THAT CURRENTLY HAVE

A SURPLUS, INCLUDING POLAND AND IRELAND. SEVERAL POLISH PRIESTS ARE ALREADY AT WORK IN ZACAPA AND HAVE ADAPTED WELL AND ARE CONSIDERED VERY EFFECTIVE.



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UNDOUBTEDLY, CATHOLIC LEADERS WERE IMPRESSED AND PERHAPS CONCERNED BY THE TURNOUT OF HUNDREDS OF THOUSANDS OF EVANGELICAL PROTESTANT GUATEMALANS ON NOVEMBER 28 TO CELEBRATE 100 YEARS OF EVANGELICAL ACTIVITY IN GUATEMALA. THE POPE'S VISIT SCHEDULED FOR EARLY MARCH IS ALREADY BEING VIEWED QUIETLY HERE AS AN OPPORTUNE MOMENT TO DEMONSTRATE THAT GUATEMALA REMAINS A DEVOUT CATHOLIC COUNTRY. AS A RESULT OF PREPARATIONS AT THE NEIGHBORHOOD LEVEL, THE CROWDS THAT WILL GREET THE POPE SHOULD BE AMONG THE LARGEST EVER TO ASSEMBLE IN THE STATEMENTS BY THE PRESIDENT AND OTHER COUNTRY. HIGH OFFICIALS OF THE GOG HAVE BEEN INTENDED TO DEMONSTRATE THAT THE GOVERNMENT IS NOT PRO-PROTESTANT. THIS HAS NOT QUIETED ALL GRUMBLING IN THE CATHOLIC COMMUNITY, BUT BOTH PROTESTANT AND CATHOLIC LEADERS HAVE QUICKLY DISPELLED ANY

PUBLIC CRITICISM OF OTHER RELIGIOUS GROUPS. THE COMPETITION OFFERS THE PROSPECT OF SPIRITUAL

CHANNEL: n/a

BENEFIT TO THE POPULATION. THE CATHOLIC CHURCH HAS ASSIGNED NEW BISHOPS TO EL QUICHE AND PETEN AND NEW PRIESTS TO SOME CHURCHES IN CONFLICT AREAS PREVIOUSLY ABANDONED.

THE EVANGELICAL COMMUNITY IS NO FRIEND OF THE INSURGENTS. OPERATION LOVELIFT, AND OTHER PROJECTS, HAVE OFFERED MATERIAL ASSISTANCE TO THE RIOS MONTT GOVERNMENT'S PROGRAMS FOR THE RURAL AREAS. AN ACTIVIST EVANGELICAL COMMUNITY ACCOUNTING FOR MORE THAN TWENTY PERCENT OF THE RELIGIOUS POPULATION IS STRONGLY SUPPORTIVE OF

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PRESIDENT RIOS MONTT AND WOULD NOT LOOK WITH EQUANIMITY ON A COUP TO OUST HIM.

LABOR

THERE HAS BEEN A POSITIVE DEVELOPMENT WITH REGARD TO THE DEMOCRATICALLY-ORIENTED UNION MOVEMENT. THE AIFLD ASSIGNED A NEW RESIDENT COUNTRY PROGRAM DIRECTOR, AFTER AN ABSENCE OF TWO YEARS. WHEN THE STATE OF SIEGE IS LIFTED, NUMEROUS CAMPESINO AND TRADE UNIONS ARE EXPECTED TO RESUME FORMAL ACTIVITIES. THIS WILL BE A KEY SECTOR TO WATCH BECAUSE OF THE CONSERVATIVE TRADITION IN THE PRIVATE SECTOR. THE UNIONS ARE EXPECTED TO TEST THE OUTER LIMITS OF TOLERANCE OF THE REFORMIST RIOS MONTT GOVERNMENT.

THE MILITARY AND INSURGENCY

THE DECISION TO ADOPT GENERAL BENEDICTO LUCAS'
TACTICAL STRATEGY AND EXPANSION OF THE CIVIL
DEFENSE UNITS IS GIVEN CREDIT AS THE PRIMARY
REASON FOR THE MILITARY SUCCESSES. IT IS ALSO
A TRUISM THAT THE GUERRILLA CAUSE OVER THE PAST
TWENTY YEARS HAS ONLY SUCCEEDED IN DIRECT RATIO TO
THE NEGLECT AND/OR REPRESSIVE ACTIONS OF PAST
GOVERNMENTS. HOWEVER, THESE ASSESSMENTS WERE NOT
THAT OBVIOUS TO THE MILITARY OR THE JUNTA IMMEDIATELY
AFTER THE COUP. MISSION SOUNDINGS AT THAT TIME
INDICATED MUCH PESSIMISM. MILITARY CONTACTS WERE
CONSISTENT IN THEIR OPINION THAT UNITED STATES

CHANNEL: n/a

MILITARY ASSISTANCE WAS VITAL. RIOS MONTT WAS ALWAYS AMBIVALENT ON THIS POINT. ALMOST HIS FIRST

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P 181916Z FEB 83

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 3384

INFO AMEMBASSY BELIZE

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

USMISSION USUN NEW YORK

USCINCSO QUARRY HTS PN

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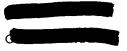
COMMENT TO REPORTERS ON THIS SUBJECT WAS THAT HIS GOVERNMENT WOULD NOT REQUEST MILITARY ASSISTANCE. MEMBERS OF HIS CABINET POLITELY AND PRIVATELY REMINDED HIM THAT SUCH A REQUEST HAD BEEN FORMALLY MADE. LATER IN LATE APRIL, THE PRESIDENT AMENDED

CHANNEL: n/a

HIS PUBLIC STATEMENTS TO INDICATE THAT GUATEMALA HAD NOT ASKED THE UNITED STATES TO RESUME SALES OF MILITARY EQUIPMENT, BUT THAT IF THE UNITED STATES OFFERED, IT WOULD BE "WELCOME." HE QUALIFIED THAT CONDITION WITH THE STATEMENT THAT "WE MUST SETTLE OUR OWN PROBLEMS."

IN HIS DECEMBER 4 BILATERAL WITH PRESIDENT

AGAN, RIOS MONTT ASKED FOR A SUPPLY OF USED RIFLES FOR THE CIVIL DEFENSE FORCES,



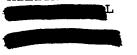
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AS HIS MAJOR PRIORITY AMONG OTHER ITEMS. IN LATE DECEMBER, RIOS MONTT APPEARED TO REVERT TO HIS ORIGINAL POSITION WHEN HE HELD AN IMPROMPTU SIDEWALK PRESS CONFERENCE AND STATED THAT GUATEMALA SHOULD NOT BE CONCERNED IF IT DID NOT RECEIVE UNITED STATES ASSISTANCE BECAUSE "LESS DEPENDENCY MEANS MORE FREEDOM." IT WAS NOT, THEREFORE, A PROFOUND SHOCK WHEN THE MINISTER OF DEFENSE, GENERAL OSCAR HUMBERTO MEJIA REACTED TO THE U.S. DECISION TO RESUME FMS CASH SALES WITH THE STATEMENT THAT THERE WERE NO FUNDS AVAILABLE TO PURCHASE U.S. MILITARY EQUIPMENT. THIS MAY HAVE BEEN LITTLE MORE THAN A GAMBIT DESIGNED TO TEST THE WATERS FOR POSSIBLE CREDIT SALES, BUT THE PRESIDENT, HIMSELF, LATER RESTATED THE MEJIA POSITION.

IN FACT, THE MOMENTUM IS CURRENTLY WITH THE GUATEMALAN ARMY IN THE CAMPAIGN AGAINST THE INSURGENTS. ESSENTIALLY THE ARMY HAS IMPROVISED AND ITS SUCCESS HAS RESTORED SOME ESPRIT DE CORPS THROUGHOUT THE SERVICE. THIS CONDITION HAS BEEN NOTED BY A NUMBER OF FOREIGN REPORTERS WHO CONTRAST THE GUATEMALAN ARMY FAVORABLY WITH THE SALVADORAN MILITARY, ESPECIALLY IN ITS PROGRAM OF WINNING THE HEARTS AND MINDS OF THE CAMPESINOS. IN PART THIS CONDITION CAN BE ATTRIBUTED TO A LESS INTENSE INSURGENCY IN GUATEMALA WHICH DOES NOT APPEAR TO BE AS HEAVILY ASSISTED BY OUTSIDE SOURCES. GUATEMALA HAS BEEN ABLE TO OBTAIN ESSENTIAL

MILITARY SUPPLIES, EITHER FROM ISRAEL OR FROM



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CONVERSION OF ITEMS SUCH AS HELICOPTERS BOUGHT ON THE OPEN MARKET. A DOMESTIC MUNITIONS PLANT IS ALSO REPORTEDLY BEING BUILT WITH AUSTRIAN COMMERCIAL ASSISTANCE. SOME ARMORED VEHICLES ARE REPORTEDLY BEING ASSEMBLED LOCALLY AND THE MILITARY HAS THE CAPACITY TO OVERHAUL AND MAINTAIN MUCH OF ITS CURRENT INVENTORY OF EQUIPMENT. FORTUNATELY FOR THE GUATEMALAN MILITARY, THIS IS NOT YET A WAR OF SOPHISTICATED TECHNOLOGY, AND THE MILITARY IS MAKING DO WITH GLARING WEAKNESSES IN TRANSPORT AND COMMUNICATIONS EQUIPMENT. IT HAS COMPENSATED FOR THIS WITH ITS "BEANS AND RIFLES" PROGRAM, DESCRIBED ELSEWHERE, AND WITH THE ASSISTANCE OF THE CIVIL DEFENSE FORCES.

THE INSURGENTS, HOWEVER, ARE NOT MORIBUND. WHILE THE ARMY HAS PACIFIED LARGE AREAS OF EL QUICHE, CHIMALTENANGO, THE VERAPACES AND HUEHUETENANGO, THIS IS NOT THE CASE IN SECTIONS OF SOLOLA, SAN MARCOS, THE PETEN AND POCKETS IN THE IXCAN AND ALONG THE MEXICAN BORDER. GUERRILLA BANDS, NOTABLY THE ORPA SOUTH OF LAKE ATITLAN, THE FAR IN THE PETEN AND THE EGP IN THE NORTHERN QUICHE AND HUEHUETENANGO, HAVE CARRIED OUT STRONG AMBUSHES IN THE LAST TWO MONTHS. A MAJOR OFFENSIVE HAS NOW BEEN GEARED UP AGAINST THE ORPA UNITS OPERATING SOUTH OF LAKE ATITLAN AND IN QUEZALTENANGO AND SAN MARCOS. THIS SHOULD BE CONSIDERED A TEST CASE OF THE ARMY'S ABILITY TO PERFORM AGAINST A WELL DEFINED AND DANGEROUSLY STRONG GUERRILLA ELEMENT.

CONTRARY TO POPULAR BELIEF ABROAD, THE GUATEMALAN

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P 181916Z FEB 83 FM AMEMBASSY GUATEMALA TO SECSTATE WASHDC PRIORITY 3385 INFO AMEMBASSY BELIZE AMEMBASSY MANAGUA AMEMBASSY MEXICO AMEMBASSY PANAMA AMEMBASSY SAN JOSE AMEMBASSY SAN SALVADOR AMEMBASSY TEGUCIGALPA USMISSION USUN NEW YORK USCINCSO QUARRY HTS PN

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GOVERNMENT DOES NOT HAVE A POLICY OF ELIMINATING ALL PARTICIPANTS IN THE INSURGENCY. WHERE POSSIBLE, IT TRIES TO REHABILITATE PARTICIPANTS. ALMOST 2,000 PERSONS WERE REPORTED TO HAVE ACCEPTED THE JUNE 1982 AMNESTY, AND A NUMBER OF INSURGENTS INCLUDING SEVERAL DESCRIBED AS "COMMANDERS" HAVE BEEN REPORTED TO HAVE COME IN FROM THE COLD. IN EARLY DECEMBER SOME FOURTEEN EX-GUERRILLAS WERE RETURNED TO AND REINTEGRATED INTO THEIR VILLAGE OF CAXLAMPON, IN IZABAL DEPARTMENT. IN MOST PACIFIED VILLAGES, THERE ARE KNOWN EX-GUERRILLAS AT LIBERTY TO PURSUE THEIR LIVES. A SIGNIFICANT PORTION OF THE CIVIL DEFENSE FORCES IS CONSIDERED BY THE ARMY TO BE EX OR INACTIVE GUERRILLAS. ONE OF THE UNPUBLICIZED PURPOSES OF THE CIVIL DEFENSE CONFIDENTIAL

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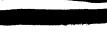
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UNITS IS TO NEUTRALIZE INDIVIDUALS FORMERLY ACTIVE IN THE INSURGENCY.

HUMAN RIGHTS OBSERVANCE

THIS REPORT WILL NOT ATTEMPT TO DUPLICATE THE COMPREHENSIVE HUMAN RIGHTS REPORT ON GUATEMALA SUBMITTED TO THE U.S. CONGRESS ON FEBRUARY 1, 1983. HOWEVER, SOME GENERAL OBSERVATIONS ARE IN ORDER.

GUATEMALA MOVED FROM A SIEGE MENTALITY AND UNCOOPERATIVE GOVERNMENT TO ONE OF OPENESS WITH RESPECT TO HUMAN RIGHTS SINCE THE MILITARY COUP. EVEN THE TERM "HUMAN RIGHTS" WAS ANATHEMA TO THE LUCAS GARCIA REGIME. THIS CHANGE IS DIRECTLY ATTRIBUTABLE TO THE ATTITUDE OF THE JUNTA AND TO THE ORIENTATION OF APPOINTEES IN THE FOREIGN MINISTRY, PRESIDENTIAL OFFICE AND GUATEMALAN MISSIONS ABROAD. THAT THIS SAME OPENESS HAS ENDURED UNDER THE ONSLAUGHT OF NUMEROUS HUMAN RIGHTS MISSIONS, MOST OF WHICH SUBSEQUENTLY PUBLISHED OR ISSUED EXTREMELY CRITICAL REPORTS, IS SOMETHING OF A MYSTERY. THE UNITARIAN UNIVERSALIST MISSION THAT CAME IN JANUARY EVEN ACCUSED THE GOG OF DELIBERATELY GIVING IT A FREE RIDE TO A WRONG LOCATION. IN FACT, THE MISSION WAS CONFUSED ABOUT WHERE IT WANTED TO GO AND DID NOT CLARIFY WHICH SAN FRANCISCO IT WANTED TO SEE IN HUEHUETENANGO. AMNESTY INTERNATIONAL, WHICH FINDS REASONS NOT TO VISIT, ISSUED AN INACCURATE REPORT IN JULY WHICH HAS BECOME THE REGULARLY QUOTED BENCHMARK OF THE RIOS MONTT GOVERNMENT'S HUMAN RIGHTS



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PERFORMANCE. POOR IMAGES DIE HARD.

YET, THE OPENESS MAY HAVE BEGUN TO PAY OFF. IN DECEMBER THE BELGIAN AMBASSADOR VISITED THE SITE OF AN ALLEGED MASSACRE AND FOUND NO EVIDENCE

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THAT IT OCCURRED.

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CHANNEL: n/a

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THE PHENOMENA OF CHOATALUM AND CHISEC HAVE A GREATER HUMAN RIGHTS SIGNIFICANCE THAN WAS UNDERSTOOD WHEN THESE LOCALES WERE THE SUBJECT

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P 181916Z FEB 83
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC PRIORITY 3386
INFO AMEMBASSY BELIZE
AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY PANAMA
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
USMISSION USUN NEW YORK

USCINCSO QUARRY HTS PN

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OF INTERNATIONAL CONCERN IN OCTOBER AND NOVEMBER 1982. THESE TWO VERY LARGE GROUPS OF DISPLACED PERSONS SYMBOLIZE A CALLOUS DISREGARD BY THE GUERRILLAS FOR THE WELFARE OF NON-COMBATANT CAMPESINOS WHOSE VILLAGES HAD BEEN CHOSEN AS REFUGE BY THE GUERRILLAS OR THE INHABITANTS ENLISTED AS GUERRILLA SUPPORT PERSONNEL. PEOPLE WERE CAST ADRIFT WHEN THE GUERRILLAS COULD NO LONGER "PROTECT" THEM FROM THE ARMY, OR OTHERWISE INSURE THEIR SURVIVAL. THESE LARGE GROUPS DID NOT MIGRATE TO MEXICO. RATHER THEY SOUGHT THE PROTECTION OF THE ARMY, OR "SURRENDERED" IF ONE CHOOSES THE DESCRIPTION OF THOSE WHO ACCUSED THE ARMY OF A MASSACRE. THAT GUATEMALAN AGENCIES FED; PROVIDED MEDICAL ASSISTANCE, HOUSING

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AND CLOTHING, AND PROMPT RESETTLEMENT TO THEIR HOME VILLAGES, SOMEHOW HAS NOT MADE THE SAME HEADLINES OR REACHED THE FLOOR OF THE UNITED NATIONS, AS DID THE SENSATIONAL HEADLINES OF THE EARLIER PLIGHT OF THE VILLAGERS.

OBSERVERS OF THE RIOS MONTT GOVERNMENT WILL CONTINUE



TO FIND EXCESSES COMMITTED BY GOVERNMENT OFFICIALS OR ELEMENTS, SOME QUITE SERIOUS. WITH THE EXCEPTION OF AMERICAS WATCH AND AMNESTY, HOWEVER, OBSERVERS ALL HAVE NOTED A POSITIVE CHANGE. MOST RECENTLY, A U.S. SOCIAL WORKER WHO TESTIFIED BEFORE THE U.S. CONGRESS ABOUT THE VIOLENCE IN GUATEMALA FOLLOWING THE KILLING OF HER FRIEND, U.S. PRIEST FATHER STANLEY ROTHER IN JULY 1981, RETURNED TO SANTIAGO ATITLAN FOR THE FIRST TIME SINCE HIS DEATH. SHE TOLD AN EMBASSY OFFICER OF IMPROVEMENTS IN THE HUMAN RIGHTS ATMOSPHERE IN THAT TOWN. SHE OBSERVED, HOWEVER, THAT "BEFORE IT WAS THE ARMY THAT DID THE KILLING, NOW IT IS THE GUERRILLAS."

FINALLY, RECENT TRAVEL BY EMBASSY OFFICERS IN CHIMALTENANGO, SOLOLA, EL QUICHE AND HUEHUETENANGO PROVIDED FIRST HAND OBSERVATION OF IMP ROVEMENTS

IN THE COUNTRYSIDE. IN CHIMALTENANGO, CARROLL BEHRHORST WHO HAS OPERATED A CLINIC FOR THE INDIGENOUS COMMUNITY FOR MANY YEARS PREPARED A REPORT IN WHICH HE STATED THAT "SECURITY AND A SENSE OF STABILITY HAVE RETURNED. " HIS CONCLUSION WAS BASED ON A STUDY OF THIRTY-ONE VILLAGES THAT WERE AFFECTED BY THE CONFLICT BUT HAVE NOW BEEN RESETTLED.



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THE JUDICIARY

OBSERVANCE OF THE RULE OF LAW CONTINUES TO BE A WEAKNESS IN GUATEMALA UNDER RIOS MONTT. EVEN IN THE RASH OF EARLY ARRESTS OF EX-OFFICIALS OF THE LUCAS GARCIA GOVERNMENT IT WAS EVIDENT THAT THIS WAS BEING DONE ON THE BASIS OF PRESUMED GUILT BASED ON HEARSAY, STREET GOSSIP, ARBITRARY DENUNCIATIONS, AND THE LIKE. THAT THE GUATEMALAN CIVIL COURTS DID NOT ULTIMATELY SUSTAIN MOST OF THE CASES WAS A CREDIT TO THE SYSTEM, BUT ALSO UNFORTUNATE. HAD THE NEW GOVERNMENT MOVED MORE DELIBERATELY, IT MIGHT HAVE BEEN ABLE TO SUBSTANTIATE MORE CHARGES OF CORRUPTION.

ARTICLE FIVE OF THE BASIC STATUTE OF GOVERNMENT

STATES THAT THE BASIS OF GOVERNMENT IS "THE ESTABLISHMENT OF A LEGAL-POLITICAL STRUCTURE IN GUATEMALA TO GUARANTEE THAT THE COUNTRY WILL MOVE TOWARDS A REGIME OF CONSTITUTIONAL LEGALITY AND WILL RESULT IN A DEMOCRATIC GOVERNMENT CHOSEN IN POPULAR ELECTIONS." ARTICLE SIX ESTABLISHED THE INDEPENDENT JUDICIAL POWER OF THE SUPREME COURT.

THE ESTABLISHMENT OF COURTS OF SPECIAL JURISDICTION ON JULY 1, 1982, PRESUMABLY TO COMPLEMENT THE STATE OF SIEGE, CAME UNDER IMMEDIATE CRITICISM BOTH WITHIN GUATEMALA AND ABROAD. GUATEMALA 848 ANALYZES THESE COURTS AND THEIR SHORTCOMINGS, THE MOST IMPORTANT OF WHICH IS WHETHER DUE PROCESS IS GUARANTEED. THE GUATEMALAN LEGAL COMMUNITY APPEARS TO AGREE THAT IT IS NOT.

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P 181916Z FEB 83 FM AMEMBASSY GUATEMALA TO SECSTATE WASHDC PRIORITY 3387 INFO AMEMBASSY BELIZE AMEMBASSY MANAGUA



DOC_NUMBER: 83GUATEM01353

CHANNEL: n/a

AMEMBASSY MEXICO
AMEMBASSY PANAMA
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
USMISSION USUN NEW YORK
USCINCSO QUARRY HTS PN

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ABROAD, THE SPECIAL COURTS HAVE ALSO BEEN HEAVILY CRITICIZED. THE INTER-AMERICAN HUMAN

RIGHTS COMMISSION ADDRESSED THE ISSUE OF THE SPECIAL COURTS IN THE FIRST TWO OF ITS SEVEN PRELIMINARY RECOMMENDATIONS TO THE GOG FOLLOWING ITS SEPTEMBER VISIT. THE IAHRC RECOMMENDED THAT THE LAW ESTABLISHING THE SPECIAL COURTS BE AMENDED TO CONFORM TO THE DUE PROCESS PROVISIONS OF THE AMERICAN CONVENTION ON HUMAN RIGHTS AND THAT, UNTIL THIS WAS DONE, ALL DEATH SENTENCES BE SUSPENDED. FOUR PERSONS CONDEMNED BY A SPECIAL COURT WERE EXECUTED SHORTLY BEFORE THE IAHRC VISIT TOOK PLACE. THE GOG ACCEPTED THE IAHRC RECOMMENDATION AND ANNOUNCED IN LATE OCTOBER THAT



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FURTHER EXECUTIONS WOULD BE SUSPENDED PENDING THE ESTABLISHMENT OF REVIEW AND APPEAL PROCEDURES. THE MODIFICATIONS TO THE SPECIAL COURT DECREE WERE ANNOUNCED ON DECEMBER 14, WHEREIN A COURT OF SECOND INSTANCE WAS ESTABLISHED. THIS DID LITTLE TO ABATE THE CRITICISM. THE SPECIAL COURTS BECAME THE CENTER OF INTENSE SCRUTINY AFTER SIX ADDITIONAL ALLEGED SUBVERSIVES WERE CONDEMNED TO DEATH BY THIS COURT IN JANUARY, AND A PARTICULAR POINT OF FRICTION AFTER A U.S. CITIZEN WAS ARRESTED IN JANUARY 1983 AND ASSIGNED TO A SPECIAL COURT ON CHARGES OF "INVOLVEMENT IN TERRORISTS ACTS," CHARGES WHICH ARE CONSIDERED WITHOUT FOUNDATION BY ALL AVAILABLE EVIDENCE.

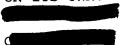
CREATION OF A NEW CIVIL GUARD, UNDER THE AUTHORITY OF THE DEFENSE MINISTRY, WHICH WOULD INCORPORATE THE NATIONAL POLICE AND OTHER SECURITY FORCES,

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HAS BEEN ANNOUNCED EFFECTIVE AS EARLY AS FEBRUARY 1983. THE INTENDED PURPOSE OF THIS NEW ORGANIZATION IS TO IMPROVE THE BEHAVIOR OF THE SECURITY ELEMENTS THROUGH MILITARY DISCIPLINE AND CONTROL. IT IS PREMATURE TO STATE WHETHER THIS WILL BE A POSITIVE DEVELOPMENT.

AN AUTONOMOUS JUDICIAL INSTITUTE WAS ESTABLISHED BY DECREE LAW ON DECEMBER 28 FOR THE PURPOSE OF REFORMING BOTH SUBSTANTIVE AND PROCEDURAL LAW, CIVIL AND CRIMINAL. ALL RECOMMENDATIONS FROM THE INSTITUTE WILL BE PRESENTED TO THE SUPREME COURT FOR CONSIDERATION. THE SUPREME COURT, HOWEVER, WILL NOT HAVE THE POWER TO IMPLEMENT SUCH REFORMS ON ITS OWN.



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TO DATE, MEMBERS OF THE MILITARY ESTABLISHMENT HAVE NOT BEEN SUBJECTED TO OPEN PROSECUTION FOR POLITICAL OR CRIMINAL CHARGES. THERE ARE SOME INDICATIONS THAT THE ARMY HAS DISCIPLINED A FEW EXCEPTIONALLY BAD OFFICERS IN A MATERIAL OR CAREER - AFFECTING WAY, BUT NOTHING DESIGNED TO BRING NOTORIETY ON THE MILITARY AS AN INSTITUTION NOR HAVE THESE PENALTIES BEEN MADE KNOWN TO THE PUBLIC VIA THE MEDIA.

FOREIGN POLICY

UNDER THE RIOS MONTT GOVERNMENT GUATEMALAN FOREIGN POLICY HAS REMAINED ALIGNED WITH THE WESTERN DEMOCRACIES, AND ANTI-COMMUNIST. A VERBAL BOW WAS MADE TOWARDS CUBA AND NICARAGUA IMMEDIATELY AFTER THE COUP, WHEN RIOS MONTT TOLD THE MEXICAN NEWSPAPER EXCELSIOR THAT HE HAD "MARVELOUS PLANS" TO IMPROVE DIPLOMATIC RELATIONS, AND THAT HE BELIEVED THAT AROUND THE CARIBBEAN "WE CAN SHOW GEOPOLITICAL UNITY." THERE WAS NO NOTICEABLE FOLLOWUP, ALTHOUGH THE GOG HAS BEEN MOST CAREFUL TO KEEP THE POLEMIC OUT OF ITS STATEMENTS ABOUT NICARAGUA. IT HAS PUBLICLY TOLERATED A NICARAGUAN EMBASSY THAT HAS ISSUED FREQUENT DIATRIBES AGAINST USG POLICY IN CENTRAL AMERICA ALTHOUGH THE FOREIGN MINISTER HAS AT LEAST TWICE REPORTEDLY TOLD THE

NICARAGUAN AMBASSADOR TO STOP. GUATEMALA HAS SOLD FOR B/P REASONS OVER 22 THOUSAND METRIC TONS OF SURPLUS CORN TO NICARAGUA AT BELOW MARKET PRICES. IT ALSO MAINTAINS CORRECT, THOUGH NOT WARM OR FRIENDLY, RELATIONS WITH MEXICO. IT DOES NOT

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P 181916Z FEB 83

FM AMEMBASSY GUATEMALA

TO SECSTATE WASHDC PRIORITY 3388

INFO AMEMBASSY BELIZE

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY PANAMA

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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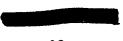
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RECOGNIZE THE UNILATERAL INDEPENDENCE OF BELIZE, AND THE RIOS MONTT GOVERNMENT HAS PROVEN AS

DOC_NUMBER: 83GUATEM01353

OBSTINATE AND TOUGH AT NEGOTIATING A RESOLUTION OF THIS ISSUE AS THE PREVIOUS GOVERNMENT. ALTHOUGH DRAWING A PARALLEL BETWEEN BELIZE AND THE FALKLANDS WHEN THE LATTER ISSUE AROSE, GUATEMALA RESISTED, FROM THE FIRST, THE LATIN ATTACKS ON THE PRESENT STRUCTURE OF THE OAS.

THE GOG THEORETICALLY CONSIDERS THE UNITED STATES AN INDISPENSABLE ELEMENT IN ANY HEMISPHERIC BODY AND GIVES US SUPPORT ON EAST WEST ISSUES IN INTERNATIONAL ORGANIZATIONS. PRESIDENT RIOS MONTT, HOWEVER, IS WONT TO ESPOUSE A COMPLETELY EVEN HANDED POLICY OF "GUATEMALIDAD,"



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DENOUNCING BOTH SUBSERVIENCE TO THE HAMMER AND SICKLE AND THE STARS AND STRIPES (OFTEN IN REVERSE ORDER) OR DOMINATION BY THE DOLLAR OR THE RUBLE IN HIS PUBLIC SPEECHES. HE HAS REPEATEDLY ENDORSED A HIGHLY NATIONALISTIC FOREIGN POLICY AND WAS MOST RELUCTANT TO MEET WITH PRESIDENT REAGAN IN HONDURAS UNTIL CONVINCED BY A LARGE MAJORITY IN HIS CABINET.

THE FUNDAMENTAL GUATEMALAN FOREIGN POLICY ISSUE, OTHER THAN BELIZE, IS HUMAN RIGHTS. THAT, PLUS THE NON-ELECTED NATURE OF THE RIOS MONTT GOVERNMENT, HAS AFFECTED ITS RELATIONS WITH CENTRAL AMERICAN AND EUROPEAN COUNTRIES, THE UNITED STATES, THE UNITED NATIONS AND THE ORGANIZATION OF AMERICAN THE GOG MAINTAINS GOOD WORKING RELATIONS WITH ISRAEL, ITS ARMS SUPPLIER; TAIWAN; SOUTH KOREA; JAPAN; AND THE SOUTHERN CONE COUNTRIES OF SOUTH AMERICA. IT HAS SPECIAL PROBLEMS WITH COSTA RICA EFFECTIVELY BLOCKED BRAZIL AND SPAIN. GUATEMALA'S PARTICIPATION IN THE CADC AND THE SUBSEQUENT SAN JOSE MEETING, AND PRESIDENT RIOS MONTT HATES COSTA RICANS WITH A PASSION. WITH THE U.S., RIOS MONTT HAS SOUGHT TO DEVELOP AN IMAGE OF NON-DEPENDENT FRIENDSHIP. HE FREQUENTLY STATES THAT GUATEMALANS

WILL NOT BE "SLAVES" AND THAT THE COUNTRY DOES NOT NEED AID, BUT RATHER UNDERSTANDING. THE RIOS MONTT GOVERNMENT, HAS CARRIED NORMAL LATIN

AMERICAN SENSITIVITIES TO A FEVER PITCH AND EXHIBITS A STRONG NEGATIVE REACTION TO ANY POTENTIAL ACTION IT EVEN TANGENTIALLY PERCEIVES AS A

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FORM OF PRESSURE. PART OF THEIR PARANOIA IS HISTORIC. GUATEMALANS HARK BACK TO THE CAPTAINCY GENERAL WHEN THE SPANISH HEADQUARTERS FOR THE AREA WERE IN ANTIGUA AND LATER GUATEMALA CITY. PART IS THE RESULT OF THE FACT THAT GUATEMALA HAS BEEN ISOLATED FROM THE MAIN STREAM OF INTERNATIONAL EVENTS FOR SO LONG AND HAS BEEN FINANCIALLY INDEPENDENT FROM THE REST OF THE WORLD SINCE 1945. IT HAS NEVER HAD TO SEEK ECONOMIC OR MILITARY AID. RATHER THEY HAVE BEEN THRUST UPON GUATEMALA. THIS IS PARTICULARLY TRUE WITH REGARD TO THE AFTERMATH OF THE 1976 EARTHQUAKE, A MAJOR DISASTER WHICH RESULTED IN A WORLDWIDE OUTPOURING OF VOLUNTARY AND NON-IDEOLOGICAL ASSISTANCE FROM A BROAD SPECTRUM OF GOVERNMENTS THIS OUTPOURING IS AND PRIVATE SOURCES. INDIRECTLY RESPONSIBLE FOR PRESIDENT RIOS MONTT AND HIS IDEOLOGY AND FAITH, SINCE THE GOSPEL OUTREACH CHURCH CAME HERE TO HELP REBUILD GUATEMALA. THE EVANGELICAL MOVEMENT, IN GENERAL, ALSO RECE IVED A TREMENDOUS STIMULUS FROM THE INFLUX OF MONEY AND PROTESTANT CHURCH WORKERS IN THE POST-EARTHQUAKE PERIOD. ON THE POSITIVE SIDE, THE GOG HAS BEEN SURPRISINGLY FORTHCOMING IN ITS DEALING WITH THE IAHRC AND THE VARIOUS HUMAN RIGHTS BODIES OF THE UN. THE GOVERNMENT IS NOT STRONG ENOUGH, NOR PHILOSOPHICALLY INCLINED TO PUNISH PAST HUMAN RIGHT OFFENDERS, PARTICULARLY WITHIN THE MILITARY. BUT IT IS LEARNING TO APPEAR TO COOPERATE WITH INVESTIGATIONS OF ITS CURRENT PRACTICES, AND IS GRADUALLY LEARNING THE NECESSITY TO BECOME AWARE OF THE ROLE OF THE

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P 181916Z FEB 83
FM AMEMBASSY GUATEMALA
TO SECSTATE WASHDC PRIORITY 3389
INFO AMEMBASSY BELIZE
AMEMBASSY MANAGUA
AMEMBASSY MEXICO
AMEMBASSY PANAMA
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
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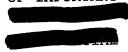
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U.S. CONGRESS IN U.S. FOREIGN POLICY FORMULATION. GUATEMALA WILL HAVE MANY UNHAPPY EXPERIENCES BEFORE IT FULLY RECOGNIZES THE LIMITED ROLE IT HAS IN WORLD AFFAIRS. ITS FORTHCOMING NEGOTIATIONS WITH THE IMF WILL PROBABLY BE A REAL EYE-OPENER FOR THE GUATEMALAN GOVERNMENT AND FOR GUATEMALANS AT LARGE, PARTICULARLY THE ARROGANT PRIVATE SECTOR.

IN THE UN, GUATEMALA VOTES WITH THE UNITED STATES MORE CONSISTENTLY THAN MOST OTHER LATIN COUNTRIES, PARTICULARLY ON ISSUES AFFECTING ISRAEL. THE FOREIGN MINISTRY IS STAFFED WITH CAPABLE PERSONNEL, BUT THE GOVERNMENT HAS BEEN EXCEEDINGLY SLOW TO



FILL VACANT AMBASSADORIAL ASSIGNMENTS IN A NUMBER OF IMPORTANT COUNTRIES. THE FOREIGN MINISTER HAS



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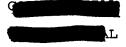
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BEEN UNDER RECENT ATTACK FOR THE PARTICIPATION OF HIS ELDEST SON IN ACTIVE LEFTIST CAUSES IN MEXICO, AND FOR THE SON'S PARTICIPATION IN THE JUST CONCLUDED PEOPLE'S TRIBUNAL ON GUATEMALA HELD IN MADRID. THIS COULD FURTHER IMPAIR HIS INFLUENCE WITH THE PRESIDENT AND THE MILITARY.

ALTHOUGH REGULARLY EXPOSED TO INTERNATIONAL ISSUES, RIOS MONTT REMAINS ESSENTIALLLY INTERESTED IN DOMESTIC ISSUES AND HE WILL PROBABLY CONTINUE TO LEAVE THE ACTUAL CONDUCT OF FOREIGN POLICY, I.E. TRAVEL AND NEGOTIATIONS, TO OTHERS IN THE ADMINISTRATION.

SOME OBSERVATIONS ON THE FIRST TEN MONTHS

MUCH OF WHAT THE RIOS MONTT GOVERNMENT ACCOMPLISHED APPEARS ELEMENTARY RATHER THAN REVOLUTIONARY. AN EMBASSY OFFICER WAS TOLD BY ONE OF THE PRINCIPAL CONFIDANTS OF RIOS MONTT, FOR EXAMPLE, THAT THEIR OWN LIST OF MOST SIGNIFICANT ACCOMPLISHMENTS INCLUDED DOUBLING THE METROPOLITAN BUS FARE FROM FIVE TO TEN CENTS, THE FIRST INCREASE IN FIFTY YEARS, AND CLOSING THE MILITARY COMMISSARY. THE REASON FOR THEIR PRIDE WAS THAT THEY HAD ACCOMPLISHED THESE ACTIONS WITHOUT VIOLENCE OR MAJOR OPPOSITION, WHEREAS THE LUCAS GARCIA GOVERNMENT, FOR ALL ITS REPRESSIVE NATURE, BACKED DOWN IN THE FACE OF VIOLENT OPPOSITION WHEN IT ATTEMPTED A FARE INCREASE IN 1978. THE LAUGERUD GOVERNMENT PREVIOUSLY HAD HAD SERIOUS PROBLEMS OVER THE BUS FARE ISSUE IN 1977, AND THE PUBLIC BUS FARE WAS A POLITICAL ISSUE WITH MANY FORMER GUATEMALAN



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ADMINISTRATIONS. THE JURY IS STILL OUT ON WHETHER THE ARMY OFFICER CORPS IS RESIGNED TO THE COMMISSARY

CLOSING IN
VIEW OF THE
INFLATIONARY SPIRAL IN THE PRICES OF IMPORTED
CONSUMER PRODUCTS TO WHICH ARMY OFFICERS AND
THEIR FAMILIES HAVE BECOME ACCUSTOMED.

OUTLOOK

THE SAME SOURCE THAT DESCRIBED THE ACCOMPLISHMENTS IN 1982 INDICATED THAT THREE OBJECTIVES FOR 1983 WILL BE JUDICIAL REFORM, "MILITARIZATION" OF PUBLIC AND PRIVATE SCHOOLS, AND THE APPLICATION OF SANCTIONS AGAINST CORRUPT AND CRIMINAL ELEMENTS IN THE GOVERNMENT, ALL HIGHLY SENSITIVE ISSUES. ANOTHER CRITICAL QUESTION WILL BE THE APPLICATION OF THE NEW ELECTORAL LAWS AFTER THEIR MARCH 23 ISSUANCE AND THE OPENING GIVEN TO POLITICAL ACTIVITY. THE ESTABLISHMENT OF THE DATE FOR ELECTIONS FOR THE CONSTITUENT ASSEMBLY COULD BE A MAJOR ISSUE. HOW THE OPPOSITION POLITICAL PARTIES, AS WELL AS OTHER POLITICAL SECTORS, ACCEPT THE NEW LAWS REMAINS TO BE SEEN. ALTHOUGH RIOS MONTT DID STATE THAT THIS "COULD" TAKE PLACE IN LATE DECEMBER 1983 OR MARCH 1984, AND TOLD PRESIDENT REAGAN PRIVATELY THAT IT WOULD OCCUR NO LATER THAN EARLY 1984, THERE HAS BEEN NO OFFICIAL ANNOUNCEMENT OF AN ELECTION DATE. THE FOREIGN MINISTER WAS FORCED TO CORRECT A STATEMENT HE HAD MADE TO THE EFFECT THAT HE EXPECTED NATIONAL ELECTIONS TO BE HELD IN MARCH 1985. HE CORRECTED THIS TO SAY THAT THE CONSTITUENT

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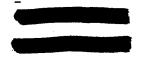
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ASSEMBLY WILL BE THE BODY TO SET THE DATE FOR NATIONAL ELECTIONS.

ASSUMING THE PROCESS GOES SMOOTHLY, MANY GUATEMALANS WITH POLITICAL ASPIRATIONS HAVE ALREADY BEGUN TO MANUEVER AND EVALUTE THEIR PROSPECTS FOR FORMING PARTIES OR COMMITTEES UNDER THE NEW LAWS. SUCH UNLIKELY AND UNDOUBTEDLY INELIGIBLE CANDIDATES AS FORMER LUCAS ADMINISTRATION FINANCE MINISTER BUCARO, AND RIOS MONTT JUNTA MEMBER COLONEL GORDILLO, HAVE ALREADY THROWN THEIR RESPECTIVE HATS IN THE RING. EVEN RECENTLY REMOVED CENTRAL BANK PRESIDENT GONZALEZ DEL VALLE IS TESTING THE WATER. IT SHOULD BE A LIVELY YEAR IN THE POLITICAL ARENA.



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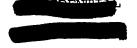
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THE MAJOR VARIABLE IN THE OUTLOOK IS THE LIKELIHOOD OF ANOTHER COUP AND/OR THE POSSIBLE ASSASSINATION OF RIOS MONTT. A COUP COULD BE TRIGGERED BY POLITICAL ELEMENTS NOT IN AGREEMENT WITH HOW THE POLITICAL

PROCESS WILL BE CARRIED OUT, OR IT COULD BE TRIGGERED BY ELEMENTS OF THE MILITARY, OR A COMBINATION OF THE TWO. IT IS THE EMBASSY'S VIEW THAT EITHER EVENT WOULD RETURN GUATEMALA TO SOME FORM OF CONSERVATIVE MILITARY CONTROL. HOWEVER, COUP PLOTTERS WOULD UNDOUBTEDLY STATE THAT THEIR PROGRAM WAS INTENDED TO HONOR THE ORIGINAL PURPOSE OF THE RIOS MONTT GOVERNMENT OF RETURNING GUATEMALA RAPIDLY TO ELECTED GOVERNMENT. AS STATED EARLIER, COUP PLOTTING TO DATE HAS BEEN INEPT AND EASILY COUNTERED, BUT THE POSSIBILITY EXISTS THAT A MORE SERIOUS ATTEMPT COULD TAKE PLACE.

ANOTHER VARIABLE IS THE GUERRILLA INSURGENCY.
AT THE MOMENT, THE GOG HAS THE UPPER HAND. A COUP
ATTEMPT OR ACTUAL TAKEOVER MIGHT, HOWEVER, WEAKEN
THE MILITARY, PARTICULARLY IF IT WERE A BLOODY EVENT.
IN ADDITION, THERE ARE REPORTS THAT THE GUERRILLA
FORCES ARE RESUPPLYING AND PLANNING A RENEWED
OFFENSIVE SEVERAL MONTHS HENCE. SHOULD THE
GUERRILLA GROUPS CAPTURE THE INITIATIVE AGAIN,
IT WOULD CERTAINLY IMPACT ON THE POSITIVE TRENDS.
THE GOG WOULD FEEL OBLIGED TO COMMIT ADDITIONAL
RESOURCES TO MILITARY NEEDS RATHER THAN DEVELOPMENTAL,
AND HUMAN RIGHTS IMPROVEMENTS MIGHT BE SET BACK
SHOULD THE MILITARY FEEL SERIOUSLY THREATENED.

SHOULD THE WORST CASE SENARIO OF A COUP OR GUERRILLA RECRUDESCENSE NOT OCCUR, THE 1983



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OUTLOOK FOR GUATEMALA IS POSITIVE. GUATEMALANS HAVE THE CAPACITY TO WEATHER DIFFICULT SITUATIONS AND SNAP BACK QUICKLY. THE MOOD IS VISIBLY IMPROVED OVER ONE YEAR AGO. WHERE THERE WERE EMPTY STREETS AND FEAR, THERE ARE ONCE AGAIN TRAFFIC JAMS. A SHORTAGE OF THE QUALITY OF HOUSING GENERALLY OCCUPIED BY FOREIGNERS, I.E. BUSINESSMEN AND EMBASSY STAFF, HAS BECOME NOTICEABLE, ANOTHER SURE INDICATOR OF INCREASED ACTIVITY. IN SPITE.OF THE VARIABLES MENTIONED EARLIER, THE EMBASSY IS INCLINED TO BELIEVE THAT RIOS MONTT WILL CONTINUE TO CONSOLIDATE HIS POSITION AND GENERATE THE KIND OF ACTIVITY THAT WILL KEEP THE MOMENTUM POSITIVE OVER THE NEXT FEW MONTHS, IF NOT THROUGHOUT 1983.

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