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MEMORANDUM

## NATIONAL SECURITY COUNCIL

~~SECRET~~INFORMATION

August 1, 1983

MEMORANDUM FOR WILLIAM P. CLARK

FROM: ALFONSO SAPIA-BOSCH *U*  
OLIVER NORTH *J*

SUBJECT: Guatemala

With regard to the loan of ten helicopters, it is my understanding that Bud will take this up with the Israelis. There are expectations that they would be forthcoming. Another possibility is to have an exercise with the Guatemalans. We would then use US mechanics and Guatemalan parts to bring their helicopters up to snuff.

There will be an interagency meeting of lawyers to see what, if any, flexibility we have. Also, General Gast of Defense Security Assistance Agency is looking into ways of being helpful.

I hope to have a better and more satisfying answer for you tomorrow.

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DECLASSIFY ON: OADR

F95-05612 #99

Smf DATE 2/7/00

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*Guatemala*

1 August 1983

MEMORANDUM FOR YADM MOREAU

SUBJECT: Helicopters and Spare Parts for Guatemala

1. Guatemala does not have FMS credits or cash needed to acquire two helicopters and spare parts. Any plan to provide the helicopters and spare parts to Guatemala by working outside the FAA/AECA would involve considerable political risk and could result in problems with Congress.
2. The Conference Report on the recently enacted FY 1983 Supplemental Appropriations Bill (Tab A) provides that "no funds . . . may be used for Guatemala except for development projects funded through private voluntary organizations." The House Report (Tab B), that the Senate did not agree to, contains strong language referring to the deplorable human rights record, repression against Guatemala Indians, and failure to punish those responsible for killing a US Government employee and American churchmen.
3. In January 1983 the State Department announced the approval of \$6.37 million cash sale of spare parts to Guatemala (Tab C), but Guatemala has not been able to come up with the cash. This approval was given without a human rights certification under Section 116 of the Foreign Assistance Act (Tab D). In view of the recent action on the FY 1983 Supplemental, approval for the sale of helicopters is doubtful even if Guatemala had the money.
4. On the issue of a lease, Section 61 of the Arms Export Control Act (Tab E) provides that under certain conditions the President may lease defense articles to an eligible foreign country. Section 62 (Tab F) provides that if the lease is for a year or longer, the President must report to Congress. While a lease may reduce the cash problems, the eligible country provision would raise the human rights issue.
5. There are also problems with a third country transfer. As a condition of sale, a recipient country must agree not to transfer title or possession of defense articles and services to another country unless the consent of the President has first been obtained. A third country transfer of articles or services valued (original acquisition cost) at \$14 million or more for major defense articles must be reported to Congress. (Tab G) Congress could exercise legislative veto pre-Chadha. A third country transfer has considerable political risk.
6. One possibility would be having a third country provide helicopters and spare parts acquired from a non-US source.

*Tom Lueders*

COLONEL LUEDERS

F95-058/2 #100

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7/27/00

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