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THE WHITE HOUSE
WASHINGTON

April 7, 1976

Dear Mr. President:

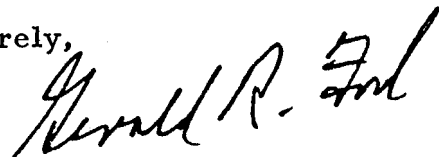
Secretary Kissinger has delivered to me your letters of February 24 concerning the work of the US Geological Survey in Guatemala and the shipping dispute between Delta Steamship Lines and Flota Mercante Gran Centroamericana.

I greatly appreciate your kind words about the quality of the work done by the Geological Survey. Its preliminary report was completed on March 10, and a full scientific report is expected to be ready by the end of April. I directed the Department of State to ensure that these reports be promptly delivered to your Government by our Embassy in Guatemala City. It is my hope that the Geological Survey's work will prove of assistance in your reconstruction effort.

Concerning the Delta-Flomerca dispute, I have instructed our officials to examine the issues raised in the memorandum attached to your letter. Our Embassy in Guatemala will be in touch with officials of your Government in the near future.

Secretary Kissinger has reported to me the details of his visit to Guatemala and has described the courageous way in which your Government and your people are coping with the effects of the tragic earthquakes. The people of the United States are pleased and proud to be of assistance in Guatemala's valiant efforts to rebuild its country after the devastation caused by the earthquake.

Sincerely,



His Excellency
Kjell Laugerud Garcia
President of the Republic of Guatemala
Guatemala City



NATIONAL SECURITY COUNCIL
REFERRAL

Date: April 7, 1976
NSC log # 7601321

MEMORANDUM FOR:

George S. Springsteen
Executive Secretary
Department of State

DOCUMENT DESCRIPTION:

To: President Laugerud

From: President

Date: Apr 7, 1976

Subject: Replies to Pres Laugerud's letter

ACTION REQUESTED:

_____ Draft reply for: _____ President's Signature
_____ White House Staff
_____ Other _____

_____ Direct reply _____ Furnish info copy


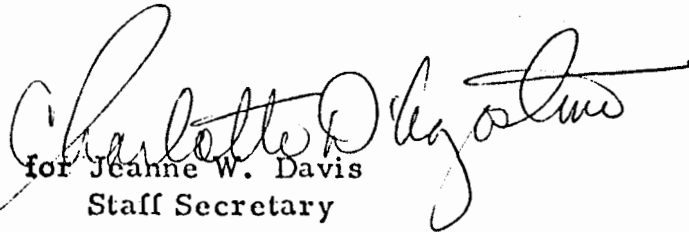
~~_____~~ Dispatch _____ Translation

_____ Recommendations / Comments _____ Appropriate Handling

_____ Other _____ Information

DUE DATE:

COMMENTS:



for Jeanne W. Davis
Staff Secretary

CLASSIFICATION: _____

MEMORANDUM

THE PRESIDENT HAS SEEN.....

THE WHITE HOUSE
WASHINGTON

4/6/76

April 5, 1976

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT

B

SUBJECT: Reply to Letters from Guatemalan President Laugerud

During Secretary Kissinger's trip to Guatemala, President Laugerud gave him two letters for you (Tab B). The first requests reports from the US Geological Survey on its seismic studies in Guatemala. The preliminary geological report has been issued and was delivered to President Laugerud by our Ambassador on March 22. The final report is expected to be completed by the end of April and also will be forwarded promptly to the Guatemalan Government.

The second letter concerns a long-standing shipping dispute between Delta Steamship Lines of New Orleans and a Guatemalan flag line. Last year Delta filed a complaint with the Federal Maritime Commission and the Special Trade Representative, who have since found that Guatemalan shipping practices discriminate against US carriers. A February deadline given the Guatemalan Government to make modifications in its discriminatory legislation has been extended temporarily because of disruptions caused by the major earthquake in Guatemala. The Guatemalan Government has maintained that its shipping legislation is no more discriminatory than that of many other nations, including that of the United States. Unless progress is made soon in settling the dispute, Guatemala could be subject to the imposition of countervailing duties by the United States.

Attached for your signature at Tab A is a suggested reply to President Laugerud's letters. The reply informs him that you have directed that the Geological Survey reports be promptly delivered to his Government by our Embassy. It also notes that you have instructed our officials to examine the issues which are

raised in the memorandum forwarded by President Laugerud's letter relating to the shipping dispute and that they will be discussing the problem with his Government in the near future. I do not believe it desirable for you to become involved in the specifics of the dispute at this stage.

The suggested reply has been coordinated with Doug Smith of Robert Hartmann's office and with the office of the Special Trade Representative.

Attachments



NATIONAL SECURITY COUNCIL

March 30, 1976

To: Art House

From: Mary Brownell

The first page of the letter and the memo to the President have been modified slightly to accommodate STR's comments. I am attaching the earlier versions so you can see the changes that have been made. STR's concurrence has been noted on both memos.

*Best -
Change marked in pink.
Art*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON*Wait*
Re-typed
12

MEMORANDUM FOR THE PRESIDENT

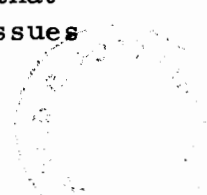
FROM: BRENT SCOWCROFT

SUBJECT: Reply to Letters from Guatemalan President Laugerud

During [the] Secretary's trip to Guatemala, President Laugerud gave him two letters for you (Tab B). The first requests reports from the US Geological Survey on its seismic studies in Guatemala. The preliminary geological report has been issued and was delivered to President Laugerud by our Ambassador on March 22. The final report is expected to be completed by the end of April and also will be forwarded promptly to the Guatemalan Government.

The second letter concerns a long-standing shipping dispute between Delta Steamship Lines of New Orleans and a Guatemalan flag line. Last year Delta filed a complaint with the Federal Maritime Commission and the Special Trade Representative, who have since found that Guatemalan shipping practices discriminate against US carriers. A February deadline given the Guatemalan Government to make modifications in its discriminatory legislation has been extended temporarily because of disruptions caused by the major earthquake in Guatemala. The Guatemalan Government has maintained that its shipping legislation is no more discriminatory than that of many other nations, including that of the United States. Unless progress is made soon in settling the dispute, Guatemala could be subject to the imposition of countervailing duties by the United States.

Attached for your signature at Tab A is a suggested reply to President Laugerud's letters. The reply informs him that you have directed that the Geological Survey reports be promptly delivered to his Government by our Embassy. It also notes that you have instructed the [Department of State] to examine the issues

on a separate

which are raised in the memorandum forwarded by President Laugerud's letter relating to the shipping dispute and that [our *they* officials] will be discussing the problem with his Government in the near future. I do not believe it desirable for you to become involved in the specifics of the dispute at this stage.

The suggested reply has been coordinated with Doug Smith of Robert Hartmann's office. *and with the Office of the Special Representative for*

Attachments



14

THE WHITE HOUSE

WASHINGTON

Dear Mr. President:

Secretary Kissinger has delivered to me your letters of February 24 concerning the work of the US Geological Survey in Guatemala and the shipping dispute between Delta Steamship Lines and Flota Mercante Gran Centro-americana.

I greatly appreciate your kind words about the quality of the work done by the Geological Survey. Its preliminary report was completed on March 10, and a full scientific report is expected to be ready by the end of April. I directed the Department of State to ensure that these reports are promptly delivered to your Government by our Embassy in Guatemala City. It is my hope that the Geological Survey's work will prove of assistance in your reconstruction effort.

Concerning the Delta-Flomenca dispute, I have instructed ^{our officials} the Department of State to examine the issues raised in the memorandum attached to your letter. ~~The Department,~~ through our Embassy in Guatemala, will be in touch with officials of your Government in the near future.

Secretary Kissinger has reported to me the details of his visit to Guatemala and has described the courageous way in which your Government and your people are coping with the effects of the tragic earthquakes. The people of the



Dear Mr. President:

Secretary Kissinger has delivered to me your letters of February 24 concerning the work of the US Geological Survey in Guatemala and the shipping dispute between Delta Steamship Lines and Flota Mercante Gran Centroamericana.

I greatly appreciate your kind words about the quality of the work done by the Geological Survey. Its preliminary report was completed on March 10, and a full scientific report is expected to be ready by the end of April. I directed the Department of State to ensure that these reports be promptly delivered to your Government by our Embassy in Guatemala City. It is my hope that the Geological Survey's work will prove of assistance in your reconstruction effort.

Concerning the Delta-Flomarca dispute, I have instructed our officials to examine the issues raised in the memorandum attached to your letter. Our Embassy in Guatemala will be in touch with officials of your Government in the near future.

Secretary Kissinger has reported to me the details of his visit to Guatemala and has described the courageous way in which your Government and your people are coping with the effects of the tragic earthquakes. The people of the United States are pleased and proud to be of assistance in Guatemala's valiant efforts to rebuild its country after the devastation caused by the earthquake.

Sincerely,

**His Excellency
Kjell Laugerud Garcia
President of the Republic of Guatemala
Guatemala City**

132/1369
141
THE WHITE HOUSE
WASHINGTON

March 27, 1976

Arthur House

Can we put STR (Dent) down as concurring
in the letter?

Bud



MEMORANDUM

NATIONAL SECURITY COUNCIL

IT

March 26, 1976

MEMORANDUM FOR: BRENT SCOWCROFT

FROM: MARY BROWNELL *MB*

SUBJECT: Reply to Letters from Guatemalan
President Laugerud

When the Secretary visited Guatemala, President Laugerud gave him two letters to deliver to the President--one concerning his Government's desire to have the reports from the US Geological Survey work in Guatemala and the other concerning a shipping dispute. Attached for your signature at Tab I is a memorandum for the President forwarding a suggested response to the two letters. The reply has been coordinated with Doug Smith and with STR.

Attachments

Concurrence:

Robert Hormats *RH*

TRANSMITTED BY:
(Date & Time Stamp)

RECEIVED BY:
(Date & Time Stamp)

DEPARTMENT OF STATE
Operations Center

LDX MESSAGE RECEIPT

S/S #

'76 MAR 10 PM 3:29

LDX MESSAGE NO. 1976 CLASSIFICATION UNCLASSIFIED NO. PAGES 2

DESCRIPTION OF MSG. DRAFT LETTER

FROM: MJ Platt ARA/CEN 20883 5909 NS
Officer Office Symbol Extension Room Number

LDX TO: DELIVER TO: EXTENSION: ROOM NUMBER:

White House

NSC Mr. Stephen Low 395-5004

FOR: CLEARANCE ☐ INFORMATION ☐ PER REQUEST ☐ COMMENT ☐

REMARKS:

VALIDATED FOR TRANSMISSION BY: L. M. Macfarlane
Executive Secretariat Officer

MAR
① type in draft and send out tag
to Doug Smith (with both
incoming letters).
② I will give you memos to Pres



DRAFT REPLY FROM PRESIDENT FORD TO PRESIDENT LAUGERUD

Dear Mr. President:

Secretary Kissinger has ^{delivered to} given me your ~~two~~ letters of February 24 concerning the work of the U.S. Geological Survey in Guatemala and the shipping dispute between Delta Steamship Lines and Flota Mercante Gran Centroamericana.

I greatly appreciate your kind words about the quality of the work done by the Geological Survey. Their preliminary report was completed ^{on} ~~today~~ March 10, and ^e full scientific report is expected to be ready by the end of April. I ~~have~~ directed the Department of State to ensure that these reports are ^{promptly} delivered ~~directly~~ to your Government by our Embassy in Guatemala City. ^{It is my hope that} ~~I hope~~ the Geological Survey's work will ^{prove} ~~be~~ of assistance in ^{your country's} ~~the~~ reconstruction effort.

Concerning the Delta-Flomerca dispute, I have instructed the Department of State to examine the issues raised in the memorandum attached to your letter. The Department, through our Embassy in Guatemala, will be in touch with officials of your government in the near future.

Secretary Kissinger ~~has~~ described to me ^{his visit in Guatemala} ~~the suffering~~ caused by the tragic earthquake of February 4. ~~He has also~~ ^{and} told me of the courageous way in which your Government and

the effects of the tragic earthquakes,
your people are coping with ~~this unprecedented tragedy~~. The
people of the United States take ^{great} pride in ~~being able to~~ ^{the assistance being given}
~~assist in~~ ^{valiant efforts to rebuild its cities after the} Guatemala's ~~hour of need~~.
Disaster caused by the earthquakes
Sincerely yours,

Gerald R. Ford

His Excellency
General Kjell Laugerud Garcia,
President of the Republic of Guatemala,
Guatemala City.

my sent
Drafted: ARA/CEN: MJPlatt: 3/10/76: X20883

Cleared: ARA/CEN: LKilday *mp*

ARA: HARYan *mp*

EB: JSteinmetz *mp*

14
DRAFT REPLY FROM PRESIDENT FORD TO PRESIDENT LAUGERUD

Dear Mr. President:

Secretary Kissinger has given me your letter of February 24 requesting a report by the U.S. Geological Survey on the results of their seismic studies in Guatemala. We shall of course be happy to comply with your request.

A preliminary report will be ready on March 10, and the full scientific report is expected to be completed by the end of April. I am directing the Department of State to ensure that these reports are delivered directly to your Government by our Embassy in Guatemala City.

Secretary Kissinger has described to me the suffering caused by the tragic earthquake of February 4. He has also told me of the courageous way in which your Government and your people are coping with this unprecedented tragedy. The people of the United States take pride in being able to assist in Guatemala's hour of need.

Sincerely yours,

Gerald R. Ford

His Excellency
General Kjell Laugerud Garcia,
President of the Republic of Guatemala,
Guatemala City.



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DEPARTMENT OF STATE

Washington, D.C. 20520

March 8, 1976

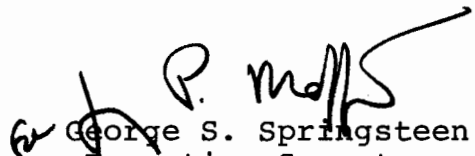
MEMORANDUM FOR MR. BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Letter from Guatemalan President
Concerning Shipping Dispute

While Secretary Kissinger was in Guatemala on February 24, he was given the attached letter from GOG President Laugerud for President Ford. The letter concerns a long-standing shipping dispute between Delta Steamship Lines of New Orleans and a Guatemalan flag line. On July 15, 1975 Delta filed a complaint with the Federal Maritime Commission and the Special Trade Representative. Both STR and FMC have formally considered the issue and have found that Guatemalan shipping practices discriminate against U.S. carriers. The GOG was given until February 14 to reform its discriminatory legislation, or face the imposition of countervailing duties. Because of the earthquake, this deadline is being extended on a month-by-month basis until the GOG is able to deal with the problem.

The GOG maintains that its shipping legislation is no more discriminatory than that of many other nations, including the United States. FMC and STR, in issuing their formal finding of discrimination, rejected the GOG's arguments. The Department proposes that President Ford acknowledge receipt of President Laugerud's letter but avoid discussing the specifics of the case. At an appropriate time, the Department will follow up with a re-statement of the already decided USG position to the interested officials of the GOG.

A draft reply of a letter for President Ford's signature is attached at Tab 1. A cable with the text of the letter is attached at Tab 2 and will be sent to Guatemala upon approval of the text.


George S. Springsteen
Executive Secretary

Attachments:

- 1 - Draft letter from President Ford
- 2 - Draft cable with text of suggested reply
- 3 - Laugerud letter to President Ford



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DRAFT REPLY FROM PRESIDENT FORD TO PRESIDENT LAUGERUD

Dear Mr. President:

Secretary Kissinger has given me your letter of February 24 concerning the shipping dispute between Delta Steamship Lines of New Orleans and Flota Mercante Gran Centroamericana of Guatemala.

I thank you for bringing this matter to my attention. I have instructed the Department of State to examine the issues raised in the memorandum attached to your letter. The Department, through our Embassy in Guatemala City, will be in touch with officials of your Government in the near future.

In closing, may I again express the sympathy of the people of the United States for the suffering caused by the tragic earthquake of February 4.

Sincerely yours,

Gerald R. Ford

His Excellency
General Kjell Laugerud Garcia,
President of the Republic of Guatemala,
Guatemala City.

18

UNCLASSIFIED

ARA/CEN:MJPLATT
3/L/76, X20883
ARA:HARYAN

USGS:HFLEMING {PHONE}
S/S:

ARA/CEN:MWEISSMAN

IMMEDIATE GUATEMALA

FOR THE AMBASSADOR FROM HEWSON RYAN

E.O. 11652: N/A

TAGS: TGEN, GT

SUBJECT: LETTER FROM PRESIDENT FORD TO PRESIDENT LAUGERUD
RE U.S. GEOLOGICAL SURVEY REPORT ON GUATEMALA

HAR
MJP *my*
HF *no*
MW *170*
S/S

PLEASE TRANSMIT THE FOLLOWING LETTER TO PRESIDENT LAUGERUD
FROM PRESIDENT FORD:

QUOTE.

DEAR MR. PRESIDENT:

SECRETARY KISSINGER HAS GIVEN ME YOUR LETTER OF FEBRUARY 24
REQUESTING A REPORT BY THE U.S. GEOLOGICAL SURVEY ON THE
RESULTS OF THEIR SEISMIC STUDIES IN GUATEMALA. WE SHALL
OF COURSE BE HAPPY TO COMPLY WITH YOUR REQUEST.

A PRELIMINARY REPORT WILL BE READY ON MARCH 10, AND THE
FULL SCIENTIFIC REPORT IS EXPECTED TO BE COMPLETED BY THE
END OF APRIL. I AM DIRECTING THE DEPARTMENT OF STATE TO
ENSURE THAT THESE REPORTS ARE DELIVERED DIRECTLY TO YOUR
GOVERNMENT BY OUR EMBASSY IN GUATEMALA CITY.

SECRETARY KISSINGER HAS DESCRIBED TO ME THE SUFFERING
CAUSED BY THE TRAGIC EARTHQUAKE OF FEBRUARY 4. HE HAS
ALSO TOLD ME OF THE COURAGEOUS WAY IN WHICH YOUR

UNCLASSIFIED

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GOVERNMENT AND YOUR PEOPLE ARE COPING WITH THIS UN-
PRECEDENTED TRAGEDY. THE PEOPLE OF THE UNITED STATES
TAKE PRIDE IN BEING ABLE TO ASSIST IN GUATEMALA'S HOUR
OF NEED.

SINCERELY YOURS,

GERALD R. FORD.

UNQUOTE.

TEXT OF LAUGERUD LETTER BEING SENT BY APO. 44

UNCLASSIFIED

18
UNCLASSIFIED

ARA/CEN: MJPLATT
3/2/76, X20883
ARA: HARYAN

EB/TT/MA: JSTEINMETZ {PHONE}

ARA/CEN: MWEISSMAN

IMMEDIATE

GUATEMALA

FOR THE AMBASSADOR FROM HEWSON RYAN

E.O. 11652, N/A

TAGS: EWWT, GT

SUBJECT: DELTA/FLOMERCA DISPUTE

PLEASE TRANSMIT THE FOLLOWING LETTER FROM PRESIDENT
FORD TO PRESIDENT LAUGERUD:

QUOTE.

DEAR MR. PRESIDENT:

SECRETARY KISSINGER HAS GIVEN ME YOUR LETTER OF FEBRUARY 24
CONCERNING THE SHIPPING DISPUTE BETWEEN DELTA STEAMSHIP
LINES OF NEW ORLEANS AND FLOTA MERCANTE GRAN CENTRO-
AMERICANA OF GUATEMALA.

I THANK YOU FOR BRINGING THIS MATTER TO MY ATTENTION.
I HAVE INSTRUCTED THE DEPARTMENT OF STATE TO EXAMINE
THE ISSUES RAISED IN THE MEMORANDUM ATTACHED TO YOUR
LETTER. THE DEPARTMENT, THROUGH OUR EMBASSY IN GUATEMALA
CITY, WILL BE IN TOUCH WITH OFFICIALS OF YOUR GOVERNMENT
IN THE NEAR FUTURE.

IN CLOSING MAY I AGAIN EXPRESS THE SYMPATHY OF THE
PEOPLE OF THE UNITED STATES FOR THE SUFFERING CAUSED

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J

RECEIVED
FORD LIBRARY

FORM DS 322A{OCR}

UNCLASSIFIED

| 2

BY THE TRAGIC EARTHQUAKE OF FEBRUARY 4.

SINCERELY YOURS,

GERALD R. FORD.

UNQUOTE.

TEXT OF LAUGERUD LETTER TO FORD BEING SENT BY POUCH.
ORIGINAL OF PRESIDENT FORD'S LETTER WILL BE SENT BY
POUCH WHEN SIGNED. 44

UNCLASSIFIED



DEPARTMENT OF STATE

Washington, D.C. 20520

S/S 7604019

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March 5, 1976

MEMORANDUM FOR MR. BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Letter from Guatemalan President Laugerud

While Secretary Kissinger was in Guatemala on February 24, GOG President Laugerud handed to him the attached letter addressed to President Ford. The letter requests reports from the U.S. Geological Survey on their seismic studies in Guatemala. As stated in the draft reply, a preliminary report will be ready by March 10, with the full "scientific" report expected to be completed by the end of April. The USGS will deliver the reports to the Department for forwarding to our Embassy and delivery to the Government of Guatemala.

Attached is a draft response, by cable and by letter, for the President's signature.


George S. Springsteen
Executive Secretary

Attachments:

- 1 - Draft letter from President Ford
- 2 - Cable response from President Ford
- 3 - Letter from President Laugerud



DE LA
REPÚBLICA DE GUATEMALA
AMÉRICA CENTRAL

Guatemala, February 24th., 1976.-

Your Excellency:

I would like to acknowledge the contribution given to our nation by the Scientific Mission sent by your Government. We have learned a great deal from this disaster, and have found a great comfort in the fact that all our neighbouring countries responded to our help immediately.

It is imperative for our Government to learn about the result that your Scientific Mission will obtain. Members of the U.S. Geological Survey gave us support and unofficial advise in many aspects: Intensity, Damage, Seismicity and Fault Mapping studies.

Our Government will be most appreciative to obtain copies of the results of your scientific team. The studies so performed will help in the deliniation of Seismic Hazards areas in Guatemala and in Guatemala City, which will be a great service to our stricken nation. The officially requested results will be used in the program of reconstruction at the infrastructure level, as well as in the capital city of Guatemala.

-- 2 --



EL PRESIDENTE



DE LA
REPÚBLICA DE GUATEMALA
AMÉRICA CENTRAL

-- 2 --

The members of the U. S. Scientific Mission were:

J. Bonilla, Geologist, USGS
Menlo Park, Ca.

G. Plafker, Research Geologist, USGS
Menlo Park, Ca.

A. F. Espinosa, Research Geologist, USGS
Denver, Co.

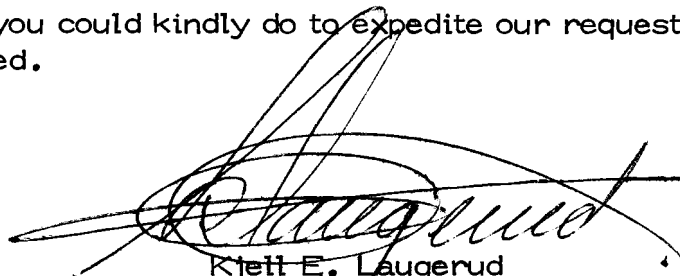
R. Husid, Structural Eng., USGS
Denver, Co.

K. Steinbrugge, Structural Eng.
Consultant to USGS
San Francisco, Ca.

C. Langer, Seismologist, USGS
Denver, Co.

C. Knudson, Geophysicist, USGS
Menlo Park, Ca.

Anything you could kindly do to expedite our request will be highly appreciated.



Kjell E. Laugerud
Presidente

His Excellency Gerald Ford
President of the United States of America
Washington, D. C.

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DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO. 54650

DT/JRP

Spanish

OFFICE OF THE PRESIDENT
OF THE REPUBLIC OF GUATEMALA

Guatemala, February 24, 1976

Mr. President:

Seizing the opportunity offered by the welcome and timely visit to Guatemala of Dr. Henry A. Kissinger, Secretary of State of your country, I take great pleasure in conveying to you, through him, my warm greetings and in sending you with this note a copy of the memorandum submitted to me by the Minister of Economy.

That memorandum, with which I am fully in agreement, reflects my Government's official position with respect to the conflict that exists between the Delta Steamship Lines of the United States of America and the Flota Mercante Gran Centroamericana (FLOMERCA) [Central American Merchant Fleet] of Guatemala.

I avail myself of this occasion to renew to you, Mr. President, the very special assurances of my high esteem and distinguished consideration.

[Signed] K. E. Laugerud

His Excellency
Gerald Ford,
President of the
United States of America.



DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO. 54650 - B

MEMORANDUM

To: General Kjell Eugenio Laugerud Garcia
President of the Republic

From: Eduardo Palomo Escobar
Minister of Economy

Subject: Government of the United States insists on repeal
of Decree 41-71 of the Congress of the Republic

Date: February 23, 1976

1. In 1971 the Congress of the Republic of Guatemala enacted Decree 41-71 (see Annex 1) to protect national air or sea transport companies. That law provides that importers of goods which are exempted from import duties under the industrial development laws must arrange for the transport of the good which they import into the country, whether by sea or air, by national carriers. Violations of this provision are subject to a fine equal to 50% of the freight paid.

2. In 1973 the Delta Lines, a United States company, conferred with Flomerca, a national company, about a partnership agreement whereby it could enjoy a waiver and thus be able to transport all of its cargo to and from Guatemala without having the aforesaid penalty applied to it.

Since such a partnership agreement could not be accepted by Flomerca, in 1974 the Delta Lines filed charges with the Federal Maritime Commission

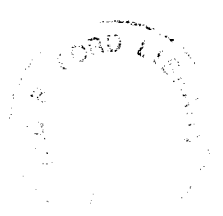
(FMC) and the Office of the Special Representative of the President of the United States for Trade Negotiations.

3. The result of the aforesaid charges was that the FMC declared that Decree 41-71 was discriminatory and agreed to impose on the Government of Guatemala "equalization" sanctions, which consist in the provision that all cargo originating in the United States and destined for Guatemala which is carried by Guatemalan national lines or lines associated therewith must pay 50% of the cargo's value in addition to the normal ocean freight charge. Furthermore, Guatemala could be excluded from the tariff preference treatment granted by the United States developing countries.

4. Since the middle of last year the Department of State, through its Embassy in Guatemala and through the Ambassador of Guatemala in Washington, has been asking for the repeal of Decree 41-71,^{and}/is insisting on that repeal, despite the fact that in January 1976 Flomerca and the Delta Lines agreed on the bases for concluding a partnership agreement that will permit Delta Lines to enjoy the pertinent waiver and operate from the United States to Guatemala. Photocopies are attached of Annexes 2 and 3, submitted by the United States Embassy in Guatemala, which demonstrate the aforesaid pressure of the Department of State, in terms totally unacceptable to Guatemala.

5. The petition is considered unacceptable for the following reasons:

- (a) Guatemala has the right, as do other developing countries, to protect and develop its merchant marine. In 1975 Guatemala paid nearly US\$88 million for transport.

- (b) The United States has protectionist laws that could also be called discriminatory, such as the 1918 Shipping Act; the Jones Act, for intercoastal shipping; and Public Law 480, which specifies the use of United States flag vessels for the transport of cargo financed by Eximbank, AID, or IDB Special Funds, in dollars. In other words, Guatemalan vessels do not have free access to all of the freight generated in the United States.
- (c) Decree 41-71 gives preference only to Guatemalan vessels or to vessels of associated lines insofar as industrial development cargo is concerned, leaving open the rest of general cargo, plus all of the export cargo. In this sense Guatemalan shipping legislation is mild, compared with other protectionist laws that exist in almost all of the Latin American countries. In Brazil, Venezuela, Argentina, Uruguay, Chile, Peru, and Colombia there have been protectionist laws for more than 20 years that reserve 50% of total cargo for national shipping companies.
- (d) The development of the merchant marines of the Latin American and other developing countries is the direct consequence of resolutions and recommendations. All of these measures and laws which the countries of Latin America have been adopting to develop their national merchant marines are the direct consequence of resolutions and recommendations that had their beginning with the Conference of Chapultepec of 1945 and culminated with UNCTAD III in 1972, when all developing countries were clearly urged to adopt laws protecting their merchant
- 

marines, in order thus to obtain greater participation in the ocean transport of the trade generated in their own countries. This gave rise in UNCTAD III of 1972 to the resolution to promote the Shipping Conduct Code, on the basis of a 40-40-20 sharing of available ocean traffic.

With this instrument each developing country can negotiate with an industrialized country that has a powerful shipping fleet the transport of 80% of the cargo (40-40). That is to say, with this instrument, the negotiating capacity of a country such as Guatemala is increased for demanding a share in the ocean traffic of those industrialized and traditionally maritime shipping countries--something which a few years ago would have been impossible.

This resolution of UNCTAD, which was approved by all of the developing countries, was also received with understanding and a broad sense of cooperation by many industrialized countries--among them the Federal Republic of Germany, Japan, France, the Netherlands, Italy, and Spain--assuring a participation of more than 80% of the world tonnage, as advocated by the Conduct Code and the 40-40-20 formula.

The United States, United Kingdom, Canada, and the Scandinavian countries, the latter being by tradition the owners of great shipping fleets that engage in traffic between third countries, voted against the resolution.

For 30 years Latin America has been struggling to win positions step by step, to shake itself free of the situation of economic dependence to which Guatemala, as a country on the periphery, is subject. The topic of maritime transport has been analyzed in a great many international forums

such as ECLA, OAS, IA-ECOSOC, SIECA, and undoubtedly it will be brought up again by the recently created SELA. At the economic conference of the OAS held in Buenos Aires in 1957, it was specified that the laws protecting the merchant marines of the member countries of the OAS would not be considered discriminatory. The United States participated in that meeting, ^{abstaining} ~~abstaining~~ but not voting against that measure.

Conclusion:

In view of the preceding statements, the pressure of the Department of State, to which reference was made in the foregoing paragraphs, is not congruent with the position adopted by the United States in recent years in the matter of international trade, and especially at the Seventh Special General Assembly of the United Nations, held September 1 to 15, 1975. Neither is it ^{con}gruent with the commitments that have been internationally acquired with respect to maritime transport.

Consequently, I believe that the Government of the United States should review the action of the FMC and the Special Representative for Trade Negotiations with respect to the insistence that Guatemala repeal a law that has been in force for five years and that was adopted in the exercise of national sovereignty. In any event, it must be kept in mind that the Government of Guatemala is making an exhaustive analysis of the entire policy and legislation concerning transport, and in due course, without pressure, the Congress will propose legislation that may be more desirable for the country and for good international trade relations with friendly countries.



14
EL PRESIDENTE



DE LA
REPÚBLICA DE GUATEMALA
AMÉRICA CENTRAL

Guatemala, 24 de febrero de 1976.

Excelentísimo Señor Presidente:

Aprovechando la grata y oportuna visita del Excelentísimo Señor Secretario de Estado de Vuestro Culto País a Guatemala, Doctor Henry A. Kissinger, me es muy grato transmitirle un cordial saludo por - conducto de tan digno portador y enviarle junto a esta nota, copia del memorial que me fuera presentado por el Señor Ministro de Economía.

Dicho memorial, con el cual estoy plenamente de acuerdo en - todas y cada una de sus partes, refleja la posición oficial de mi Go- bierno con respecto al conflicto existente entre las líneas marítimas Delta de los Estados Unidos de América y Flota Mercante Gran Centroame- ricana (FLOMERCA) de Guatemala.

Me valgo de la ocasión para reiterar al Excelentísimo Señor Presidente los sentimientos muy especiales de mi alta estima y distin- guida consideración.

Una firma manuscrita en tinta oscura, que parece ser la de un alto funcionario guatemalteco, posiblemente el Ministro de Economía mencionado en el texto. La firma es fluida y estilizada, con una gran 'S' inicial prominente.

Excelentísimo Señor Gerald Ford,
Presidente de los Estados Unidos de América.

Un sello circular muy tenue y desenfocado, ubicado en la parte inferior derecha de la página. No se puede leer el texto dentro del sello, pero parece ser un sello oficial.

MEMORANDUM

PARA: General Kjell Eugenio Laugerud García
Presidente de la República

DE: Eduardo Palomo Escobar
Ministro de Economía

ASUNTO: Gobierno de Estados Unidos insiste en -
que se derogue el Decreto 41-71 del Con-
greso de la República.

FECHA: 23 de febrero de 1973

1. En 1971, el Congreso de la República de Guatemala -
emitió el Decreto 41-71, (ver anexo 1), para proteger
las empresas nacionales de Transporte Nacional aéreo
o marítimo. Esa Ley establece que las personas im-
portadoras de mercaderías exoneradas de derechos de
importación al amparo de las leyes de Fomento Indus-
trial, están obligadas a efectuar el transporte de lo -
que importan al país, ya sea por la vía marítima o por
la vía aérea, en empresas nacionales de transporte. La
infracción a tal disposición se sanciona con una multa
del 50% del flete pagado.
2. Desde 1973, Delta Line, empresa Norteamericana, -
hizo gestiones ante Flomerca, Empresa Nacional, pa-

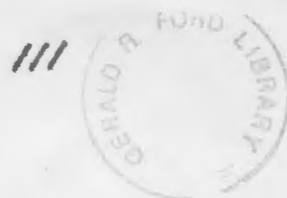
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ra que, mediante un contrato de asociación pueda gozar de un wolver y así poder transportar la totalidad de su carga para y de Guatemala sin que se le aplique la sanción antes indicada.

Como dicho contrato de asociación no pudo ser aceptado por Flomerca, Delta Line, en 1974, presentó acusaciones ante la Comisión Marítima Federal (FMC) y la Oficina del Representante Especial de Comercio del Presidente de los Estados Unidos.

3. El resultado de la acusación antes mencionada, fue que la FMC declaró discriminatorio el Decreto 41-71 y acordó imponer al Gobierno de Guatemala sanciones "de igualización", las cuales consisten en que toda carga originaria de los Estados Unidos y con destino a Guatemala, transportada por líneas nacionales guatemaltecas o asociadas a las mismas, deberán pagar, en adición al flete marítimo normal, el 50% de su valor. Además podría excluirse a Guatemala del trato de preferencias arancelarias acordado por los Estados Unidos a los países en desarrollo.



4. El Departamento de Estado, a través de su Embajada en Guatemala y por conducto del Embajador de Guatemala en Washington, desde mediados del año pasado ha estado pidiendo que se derogue el Decreto 41-71, e insiste en tal derogatoria, no obstante que Flomerca y Delta Line, en enero de 1976, acordaron las bases para celebrar un contrato de asociación que permitirá a Delta Line gozar el weiver correspondiente y operar desde los Estados Unidos a Guatemala. Se acompaña fotocopia de los anexos 2 y 3, presentados por la Embajada de Estados Unidos en Guatemala, en los cuales se evidencia la mencionada presión del Departamento de Estado, en términos totalmente inaceptables para Guatemala.
5. Se considera inaceptable dicha petición por las siguientes razones:
 - a) Guatemala tiene derecho, como lo tienen otros países en desarrollo, a proteger y desarrollar su marina mercante. En 1975, Guatemala pagó por transporte, cerca de 88 millones de dó-

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lares.

- b) Los Estados Unidos tienen leyes proteccionistas - que también podrían llamarse discriminatorias, tales como el Shipping Act 1916, el Jones Act - para el servicio de cabotaje, la Ley Pública 490 que especifica naves de bandera norteamericana para el transporte de carga financiada por el - EXIMBANK AID, o Fondos Especiales del BID, en dólares. Es decir, que las naves guatemaltecas tampoco tienen libre acceso a toda la carga que se genera en Estados Unidos.
- c) El Decreto 41-71, únicamente da preferencia a - naves guatemaltecas o a líneas asociadas en cuanto a carga de Fomento Industrial, dejando libre el resto de la carga general, además de toda la carga de exportación. En este sentido la Legislación Naviera Guatemalteca es tímida comparada con las demás leyes de protección que existen en casi todos los países Latinoamericanos. En Brasil, Venezuela, Argentina, Uruguay, Chile, Perú

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y Colombia, hace más de 20 años que existen -
estas leyes de protección, reservando un 50% -
de la carga total, para las Empresas Navieras
Nacionales.

- d) El fomento de las marinas mercantes de los -
países de América Latina y de los demás países
en desarrollo, son consecuencia directa de re-
soluciones y recomendaciones. Todas estas -
medidas y leyes que los países de América Lati-
na han venido emitiendo para fomentar sus Mari-
nas Mercantes Nacionales, son consecuencia di-
recta de resoluciones y recomendaciones que -
principiaron con la Conferencia de Chapultepec
en 1945 y que culminaron con la III UNCTAD en
1972, en la que claramente se insta a todos los
países en desarrollo a promulgar leyes de protec-
ción para sus Marinas Mercantes con el objetivo
de obtener así una mayor participación en el trans-
porte marítimo del intercambio comercial genera-
do de sus propios países.



De allí nace en la III UNCTAD de 1972 la resolución de promover el Código de Conducta Naviero en base a la repartición 40-40-20 de la carga marítima disponible.

Con ese instrumento cada país en desarrollo puede negociar con un país industrializado y con potente flota naviero, el transporte del 80% de la carga (40-40). Es decir, que con este instrumento, a un país como Guatemala se le aumenta la capacidad negociadora para exigir una participación en el tráfico marítimo, a aquellos países industrializados y tradicionalmente navieros, cosa que pocos años atrás hubiera sido imposible.

Esta resolución de UNCTAD, que fuera aprobada por todos los países en vías de desarrollo, recibió también la comprensión y amplio sentido de cooperación de muchos países industrializados, entre ellos, Alemania Federal, Japón, Francia, países Bajos, Italia, España, asegurándose una par-

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ticipación de más del 80% del tonelaje mundial que se pronunciaba en favor del Código de conducta y de la fórmula 40-40-20.

Votaron en contra, Estados Unidos, Gran Bretaña, Canadá y los países Escandinavos; éstos últimos por tradición dueños de grandes compañías navieras dedicadas al tráfico entre terceros países.

América Latina ha luchado durante 80 años para ir conquistando paso a paso posiciones para ir sacudiéndose de la situación de dependencia económica a la que Guatemala como país de la periferia está sometida. El aspecto del transporte marítimo ha sido analizado en múltiples foros internacionales de la CEPAL, OEA, CIES, SIECA, CECLA, e indudablemente que será llevado adelante por la recién creada SELA. En la conferencia económica de la OEA, realizada en Buenos Aires en 1957, se especificó que no serían consideradas discriminatorias las leyes de protección a la marina mercante de los países miembros de la OEA. Estados Unidos participó en esa reunión y se abstuvo pero no votó en contra.

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CONCLUSION:

En vista de todo lo expuesto anteriormente, la presión / del Departamento de Estado a que se ha hecho alusión en los párrafos anteriores, no es congruente con la posición adoptada por los Estados Unidos en los últimos años en materia de comercio internacional y especialmente en la Séptima Asamblea Extraordinaria de las Naciones Unidas, que se llevó a cabo del 10. al 15 de septiembre de 1975. Tampoco es congruente con los compromisos que internacionalmente se han adquirido en materia de Transporte Marítimo.

De consiguiente, estimo que el Gobierno de Estados Unidos deberá revisar las actuaciones de la FMC y el Representante Especial de Comercio en cuanto a insistir que Guatemala derogue una ley que está en vigor desde hace 5 años, emitida en ejercicio de la soberanía nacional. En todo caso, es preciso tener presente que el Gobierno de Guatemala está haciendo un análisis exhaustivo de toda la política y legislación en cuanto a transporte y que oportunamente, sin presiones, propondrá el Congreso la legislación que sea más conveniente para el país y las buenas relaciones comerciales internacionales con países amigos.



NSC CORRESPONDENCE PROFILE

DOC		RECD		LOG NUMBER	
MO	DA	MO	DA	HR	
3	5	3	5	17	7601321

INITIAL ACTION O

TO: PRES _____
 SCOWCROFT ☒
 HYLAND _____
 DAVIS _____

FROM: SECSTATE _____
 SECDEF _____
 DCI _____
 STATE EXSEC ☒
 OTHER _____

S/S 7604019 (UNCLAS) LOG IN/OUT
 LOU NO FORN MODIS
 C EYES ONLY EXDIS
 S CODEWORD
 TS SENSITIVE

SUBJECT: *Auth ltr to Pres from Guatemalan Pres
 Langerud re reports from the U.S. Biological
 Survey on their historic studies in Guatemala*

INTERNAL ROUTING AND DISTRIBUTION

	ACTION	CONCURRENCE	COORDINATE	INFO
ADV CYS SCOWCROFT WGH				
STAFF SECRETARY				
CONGRESSIONAL				
ECONOMIC				
EUR/CANADA/OCEANS				
FAR EAST/PRC				
INTELLIGENCE				
LATIN AMERICA	<input checked="" type="checkbox"/>			
MID EAST/NO. AFRICA				
NSC PLANNING				
PROGRAM ANALYSIS				
SCIENTIFIC				<input checked="" type="checkbox"/>
SUB-SAH/AFRICA/UN				

REC
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FOR

ACTION REQUIRED

MEMO FOR SCOWCROFT _____
 MEMO FOR PRES ☒
 REPLY FOR _____
 APPROPRIATE ACTION _____
 MEMO TO _____
 RECOMMENDATIONS _____
 JOINT MEMO _____
 REFER TO _____ FOR: _____
 ANY ACTION NECESSARY? _____
 CONCURRENCE _____
 DUE DATE: 3-12
 COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS)

DISTRIBUTION/INITIAL ACTION ASGMT

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	STATUS	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	DUE	CY TO
3/26	Brownell Scowcroft		<input checked="" type="checkbox"/>	Memo to President w/ letter to Langerud		
3-26	Scowcroft		<input checked="" type="checkbox"/>	Pres to sign memo to Langerud 3/31 joined by 7601369		
4-5	Pres			sign ltr to Langerud		
4-6	NSC/TS			Pres sign ltr to Langerud		
4/7	Downing		S	Review Pres & Langerud 4/8		
4/7	State		C	In Dispatch		

DISPATCH *ed by DB 4/7/76* NOTIFY _____

SPECIAL DISPOSITION: _____

SPECIAL INDEXING: _____

MICROFILM & FILE ROOMS

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PA ☒SUSPENSE CY ATTACHED ☒