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NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

March 3, 1976

MEMORANDUM FOR: Mr. George S. Springsteen  
Executive Secretary  
Department of State

SUBJECT: S. Res. 390 Concerning Guatemala

On February 17, 1976, the Senate adopted S. Res. 390 in support of assistance to the people of Guatemala in the aftermath of the recent earthquakes. We request that you transmit a copy of this resolution to the Government of Guatemala in accordance with Section 3 of the Resolution.

*for* *Mike Houghton*  
Jeanne W. Davis  
Staff Secretary



MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

staff  
1151

February 23, 1976

MEMORANDUM FOR:

BRENT SCOWCROFT

FROM:

BOB LINDER

*Linder*

Attached is a copy of S. Res. 390, transmitted to the President by a letter from the Secretary of the Senate. I am forwarding these items to you for appropriate handling in accordance with Section 3 of the resolution.

Attachment



FRANCIS R. VALEO  
SECRETARY

UNITED STATES SENATE  
WASHINGTON

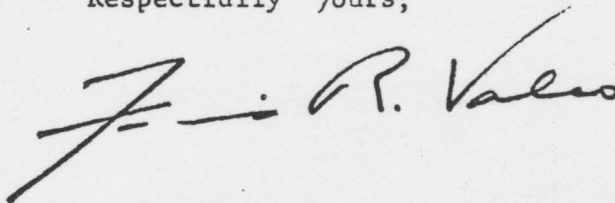
February 19, 1976.

MF  
enc  
The President,  
The White House,  
Washington, D. C.

Dear Mr. President:

I am forwarding herewith,  
for your interest, a copy of Senate Resolution  
390, adopted by the Senate on February 17, 1976.

Respectfully yours,



Francis R. Valeo,  
Secretary of the Senate.

Enclosure:  
S. Res. 390.





**S. Res. 390**

***In the Senate of the United States,***

*February 17, 1976.*

Whereas the people of our sister Republic, Guatemala, suffered a devastating blow as the result of the recent earthquakes and tremors in February 1976; and

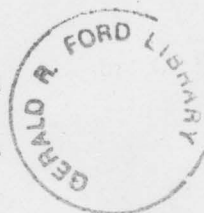
Whereas these quakes and tremors caused the loss of thousands of lives and the destruction or devastation of many towns and villages, rendering homeless many thousands of people; and

Whereas the people and Government of the United States, in accord with the traditions of the United States, are anxious to assist the people of Guatemala in their tragic hour of bereavement and suffering; and

Whereas the task of relief, rehabilitation, and reconstruction which faces Guatemala is huge, requiring outside support and assistance beyond the present emergency requirements:  
Now, therefore, be it

*Resolved*, That the Senate extend its deepest sympathy to the President and to the people of Guatemala in this dark hour of their suffering and distress.

**SEC. 2.** It is the sense of the Senate that the executive branch of the United States Government be urged to develop, in cooperation with other potential donors in and outside of the Western



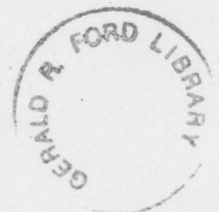
Hemisphere, both governmental and private, programs to assist the people of Guatemala in their efforts to relieve the suffering caused by the disaster and to rehabilitate their nation from the damage inflicted.

SEC. 3. Copies of the present resolution shall be distributed through appropriate channels to the President of Guatemala.

Attest:

*F. R. Valero*

*Secretary.*



*File Guatem. & earthquakes*

# Calendar No. 649

94TH CONGRESS }  
2d Session }

SENATE }

REPORT  
No. 94-679

## GUATEMALA RELIEF AND REHABILITATION ACT OF 1976

MARCH 3, 1976.—Ordered to be printed

Mr. HUMPHREY, from the Committee on Foreign Relations,  
submitted the following

### REPORT

[To accompany S. 3056]

The Committee on Foreign Relations, to which was referred the bill (S. 3056) to amend the Foreign Assistance Act of 1961 to provide emergency relief, rehabilitation, and humanitarian assistance to the people who have been victimized by the recent earthquakes in Guatemala, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

#### PURPOSE OF THE BILL

The purpose of the bill is to authorize the appropriation of \$25 million to provide relief and rehabilitation assistance to the people of Guatemala who were victims of the earthquakes which occurred in that nation in February, 1976.

#### SUMMARY OF THE MAJOR PROVISIONS IN S. 3056

1. Authorization of Appropriations: The bill authorizes appropriation of \$25 million for relief and rehabilitation activities in Guatemala. The appropriations are authorized for the fiscal year 1976 and to remain available until expended.

2. The assistance is to be provided subject to the policy and general authority of section 491 of the Foreign Assistance Act of 1961 as amended.

3. Funds authorized by this bill may be used to reimburse appropriation accounts from which initial relief funds were drawn, but may not otherwise be transferred.





4. The bill directs that to the maximum extent practicable assistance is to be distributed through United States voluntary relief agencies and other international relief and development organizations.

5. The bill requires a quarterly report to Congress on the programming and obligation of funds provided under its authority.

#### BACKGROUND AND COMMITTEE ACTION

On the morning of February 4, 1976, a major earthquake, 7.5 on the Richter scale, struck Guatemala leaving more than 22,000 dead, 76,000 injured and a million homeless. An estimated 20 percent of the people of Guatemala were directly affected by the first tremor and its aftershocks.

The burden of the disaster fell hardest on the rural and urban poor whose adobe homes and poorly constructed shanties collapsed, often burying families in their sleep. In addition to the individual human tragedies, the earthquake caused severe damage to the main highway from Guatemala City to Puerto Barrios, a road over which a substantial portion of the commerce of the nation travels. Water supplies, hospitals, schools and other community facilities were also damaged in villages, towns and cities throughout a large area of the country.

The Government of Guatemala, the U.S. Government, the governments of 25 other nations, several international organizations, and numerous voluntary agencies responded to the needs of the people of Guatemala in the immediate aftermath of the earthquake. The U.S. Government dispatched medical and other specialized personnel, medicine, food, temporary shelter, transport vehicles, including helicopters, and other supplies needed to assist the injured, identify damage, and provide the necessities of life to people affected by the earthquake. The Agency for International Development reports that approximately \$7.5 million has been obligated or programmed for these initial relief and rehabilitation efforts. Emergency relief operations are now beginning to phase down and rehabilitation efforts are expected to commence as soon as possible.

On February 19, 1976, the Senate received a message from the President (Appendix I) requesting \$25 million for the relief and rehabilitation of the victims of the earthquake in Guatemala. A subsequent Executive Branch communication (Appendix II) included an outline of the proposed uses for the funds requested. This communication also noted that to be effective, additional relief and rehabilitation efforts, particularly housing reconstruction and road repair should be completed before the rainy season begins in May. Earlier, on February 16, the Subcommittee on Western Hemisphere Affairs and the Subcommittee on Foreign Assistance jointly had received testimony on the situation in Guatemala from Daniel Parker, Administrator of the Agency for International Development.

The administration bill was introduced by Senator Sparkman, by request, as S. 3044 on February 25. The following day Senator Humphrey, for himself and Senator Kennedy introduced S. 3056. The latter bill was considered and approved with an amendment by voice vote

by the Subcommittee on Foreign Assistance on February 27 and by the full committee, also by voice vote, on March 2.

#### COMMITTEE COMMENTS

The Committee on Foreign Relations believes it desirable and appropriate that the United States provide assistance in the amount requested to help the victims of the Guatemala earthquake. Moreover, the committee believes it of great importance that legislative action on this request be completed at the earliest possible time. Unless the rehabilitation of homes, community facilities and roads is well underway by the beginning of the rainy season in May, the suffering of the people of Guatemala will be greatly compounded.

While urging the prompt enactment of this legislation the committee is nevertheless aware that it has less information than it would like to have concerning the uses which will be made of the funds to be authorized in this bill. The President's message requesting funds for relief and rehabilitation in Guatemala provided only a brief outline of the projected uses of these funds.

Repeated requests to the Agency for International Development have elicited little additional detail. In all likelihood such information is simply not available at this time and the committee recognizes the problems involved in formulating definitive plans for relief and rehabilitation efforts in the immediate aftermath of a disaster of this magnitude.

Given the importance which the committee attaches to the prompt pursuit of relief and rehabilitation activities in Guatemala it decided not to delay this legislation until detailed plans were available for review. At the same time, however, the committee wishes to express its view that the funds authorized should be spent in close conformity with the purposes and intent described in the President's Message and in the testimony and communications to the committee of Mr. Daniel Parker, Administrator of the Agency for International Development.

In his testimony before the subcommittee, Mr. Parker stated that the heaviest burden of the disaster fell on the poor, especially the rural poor. As outlined in the President's message a substantial portion of the assistance provided in this act would be used for direct assistance to the rural and urban poor whose homes and community facilities were damaged or destroyed. The committee agrees with this intention.

The committee emphasizes that it is recommending authority to provide assistance for relief and rehabilitation. These funds are not to be used as a supplement or addition to economic development programs or activities authorized under other sections of the Foreign Assistance Act.

The committee has taken note of reports that, in the past, funds intended for direct assistance to people affected by disasters have been used to procure and provide to host governments expensive capital equipment of questionable value to those who were bearing the greatest burden of the disaster. Funds authorized to be appropriated under this act must not be used to provide such equipment. The committee understands that the transfer to the Government of Guatemala of

some equipment used for road construction or medical purposes may be desirable, but the committee would not expect other transfers, and certainly not any significant deviation from these understandings, without prior consultation.

The committee has noted reports of the effective response of U.S. and other voluntary organizations to the needs of the victims of the earthquake in Guatemala. The committee calls attention to its intent that to the maximum extent practicable assistance be distributed through the United States and inter-American voluntary agencies.

The draft bill for Guatemala relief submitted by the executive branch would have created independent statutory authority for these activities. The committee did not agree with this procedure, preferring instead to place these activities under title I of the Foreign Assistance Act of 1961, as amended. This new section of the act was created by the International Development and Food Assistance Act of 1975 specifically to provide a consolidated coherent body of legislation on disaster relief and assistance. At the time that 1975 act was under consideration, the Administrator of AID himself wrote the committee expressing the executive branch view that "it is preferable to include legislation on international disaster relief assistance in the basic Foreign Assistance Act, rather than as a separate law." The committee action is consistent with that view.

#### *Relief Assistance to Lebanon*

The committee has recently received various proposals to provide emergency relief and rehabilitation to the people of Lebanon. An amendment submitted to the committee by Senator Abourezk proposed such assistance to Lebanon as a part of the present Guatemala relief legislation.

The need for such assistance is recognized following the civil strife which has devastated Beirut and other cities and villages throughout Lebanon. This struggle has left thousands wounded, homeless or in less than adequate shelter. Many more, especially children, are sick and hungry.

The United Nations High Commissioner for Refugees (UNHCR) has recently issued a special appeal for \$50 million for emergency relief programs in Lebanon to be administered by the UNHCR and other UN agencies during calendar year 1976. The committee has been advised that the portion administered by the UNHCR (approximately \$25.5 million) would be used to repair housing and replace minimal essential household equipment such as blankets, clothing, and mattresses, and for medical supplies. Another portion, about \$14 million would be used by the United Nations Children's Fund (UNICEF) for maternal and child feeding. Approximately \$5 million would be for health services and medical supplies administered by the World Health Organization, and about \$500,000 would be administered through UNRWA, with the remaining \$5 million to cover administration costs.

The committee notes that the United States has already obligated \$959,805 from existing disaster relief funds to aid the people affected by this man-made disaster. But much more is needed. The committee,

therefore, urges the executive branch to give favorable consideration to participation with other nations in meeting the appeal of the UNHCR.

The committee is also aware of the relief work now being carried out in Lebanon by the International Committee of the Red Cross and by the American University of Beirut Hospital. The executive branch has provided support for this work in the past and should continue to give it favorable consideration. Other private and voluntary organizations have issued special appeals. The committee hopes that each of these will be given separate consideration on its own merits.

There are a number of sources from which the executive branch can fund assistance for Lebanon without new legislative action. Subsection 495A(f), which would be added to the Foreign Assistance Act by this bill, gives the executive branch the authority to transfer valid charges for Guatemala relief from the general disaster relief account to the special Guatemala disaster relief account authorized by subsection 495A(c). Based on existing obligations in the disaster relief account, and assuming the account is fully funded for the fiscal year 1976, the approval of this authority would make adequate funds available for disaster relief in Lebanon during the fiscal year 1976. The committee also notes that the legislative history of the contingency fund, section 451 of the Foreign Assistance Act of 1961, as amended, makes it clear that the contingency fund may be used for famine and disaster assistance such as that needed in Lebanon, as well as other contingencies. In the case of both the contingency fund and the regular disaster account, funds provided for the transition quarter could be added to fiscal year 1976 funds to meet needs during the current calendar year.

The committee urges the executive branch to consider all of these sources of possible funding, as well as emergency food supplies available under Public Law 480, as it evaluates appeals from the UNHCR and other worthy international agencies and private and voluntary organizations. If appropriate, direct appeals from the Government of Lebanon could be considered, but the committee feels that contributions and distributions must be made on a non-ideological, non-political basis to the people of both religious communities who have suffered from the war. U.S. assistance must be used only for the support of programs which are administered in such a way that distribution is not controlled by or channeled through political factions on outside forces such as the Palestine Liberation Army or other groups under non-Lebanese control. The committee strongly favors the use of the UNHCR and selected voluntary agencies as the vehicles for the distribution of the U.S. relief support.

The committee expects the executive branch to report to the committee not later than May 1, 1976, on its action to carry out a program of assistance to the people of Lebanon, so that the committee may consider the progress of such a program and a projection of further emergency aid before final Senate action on a fiscal year 1977 foreign assistance bill.



## COST ESTIMATE

Section 252(a)(1) of the Legislative Reorganization Act of 1972 requires that committee reports on bills and joint resolutions contain:

(a) An estimate made by such committee of the costs which would be incurred in carrying out such a bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such fiscal year.

The committee estimates that the cost of implementing this bill will be approximately as follows:

| Fiscal period:           | Outlays in millions |
|--------------------------|---------------------|
| 1976 -----               | \$14                |
| Transition quarter ----- | 5                   |
| 1977 -----               | 6                   |

## APPENDIX I—PRESIDENT'S MESSAGE

*To the Congress of the United States:*

On February 4th a devastating earthquake struck Guatemala. That earthquake, together with its aftershocks, has left over 22,000 dead, more than 75,000 injured, and one million homeless.

The United States has a special responsibility to help meet the urgent needs in Guatemala. Immediate aid has already been extended by U.S. agencies, both public and private, including:

- Emergency shelters, medical supplies and food provided by the Agency for International Development.
- Transportation and medical facilities provided by the Department of Defense.
- Food distribution, medical services, and other disaster relief activities provided by numerous private voluntary agencies.

Last week I dispatched my Special Coordinator for International Disaster Assistance—AID Administrator Daniel Parker—to Guatemala for a firsthand review of the situation. He has now reported to me and to Congressional Committees on the extent of damage and need. Both the Senate and the House of Representatives have passed resolutions expressing sympathy for the people of Guatemala in their hour of distress and urging development of a comprehensive U.S. response. The Secretary of State will visit the Republic of Guatemala on February 24 to express further our support for the people of Guatemala.

I am now proposing urgent and specific action to turn these expressions of sympathy into tangible assistance. The proposed \$25 million "Guatemala Disaster Relief Act of 1976" which I am sending herewith represents an immediate humanitarian response of the United States to the victims of this tragedy who have been injured or have lost their relatives, their homes and possessions, and in many cases their very means of existence.

This legislation, and the ensuing appropriation, will enable us to respond to the human tragedy in Guatemala. Our response will reflect America's concern for the people of Guatemala.

GERALD R. FORD.

THE WHITE HOUSE, February 19, 1976.

(7)

## APPENDIX II—AID PROPOSALS

DEPARTMENT OF STATE,  
AGENCY FOR INTERNATIONAL DEVELOPMENT,  
*Washington, February 19, 1976.*

HON. NELSON ROCKEFELLER,  
*President, U.S. Senate,  
Washington, D.C.*

DEAR MR. PRESIDENT: It is my honor to forward herewith explanatory material entitled "Proposed U.S. Relief and Rehabilitation of the Victims of the Guatemala Disaster." This material has been prepared in order to assist the Congress in the consideration of the proposed Guatemala Disaster Relief Act of 1976 transmitted by Presidential message on February 19, 1976.

Proposed U.S. assistance would be concentrated on the immediate needs of the poor in Guatemala who have borne the brunt of this human tragedy in terms of death, injury, disease and economic loss. The construction of temporary shelter and reopening of key transportation arteries are vital first steps. After completing a first hand review of the situation in the field at the President's request, I can assure you that that human suffering in Guatemala is serious and deserves the urgent consideration of the Congress.

Sincerely,

DANIEL PARKER.

Enclosure.

### PROPOSED U.S. RELIEF AND REHABILITATION OF THE VICTIMS OF THE GUATEMALAN DISASTER

The total amount requested will permit AID to continue participation, in close collaboration with the Government of Guatemala and other donors, to help meet the highest priority immediate relief and rehabilitation needs. In addition to the ongoing emergency relief operations, our proposed input literally is geared to helping Guatemala to win a race against the elements—with an eye on the rainy season which normally begins in approximately 90 days. So as to minimize further suffering and additional major economic dislocation, at the request of the Government of Guatemala and based on continuing assessment in the field, we will concentrate assistance over the coming few months primarily on helping to insure adequate temporary shelter with supporting community facilities and on reopening critical transportation links, especially the badly damaged Guatemala City-Caribbean Highway, the main artery essential to the country's economic viability.

#### (B) EMERGENCY RELIEF OPERATIONS (\$7.5 MILLION)

The initial response of the U.S. Country Team in Guatemala and AID's Foreign Disaster Relief Center to requests of the Government

(8)

S.R. 679

of Guatemala was to dispatch a U.S. Military Disaster Assistance Survey Team from Panama and airlift a 100-bed U.S. military field hospital, fully staffed and equipped. Eighteen helicopters were deployed; medical supplies, tents, blankets and water equipment from U.S. disaster stocks followed. Additional teams of engineers, water specialists and medical/communication specialists were also sent to Guatemala to assist the Government.

The funds cover the continuing costs of initial emergency relief operations provided by the Department of Defense, other participating U.S. agencies, procurement of supplies, transportation, grants to U.S. Voluntary Agencies, the OAS, replacement of disaster stocks in Panama and other support costs. The actual level of expenditure will depend on the duration of the emergency phase, and particularly on the timing of withdrawal of the helicopters, and medical support.

#### (B) RURAL REHABILITATION (\$7.5 MILLION)

##### 1. Shelter

Funds would be allocated to supply critically needed supplementary building construction materials and hand tools for up to 100,000 units of rural and small community housing in the devastated Indian highlands. The uniqueness of this disaster was its effect on the rural poor who because of the very nature of construction of their dwellings were singled out as the major victims of the earthquakes. The Government of Guatemala estimates that more than 150,000 such dwellings were lost in the earthquakes and subsequent tremors, in addition to more than 100,000 urban dwellings. We expect that roughly 1/3 of the rural needs will be rebuilt through individual and direct GOG and other donor assistance. To meet the balance of this requirement, and in support of self-help efforts, simple materials and tools that can be purchased locally or in nearby countries or, as necessary, shipped from the United States will be employed. We contemplate as was done in response to Hurricane Fifi in Honduras with considerable efficiency and economy, a grant-funded program executed through key private voluntary agencies such as CARE, wherein small farmers and the rural poor in general will be provided relatively inexpensive roofing materials (e.g., galvanized tin and asbestos composition corrugated sheets), hammers, saws, chisels, nails, reinforcing bars, simple hardware, etc., and limited technical help. Involvement of existing cooperative organizations in the Indian highlands also will be stressed.

Experience in similar situations has shown that the bulk of such reconstruction is carried out by the families involved. In fact, the process of clearing necessary sites and sorting out materials already has begun. Attention to farming and other economic activity typically takes second place to providing shelter for the surviving family, making this activity not only an essential element of social rehabilitation, but of economic import as well.

Benefits of research sponsored by AID since the 1970 earthquake in Peru will be applied, to the extent possible, in improving seismic resistance of basically adobe construction. With minimal cost increases, it is hoped that the affected families, with the direct help of the involved PVO's and cooperatives, will by the onset of the rainy season

S.R. 679



be sheltered in conditions that are sufficiently comfortable and secure to restore to them at least a semblance of the life—hard as it has always been—they knew prior to February 4. Roofing materials to be supplied will be of a kind that will limit the extent of personal injury in any future earthquakes (as compared to titles commonly used) and also will be useable in more permanent construction.

## 2. Supporting Community Facilities

To the extent complementary, relatively simple construction needs can be met quickly and economically, assistance also will be extended to restore a minimum of vital community services (small farmer markets, schools, slaughtering facilities, health posts, etc.) to permit communities to continue their traditional role as providers of social stability and cohesion in the Indian areas. In all cases, such assistance will be limited to keeping communities socially and economically viable until broader, more durable, public services can be restored. In this effort, close coordination will exist with the GOG's Municipal Development Institute (INFOM), with which AID has had a long and successful relationship in Guatemala.

As needed and requested by voluntary agencies with known competence, funds will be made available to support Guatemalan Government efforts in relieving the social trauma of victims.

## (C) TRANSPORTATION LINKS, INCLUDING RESTORATION OF THE GUATEMALA CITY-CARIBBEAN HIGHWAY (\$7.5 MILLION)

Based on a careful survey just completed by an 11-man U.S. Army Corps of Engineers detachment, it now appears that in a period of 60-75 days (before the rainy season makes such work difficult, if not impossible), the immediate phase of restoring Guatemala's principal export and import link with the rest of the world can be accomplished.

The road must be made passable for the thousands of trucks and buses which normally transit this highway, now interrupted by a stretch of approximately 50 miles of severe slides and destroyed bridges.

If this work can be accomplished, as proposed, using the services of the U.S. Army Corps of Engineers, or other emergency help that can be mobilized immediately, it is expected that the Guatemalan Government will be able to provide the maintenance capability to keep the road open during the rainy season. In the meantime, there are indications that international financing should be available for the major job of permanent reconstruction that cannot begin until later in the year when the detailed engineering and weather conditions would permit this major operation to get underway.

Additionally, destruction of a number of vital farm-to-market roads in the Indian highland area has cut off communities from the access they need to maintain some economic touch with 20th century life. Special priority will be given to opening up these vital lifelines of communication, necessary to facilitating broader reconstruction efforts in the future.

## (D) OTHER URGENT ENGINEERING AND CONSTRUCTION REQUIREMENTS (\$2.5 MILLION)

Based on the results of high altitude aerial reconnaissance, dangerous topographical changes appear to have developed in various parts of the earthquake-affected area. Possible flooding from the rupture of naturally-formed dams as water accumulation occurs, particularly after the onset of the rainy season, could cause severe additional loss of life and physical damage if not corrected opportunely. Specialists in dealing with the difficult engineering and demolition problems entailed and other assistance as necessary, beyond that which is available and can be financed in-country, will be provided.

## Summary

Immediate relief efforts, complemented by the undertakings listed above, represent a basic, necessary and immediate response to pressing humanitarian and economic needs felt by the Government of Guatemala and confirmed by our field assessments. They are essential to restoring near-normal life in Guatemala and to recapturing the momentum of development progress which, under the administration of President Laugerud, had only recently begun to move the large mass of Guatemala's urban and rural poor closer to enjoying the benefits of growth.

Some shifts in the application of requested funds may prove necessary as assessments of needs and costs continue to be refined and as the financial capacity of the Guatemalan Government itself and assistance from other donors can be better identified.

In this connection, AID will remain alert to ways of applying funds not only so as to meet pressing shelter and vital communications problems in the short run, but to facilitating as well, by community and cooperative action especially suitable in the Indian highlands of Guatemala, broader participation in the very process as well as the benefits of development.

Time has now become the major opponent in the continued support of our Government and people to Guatemala. If the assistance proposed herein can be made available immediately, essential work can be completed before the onset of the rainy season, so alleviating additional anguish for a burdened people.



→ Low  
MEMORANDUM

1258

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

(Correspondence Referral)

March 10, 1976

TO: ROLAND ELLIOTT

FROM: JEANNE W. DAVIS *WJK*

*in*  
REFERENCE:

To: The President Date: February 10, 1976

From: Pedro de Mesones

Subject: Suggests Visit by Mrs. Ford or Susan Ford  
to Guatemala

Comment:

A draft reply is attached at Tab A. The incoming letter is  
attached at Tab B.

Attachments



## SUGGESTED REPLY

Dear Mr. Mesones:

The President has asked that I reply to your letter of February 10, suggesting a visit by Mrs. Ford or Susan Ford to Guatemala.

As you know, the President has been closely following developments in Guatemala since the tragic earthquake of February 4. Quick action was taken by this government to provide emergency assistance. The President sent Daniel Parker, his Special Coordinator for International Disaster Assistance, to Guatemala on February 12 to make a personal assessment of damages done and assistance needed and met with him on several occasions to discuss the ongoing relief needs. On February 19 the President submitted to the Congress a Special Bill for Guatemalan Relief and Rehabilitation calling for grant assistance of \$25 million.

Secretary of State Kissinger visited Guatemala on February 24 to convey personally the condolences of the American Government and people.

We appreciate your expression of interest and the benefit of your constructive idea.

Sincerely,

Mr. Pedro de Mesones  
Pedro de Mesones Associates, Inc.  
1625 Eye Street, N.W., Suite 903  
Washington, D.C. 20006



*Pedro de Mesones & Associates, Inc.* 7603417

*1625 Eye Street, N. W.*

*Suite 903*

*Washington, D. C. 20006*

February 10, 1976

The Honorable Gerald R. Ford  
President of the United States  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As a staunch Republican interested in your 1976 election, please allow me to suggest a goodwill trip by Mrs. Ford or your daughter, Susan, to Guatemala to offer both your personal and this country's condolences and assistance in their recent tragedy.

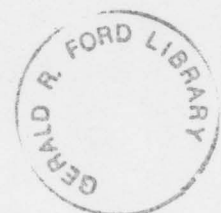
Without question, this action would be seen by all the Latin American countries as a gesture of friendship and would certainly enhance Secretary of State Henry Kissinger's reception in his upcoming trip to Latin America. This also would be a fine beginning in re-establishing your credibility with and obtaining support from the Hispanic American population in this election year.

Respectfully,

*Pedro de Mesones*  
Pedro de Mesones

PdeM:fe

cc: The Honorable  
Henry A. Kissinger





MEMORANDUM

1431

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

(Correspondence Referral)

March 11, 1976

TO: JON HOWE

FROM: JEANNE W. DAVIS

REFERENCE:

To: The Vice President Date: February 17, 1976

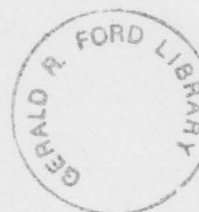
From: Michael Tolbert

Subject: Offering services for Guatemala relief effort.

Comment:

A draft reply is attached at Tab A. The incoming letter is attached at Tab B.

Attachments

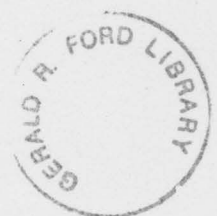


## SUGGESTED REPLY

Dear Mr. Tolbert:

The Vice President has asked me to reply to your letter of February 17 in which you express your desire to assist in the emergency relief program for Guatemala. The devastation and destruction caused by the earthquake of February 4 were indeed terrible blows for the people of a neighboring country to suffer. It has been truly gratifying to see so many private US citizens offer their services to help with relief efforts.

The United States Government has been conducting extensive relief operations since the earthquake struck on February 4. As you no doubt know, we have been working through the regular staff of our Agency for International Development (AID) Mission in Guatemala, as well as in cooperation with several private voluntary agencies that have active programs in the country. I would therefore suggest that you write directly to the voluntary agencies, offering your services. I enclose for your information a report listing all the private non-profit groups working in Guatemala. The report contains a brief description of the type of project in which each group is engaged.



I trust that this information will give you a good starting point in identifying those agencies that could effectively utilize your services.

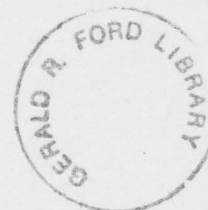
Thank you again for your interest and concern.

Sincerely,

Enclosure:

Development Assistance Programs  
of US Non-Profit Organizations  
in Guatemala

Mr. Michael L. Tolbert  
P.O. Box 5452  
Austin, Texas 78763





*giant Paul Bell*

DEVELOPMENT ASSISTANCE PROGRAMS OF U.S.

NON-PROFIT ORGANIZATIONS IN

GUATEMALA

SEPTEMBER 1974



COLEGIO INTERNACIONAL DE CARACAS

formerly

ACADEMY LA CASTELLANA (1956-1971) and THE HIGH SCHOOL OF COLEGIO AMERICANO (1947-1971)

operated by

Academy La Castellana, Asociación Civil

Grades K-12 Altos de La Trinidad, Las Minas, Baruta - Telf. 93.07.08, 93.06.08, 93.04.44

MAILING ADDRESS: Apartado 62170 Caracas, Venezuela

7604328

P.O. Box 5452  
Austin, Texas 78763  
February 17, 1976

Vice-President Nelson Rockefeller  
Washington, D.C.

Dear Vice-President Rockefeller:

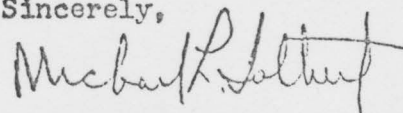
I am sending this very important and urgent request to you as I know you have had an interest in Latin American problems for many years. I want very much to offer my time and service to the relief program in Guatemala, but have not yet received positive action from the dozens of agencies to whom I have written. I am in a unique position at present to offer my time, and feel that I could be of service.

I am a social science teacher, between job assignments, with six months of free time. This rarely occurs in teaching, and since the Nicaraguan earthquake of 1973 I have wanted to offer assistance in Central America, but was always tied to teaching positions which prohibited my leaving.

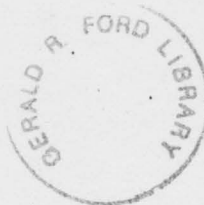
I am twenty-six, single, and have studied and lived in Latin America. I hold an M.A. in social science education, but would be interested in helping in any possible manner in Guatemala. It would not have to be associated with education. I am interested in work through the auspices of the U.S. Government, international agencies, or private business.

I would like to ask your assistance in coordinating my inquiry with the heads of agencies which you know to be involved in Guatemala. I would even appreciate it if you would send a copy of this letter to your brother at Chase Manhattan. I know there are many agencies, companies, and programs with which I could offer my services, if only I could reach them. Thanks for your help.

Sincerely,



Michael L. Tolbert  
(tel: 512-392-6759)



MEMORANDUM

1226

NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

(Correspondence Referral)

March 12, 1976

TO: VERNON LOEN

FROM: JEANNE W. DAVIS

REFERENCE:

To: The President Date: February 25, 1976

From: Don Fuqua (M.C.)

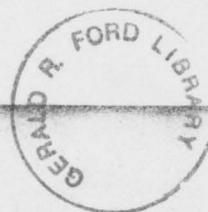
Subject: Suggests shipping mobile homes to Guatemala for the use of the earthquake victims.

Comment: As explained in the draft reply, the State Department has checked with the Department of Housing and Urban Development and has determined that mobile units would be too expensive to purchase and transport to Guatemala. AID will be purchasing metal roofing sheets as a quicker and more economical way to provide shelter.

You sent the Congressman an interim reply on February 27.

A draft reply is attached at Tab A. The incoming letter is attached at Tab B.

Attachments



## SUGGESTED REPLY

Dear Mr. Fuqua:

The President asked me to reply further to your letter of February 15 suggesting the use of mobile homes to provide shelter for the victims of the recent earthquake in Guatemala. We asked the Department of State to look into the logistics involved in your interesting idea.

The Department of Housing and Urban Development does maintain several thousand mobile home units in various locations around the United States for use as temporary shelter for victims of natural disasters. Unfortunately, these units are quite large, about 65 feet long, and cost on the average around \$5,000 each, not including transportation. Shipping these units to Guatemala and then relocating them in the mountainous regions where most of the earthquake victims live would be an additional and quite substantial expense.

Because of the limited availability of funds, and the need to act quickly before the advent of the rainy season in May, the Agency for International Development, which is coordinating US relief efforts, believes that faster, more widespread and more economical relief for the homeless can be obtained by concentrating on shelters that can be constructed with





materials already available in Guatemala or in neighboring countries, or that can be shipped in bulk from the US. Steel or aluminum roofing sheets are a case in point. AID is in the process of purchasing a substantial number of these sheets for distribution through voluntary agencies already working in Guatemala.

Since almost all of the victims of the earthquake will be reconstructing their homes out of adobe, which is their traditional building material, AID is also providing assistance to demonstrate some simple techniques that will make the adobe bricks stronger and more stress-resistant. Strengthened walls and stronger and lighter metal roofs should provide for a sturdier and more earthquake resistant home that can be erected by an individual family.

We thank you again for your suggestion and for your interest in this matter.

Sincerely,

Honorable Don Fuqua  
House of Representatives  
Washington, D.C. 20515



14  
DON FUQUA  
2D DISTRICT  
FLORIDA  
*Gift for Guatemala*



1260  
2-26  
2266 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515

CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C. 20515

February 25, 1976

MP  
The President  
The White House  
Washington, D. C.

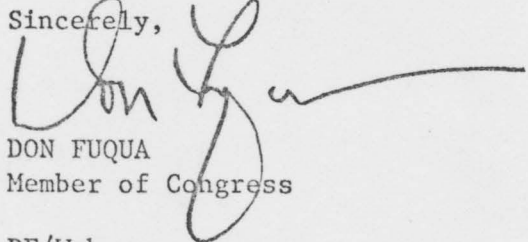
Dear Mr. President:

This nation and the world are deeply concerned over the plight of the people of Guatemala where tens of thousands have been left destitute and without adequate food and housing.

It has come to my attention that our government owns thousands of mobile homes and this could prove to be a source of immediate housing for many of these homeless families if they could be shipped to that unfortunate land. It is my suggestion that some thought be given to the use of these mobile homes in this fashion since they are readily available and would help bring this grief stricken land back to its feet.

Any attention which can be given this request will be deeply appreciated.

Sincerely,

  
DON FUQUA  
Member of Congress

DF/Wcb



March 16, 1976

1226  
Low  
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Dear Mr. Fuqua:

The President asked me to reply further to your letter of February 15 suggesting the use of mobile homes to provide shelter for the victims of the recent earthquake in Guatemala. We asked the Department of State to look into the logistics involved in your interesting idea.

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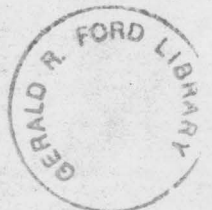
Sincerely,

Vernon C. Loan  
Deputy Assistant  
to the President

The Honorable Don Fuqua  
House of Representatives  
Washington, D.C. 20515

✓ bcc: NSC (Log #1226) FYI

VCL:NSC:JEB:mlg



MEMORANDUM

1149

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

(Correspondence Referral)

March 24, 1976

TO: ROLAND ELLIOTT

FROM: JEANNE W. DAVIS

REFERENCE:

To: The President      Date: February 24, 1976

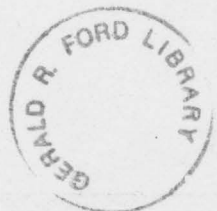
From: John Bird

Subject: Morrow Associates and Emergency Supplies  
for Guatemala.

Comment: No comment.

A draft reply is attached at Tab A. The incoming letter is  
attached at Tab B.

Attachments

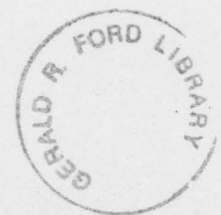


## SUGGESTED REPLY

Dear Mr. Bird:

I am writing in reply to your telegram of February 24 to President Ford concerning your firm's efforts to sell food and medical supplies after the recent earthquake in Guatemala. I have asked the Department of State to look into the allegations that your firm was discriminated against in the purchase of relief supplies.

The United States acted very rapidly following the earthquake to provide emergency assistance. I enclose for your information a "Report to the President" that details some of our actions to rush food, medical supplies, and hospital facilities to the victims. At the specific request of the Government of Guatemala, U.S. Government relief efforts were concentrated almost entirely in the small villages and towns of the hardest hit rural areas. A 100-bed U.S. Army field hospital was set up in the small town of Chimaltenango and U.S. helicopters and mobile medical teams brought food and medical assistance into the remotest areas of the Central Highlands. Almost all of the rehabilitation and reconstruction assistance that the U.S. Government plans to provide to Guatemala will likewise be concentrated in the rural areas outside of the capital city.

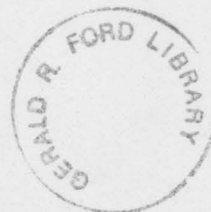


As to the purchase of emergency supplies of food and medicine, stocks on hand in Guatemala, or donated free of charge by various charitable, civic, and business organizations, and foreign governments, including the U.S., were sufficient to meet emergency needs. Because of the generosity of the various donors, it was not necessary to purchase additional imported supplies.

I can recognize your disappointment that the firms you represent were not able to market their products in Guatemala immediately after the earthquake. I have been assured, however, that none of the actions taken by representatives of the U.S. Government were intended to block the sales efforts of U.S. firms. Our single objective was, and is, to help provide emergency assistance to the victims of the earthquake in the quickest, most efficient way.

Sincerely,

Mr. John Bird  
Morrow Associates  
4028 Daley Street, Suite 104  
Fort Worth, Texas 76118





DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON

THE ADMINISTRATOR

February 16, 1976

SPECIAL REPORT TO THE PRESIDENT  
ON THE GUATEMALA DISASTER

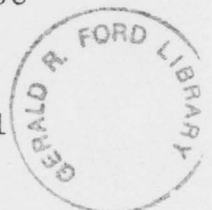
In seismic terms, the Guatemalan earthquakes were "major"; in human terms, this disaster must be ranked as a tragedy of great and terrible magnitude. Based on my visit to Guatemala on February 12 and 13, I will attempt first to give you a brief overview of the disaster and its setting.

General Situation

The major shock area is large - about 3,530 square miles, or equivalent to the Grand Rapids-Kalamazoo-Battle Creek area of Michigan. 1.03 million people populate the area and 80 - 90 percent are now homeless. In the entire affected area, 22,360 are dead, 74,000 were injured and over one million were left homeless. (The wife of President Laugerud, concentrating on assistance to children, estimates at least 5,000 children became orphaned.) Overall, 20 percent of the country's people are directly affected. I should mention that as harder information comes in, the numbers keep rising. In U.S. terms, comparable figures would mean 2,800,000 killed and injured and 38,000,000 homeless.

The greatest impact is upon the poor - and it is essentially a rural disaster. The rural poor cluster their small adobe homes in villages. Adobe brick walls, while they look substantial, are not strong. They collapsed allowing the heavy clay tile roofs to fall in on the sleeping victims. The urban poor live in make-shift shacks which simply fell apart.

It is relevant to make two interesting side comments to the above. First, the casualty toll was great and the count was difficult to make because so many victims were trapped, unable to get outside before their dwelling collapsed during the approximate thirty seconds of the main shock. Second, conventionally built homes, especially the newer, though damaged, were not destroyed, thus inflicting fewer and less serious casualties.



Compounding the dimensions of the disaster was that it took place at 3:02 a.m., the time when the greatest proportion of the population was inside, asleep and not alert to respond quickly. And adding at least to the confusion was the darkness. Where electricity existed, it was cut or turned off to reduce chances for fire and electrocution from exposed, high-tension lines.

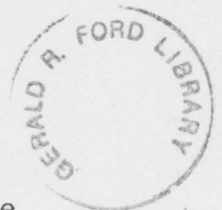
Outside Guatemala City, the terrain, rugged, mountainous, probably of volcanic formation, makes communications of any kind (roads, phones, even radio) difficult even in normal circumstances. Thus, in the vast hard-hit rural area virtually all immediate relief assistance was limited to that available locally. The sudden, gigantic and urgent needs for emergency help, tools, medicines were largely unmet during the crucial early hours and first days until rescuers could make their way in by some means.

Before turning to the response stage, I would like to mention another facet, parenthetically. Your description to me of the unusual nature of an earthquake you had seen some years ago in Yugoslavia was confirmed. It is awesome. It is almost eerie. Unlike other types of disasters, there is no clear-cut point marking the end of exposure to further risk. More than 600 tremors have been felt since the first quake. They are still happening. Several of the many I felt were severe enough shocks to do additional damage and to be visible in the sense of seeing the movements of the building I was in.

This has resulted in a widely felt sense of insecurity. A view of Guatemala City from a helicopter reveals tents in gardens, parks and on the sidewalk or street in front of homes seemingly and reportedly not seriously damaged. Also, many people sleep in their cars, if they don't have tents or other shelter from the very cool nights.

My impression is that, in immediate response to the disaster, virtually everyone who wasn't a victim turned, unhesitatingly, to aid others. President Laugerud, for example, took direct personal command immediately and was even able to check on one hospital's response capability within 27 minutes after the quake.

This self-initiated individual type of response quickly became organized by entity, e.g., government ministry, church or civic group, and voluntary agency. Then with the formation of the National Emergency Committee by the President there came the means of beginning to coordinate activities for a national response, including the allocation of assistance resources to areas of priority need.



## I. Assessment of Damage

### A. Physical Damage

Damage is concentrated in the densely populated Indian-inhabited Eastern Highlands, portions of the capital city and wide areas to the west, roughly 20 percent of the area of the country. A number of important rural population centers in the affected area were nearly totally destroyed, including Mixco (population 10,900), San Pedro (4,800), Patzicia (7,100), Patzun (8,300), Joyabaj (2,400), Tecpan (5,900), San Juan Sacatepequez (6,700), and El Progreso (4,000).

#### 1. Housing and Other Building Damage

By far the most devastating impact of the earthquake was on the housing of the poor. The great majority of Guatemala's population resides in small towns and rural areas in adobe houses. Over 150,000 of these are estimated by the Government of Guatemala to have collapsed. In Guatemala City, some 100,000 dwellings of the urban poor were destroyed. The value of these urban and rural dwellings has not been determined. In most cases, they were built by the families who occupied them. It is probable that they will be rebuilt in the same fashion. A rough estimate of the financial costs of replacement might range from \$150-\$250 million, depending on whether new construction will adopt earthquake resistant design improvements.

There was, of course, loss to commercial, church, and public buildings, essentially in the small rural towns. No estimates are available, as yet, on these losses.

Several major hospitals in the capital were damaged by the quake and their staffs have been operating in other available buildings on a make-shift basis, pending assessment, repair, or replacement of damaged hospitals. Hospitals in several other communities were also severely damaged, as were many health centers and health posts.

#### 2. Infrastructure

##### (a) Transport and Communications

The Guatemala City-Puerto Barrios highway and railroad, the primary transportation links from the capital to the Caribbean coast, have been cut because of a three-span fallen bridge and numerous landslides. A U.S. military engineer survey team is now in the field assessing the extent of damage.





A much more circuitous road from the coast to the capital is still open, but cannot handle the entire heavy traffic load that normally passes between the capital and the coast. Preliminary estimates of the cost of restoration of the road from Guatemala to the Caribbean approach \$25 million. In many areas of the highlands, roads also have been blocked by numerous slides. An estimate of cost of restoring major and secondary roads throughout the damaged area is \$35 million, of which the major cost will probably be for the main highway artery to Puerto Barrios. The cost to repair the railroad is not yet known.

Telephone communications, never particularly good, have been severely damaged by the quake. Phone lines are down throughout the affected area. Restoration is under way. However, it will be some weeks before all major phone lines are repaired.

#### (b) Water and Electricity

The first earthquake left approximately 40 percent of the residents of the capital without water supplies, and the water supplied to other sections of the city was unprotected by chlorination. This situation has improved marginally since then, due to emergency repairs and to increased chlorination. In many smaller cities, the water supply and distribution systems were partially destroyed, although the main water sources and storage systems remain relatively intact. Restoration and improvement of all of these systems will require major effort.

Electricity in Guatemala City is back on. However, regional transmission as well as local distribution of power service to many localities in the interior has been and still is disrupted.

#### B. Economic Impact

##### 1. Balance of Payments Effects

Fortunately, Guatemala enjoyed a relatively strong balance of payments position in 1975. Its net foreign exchange reserves increased from the end of 1973 to the end of 1975 from \$201 million to \$280 million, a level equal to approximately four months of imports. Still too early to project the effects of the earthquake on Guatemala's foreign exchange position, it is clear the tourism income, which reached \$70 million in foreign exchange earnings in 1975, will decline and probably sharply. While, in the overall, hotels are only slightly damaged, some suffered heavy damage. It will be some time before prospective visitors regain confidence and resume their travels to Guatemala.





More importantly, the earthquake is expected to cause a significant upsurge in imports, particularly of glass, construction materials, and equipment. Some stocks of manufactured goods will also have to be replaced. Guatemala's main foreign exchange earners other than tourism, i.e., coffee, sugar, cotton, bananas and meat, have not been affected, and almost all of its industrial production capacity remains intact.

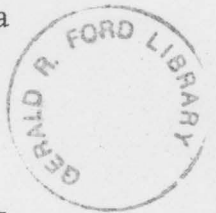
As its foreign debt service burden has been below 5 percent, Guatemala therefore has the capacity to borrow substantially to help finance its reconstruction and investment programs. Heavy reliance on large commercial borrowings, however, would increase debt servicing costs rapidly.

## 2. Budgetary Effects

The government's budgetary position, traditionally strong, will certainly be adversely affected. Some reductions may be expected in corporate and personal income tax collections as affected businesses write off their losses. Most significant will be the effect of increased government expenditures for relief, rehabilitation and reconstruction. The government will be called upon to assist the rural and normally poor municipalities in restoring the water supply and other essential services and provide emergency assistance to the homeless and medical assistance to the injured. Moreover, credit for housing reconstruction will be needed for many of the homeless. Unfortunately, these expenditures, either for temporary or more permanent shelter, cannot be spread over a number of years but will have to be concentrated within a relatively short period.

## 3. Effect on Prices

Price stability has long been a characteristic of the Guatemalan economy, but that changed in 1973 and 1974 when, as did many countries, Guatemala, largely from external causes, experienced serious effects from inflation. However, by the end of 1975, price stability had significantly improved. Strong inflationary pressures are expected, as an aftermath of the disaster, in the area of construction and construction materials. Demand is expected to exceed substantially available productive capacity. Wages in the construction industry are expected to rise sharply. As an offset, the just completed harvests of corn, beans, and wheat were relatively bountiful and can be expected to hold down price increases in basic foodstuffs. However, large quantities of grains were stored in and around homes and were partially lost. This may cause some increases in food prices.



#### 4. Employment Effects

A number of businesses, closed temporarily until power was restored and repairs were made, are now reopening. However, many neighborhood shops and small businesses have been completely destroyed. Tourism and arts and crafts, normally an important source of employment, may be depressed for at least some months. Moreover, with so many homes destroyed and material possessions lost, the arts and crafts industry, largely a home industry, may suffer dislocation.

These adverse employment effects are expected to be of a short-term nature. The intensive reconstruction effort will provide additional jobs in the construction and construction materials industries. The manufacturing industry, which accounts for roughly 6 percent of the GNP, has not been seriously affected, and most major commercial establishments either have resumed, or soon will resume, operations.

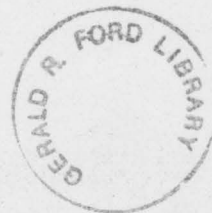
In sum, the impact of the disaster on the balance of payments budget, production, and employment is not expected to be unmanageable. In human terms, however, the disaster is truly a disaster. Hardest hit were the poor, those who can least afford to lose their employment, homes, and possessions.

### II. Disaster Relief

#### A. Immediate Response

##### 1. Government of Guatemala

A national emergency was declared immediately after the first earthquake. The military received and has exercised extraordinary powers to deal with the immediate relief problems. The government has invested, and is investing, massive effort in clearing roads of landslide debris, completing initial damage assessments and distributing government food stocks. Price controls are being enforced to prevent the exploitation of temporary shortages. Citizens generally are contributing time and financing to help to save lives and feed the most affected. Private sector resources, whether channeled through the Guatemalan Red Cross or other organizations or provided on an individual basis, have played a significant role in speeding relief to those affected by the earthquake. The mass of the population is "cooperating" by its patience, and an almost stoical capacity for suffering.



The Guatemalan Government has formed a National Emergency Committee to coordinate the government relief efforts and the generous assistance being provided by the U.S. and other donors. The coordination task is large, complex and continuing. The improving communications system and the growing experience of the government point toward the easing of the coordination problem.

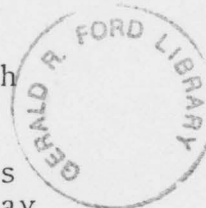
There have been but few reports of looting, with the government moving quickly to deal with any reported problem. During our visit we heard no complaints about diversion of relief supplies.

## 2. United States Government

Within hours after the first quake, the U.S. country team in Guatemala and A.I.D.'s Foreign Disaster Relief Center were in operation on a 24-hour basis. Quickly, we began to move in supplies, equipment, and personnel. Among the first arrivals was a U.S. military Disaster Assistance Survey Team (DAST) from Panama. This was followed quickly by a fully-equipped and staffed 100-bed U.S. military field hospital that is in operation in the center of the hardest-hit area - Chimaltenango.

Subsequently, we provided a U.S. Engineering Survey Team to assess damage to roads, bridges, and railroads; 18 large helicopters; 8 two-man medical/communications teams to assess needs and provide medical assistance in isolated areas; and a considerable amount of tents, medical supplies, field kitchens, generators, etc., from A.I.D.'s disaster relief stockpile in Panama. Two medical officers from the Communicable Disease Center in Atlanta and two U.S. Public Health Service pharmacists are assisting the Guatemalans in establishing systems to survey disease outbreaks and in organizing the receipt, storage, and use of the large quantities of donated medical supplies. We are also funding the transportation costs for certain high-priority relief shipments by voluntary agencies. Most of our efforts are concentrated in the hardest-hit areas of the highlands around Chimaltenango, for the Guatemalan Government has asked us to concentrate our resources on this area, which was almost totally devastated.

As of February 14, we have allocated \$3.6 million to this effort. The cost of relief over a 30 to 60-day period may require up to \$20 million, depending on the timing for the phasing down of helicopter and field hospital use.





### 3. Other Donors

#### (a) Third Country and International Organizations Relief Assistance

Thus far, 24 nations other than the United States (and the list is growing) have contributed to the relief effort. Contributions are being made in cash, personnel, transport, food and other commodities. I am attaching hereto a listing of third-country assistance based on the information currently available to us (TAB A).

International organizations are also responding to the needs of the immediate relief phase. Their known contributions, which already amount to over \$3.6 million, are listed in attachment TAB B.

#### (b) Voluntary Agencies

Voluntary agencies, such as CARE, Catholic Relief Services (CRS), Caritas, the Salvation Army, the Red Cross, Seventh Day Adventists, Partners of the Americas (Alabama), and a host of others, including from other countries, have provided and are providing generous and effective support as they put to quick use long and practical experience in dealing with disasters. There is no reliable estimate yet available of the financial value of their assistance. A listing, based on currently known information, is also attached (TAB C).

#### B. Post-Immediate Relief Phase

We are now at a time when immediate relief requirements are moving into manageable proportions. Medical emergency needs have been largely identified and satisfied, but certainly not entirely, particularly in the more remote rural areas. In-country stocks of medicines, bolstered by donations still arriving, should be adequate to satisfy requirements, although there may be specialized needs from time to time which generally can be handled by other donors and private voluntary organizations. The major hospitals in Guatemala City are functioning well and are meeting the immediate needs for medical and surgical care.

No signs of epidemics have appeared. The process of restoring water services in rural towns, as well as in parts of Guatemala City, is moving ahead rapidly with provision for proper treatment of water supplies receiving high priority. Apart from the need for a relatively minimal quantity of tools and supplies in addition to the water storage tanks already supplied by the U.S., completion of temporary repairs to





water systems in the affected area should be possible without significant further external relief requirements.

Water supply capacity in the capital is back to about 50 percent of pre-earthquake levels. Shortage of supply is of lesser concern than is quality. The municipal water plants are chlorinating the water being distributed, but damage to the city's parallel water and sewage pipe systems has rendered supply potentially unsafe. Attention is being given to this problem by the government with assistance by the U.S. and others. The monitoring by the health authorities of hospitals and clinics is continuing in order to detect as quickly as possible any emerging health problems.

The major continuing problem, for the short and long run, is the need to provide adequate shelter to the many homeless. Given the relatively modest aspirations of the rural population, provisional needs increasingly are being met by the government and several donors. However, additional new inputs for this purpose are being considered by others. Properly handled, temporary shelter solutions can form the basis for rapidly resolving permanent housing needs through self-help programs utilizing simple materials and tools.

Barring further major quakes, a reasonable degree of normal economic activity and public services should be restored and in place in all but the remote areas by the end of this month or early March. An important factor bearing on this process, however, will be the rapidity with which closed roads are opened to permit access for the movement of food and other commodities. While there is no possibility that the main highway to Puerto Barrios can be opened within this time frame, temporary bypass construction will be needed. In-country equipment capacity should be sufficient to handle general road clearing work, but preliminary surveys by the U.S. Army Corps of Engineers of Atlantic highway damage indicate that reopening of the highway will require a major effort, especially if the work called for along the fifty miles primarily affected is to be completed by the advent of the rainy season in mid-May and which normally continues until November. Whether this operation, located in rugged, difficult terrain, is within the country's capability must await completion of the in-depth damage assessment by the Corps of Engineers and a review of construction capacity now being carried out by the Ministry of Public Works. Decisions are expected shortly. Opening the road is obviously one of the priority tasks. The government, with its own facilities, hopes to be able to restore the railroad link before the rainy season.



Food stocks, augmented through foreign donations, should be sufficient for the next few months. There will be continuing difficulties, however, in ensuring adequate supplies in all areas because of access problems.

### III. Rehabilitation and Reconstruction

Even while the Guatemalans struggle to deal with the emergency needs facing them, attention must be given, and is being given, to the next phases, i.e., the shorter-run rehabilitation task and the longer-run reconstruction task. There is no clear line distinguishing between these phases, and they are not necessarily successive in time sequence, as some must proceed in planning and execution simultaneously. Essentially, what is involved are decisions on policies and actions for interim and long-term responses to the consequences of the disaster.

After a relatively long period of slow economic growth, Guatemala, in recent years, has begun to develop a national network of public services with increased capacity to attend to the development needs of the large mass of rural and urban poor. The interruption caused by the earthquake in this delayed process of spreading the benefits of development to perhaps 80 percent of Guatemala's people poses not only a humanitarian problem but a challenge of fundamental importance to the future course of that nation. In recognition of this fact, President Laugerud has announced that it will be the policy of his government to continue overall development efforts for the entire country, guided by the 1975-79 Development Plan. The necessary rehabilitation and reconstruction efforts in the earthquake affected areas are obviously of high priority, but this priority should desirably not deter the government from its development efforts to improve the quality of life of the poor Guatemalans.

The National Economic Planning Council is about to complete an initial assessment of damage cost and economic impact projections which will form the basis for more precise estimates of external assistance needs and internal self-help capacity. Major capital inputs will obviously be required for housing, road repair, public infrastructure (schools, medical centers and hospitals, water supply systems, and public buildings), small business rehabilitation and communication facilities. Moreover, small farmer productivity must be assured through effective and timely provision of normal governmental and cooperative services (credit, technical assistance, distribution of improved seeds and fertilizers, etc.). The extent to which this institutional infrastructure has been disrupted in the



affected areas is not yet fully determined, but it is important that it be in place and functioning within the next 6-8 weeks in anticipation of the May planting season. Obviously, projections of future food import needs will be influenced by how well the planting goes in the affected area which, outside of Guatemala City, is largely populated by small, subsistence-level farmers.

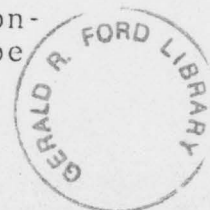
#### IV. Resources for Rehabilitation and Reconstruction

##### A. Guatemalan Self-Help Measures

The administration of President Laugerud has been distinguished by its dedication to accelerating programs with impact in the long-neglected social areas. A competent managerial team within his cabinet has pushed forward major development projects, ranging from improved water supply to greatly increased electric power that had begun, before the disaster, to move Guatemala into the forefront of the Central American countries in terms of growth. If, as we hope, major economic activity quickly will be restored to the pre-earthquake level and fiscal progress can be maintained and intensified to help carry the heavy burdens now placed upon the population, Guatemala should be in a position to help finance a major portion of the programs required to regain and surpass its pre-earthquake situation.

The Guatemalan authorities stress their recognition that the foundation of Guatemala's recovery and development thrust will rest solidly on its own self-help measures. They further recognize that external assistance will depend heavily on demonstration of such self-help. It is too soon to judge whether it will be possible for the government to pursue fully recovery and development simultaneously. Fortunately, as noted, at the time of the disaster, Guatemala was in a relatively strong financial and economic situation which can bolster the self-reliance underpinning of their laudable approach. Some tradeoffs may be necessary, however.

A major question in the post-earthquake period situation is the administrative and managerial capacity of Guatemalan institutions to handle the increased burdens of a reconstruction program. This is understandable because of the burdens being placed on top of the normal ones already associated with implementing an active and expanding development program. Preliminary consideration is being given to creating a special reconstruction entity. Such an entity would have the responsibility and authority to plan and direct the utilization of all resources destined for reconstruction. An important benefit of this approach would be





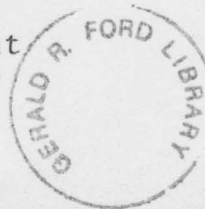
that the entity would be in a position to hire or have assigned to it top-notch, qualified personnel, thereby avoiding the problem of overloading existing ministerial staffs. Presumably, the new entity would also be granted emergency powers, enabling it to bypass many of the Guatemalan Government's present internal administrative procedures, thus speeding up project implementation.

B. External Assistance

1. United States

Apart from immediate assistance provided to meet the initial emergency and which will be phased down with the decreasing need for such assistance, the question of further U.S. assistance can be approached from two levels. The first essentially involves reviewing existing loan and grant projects to determine whether restructuring would be feasible. This examination is underway. Fortuitously, A.I.D. recently (December 1975) had authorized a \$13 million loan for small farmer development which is directed at the Highland Indian farmer. The Minister of Finance has indicated that the Guatemalan Government wishes to sign the loan agreement immediately. Our preliminary assessment is that essentially no restructuring will be necessary to ensure concentration of resources where needed. Also, the Government of Guatemala and A.I.D. signed in November 1975 a \$7 million rural primary education loan which included approximately \$4.2 million for up-grading school buildings primarily in the Highland area. Some reorientation of priorities in this program will likely be required in terms of school site selection, but, essentially, this loan is available to assist in the rehabilitation and reconstruction effort. Also, additional U.S. Government support, through the U.S. International Disaster Assistance Authority, for the early rehabilitation effort is being considered, pending further assessment of identified needs. The assessment is already underway and will require continuing close coordination with the government, other donor nations, and international organizations. Only until we know more of the nature and substance of the international and Guatemalan Government's national response can we establish our own priorities and clarify possible additional funding requirements.

U.S. voluntary agencies possess large capabilities, unique to each voluntary agency, which can play an important role in the rehabilitation phase. They are on the ground with established delivery systems which can meet the needs of many disaster victims without further straining government capacity. We hope that this capacity will continue to be utilized in the post-relief phases.





Over the next months, we anticipate that the Guatemalan Government's planning process will identify specific, longer-run needs which could appropriately be met through A.I.D. development loans and grants and which would clearly be consistent with congressional mandate criteria for development assistance. We should seek to be responsive within the means that may be made available through the appropriation process.

## 2. External Assistance from Other Sources

For the post-emergency relief phase, I believe that the major burden of external assistance can be carried by the multilateral agencies, particularly the International Bank for Reconstruction and Development (IBRD) and the Inter-American Development Bank (IDB). The major requirements for shelter and urban reconstruction, generally, as well as more permanent restoration of infrastructure (roads, bridges, railroads, and ports), may well find substantial financing through these multilateral channels to supplement Guatemalan resources. It is interesting to note that only last month the Inter-American Development Bank provided \$135 million in loans for Guatemala (more than that country has had in total during the previous fifteen years of the Bank's existence). Portions of these may be redirected as a result of the disaster. Both financial institutions are already planning their active involvement. An IDB team has already been to Guatemala and a World Bank team is being dispatched shortly.

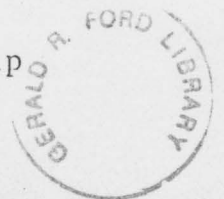
## 3. Coordination

Leadership in the coordination of the rehabilitation and reconstruction efforts has to come from the Guatemalans. They know it. With the support of ourselves and the many others interested in helping Guatemala, they can well perform the task. We anticipate that a consultative arrangement among donors and lenders will develop to insure a maximum, coordinated effort.

## V. Contingency Planning for Possible Future Disasters

Even now, the Government of Guatemala must significantly strengthen its contingency planning for future disasters. Regrettably, the possibility cannot be ruled out that Guatemala, much of which is located along the long east-west Motaqua Fault, may still face other quakes.

The U.S. Government can provide technical assistance to the Guatemalans for contingency planning. We plan to help Guatemala lay out the various options it may have for



responding to any future natural disasters. We feel that more can be done to help the Guatemalan Government not to be taken by total surprise in the event of another major disaster. For example, United States Geologic Survey Geologists are now monitoring the tensions of the fault line which runs near Guatemala City. The tension has not yet abated fully and, with sophisticated monitoring devices, we may be able to provide the Guatemalan Government with some forewarning of another major earthquake.

Because the terrain of this country has changed significantly in some areas, we are alerting the Guatemalan Government to the concern that flooding of abnormal proportions may occur this year. Members of the U.S. Army Engineering Survey Team are making assessments of some possible waterways that may cause flooding damage to the already-disrupted major highway to the sea.

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Mr. President, the government and the people of Guatemala have responded well to the aftermath of the disaster. Certainly, there were and, indeed are, problems of coordination and maximum effective use of domestic and foreign resources; but the consensus of experienced observers is that the Guatemalan effort, given the enormity of its tasks, has responded well. They merit the continuing help from the United States and others.

President Laugerud asked that I convey to you, on behalf of himself and his people, the deepest appreciation for your personal interest and support. He stressed that it was not only the important technical and material assistance being provided by the U.S. Government and people but also the moral encouragement and bolstering derived by his government and the Guatemalan people from the spirit and timeliness of that support. He emphasized, too, his recognition that Guatemala itself must bear the major burden of the present and continuing costs of the disaster and that the nature and extent of its self-help measures will help determine the nature and extent of external support.

I wish also to commend to you all elements of the U.S. country team. Under the active leadership of Ambassador Meloy, they continue to devote themselves on a round-the-clock basis. I believe all the people of the United States may be proud of the U.S. role in helping the Guatemalan people in the traumatic aftermath of a major disaster.



While many other nations and organizations responded quickly with supplies and personnel, the U.S. response, both public and private, was critical in averting a serious worsening of the crisis.

In making the trip to Guatemala, I was joined by two congressional staff members, Ms. Herschelle Challenor of the House International Relations Subcommittee on International Resources, Food and Energy, and Mr. Richard McCall legislative assistant to Senator Gale McGee, Chairman, Senate Foreign Relations Subcommittee on Western Hemisphere Affairs. I am grateful for their participation. Mr. Herman Kleine, my Assistant Administrator for Latin America, and Major Marshall N. Carter, USMC, a White House Fellow serving as my special assistant, also accompanied me. Their support is greatly appreciated.



Daniel Parker

Attachments:

- A - Third Country Donor Assistance
- B - International Organizations Assistance
- C - Voluntary Agency Assistance





15  
Gen. Sauerhoff

The White House  
Washington

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WASHINGTON DC

DENNIS MORROW AND ASSOCIATES REPRESENT FOUR SEPARATE COMPANIES WHO  
SELL EMERGENCY FOOD AND MEDICAL SUPPLIES. AFTER SPENDING  
CONSIDERABLE TIME EFFORT AND MONEY, WE FEEL YOUR ADMINISTRATION HAS  
DISCRIMINATED AGAINST, AND BLOCKED, OUR ATTEMPTS TO ASSIST IN THE  
GUATEMALA EMERGENCY. THE GUATEMALA EMERGENCY DESK, STAFFED BY MRS  
WORSLEY OF THE STATE DEPARTMENT AND THE DIRECTOR OF ECONOMIC  
AFFAIRS, US EMBASSY IN GUATEMALA, MR FULLER, REFUSED TO RECIEVE OUR  
PERSONAL REPRESENTATIVE, ATTORNEY DENNIS MORROW, NOW IN GUATEMALA,  
IN ORDER THAT HE MAY BE ALLOWED TO SUBMIT OUR FIRMS' PROPOSALS AND  
ASSISTANCE ON AN EQUAL BASIS, WITH OTHER AMERICAN AND INTERNATIONAL

COMPANIES. THIS IS NEGLECTING THE GUATEMALA PEOPLE IN THE  
OUTREACHING COUNTRYSIDES OF GUATEMALA. WE REALIZE THE CAPITOL CITY  
IS WELL ON THE WAY TO RECOVERY. MR FULLER'S ATTITUDE REFLECTS THE US  
EMBASSY AND YOUR ADMINISTRATION COULDN'T CARE LESS ON WHAT HAPPENS  
TO THE NATIVES OF THE COUNTRYSIDE.

MR FULLER REFUSED TO GIVE MR MORROW A PROPER AUDIENCE OR TO  
INTRODUCE MR MORROW TO THE DECISION MAKING COMMITTEES.

IT APPEARS THAT MRS WORSLEY AND MR FULLER ARE ONLY DOING BUSINESS  
WITH VERY HIGH POLITICAL, INFLUENTIAL AND SPECIAL INTEREST GROUPS.

AS A LAST RECOURSE, WE REQUEST YOU TO INITIATE AN INVESTIGATION AS





GOVERNMENT FINANCED PROGRAMS, SUCH AS THE GUATEMALA EMERGENCY.

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