

**Council
on
Hemispheric
Affairs**

October 30, 1980

CONTROVERSIAL REAGAN CAMPAIGN LINKS WITH GUATEMALAN GOVERNMENT AND PRIVATE
SECTOR LEADERS

(A research memorandum prepared by Allan Nairn, Research Fellow, Council on Hemispheric Affairs. Mr. Nairn is the author of The Reign of the SIS: The Corporation That Makes Up Minds, which revealed the questionable procedures of the Princeton-based Educational Testing Service. He recently returned from a trip to Central America, and has since become a Research Fellow at COHA. -- Note: This is a shortened version of Mr. Nairn's original article and with notes added by the Association in Solidarity with Guatemala and with COHA approval. This article was cited in the Friday, October 31 Wall Street Journal, has been widely quoted in both the U.S. and European press, including the Latin America Report, and is currently the basis of investigative journalism stories by two major U.S. newspapers. The original version of the article may be obtained from COHA.)

Local businessmen and government officials involved with Guatemala's notorious "death squads" say they have struck a deal with Ronald Reagan which provides for restoration of US weapons sales and training facilities to the Guatemalan military and police, curtailment of State Department criticism of the Guatemalan regime's massive human rights violations, and the ultimate prospect of US military intervention to shore-up that beleaguered Central American government if Reagan wins the election.

Reagan has met personally with two leading spokesmen of the Guatemalan right and also through a series of visits to the country by aides and associates has conveyed the details of what one US businessman calls his promised "180-degree turn" in US policy toward Guatemala.

High-level Guatemalan officials say that Reagan's assurances may already have led to an increase in the number of "death squad" assassinations and a senior leader of Guatemala's moderate Christian Democratic Party - already decimated by 31 assassinations of its top leadership in the last three months - fears for his life should Reagan be elected.^{1,2}

An ominous bargain has been struck by means of an extensive network of connections between the Reagan campaign and the Guatemalan extreme right, which include:

--Junkets to Guatemala by a "who's-who" of the American New Right, sponsored by Guatemalan speculator and right-wing activist Roberto Alejos Arzu, who made his plantation available as a training site for participants in the CIA's Bay of Pigs Invasion in 1961.

Those along on one trip in April, 1980 for example, included top executives of Young Americans for Freedom, the Heritage Foundation, Moral Majority, Young Republicans' National Federation, the American Conservative Union, Conservative Digest, and such right-wing activists as Howard Phillips of the Conservative Caucus and John Laxalt, president of Reagan's shadow-campaign organization Citizens for the Republic, and brother of the Reagan campaign chairman Senator Paul Laxalt.

--A spring, 1980 meeting in California between Reagan and Guatemalan hotel magnate Eduardo Carrette, the man whom General Lucas has asked to be his new ambassador to the US and a leading figure in Amigos del Pais, a pressure group comprised of businessmen and landowners which Guatemala's recently-resigned vice-President Dr. Francisco Villagran Kramer has compared to the John Birch Society.³

file Guatemala

2

The now extremely active Amigos currently pay a hefty \$11,000 per month in retainer fees to Deaver and Hannaford, a Los Angeles-Washington, DC public relations firm headed by Reagan confidant Michael Deaver which has handled advertising for the Republican presidential campaign.

--Pressure on Congress by Reagan associates to "lend a sympathetic ear "to the Amigos' current lobbying campaign for the restoration of military aid and training for the Guatemalan military.

With an annual budget approaching a half million dollars that is being generously allocated for influencing US public opinion, Amigos has hired several public relations and law firms including Washington-based Patton, Boggs and Blow, and Robert Brewster Clark, as well as Deaver and Hannaford to do the job.

The Deaver and Hannaford firm whose ties to Reagan may have been an important reason for its selection, came under criticism in a recent Washington Post Article for its possible violation of the Foreign Agents Registration Act in failing to register within 10 days after it began working for the Amigos.

The association of Amigos del Pais also hosted the visit of a group of friendly US congressional staffers at the beginning of this year.

One of the participants, Belden Bell, the current coordinator of Reagan's 41-member foreign policy advisory committee, prepared a report for the Republican study committee outlining the forces that threaten Guatemala's stability. Bell concluded that "it is in the best interest of the United States, as well as Guatemala, to throw our national support behind this beleaguered country."⁴

Several other Reagan advisors have visited Guatemala in the past year, including Roger Fontaine, who specializes in Latin American Studies at the Center for Strategic and International Studies at Georgetown University, perhaps the nation's most conservative academic-activist center for Latin American affairs. He may have unwittingly bolstered Guatemalan hopes in an interview published in the Miami Herald this past July where he was quoted as saying, "It's pretty clear that Guatemalans will be given what aid they need in order to defend themselves against an armed minority which is aided and abetted by Cubans."⁵

--Comments by Reagan advisors in defence of "death squad" activities.

--And campaign contributions - solicited by the Reagan staff - from American businessmen and landowners in Guatemala. Although I have never been able to confirm them, while in Guatemala I heard repeated references by high Guatemalan government and financial figures of illegal contributions from Guatemalan citizens being funneled to the Reagan campaign through a California entity.

Guatemala's "death squads" with such names as the "Secret Anti-Communist Army" and "Eye for an Eye" specialize in "disappearances" of their political opponents, routine torture, and high-noon machine-gun executions in downtown Guatemala City as well as the country's outlying provinces.

The victims are typically students, labor leaders, journalists, teachers, peasant activists and members and leaders of moderate opposition parties such as the Christian Democratic and Social Democratic Parties - all perceived to be "communists" by the ultra-right, who define basic reforms - social and economic - as an irreversible step towards Moscow.

The daily body count has been estimated at 30 to 40, although one report recently received from a hospital morgue suggests the figure may be at least twice as high.

Guatemalan government spokesmen have blamed the violence on clashes between extremist right and left-wing groups operating entirely out of the government's control.

Sources close to the Lucas Garcia regime report, however, that the death squads are staffed and directed by the Guatemalan Army and Police under the command of President Lucas, Interior Minister Donald Alvarez Ruiz, and a group of top-ranking generals, with the assistance of Lucas's right-hand man, Colonel Hector Montalban, and national Chief of Police, Colonel German Chupina. Private businessmen provide the payrolls for the squads, and often assist in "compiling" the lists of troublesome labor, professional and political leaders as well as other suggested victims.

The death squads' defenders base their faith in Reagan on direct conversations with the candidate and his top military and foreign policy advisers. According to a Reagan fund-raiser quoted above, Reagan told ambassador-to-be Carrette, "Hang in 'til we get there. We'll get in and then we'll give you help. Don't give up. Stay there and fight. I'll help you as soon as I get in."

In private conversations, the Reagan advisors were even more blunt. One high Guatemalan official who met with Singlaub and Granam, and who later discussed the implications of the visit with his government and military colleagues, said that the message was clear. First, "Mr. Reagan recognizes that a good deal of dirty work has to be done." 5

The Reagan aides' advice and supportive comments were the talk of official Guatemala for days after their visit. Within weeks, death squad assassinations increased dramatically and there was talk in government circles of even harsher measures once Reagan assumed the presidency. "In private they say all the time that they're going to find changes in the United States policies," says one Guatemalan who meets regularly with government and business leaders, "I am sure that if they feel they are more safe they are going to try to eliminate all opposition in the country."

The parade of visiting advisors continued through the spring, summer and fall of 1980. "One was down here just the other day," noted a Guatemalan businessman who backs the death squads, when asked about the Reagan people in mid-September. "There's just been an influx of them." Roger Fontaine - Reagan's top Latin American policy advisor who would reportedly be in line to be Assistant Secretary of State for Inter-American Affairs in a Reagan administration - has made at least two trips to Guatemala. Fontaine is on a first-name basis with right-wing figures and keeps in constant touch with them by telephone. One businessman says he has spoken on the telephone with Fontaine three times in the last two months.

Through all of these meetings the same understanding emerged: the Guatemalan rightists and the Reagan advisors found they shared the same views and had little need to negotiate. "With the people we're talking to in the Reagan administration," says Maegli, "we don't have anything to discuss." The State Department, Maegli complains, keeps saying: "We will help you only if you clean up your house." Maegli finds the Reagan camp more accommodating. "All we are saying is, please leave us alone, it's as simple as that, and the Reagan administration understands that perfectly."

As described by Guatemalan and US businessmen and Guatemalan government officials, the bargain with the Reagan forces has four key elements. First, there is an agreement, as Maegli puts it, "to take our Army off the blacklist" - to restore weapons and ammunition sales, supply badly needed spare parts for US-built helicopters, and make available fighter and cargo planes to the Guatemalan air force as well as crowd control and counterinsurgency gear to the army and police.

Second, a commitment has been made to resume Pentagon training of the army and police, particularly in surveillance, intelligence and interrogation techniques. According to Robert Merrick, an American-born plantation owner who has been in close touch with Reagan advisors, Fontaine promised him and a group of Guatemalan businessmen that Reagan "would do everything he could within the law to help train the Guatemalan police."

Third, and perhaps most importantly, the Reagan supporters have agreed to cut back US criticism of the death squads which the Guatemalan regime feels has so tarnished its international political and financial standing. "We understand that as soon as Reagan changes this attitude," says Raul Garcia Granados, who has met with Fontaine and other Reagan advisors, "we won't get the pressure that we have from certain groups right now."

Garcia Granados says that while Fontaine explained that human rights laws are already on the books and would have to be honored in principle by Reagan, the Reagan administration would do everything it could to see that they did not work to the political, military or economic detriment of the Lucas regime. "They don't approve of the way that Carter . . . is getting involved in all these matters because of human rights," he said.

One former high Guatemalan government official, now in exile, says his former colleagues have been assured by the Reagan people that the death squads will be able to operate without adverse pressure from the White House or the State Department: "They have the feeling that Mr. Reagan would not denounce them and would not make it a moral issue."

Finally, although the signals have been less explicit, there is also the expectation in Guatemalan government and business circles that President Reagan would intervene militarily in the event that a popular uprising threatened the Lucas government. "That's my feeling," says chief-of-staff Jorge Garcia Granados, "because of the kind of person Mr. Reagan is."

In anticipation of such future support, businessmen who back the death squads are giving their all for the Reagan campaign. "We've all pledged to help him as much as possible," says one. In addition to the more than \$120,000 which Amigos del Pais is paying Reagan supporters Deaver and Hannaford's public relations firm this year, other public relations efforts by right-wing Guatemalan groups are attempting to sway US opinion concerning Central America, in Reagan's favor.

In the first six months of 1980, the Alejos-Trotter Guatemala Freedom Foundation paid \$35,000 to the Washington, DC public relations firm MacKenzie McChayne (which formerly worked for Anastasio Somoza), in exchange for services which, according to the Justice Department Foreign Agent disclosure form, consisted of issuing one press release, holding one press conference and distributing some news clippings at a cost of \$8,071.06. According to Alejos, however, the Foundation's US activities also included developing and distributing Central America-related "propaganda" on behalf of the Reagan campaign.

According to Merrick and others, American businessmen based in Guatemala have been giving heavily to the Reagan campaign. Yet a check of the names of more than 200 such individuals--including several who said specifically that they had contributed--against the list of Reagan donors disclosed to the Federal Election Commission, showed no public trace of any such contributions. The

sole exception was John Trotter, who through his wife had given \$750 to the Reagan primary campaign. According to one businessman who was solicited by the Reagan campaign, explicit instructions were given repeatedly: "Do not give to Mr. Reagan's campaign directly." Monies were instead to be directed to an undisclosed committee in California.

Reagan himself was reportedly aware of the potential of the Guatemalan connection. One businessman tells the story of the wife of an Amigos del Pais board member who attended a California fund-raising party with Reagan. "He was standing there . . . She said, 'I represent 14,000 Americans in Guatemala,'" and Reagan turned around and said, "Get that woman's name!"

There is no apparent reason why the Reagan campaign should wish to avoid public disclosure of contributions from American citizens living in Guatemala, since these are perfectly legal. The much more serious allegation concerns campaign contributions from Guatemalan citizens, which are prohibited under US law. Bennett, an ardent Reagan supporter, says of his fellow businessmen, "They're laying their money out, and I would say that the Guatemalans are the ones who are really laying it out . . . I do know that they are giving very heavily."

One government official tells of a meeting in the National Palace in Guatemala City where Guatemalan businessmen and government members boasted of funnelling money to Reagan but cautioned all listening that the connection was to be kept in confidence.

Even before coming to power, the Reagan forces have been making efforts on behalf of the Guatemalan regime. This spring--when Amigos del Pais were making the rounds of Congress asking for restoration of the roughly \$250,000 Guatemalan military training appropriation to the federal budget--Nancy Reynolds, Nancy Reagan's former press secretary and the current Vice President for public relations of the Bendix Corporation (which has no plants in Guatemala), called the office of Congressman Don Pease (D-Ohio), who is from a district where Bendix has a major plant and asked that he "lend a sympathetic ear" to Amigos del Pais members' plea for aid. "It's the first time we ever got a phone call like that," said the congressman's aide. "It's unusual in that an official company representative usually doesn't call on unofficial business."

This summer, the Republican platform--which specifically mentioned Guatemala as an outpost against Communism--generated banner headlines in Guatemala City: "If Reagan is Elected, He Will Support Lucas" and "Republicans Will Support Government of Guatemala". If any of the Reagan associates streaming through Guatemala on an almost weekly basis disagreed with any of these proclamations, their sentiments were never expressed in print or to the leaders of the Guatemalan right.

Back in the States, a number of Reagan's advisors have openly defended the death squads and the Lucas government. Retired General Gordon Sumner, former head of the Central American command and one of Reagan's top military advisers, said flatly in a press interview this August, "The policy of the Carter administration is to destabilize the Lucas government, and there's no excuse for it. That is a government that was elected by the people." Sumner also defends the death squads, arguing that though the need for such units is regrettable, "there is really no other choice."

The Reagan camp's alliance with Guatemala's extreme right flourishes to this day. Within the past week, a top aide to Reagan foreign policy chief Richard Allen arrived in Guatemala City. And the Deaver firm has arranged a Capitol Hill briefing by the Amigos del Pais for members of Congress on November 7, three days after the election."

Meanwhile, in Guatemala, many local and foreign investors have delayed new projects until after the US presidential election. Policy-making within the Lucas administration on issues affected by US policy has been placed on hold as it hopefully awaits the ascent of a strong ally in the North. Eduardo Carrette, who was offered the US ambassadorship months ago, has told friends that he is holding out on his acceptance "until they have a real government in Washington," --one headed by Ronald Reagan.

On the evening of November 4, members of the Guatemalan Chamber of Commerce will gather in a Guatemala City luxury hotel to celebrate or commiserate as they watch the returns roll in.¹⁰

Elsewhere in town, members of the rapidly-dwindling ranks of Guatemala's moderate opposition will be watching the returns for clues to their life expectancy. "If Reagan wins," says one politician who has spoken with many right-wing businessmen and members of Lucas' cabinet, "the government is going to feel it is more safe, and will find more support from the US government. The government and the rightists are going to kill more people because they think they are going to have this support. . . . If the government of the United States changes its policies, it will mean more assassinations in our country. . . . This is most dangerous for us."

NOTES

¹Over 100 people died or disappeared at the hands of the government forces in the first six months of 1980. Since 1966, the figure is estimated at 25,000 (Amnesty International)

²The Christian Democrats are a moderate center party. Repression against them was stepped up after they refused to join in negotiations between the business community and the military government (Council on Hemispheric Affairs, October 20, 1980).

³Villegan Kramer resigned after coming to the US in August and has spoken out openly against the flagrant violation of basic rights in Guatemala.

⁴Amigos del Pais members include several US citizens with investments in Guatemala (Washington Post, September 8, 1980).

⁵According to Guatemalan military government interpretation, "those who do not totally support the regime are communists" (in Council on Hemispheric Affairs, October 20, 1980). The NBC White Paper entitled "The Castro Connection" acknowledged that there was little if any outside influence in Guatemala from Cubans or any other Central American source and that the violence there was due largely to government-rightist repression. U.S. State Department and intelligence sources have also indicated that the unrest in Guatemala is primarily the responsibility of the government-right and that the thesis that the government is caught between the extreme right and the extreme left simply does not bear out.

⁶Mr. Reagan was the chief spokesperson in the campaign by the US right against the Panama Canal solution. Today, US-Panama relations are better than ever and there have been no problems in operating the canal efficiently.

⁷See simulated article in TIME magazine, October

⁸See paid advertisement "To the People of the United States" in Washington Post, October

⁹This hearing has been rescheduled for December 9. Some additional history: In April, the Amigos/Chamber of Commerce of Central America was given a public hearing by the Subcommittee on Inter-American Affairs. In November, Benjamin Rosenthal (D-NY) requested the same subcommittee to hear testimony by representatives of the Democratic Front Against Repression, a coalition of over 150 democratic popular organizations in Guatemala. That request was supported by Dante Fascell (D-Fla.), Cardise Collins (D-Ill.) and Gerald Studds (D-Mass.). The request was made to subcommittee chair Gus Yatron (D-Pa.), who privately said he would like to hear their testimony. However, no attempt was made to arrange a hearing. In that regard, we think that the following paragraph, contained in Mr. Wain's original article is worthy of careful note:

Meanwhile, Gene Friedman, Staff Director of the House Subcommittee on Inter-American Affairs, and whose bias in favor of the Guatemalan government is hardly concealed, was one of the priority people to see in Washington in itineraries arranged by one of the five or six Washington law and public relations firms working for Guatemalan right-wing entities. Last June, an Amigos delegation came to Washington and hosted a dinner for Friedman even though another subcommittee aide refused to attend given the nature of the hosts. Friedman later attempted to stonewall the holding of another round of hearings which would listen to opponents of the Guatemalan regime until four out of the five Democratic members demanded the hearings in a letter of Friedman's boss, Congressman Gus Yatron (D - Pa.)

¹⁰On November 4, at 1 a.m., after days of lesser interventions, government and army forces moved more heavily into the town of Santiago Atitlan, destroying its radio station and holding it in virtual siege. As the oppressors began to round up individuals of their death list which reportedly included hundreds of peasants, as many as 500 sought sanctuary in the local church.