

Oil, Aid, and Human Rights: U.S.- Guatemalan Petro-Diplomacy from Conception to Liberalisation

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Richard M. Balzano

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Abstract

Guatemala does not produce much oil at present, nor has it ever. Guatemala's hydrocarbon potential, however, endured the international community's interest long prior to the first discoveries of commercially viable oil in the 1970s. A push and pull transpired between Guatemalan exertions of resource sovereignty and American hegemony throughout the twentieth-century and leading up to the liberalisation of Guatemala's hydrocarbon legislation in 1983. This thesis examines the path to liberalisation, focusing largely on the late 1970s and early 1980s wherein petro-diplomacy became entangled in human rights diplomacy that dominated bilateral relations. American initiatives to procure advantageous access to Guatemalan oil intersected with and altered the trajectory of U.S. human rights and foreign assistance policy, as high-profile American actors like General Vernon Walters and Texas Congressman Charlie Wilson engaged in quid pro quo aid-for-oil diplomacy with the government of Guatemala while the Reagan White House went to great lengths to aid the right-wing Guatemalan government during peak violence in the Guatemalan civil war. Liberalisation was reciprocal, as Reagan's efforts to aid the right-wing terror eroded human rights institutions and ostensibly liberalised elements of U.S. human rights and foreign assistance policy. Examining petro-diplomacy in the broader context of aid, human rights, and Reagan's Guatemalan policy reveals much about the nature of inter-American imperialism and casts a long, dark shadow on the legacies of all parties involved. This thesis makes several contributions to the existing scholarship on Guatemalan hydrocarbon development and inter-American critical resource imperialism, and to the scholarship on the Reagan administration's relationship with human rights, Guatemala, and the Central American Cold War theatre.

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I must pay homage to a number of brilliant educators and scholars I have encountered along the way: Dr Steve Berry for taking a chance; Dr Andy Hernandez of WNMU for the patience and lenience—keeping my word count down is still a problem; the History Department at Utica University circa 2001-2003, specifically the late Dr Paul Young, and Dr David Wittner, whom I look forward to spending more time with in his retirement; Dr Victory Triay of MXCTC, for unveiling the gift of history at a critical juncture some twenty-five years ago; lastly, and most significantly, the Horizons team, including but not limited to Dr Hal von Hoffe, Michael Griffin, Kevin Connell, and Robert Geiser, for their guidance, for the occasional (or perhaps frequent) blind eye, and for teaching me the value and strength of community—I pay it forward.

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I am grateful to my parents and my brother for their unyielding logistical and emotional support. James, you brought it all together.

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Most of all, I have to thank my daughter, Calla. Not one person in my 4.3 decades on this earth has believed in me like you do, and did I ever need it these past few years. Every stressed, preoccupied moment is a loss that I can never recover, but you have my undivided attention from this point forward. I am immeasurably proud of you.

Declaration

I confirm that this is my own work and the use of all material from other sources has been properly and fully acknowledged.

Richard M. Balzano

List of Abbreviations

AGSAEMP	Archivos Generales y Servicios Apoyados del Estado Mayor Presidencial, or Archivo, Guatemala
AID	Agency for International Development, generally referred to as USAID
ASC	American Security Council
BPD	Barrels (of oil) per day.
CABEI	Central American Bank of Economic Integration
CEES	Centro de Estudios Económicos y Sociales (Center for Social-Economic Studies)
CIA	Central Intelligence Agency
CRT	Centro Regional de Telecomunicaciones, later referred to as La Regional.
DOE	Department of Energy (U.S.)
EMDN	Estado Mayor de la Defensa Nacional
EMP	Estado Mayor Presidencial
EPA	Environmental Protection Agency (U.S.)
EXMIBAL	Name for the partnership between the International Nickel Company of Canada (INCO) and U.S.-based M.A. Hanna Mining Company in Guatemala (1960-1980).
FAA	Foreign Assistance Act (U.S.)
FBI	Federal Bureau of Investigation
FDI	Foreign Direct Investment
FMS	Foreign Military Sales
FTN	Franja Transversal del Norte (Northern Transversal Strip)
GOG	Government of Guatemala
GUATEL	Guatemalan telecommunications company
IADB	Inter-American Development Bank, sometimes also referred to as IDB in quoted material

IBEC	International Basic Economy Corporation
IBRD	World Bank's International Bank for Reconstruction and Development
ICA	International Cooperation Administration created in June 1955, transformed into AID/USAID in 1961.
ICJ	International Commission of Jurists
IDB	Inter-American Development Bank, generally referred to as IADB but quoted as IDB in material
IFI	International financial institutions
IFIA	International Financial Institutions Act (U.S.)
IMF	International Monetary Fund
INCO	International Nickel Company of Canada
INDE	Instituto Nacional de Electrificación
ISDCA	International Security and Development Cooperation Act of 1985
MBPD	Million barrels (of oil) per day
MLN	Movimiento de Liberación Nacional (Guatemalan political party)
NACLA	North American Congress on Latin America
NEP	National Energy Plan
NSC	National Security Council
NPC	National Petroleum Council
OAS	Organization of American States
OLADE	Latin American Organization of Energy
OPEC	Organization of the Petroleum Exporting Countries
OPIC	Overseas Private Investment Corporation
OPS	USAID's Office of Public Safety
PAC	Patrullas de Autodefensa Civil, Guatemala's Civil Defense Patrols
PVO	Private Volunteer Organisations

S/LPD	Office of Public Diplomacy for Latin America
TBA	Transportable by anything (patented 'Helihoist' oil equipment)
UFM	Universidad Francisco Marroquín
USAC	University of San Carlos
USAID	United States Agency for International Development, occasionally reduced to AID.
USG	United States Government
WGF	Western Goals Foundation within the ASC.

List of Individuals

Elliot Abrams	Reagan's (second) nomination to head the Bureau of Human Rights, and later Director at Manuel Ayau Cordón's Fundación Marroquín.
Domingo Abularach	Guatemalan businessman and early investor in Guatemalan oil (1932).
Salvador Abularach	Guatemalan businessman and early investor in Guatemalan oil (1932).
Roberto Alejos Arzu	Founder of the Fundacion por la Libertad / Guatemala Freedom Foundation (Fundacion)
Richard Allen	U.S. National Security Advisor in multiple Republican administrations.
Colonel Carlos Arana Osorio	Guatemalan Colonel, and President of Guatemala from 1970-1974.
Jacobo Árbenz	President of Guatemala (1951-1954).
Juan Jose Arévalo	President of Guatemala (1945-1951).
Carlos Castillo Armas	Guatemalan General, and President of Guatemala from 1954-1957.
Bill Armstrong	U.S. Congressman from 1973-1979, and Senator from 1979-1991 (R-CO).
Jack Proby Armstrong	British Chargé d' Affaires in Guatemala and early investor in Guatemalan oil in the 1930s.
Manuel F. Ayau Cordón	Guatemalan oligarch with ties to the extractive industry; held management position with Basic Resources; prominent international proponent for neoliberalism.
Ralph Bailey	Conoco chairman.
Norman Bailey	Director of Planning and Evaluation with the National Security Council.
James Baker	American diplomat; Under Secretary of Commerce (1975-1976), U.S. Treasury Secretary (1985-1988), U.S. Secretary of State (1989-1992), White House Chief of Staff (1981-1985, 1992-1993).

Bryn Benson	Writer for the <i>Conservative Digest</i> .
Robert ‘Bob’ J. Billings	Member of the American ‘New Right’ and the group Moral Majority.
Robert Bishoff	Texaco’s President for Latin America and West Africa.
Robert Blohm	Guatemalan desk officer with the U.S. State Department
Michael Blumenthal	Treasury Secretary during (1977-1979).
Ann Blyberg	Chairman of Amnesty International U.S.A.’s Board of Directors.
John F. Bookout	Shell Oil president.
Stephen Bosworth	American diplomat, Director of Policy Planning, Principal Deputy Assistant Secretary of State for Inter-American Affairs, Deputy Assistant Secretary for Economic Affairs, and Director of the Office of Fuels and Energy.
Bill Bright	American evangelical leader.
Pat Buchannon	American conservative activist.
William H. Carr	American, agent for Amerada Petroleum Company.
Jimmy Carter	U.S. President (1977-1981).
Dick Cheney	Halliburton CEO and U.S. Vice President under George W. Bush (2001-2009).
John Carbaugh	Staffer with Congressman Jesse Helms (R-NC).
Eduardo Carrette	Guatemalan hotelier and oligarch.
Rafael Castillo Valdez	Guatemalan politician and diplomat, Foreign Minister from 1978-1982.
Albin Chalandon	President and CEO of Elf Aquitaine.
John Chalmers	President of the West Central Texas Oil & Gas Association.
Frederick Chapin	American diplomat, U.S. Ambassador to Guatemala.
Lee Christmas	Mercenary and U.S. Consul to Honduras, early investor in Guatemalan oil.

William Clark	American politician, Deputy Secretary of State (1981-1982), National Security Advisor (1981-1982), Secretary of the Interior (1983-1985).
Lt. Colonel Alejandro Contreras	Guatemalan Minister of Hydrocarbons.
Emilio Cordón Mendez	Guatemalan oligarch partnered with Standard Oil of California in 1951.
Manuel J. Cordón	Guatemalan businessman and early investor in Guatemalan oil (1926-1929).
Hilarion Cardozo	Venezuelan Ambassador to the OAS
Joe Coors	American businessman, beer mogul, conservative donor.
J. P. D'Artois	American, agent for Amerada Petroleum Company and advisor to the GOG.
Roberto D'Aubuisson	Salvadoran politician implemented in death squad activity.
Michael Deaver	Partner in Los Angeles-based consulting and public relations firm Deaver & Hannaford, Reagan's Deputy Chief of Staff (1981-1985).
Patricia Derian	American activist and President Carter's Assistant Secretary of State for Human Rights and Humanitarian Affairs.
Charles DiBona	President of the American Petroleum Institute.
Timothy L. Donohoe	Lobbyist for ENSERCH.
John Foster Dulles	U.S. Secretary of State (1953-1959).
Mickey Edwards	U.S. Congressman from 1977-1983 (R-OK).
Dwight D. Eisenhower	U.S. President (1953-1961).
Thomas Enders	American diplomat, Assistant Secretary of State for Inter-American Affairs (1981-1983).
Jerry Falwell	American evangelical leader.
Leonardo Figueroa	Guatemalan Finance Minister
Roger Fontaine	Reagan's Latin American Policy Advisor.

Gerald Ford	U.S. President (1974-1977).
Jose Manuel Fortuny	General Secretary of the Communist Party of Guatemala (PCG).
Charles Gainer Jr.	Texas-based investor in Guatemalan extractives, late-1950s.
Jeffrey Gainer	Member of the American ‘New Right’ and the Heritage Foundation.
Warren Gilles	Manager of Texaco Exploration Guatemala, Inc.
Sir James Goldsmith	Anglo-French businessman, partial and eventual majority owner of Basic Resources.
David Gordon	Head of the World Bank mission to Guatemala following the 1952 Árbenz coup.
Billy Graham	American evangelical leader.
Daniel Graham	American General, Deputy Director of the CIA (1973-1974), Director of the Defense Intelligence Agency (1974-1975/6), Reagan campaign foreign policy advisor, and later active in non-governmental transnational anticommunist organisations like the ASC.
Stanley Greenberg	American political strategist and pollster.
Ángel Aníbal Guevara	Guatemalan general and alleged victor of Guatemala’s fraudulent 1982 elections.
Jesse Helms	Conservative U.S. Senator from 1973-2003 (R-NC).
Alexander Haig	American General, Reagan’s first Secretary of State (1981-1982).
Bow Hakeman	Member of the American ‘New Right’ and the Young Americans for Freedom group.
Nat Hamrick	North Carolina-based lumberman with ties to Congressman Jesse Helms (R-NC).
Kent Hance	U.S. Congressman from 1979-1985 (D-TX).
Tom Harkin	U.S. Congressman from 1975-1985, and Senator from 1985-2015 (D-IA).

Frederich Hayek	Neoliberal architect and affiliate of Manuel Ayau Cordón.
Harold J. Haynes	President of Standard Oil of California.
Jesse Helms	U.S. Senator (R-NC)
Raul Minodo Herrera	Guatemalan oligarch, brother-in-law and affiliate of Manuel Ayau Cordón.
H. L. Hunt	Texas oilman and one of the richest individuals in history.
H. L. Hassie Hunt III	Daughter of H. L. Hunt, co-owner of Hunt Oil.
Margaret Hunt Hill	Daughter of H. L. Hunt, co-owner of Hunt Oil.
Nelson ‘Bunker’ Hunt	Son of H. L. Hunt. American businessman whose investments included oil, horses, and precious metals; conservative donor.
Ray Lee Hunt	Son of H. L. Hunt, executive at Hunt Oil.
William Herbert Hunt	Son of H. L. Hunt, owned several oil companies.
Angel Hurtado Mendoza	Argentine activist and petroleum advisor to the GOG (1948-1949).
Kathryn Imboden	American economist.
Henry Jackson	U.S. Senator (D-WA).
Roger Jepsen	American politician, Senator (R-IA) from 1979-1985.
Lyndon B. Johnson	U.S. President (1963-1969).
Ernest B. Johnston Jr.	Deputy Assistant Secretary for Economic and Business Affairs.
Craig Johnstone	American diplomat, Chief of the Office of Central American Affairs at the State Department (1981-1983)
Fayette A. Jones	Geologic surveyor, employed by the New Mexico School of Mines in Guatemala City.
Jack Kemp	U.S. Congressman from 1971-1979 (R-NY), former professional (American) footballer.
George Kennan	American diplomat; Director of Policy Planning for the State Department (1947-1949), State Department

	Counselor (1949-1950), Ambassador to the Soviet Union (1952) and Yugoslavia (1961-1963). Cold Warrior credited as the architect of ‘containment’.
John F. Kennedy	U.S. President (1961-1963).
Ewing T. Kerr	U.S. District Judge from Cheyenne, WY.
Dick Kline	American oil lobbyist.
Jean J. Kirkpatrick	American political scientist and diplomat, author of the ‘Kirkpatrick Doctrine’.
Henry Kissinger	American National Security Advisor (1969-1975), Secretary of State (1973-1977), and diplomat at large.
Villigran Kramer	Guatemalan Vice President (1978-1980).
Edwin Kyle	U.S. Ambassador to Guatemala (1945-1948).
John LaFalce	U.S. Congressman from 1975-2003 (D-NY).
Ernest Lafever	U.S. political figure nominated (and rejected) to head the Bureau of Human Rights in 1981.
Francisco Latour	Guatemala’s representative at the 1923 International Petroleum Exposition.
Kjell Laugerud García	Guatemalan General and President of Guatemala from 1974-1978.
John Laxalt	Member of the Reagan campaign’s organization Citizens for the Republic, brother to Paul Laxalt.
Paul Laxalt	Governor of Nevada (1967-1971), U.S. Senator (R-NV, 1974-1987), brother to John Laxalt
Jim Leach	U.S. Congressman from 1977-2007 (D-IA).
David Leahy	Shenandoah Oil’s chief engineer in Guatemala.
Marvin Leath	U.S. Congressman from 1979-1991 (D-TX).
Ken Ledet	Parker Drilling Company’s Contract Manager for the Western Hemisphere and Director of Parker’s Guatemalan operation.
Richmond Levering	New York-based oilman and early investor in Guatemalan

Melvyn Levitsky	American diplomat, Deputy Assistant Secretary of State for Human Rights and Humanitarian Affairs (1982-1983).
John Longan	U.S. OPS advisor in Guatemala at the onset of the civil war, established first death squads.
Fernando Romeo Lucas García	Guatemalan General and President of Guatemala from 1978-1982.
Juan Maegli	Director of Guatemalan business organisation Amigos del País.
Thomas Mann	American diplomat centred on Latin America, author of the Mann Doctrine and Mann Memo.
Julio Matheu Dúchez	Guatemalan Economic Minister.
Edwin 'Ed' Meese	Conservative American attorney and political appointee affiliated with Reagan's gubernatorial Administration, and Presidential campaign and Administration; Counselor to the President (1981-1985), U.S. Attorney General (1985-1988).
William McCord	Chairman of ENSERCH.
Óscar Humberto Mejía Víctores	Guatemalan General and President of Guatemala from 1983-1986.
Jose Mendez Zebadua	Guatemalan Director General of Mining and Director of the National Petroleum Institute of Guatemala.
Robert Merrick	American businessman in Guatemala.
Roy Merrit	John Foster Dulles' advisor for oil affairs (1950s).
Bill Middendorf	American diplomat; U.S. Ambassador to the OAS 1981-1985, Ambassador to the European Union (1985-1987).
C. John Miller	President of the Independent Petroleum Association of America
Alejandro Moldonado Aguirre	Presidential candidate and undeclared winner of Guatemala's fraudulent 1982 elections.
Hector Israel Montalván	Guatemalan Colonel and Lucas' Chief of Staff.
John M. Murphy	U.S. Congressman from 1963-1981 (D-NY).

Allan Nairn	American journalist researching clandestine diplomacy between American conservatives, the GOG, and the Guatemalan right.
Craig Nalen	Reagan-appointed director of OPIC.
Carlos Enrique Nanne Sinbaldi	Guatemalan businessman and early investor in Guatemalan oil (1930s)
Alfred W. Naurocki	U.S. OPS advisor in Guatemala, oversaw the integration of communications under the counterinsurgency umbrella in the 1960s.
Richard Nixon	Vice President in the Dwight Eisenhower administration, President of the U.S. (1969-1974)
Enrique Novella	One of Basic Resources' first directors.
Julio Monto Novella	Guatemalan General Director of Mines and Hydrocarbons in the 1960s.
Mary Rose Oakar	U.S. Congresswoman from 1977-1993 (D-OH).
Frank Ortiz	American diplomat, Ambassador to Guatemala.
William S. Paley	American, author of the Paley Commission.
John D. Park	American oilman, founder of Basic Resources.
G.C. Parker	Founder of Parker Drilling Company, father of Robert Parker Sr.
Keith Parker	Vice President of Bank of America's Guatemala division.
Robert Parker Sr.	American oilman; owner of Parker Drilling Co.; Chair of Reagan's Energy Policy Task Force.
Jerry Patterson	U.S. Congressman from 1975-1985 (D-CA).
Richard C. Patterson Jr.	U.S. Ambassador to Yugoslavia (1944-1946) and Guatemala (1948-1951), creator of the 'duck test' for identifying alleged communists.
Bob Perry	Texas-based construction magnate and conservative donor.
Larry Pezzullo	American diplomat; U.S. Ambassador to Uruguay (1977-1979) and Nicaragua (1979-1981).

Howard Philips	Conservative activist, key member of the American ‘New Right’ and member of the American Conservative Union.
Jack Pierney	Member of the American ‘New Right’ and the Young Americans for Freedom group.
Georges Pompidou	Conservative French President, 1969-1974.
Robert W. Purcell	Rockefeller affiliate and President of Basic Resources (1970s)
Colonel Arturo Ramirez	Guatemalan Colonel and right-wing subversive active in U.S.-backed coup to remove Guatemalan President Jacobo Árbenz in 1954.
Ronald Reagan	U.S. President (1981-1989).
Otto Reich	Cuban-American diplomat and lobbyist; ran S/LPD (1983-1986), U.S. Ambassador to Venezuela (1986-1989), Assistant Secretary of State for Western Hemisphere Affairs (2002-2004).
Efraín Ríos Montt	Guatemalan General and President of Guatemala from 1982-1983.
Pat Robertson	American evangelical leader.
John D. Rockefeller	American oilman; co-founder, chairman, and majority shareholder of Standard Oil of New Jersey.
Ernesto Rodríguez Briones	Guatemalan oligarch; held management position with Basic Resources
Dan Rostenkowski	U.S. Congressman from 1955-1995 (D-IL).
Mario Sandoval Alarcón	Guatemalan Vice President (1974-1978) and high-ranking death squad magnate, presidential candidate in 1982.
Alfonso Sapia-Bosch	American, National Security Council member in the Reagan years.
George Schultz	U.S. businessperson, Secretary of State (1982-1989)
Fred Sherwood	President of the American Chamber of Commerce in Guatemala.
Candace ‘Candy’ Shy	Staffer in Congressman Charlie Wilson’s office and later executive with the ENSERCH energy corporation.

General John Singlaub	American General, later active in non-governmental transnational anticommunist organisations.
Story J. Sloane II	American oilman active in Guatemala in the late 1950s; oil photographer.
Anastasio Somoza Debayle	Nicaraguan dictator and known human rights-abuser.
Richard B. Stone	U.S. Senator (D-FL) from 1975-1980; American diplomat and lawyer; lobbyist for the GOG (1981-1982).
General Gordon Sumner	American general and conservative, member of the Council for Inter-American Security.
Lewis Tambs	Conservative American diplomat, Santa Fe Committee member, NSC consultant (1981-1982), Ambassador to Colombia (1983-1985) and Costa Rica (1985-1987).
Arthur Temple Jr.	President of Southern Pine Lumber Company of Texarkana and Diboll, owner of Temple-Eastex Inc. timber and millwork operation, largest shareholder of <i>Time</i> magazine, longtime financial supporter of Congressman Charlie Wilson.
Arthur ‘Buddy’ Temple III	Son of Arthur Temple Jr. and friend of Congressman Charlie Wilson.
Donald C. Templeman	Finance Director with the Office of Developing Nations
Max Weston Thornburg	American oilman and diplomat active in U.S.-Guatemalan petro-diplomacy; Chief Engineer for John D. Rockefeller/Standard Oil of New Jersey, Petroleum Advisor and Special Asst. to Undersecretary of State during WWII, later advisor to Iran’s Shah Rhexa.
John C. Trotter	American businessman and subversive in Guatemala.
Harry S. Truman	U.S. President (1945-1953).
Jorge Ubico Castañeda	Guatemalan General and President of Guatemala from 1931-1944.
Viron Vaky	American diplomat.
Humberto Veliz Gonzalez	Guatemalan Associate Chief of Mining and Sub-Director of the National Petroleum Institute of Guatemala.
Jorge Rafael Videla	President of Argentina (1976-1981).

Roberto Eduardo Viola	President of Argentina (1981).
Edward J. Walsh	American journalist.
General Vernon Walters	American General and diplomat; Reagan and Haig's special emissary and ambassador-at-large; consultant for Basic Resources in Guatemala.
James Watt	Conservative American lobbyist and attorney, Reagan's Secretary of the Interior (1981-1983).
Lionel Weidey	Representative for Rockefeller/Standard Oil of New Jersey.
Rudy Weissenberg Martínez	Guatemalan oligarch active in the oil industry in the 1960s and 1970s; held management position with Basic Resources.
Jaime Allan Willard Durán	Oil concession-holder in Guatemala.
Charles 'Charlie' Wilson	U.S. Congressman from 1973-1996 (D-TX).
Woodrow Wilson	U.S. President (1913-1921).
Paul Wolfowitz	American politician and diplomat. Director of Policy Planning (1981-1982); Assistant Secretary of State for East Asian and Pacific Affairs (1982-1986); U.S. Ambassador to Indonesia (1986-1989); Undersecretary of Defense for Policy (1989-1993); Deputy Secretary of Defense (2001-2005); World Bank Group President (2005-2007).
Jim Wright	U.S. Congressman from 1955-1989 (D-TX).
Miguel Ydígoras Fuentes	Guatemalan General and President of Guatemala from 1958-1963.

Introduction

Guatemala does not produce much oil at present, although for much of the twentieth-century it was believed that Guatemalan soil contained a cache of hydrocarbon wealth. It should come as no surprise then that Guatemala's hydrocarbon potential fell under the crosshairs of Washington's growing twentieth-century appetite for oil under the auspices of America's Cold War political economy of national security and national interest. Access to Guatemala's untapped reserves became a contentious point of U.S.-Guatemalan diplomacy, manifesting in push and pull between Guatemalan resource sovereignty and American hegemony that played out over Guatemala's hydrocarbon legislation for decades before oil was even discovered and exploited in the 1970s. Guatemala's hydrocarbon sector was ultimately liberalised in 1983 and remains as such at present; the petro-diplomacy leading towards liberalisation became entangled in the human rights crisis and foreign assistance diplomacy that dominated bilateral relations during peak violence in the Guatemalan civil war in the late 1970s and early 1980s, and had long-lasting implications for the trajectory of U.S. policy at large.

American oilmen and diplomats frothed at the prospect of Guatemalan oil from its conception in the early twentieth-century, but logistical challenges and subsequent costs limited exploration to sporadic ventures of nominal success up to the 1970s. Guatemalan oil remained an idea, a distant possibility, but changes in the political economy of both global energy resources and U.S. Cold War national security and interest exalted the value of Guatemala's hydrocarbon potential. Whatever oil may or may not have been in the ground became a coveted resource and a matter of U.S. national security and interest. Guatemala became Central America's first oil-exporting state when commercially viable oil was finally discovered in the mid-1970s. The international optimism over Guatemala's hydrocarbon potential escalated to sensationalism in the midst of both global oil crises and adjacent discoveries in Mexico. Guatemala, it was believed, was en route to becoming not only energy-independent, but a top-tier global energy exporter. Major oil companies flocked to Guatemala, and exploration peaked in the late 1970s and into the early 1980s. Exploration and related industry activity generated more violence than oil—there was oil in the ground, but it was neither abundant nor great quality, and it was increasingly costly to access as the market conditions shifted unfavourably. Guatemala's hydrocarbon potential and investment tapered abruptly, and by the mid-1980s Guatemalan oil held more value to American Cold

Warriors as a zero-sum commodity than it did to potential investors. The climax of Guatemala's hydrocarbon potential was rather anticlimactic.

The climax of Guatemalan hydrocarbon legislation is considerably more eventful. The legislation governing the terms of exploration, extraction and exploitation of Guatemalan oil was heavily contested throughout the century. The history of Guatemalan hydrocarbon legislation is one of petro-diplomacy, a push and pull between Guatemalan resources sovereignty on the one hand, and American imperialism and hegemony on the other, the sum of which is emblematic of and consistent with political developments in both nations. Guatemalan hydrocarbon legislation oscillated between liberalisation at the behest of oligarchs, foreign investors and the U.S. government, and protectionism initiated by nationalists and anti-imperialists from both Guatemala's political right and left, albeit at different times, for different reasons, and never in unison. When sensationalism over Guatemalan oil was building, the government of Guatemala (GOG) took legislative measures to ensure that Guatemalan oil would work for Guatemalans, much to the chagrin of Guatemala's business class, foreign investors and their American diplomatic advocates. When Guatemala's hydrocarbon potential joined the Guatemalan economy in rapid decline, the GOG was willing to concede resource sovereignty for a financial lifeline. The liberalisation of Guatemalan hydrocarbon legislation and the yielding of sub-par oilfield access to foreign capital might seem inevitable and just as anticlimactic as the disappointing fields themselves, if not for the turbulent political context and cast of characters engaged in petro-diplomacy at that time. In the absence of a thriving oil industry at present, scholars across multiple fields have either forgotten or have been disinclined to consider the depth and significance of these events—this thesis aspires to rectify this deficit.

Peaking international interest in and exploration of Guatemalan oil coincided with peaking violence in Guatemala's brutal thirty-six-year civil war (1960-1996). The conflict was made possible by the U.S.-led *golpe* that drove democratically elected reformist Guatemalan President Jacobo Árbenz from office in 1954, terminating the brief democratic spring that had reigned in Guatemala's hydrocarbon legislation and other industrial and agricultural sectors from foreign exploitation. Regime change was rationalised under the auspices of U.S. national security, anticommunism, and, ironically, the alleged American Cold War mission of promoting and preserving democracy. Guatemala's repressive post-*golpe* Cold War counterinsurgency state was forged with Washington's financial, ideological, and logistical

assistance,¹ and thereafter U.S. and international economic, development, and military/security assistance both entrenched Guatemala's military-oligarch complex and exacerbated the very socioeconomic conditions that drove anti-government mobilization during the civil war.² The conflict created over one million migrants and claimed the lives of about two hundred thousand individuals, of which about 93 percent are attributed to state forces; communal massacres, cultural destruction, disappearances, torture, sexual assault, and violence against children became pervasive tactics of state terror, and periods of peak violence met the criteria for genocide.³

Although Washington had ostensibly created the Guatemalan counterinsurgency monster,⁴ bilateral relations soured over Guatemala's human rights record in the mid-1970s. There is a direct correlation between rural state-led violence and displacement that took place throughout much of the 1970s and the military GOG's ambitious large-scale energy and

¹ Susanne Jonas defines the counterinsurgency state as 'a particular form of the counterrevolutionary state, a variant of the bourgeois state in Latin America, that combines the traditional authoritarian-oligarchical state with the institutionalized apparatus created and imposed by the United States in the 1960s to prevent "another Cuba." As such, it is a historically specific response to the challenge from revolutionary movements since the 1960s'. Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads, and U.S. Power* (San Francisco, CA: Westview Press, 1991), 57-58, 69-71, 115-123, quoted material located on 116-117.

² Walter LaFeber describes this *status quo* entrenchment in Central America as 'neodependency'. Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (New York: W.W. Norton & Co., 2nd edn., 1993), 17-18, and supported et passim.

³ Guatemala's two truth commissions are the gold standard for civil war violence. See Commission for Historical Clarification (CEH), *Guatemala: Memory of Silence* (February 1999); Archdiocese of Guatemala, Human Rights Office (ODHAG), *Guatemala, Never Again! Recovery of Historical Memory Project (REMHI) - The Official Report of the Human Rights Office of the Archdiocese of Guatemala* (Maryknoll, N.Y: Orbis Books, 1999), herein cited as solely as *REMHI*. The former is the official commission, but the latter project undertaken by the Archdiocese is more expansive.

⁴ A 1966 State Department report from the Director of Intelligence and Research cautioned of 'over-zealous clandestine counter-insurgent activities by the security forces and their associates', including 'kidnappings, torture, and summary executions' of civilians, although Washington persisted. See United States Department of State, Secret Intelligence Note, Thomas L. Hughes to Secretary of State, 23 October 1967, 'Guatemala: A Counter-Insurgency Running Wild?', Document 4, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc04.pdf>, (accessed 12 January 2022). After serving as Deputy Chief of Mission in Guatemala from 1964-1968, future Assistant Secretary of State for Inter-American Affairs (during the Carter administration) Viron Vaky acknowledged the barbarity in Guatemalan 'counter-terror' and suggested that, despite condemnation of these methods in the public sphere, Washington's assistance 'may even in effect have encouraged or blessed it'. See United States Department of State, Secret Memorandum, Oliver to Viron Vaky, 29 March 1968, 'Guatemala and Counter-terror', Document 5, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc05.pdf>, (accessed 12 January 2022); also available in within the Foreign Relations of the United States (FRUS) series, see United States Office of the Historian, Foreign Relations of the United States, 1964-1968, Volume XXXI: South and Central America: Mexico: Central America: 1969-1972, 'Document 102: Memorandum From Viron P. Vaky of the Policy Planning Council to the Assistant Secretary of State for Inter-American Affairs (Oliver), March 29, 1968', <https://history.state.gov/historicaldocuments/frus1964-68v31/d102>, (accessed 12 January 2022).

development initiatives, especially hydrocarbons.⁵ The American foreign policy landscape had shifted as a rights-minded Congress introduced human rights provisions to foreign assistance legislation, and the Carter administration committed to include human rights at the centre of U.S. foreign policy. Washington was mildly critical of Guatemala's human rights performance, but the GOG was dismayed and disgruntled by Washington's inconsistency. The GOG was unreceptive to American criticism and unwilling to curtail the intensity of their counterinsurgency war, and they were wary of infringements on Guatemalan sovereignty. As such, the GOG rejected avenues of U.S. economic and military assistance contingent on human rights compliance. Some, but not all, avenues of U.S. economic and military assistance were then terminated in the spirit of human rights provisions in foreign assistance legislation. The split was mutual.

American conservatives and the Reagan presidential campaign extended solidarity with the GOG. Prominent American Cold Warrior and Reagan campaign affiliate General Vernon Walters visited Guatemala in the employ of transnational oil firm Basic Resources, flanked by waves of unsanctioned American conservative delegations, to engage in quid pro quo petro-diplomacy with the GOG. Against the grain of Carter's human rights agenda, Walters' colleagues in the Reagan campaign took part in said delegations, wherein they expressed familiar anticommunist solidarity and assured the Guatemalan leadership that a potential and later forthcoming Reagan administration would mute human rights criticism and normalise relations with the rights-abusing GOG. Walters simultaneously lobbied the GOG for advantageous extractive terms in a climate of quid pro quo—aid for oil—and all parties delivered on their promises. Walters' petro-diplomacy and the meetings between conservative delegations and the GOG laid the foundation for Reagan's Guatemalan policy, although the former is rarely acknowledged, let alone credited, in the relevant literature.

The Reagan administration charted an initial foreign policy course of heightened Cold War antagonism that centred on national security, and that was dismissive of human rights. Reagan sought to normalise diplomatic and aid relations with Latin America's anticommunist right-wing pariahs, and he wished to support the GOG with financial and material assistance. The Reagan White House initially extended olive branches of overt and misappropriated aid

⁵ Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24 (1999), 57-91.

to the GOG, and supplied clandestine military support as well, flanked by third-party arms diplomacy from anticommunist allies. Rights-minded congressional factions and human rights provisions in foreign assistance legislation obstructed the aiding and arming of gross human rights violators, including Guatemala, but the Reagan administration responded by subverting and/or circumventing human rights institutions, processes, and discourse, the sum of which ultimately redirected, and left a lasting impact on, the trajectory of U.S. human rights policy. The administration tactically forged a pseudo-human rights framework that supported Reagan's pre-existing foreign policy initiatives—Reagan did not pursue human rights until he had redefined them, and even then inconsistently so. Democracy was at the fore of the administration's alleged human rights framework, but in Guatemala and elsewhere Reagan was comfortable with fraudulent elections and coups that produced or sustained anticommunist leadership. When favoured regimes' bloodletting garnered bad press, the neoconservative machine applied public relations and marketing strategists to rebrand right-wing pariahs and craft alternative narratives that enabled the administration to circumvent human rights legislation under the auspices of executive discretion—such was the case with Guatemalan leadership and rights abuses. These alternative narratives were supported by the Bureau of Human Rights and Humanitarian Affairs, which under Reagan's leadership was reduced to a rubber stamp for the administration's foreign policy objectives. As the administration grappled for congressional approval, multiple forms of American and international assistance were distributed to the GOG under development and humanitarian pretexts, and much of that assistance was misappropriated for military initiatives. Not only did Reagan support undemocratic Guatemalan leadership, but the administration supported and vocally defended the GOG during a literal genocide as U.S. and U.S.-backed international assistance contributed to ongoing human rights violations at the time. The administration's efforts to aid and arm the GOG cast a dark shadow on Reagan's alleged commitment to human rights, and had a significant and lasting impact on the incorporation of human rights into U.S. foreign policy and the trajectory of U.S. foreign assistance legislation and practice.

Reagan's domestic energy platform was forged with the proximal assistance of oilman Robert Parker Sr., owner of Parker Drilling Co., then the world's most advanced and well-travelled exploratory drilling contractor. At the time of Reagan's inauguration—which coincided with peak optimism and activity in Guatemala—Parker Drilling Co. was carrying out exploratory work on Texaco's prime Guatemalan concession, the successes of which made international

headlines. Parker was Reagan's first choice to run the Department of Energy (DOE), although he declined the offer so as not to part with his private sector engagements. He was instead appointed chair of Reagan's Energy Policy Task Force, a position that did not require Parker to part with his company. Parker's significance is evidenced throughout domestic and foreign policy transformations in the 1980s. The political climate and precarity of Parker and Texaco's Guatemalan venture prompted the modification of American investment institutions to accommodate hydrocarbon investments in unstable developing countries, and Parker played a key role turning Reagan's deregulatory ambitions into reality, which, ironically and unintentionally, created market conditions in the United States that led small and medium sized domestic drilling operations to seek better legislative access to Guatemalan oil *after* the optimism in Guatemala's hydrocarbon had started to decline.

Through Parker, Reagan's proximity to Guatemalan oil could not have been more intimate, and the relationship influenced several policy decisions. The intimacy of the relationship is reflected in changes made to the American Overseas Private Investment Corporation (OPIC), a nationally funded insurance for U.S. investments abroad that could offset challenges faced by Texaco and similar operations conducting business in turbulent countries like Guatemala. The changes were much sought and appreciated by the GOG and the oil industry on the whole, as they made precarious investment conditions more palatable, so much so that the oil industry's OPIC participation increased exponentially. The significance of the Parker-Reagan relationship is further evident in the Reagan administration's waning interest in Guatemalan affairs. Parker's successes, failures, and withdrawal from Guatemala were the bellwether for the spike and decline in international optimism over Guatemala's hydrocarbon potential. Of the competing theories as to why Reagan's interest in Guatemalan affairs tempered by the end of his first term, none account for or can refute that Reagan's interest in Guatemala did not decline until after Parker's withdrawal, for none acknowledge Parker at all. It would be an exercise in naivety to presume that Reagan would lose interest in a global energy-exporting powerhouse waging a civil war against a Marxist insurgency in America's 'back yard'. In spite of these points, the Reagan-Parker relationship has been off the historiographic radar.

Guatemala's hydrocarbon future grew dimmer by the day in 1982. Major oil companies and consortiums active in Guatemala fulfilled their contractual obligations over the next few years, but by 1982 they started to look to greener pastures while international disinterest in

future Guatemalan pursuits set in. Major oil companies were increasingly disinterested in Guatemalan oil, and the protectionist hydrocarbon legislation in place presented barriers to entry for small and medium-sized oil companies. Oil revenues were much desired, and with the Guatemalan economy in rapid decline, factions within the GOG concluded that liberalising Guatemala's hydrocarbon legislation to seduce foreign investment was needed. The sovereignty-minded nationalists needed reassuring, and that reassurance came from quid pro quo—liberalised access to Guatemalan oil was worth American economic and military support.

Human rights conditions in Guatemala were so abhorrent that providing congressionally-approved assistance, military or otherwise, was an unpopular and extremely difficult task. High-profile Democratic Congressman Charles 'Charlie' Wilson (D-TX) had no such qualms. An outspoken Cold Warrior, Wilson had a record of supporting anticommunist regimes. As a member of the House Appropriations Committee, and therein the House Appropriations Subcommittee on Defense, Wilson was gatekeeper and financier for clandestine intelligence operations and right-wing factions. The political economy of Charlie Wilson includes his business-friendly relationship with Nicaragua's Somoza regime and his clandestine support for the Afghan mujahideen. Wilson's legacy finds him more often than not on the wrong side of history, but his petro-diplomacy with the GOG tops that list.

Charlie Wilson hailed from Texas' 2nd Congressional District, where he represented a plethora of oil interests, including exploratory firms, refineries, and manufacturers of hydrocarbon industry equipment. Outside the 2nd, Wilson was the darling of the oil industry large and small across Texas and at the national level. When the domestic industry struggled in 1982, due in part to Reagan and Parker's reforms, the industry looked to Wilson for answers. So too did the financially desperate GOG, who invited Wilson to visit Guatemala in the summer of 1982 in the midst of a genocide. The match was perfect—Wilson had no qualms about dishonesty or anticommunist state terror, and his constituent industries were in need of opportunities; the GOG was in need of oil revenues, U.S. assistance, and a boost towards improving their image abroad. If there was anyone in Congress that could, or would, channel funds to pariahs with a smile and an alibi, it was Charlie Wilson. Both parties attempted to follow through on their agreements. Wilson returned to the United States and bolstered the GOG in the press, on television and on the hill, and in slightly over a year the GOG liberalised its hydrocarbon legislation consistent with Wilson's recommendations, although

by that time Wilson had masterminded other solutions to domestic oil's challenges and Guatemalan reserves were no longer needed.

Wilson's Guatemalan diplomacy serves as an intersectional conduit between oil, aid and human rights. Within weeks of his return, he testified before a congressional subcommittee to determine Guatemala's eligibility to receive an \$18 million Inter-American Development Bank package. These funds were, purportedly, to improve Guatemala's rural telecommunications abilities, but military misappropriation was inevitable as public telecommunications were enmeshed in intelligence-gathering and counterinsurgency, and nearly all the international funds headed to the countryside were to some extent connected to the GOG's development poles, model villages and broader pacification scheme, which itself was a fundamental stage of the GOG's genocidal push in the highlands. Guatemala's eligibility was challenged by rights-minded congressional factions because of ongoing international reports of immense human suffering—gross human rights violations—at the hands of state forces. Reagan and the State Department championed the Guatemalan regime as having made human rights improvements, and Wilson echoed the party line, but Congress felt differently on the matter. The hearing would be of little consequence if Reagan had not disregarded the will of Congress and moved forward with the package, which in turn triggered a landslide procession of oscillating foreign assistance legislation modifications, a push and pull between executive and congressional authority to determine states' eligibility for foreign assistance when human rights were called into question. Executive discretion won the day, and this episode proved a critical moment in the Reagan administration's ongoing disregard for human rights provisions in foreign assistance legislation that ultimately rendered them useless by the end of his tenure.⁶

Guatemala's hydrocarbon sector fell exponentially short of expectations by the mid-1980s, but the push to liberalise Guatemalan hydrocarbon was part of something bigger.

⁶ For a detailed appraisal of Reagan's circumventions and evasions of human rights provisions in foreign assistance legislation regarding Guatemala, see Tanya Broder and Bernard D. Lambek, 'Military Aid to Guatemala: The Failure of Human Rights Legislation', *Yale Journal of International Law* 13 (1988), 111-145. For the decline of human rights provisions in foreign assistance legislation—specifically Section 502b of the Foreign Assistance Act, see John Ramming Chappell, 'The Rise and Fall of Section 502B' *Northwestern Journal of Human Rights* 21, no. 1 (Winter 2023), 1-40, <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1250&context=njihr>, (accessed 23 October 2023). Rights specialist and political scientist David P. Forsythe saw the writing on the wall in the mid-1980s; see David P. Forsythe, *Human Rights and U.S. Foreign Policy: Congress Reconsidered* (Gainesville, FL: University of Florida Press, 2nd printing, 1989), 51-79.

Liberalisation was used as a bargaining chip to stimulate investment and garner U.S. assistance to keep the genocidal regime afloat. Reagan, Wilson, and, categorically, the United States backed the GOG during heightened brutality of the Guatemalan civil war, which was arguably the most abhorrent stretch of inhumanity in Latin America's Cold War.⁷ This project is thus not a one-dimensional neoliberal shakedown narrative of imperialistic predator imposing upon its resource-cursed prey.⁸ In what started as an oil history, pulling the threads of petro-diplomacy and the political economy of liberalisation revealed multiple dimensions of the reciprocal and transformative nature of the imperialist relationship. Aid for oil was a simple-enough proposition, but that aid was not forthcoming due to human rights violations in Guatemala, human rights provisions in U.S. foreign assistance legislation and rights-minded congressional opposition. Reagan's attempts to aid the GOG included precedent-setting challenges to, and subversions and circumnavigations of, these obstacles, the sum of which profoundly shaped the trajectory of U.S. human rights and foreign assistance policy and institutions, and ultimately dealt a slow-death blow to human rights provisions in foreign assistance legislation. Towards liberalisation then, this project considers not only the liberalisation of Guatemala's hydrocarbon sector through modifications to Guatemalan hydrocarbon legislation, but also critical moments in the liberalisation of U.S. human rights and foreign assistance policy at large.

Historiography

Guatemala's small hydrocarbon sector is unsurprisingly matched by nominal representation in relevant energy literature. Guatemala is absent from the pages of global oil histories like Yergin's *The Prize* or Auzanneau's more recent *Oil, Power, and War*,⁹ and it is equally elusive in hemispheric literature, appearing only in passing in Latin America's dated but most current oil survey, Philip's *Oil and Politics in Latin America: Nationalist Movements and State*

⁷ 'Guatemala boasted the largest magnitude of human rights violations in the hemisphere'. See Sikkink 158-159, quoted material on 159.

⁸ For a concise summary of the 'resource curse' academic paradigm and its shortcomings, see John-Andrew McNeish and Axel Borchgrevink. 'Introduction: Recovering Power from Energy', in: J. A. McNeish, A. Borchgrevink, and O. Logan (eds) *Contested Powers: The Politics of Energy and Development in Latin America* (London: Zed Books, 2015), 5-6.

⁹ In order of mention: Daniel Yergin, *The Prize: The Epic Quest for Oil, Money & Power* (New York: Free Press, revised edn. 2008); Matthieu Auzanneau, *Oil, Power, and War: A Dark History* (White River Junction, VT: Chelsea Green Publishing, 2018).

Companies.¹⁰ Despite being an upstream producer, Guatemala is strangely omitted from Fresco and Pereira's otherwise-comprehensive 2015 handbook *Latin American Upstream Oil and Gas: A Practical Guide to the Law and Regulation*.¹¹ Bucheli's otherwise-thorough historiography of Latin American oil (2010) makes mention of neither the small body of literature on Guatemalan oil nor the deficit in scholarship.¹² It is as if Guatemalan oil does not exist.

Oil historians can be forgiven for this oversight because Guatemalan oil ostensibly did not exist prior to the mid-1970s, but Guatemala's hydrocarbon potential did exist, and it carries a rich history of having been coveted, pursued and defended throughout its lifetime. If the first six decades of Guatemalan hydrocarbon potential are not deserving of an oil history, they are deserving of a political one, a task that few contemporary scholars have undertaken.

Revisionist scholars, investigative journalists and activists in Central America kept tabs on the political economy of inter-American imperialism and state violence in the 1970s and 1980s, and they exposed the relationship between Guatemalan development, corruption and power, and state-led violence and dislocation through progressive outlets like the *North American Congress on Latin America (NACLA)*, *Multinational Monitor*, *Cultural Survival Quarterly*, *Grove Press* and the Inter-Hemispheric Education Resource Center.¹³ A small

¹⁰ George Philip, *Oil and Politics in Latin America: Nationalist Movements and State Companies* (Cambridge: Cambridge University Press, 1982), 45, 146, 159. Guatemala is also absent from John Wirth's (ed.) *The Oil Business in Latin America: The Early Years* (Washington, D.C.: Beard Books, 1985), the scope of which tapers off in the mid-twentieth-century prior to the discovery of commercially viable oil in Guatemala.

¹¹ Fernando Fresco and Eduardo G. Pereira (eds), *Latin American Upstream Oil and Gas: A Practical Guide to the Law and Regulation* (London: Globe Business Publishing, 2015).

¹² Mario Bucheli, 'Major Trends in the Historiography of the Latin American Oil Industry', *Business History Review*, 84 (Summer 2010), 339-362.

¹³ See Gabriel Aguilera Peralta, 'The Massacre at Panzos and Capitalist Development in Guatemala', *Monthly Review* 31, no. 7 (December 1979), 13-23; Tom Barry and Deb Preusch, *The Central American Fact Book* (New York: Grove Press, 1986); Tom Barry and Deb Preusch, *The Soft War: The Uses & Abuses of U.S. Economic Aid in Central America* (New York: Grove Press, 1988); Tom Barry, Beth Wood, and Deb Preusch, *Dollars & Dictators: A Guide to Central America* (Albuquerque, NM: The Resource Center, 1982); Susanne Jonas and David Tobis (eds), *Guatemala* (New York: North American Congress on Latin America / NACLA, 2nd edition/printing 1981), Beatriz Manz, 'Refugees - Guatemalan Troops Clear Peten for Oil Exploration', *Cultural Survival Quarterly* 5, no. 3 (September/Fall 1981), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/refugees-guatemalan-troops-clear-peten-oil-exploration>, (accessed 2 August 2021); Allan Nairn, 'Guatemala: The Region's Blue Chip Investment, Thanks to a Special Relationship Between the Ruling Elite and Multinationals', *Multinational Monitor* 2, no. 5 (May 1981), <https://www.multinationalmonitor.org/hyper/issues/1981/05/nairn.html>, (accessed 20 February 2021); Nancy Peckenham, 'Guatemala: Peasants Lose Out in Scramble for Oil Wealth', *Multinational Monitor* 2, no. 5 (May 1981), <https://multinationalmonitor.org/hyper/issues/1981/05/peckenham.html> (accessed 16 August 2020); Nancy Peckenham, 'Land Settlement in the Petén', *Latin American Perspectives* 7, no. 2/3 (1980), 169-177; Norman B. Schwartz, 'Colonization of Northern Guatemala: The Petén', *Journal of Anthropological Research*, 43 (1987), 163-183; Davis Shelton, 'The Social Consequences of "Development" Aid in Guatemala', *Cultural Survival Quarterly* 7, no. 1 (March 1983), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/social-consequences-development-aid-guatemala>, (accessed 15 August 2020). See peripheral

body of research carried on in this tradition after the Cold War and Guatemalan civil war concluded, from which three scholars both inform this project's foundation and shape the direction of inquiry thereafter.¹⁴

Terrance Kading (1999) examined the relationship between state-supported development initiatives and Guatemalan state violence in the 1970s and early 1980s. Par for works on the subject, Kading's appraisal of international optimism in Guatemalan hydrocarbon development is light on U.S. interest and petro-diplomacy. If not for its obscurity, Kading's work would be somewhat controversial insofar as he argued that, despite the GOG's ardent and vocal commitment to anticommunist counterinsurgency, rural violence and displacement was driven primarily by state-led energy and industrial development initiatives.¹⁵ Kading's argument runs against a prevailing consensus that counterinsurgency was politically motivated, and while none can deny the correlation between development and violence, a wave of historical memory projects, archival research, and legislative rulings have concluded that the GOG crossed the threshold for genocidal intent.¹⁶ Kading's thesis, however, is not unfounded, and by examining U.S. interests this project highlights the ways in which political and economic motivations were not mutually exclusive, but rather complementary—American economic interests were quite politically motivated, and vice versa.

Preeminent Guatemalan extractive scholar Luis Solano has produced a small pool of literature on Guatemalan development in relation to oligarchic, transnational, and imperial power.¹⁷ Solano's seminal *Guatemala petróleo y minería en las entrañas del poder* carries the

commentary in Graham Hancock, *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business* (New York: Atlantic Monthly Press, 1989).

¹⁴ In addition to the three, see broader works on the relationship between violence, corruption and development Matt Pacenza, 'A People Damned: The Chixoy Dam, Guatemalan Massacres, and the World Bank', *Multinational Monitor*, 17 (1996), <https://www.multinationalmonitor.org/hyper/issues/1981/05/nairn.html> (accessed 10 November 2020); William I. Robinson, 'Neoliberalism, the Global Elite, and the Guatemalan Transition: A Critical Macrosocial Analysis', *Journal of Interamerican Studies and World Affairs* 42 (2000), 89-107.

¹⁵ Kading, 'The Economics of *La Violencia*', 57-91.

¹⁶ Truth commissions and literature towards the determination of genocide, see CEH, *Guatemala: Memory of Silence*; Kate Doyle (ed.), 'U.S. Policy and the Dictator, General Efraín Ríos Montt – "a man of great personal integrity and commitment"', 10 May 2018, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, <https://nsarchive.gwu.edu/briefing-book/guatemala/2018-05-10/guatemala-genocide-ruling-five-years-later>, (accessed 29 February 2022); Elizabeth Oglesby and Diane M. Nelson (eds), *Guatemala, the Question of Genocide* (London: Routledge, 2018); *REMHI*.

¹⁷ See Luis Solano, 'Development and/as Dispossession: Elite Networks and Extractive Industry in the Franja Transversal del Norte', in: C. McAllister and D. M. Nelson (eds) *War by Other Means: Aftermath in Post-Genocide Guatemala* (Durham, NC: Duke University Press, 2013), 119-142; Luis Solano, *Guatemala petróleo y minería en las entrañas del poder* (Guatemala City: Inforpress Centroamericana, 2005); Luis Solano, 'Under

revisionist torch to the political economy of hydrocarbon development and petro-diplomacy;¹⁸ it is the only comprehensive account of Guatemalan oil, and there is no comparable narrative in the English language. Fifteen years on, Virgilio Reyes contributed to the narrative with his limited but diligent research on the militarisation of Guatemalan hydrocarbon extraction and the exploitative legacy of state oil concessions throughout the civil war and to the present.¹⁹ These aforementioned works are Guatemalan-centred, and they lend towards a framework cognisant of Guatemalan resource sovereignty from which this project proceeds. This project builds on synthesis then, drawing largely from the primary record and global energy literature to form a more robust and balanced accounting of U.S.-Guatemalan petro-diplomacy that factors not only Guatemalan resource sovereignty but also the micro and macro political economy of U.S. national security and national interest. In doing so, this project makes both an original contribution to the limited body of literature on Guatemalan oil, and an unparalleled history of bilateral petro-diplomacy.

U.S.-Guatemalan petro-diplomacy is very much a Cold War history, although Guatemala is largely absent from East-West Cold War literature. The 1954 Árbenz coup typically graces the pages of global surveys in passing, but the aftermath is omitted by esteemed Cold War historians like John Gaddis and Odd Arne Westad.²⁰ Such neglect is symptomatic of a

Siege: Peaceful Resistance to Tahoe Resources and Militarization in Guatemala', in: D. Paley and S. Granovsky-Larsen (eds) *Organized Violence: Capitalist Warfare in Latin America* (Regina, Saskatchewan, Canada: University of Regina Press, 2019), 67-77.

¹⁸ Solano, *Guatemala petróleo y minería*.

¹⁹ Virgilio Reyes, 'Oil Extraction and Territorial Disputes in the Maya Biosphere Reserve', in: J.-A. McNeish, A. Borchgrevink, and O. Logan (eds) *Contested Powers: The Politics of Energy and Development in Latin America* (London: Zed Books, 2015), 66-91.

²⁰ The 1954 golpe appears in passing in several surveys. See Carole K. Fink, *Cold War: An International History* (Boulder, CO: Westview Press, 2nd edn. 2017), 93; John Lewis Gaddis, *Strategies of Containment: A Critical Appraisal of American National Security Policy During the Cold War* (Oxford: Oxford University Press, 1982 [2nd printing 2005]), 156, 179; John Lewis Gaddis, *The Cold War: A New History* (New York: Penguin, 2007), 160, 166, 178; Melvin P. Leffler, *For the Soul of Mankind: The United States, the Soviet Union, and the Cold War* (New York: Hill and Wang, 2008), 130-132; Odd Arne Westad, *The Cold War: A World History* (New York: Basic Books, 2017), 301, 345-348; Odd Arne Westad, *The Global Cold War* (Cambridge: Cambridge University Press, 2007), 146-149. Both aforementioned Gaddis works, Leffler, and Westad's *Global Cold War* make no mention of the excesses of post-golpe Guatemalan civil war counterinsurgency, but Westad's *Cold War: A World History* offers two sentences on the matter, stating that Guatemala's military leadership engaged in patterns of violence similar to the Argentine junta and with the backing of the United States (p.358). Fink's international survey mentions the 1954 coup in passing, but Fink critically revisits Guatemala during peak violence of the civil war and takes concise but respectfully diligent inventory of U.S. support (p.210-211). For critical observations of Gaddis' aversion to Latin America and Guatemala, see Greg Grandin, 'Off the Beach: The United States, Latin America, and the Cold War', in: J.-C. Agnew and R. Rosenzweig (eds) *A Companion to Post-1945 America* (New York: Blackwell, 2002), 429-441; Gilbert M. Joseph, 'What We Now Know and Should Know: Bringing Latin America More Meaningfully into Cold War Studies', in: G.M. Joseph and D. Spenser (eds) *In from the Cold: Latin America's New Encounter with the Cold War* (Durham, NC: Duke University Press, 2008), 12-13, 16, 18-19.

grander omission: Latin America's Cold War is largely absent from East-West oriented Cold War scholarship, appearing in obligatory incorporations of Cuba compressed into bipolar narrative, and the occasional nod to the 1954 golpe. This pattern of omission is prevalent in diplomatic and international relations accounts and general surveys,²¹ where scholars have buried their heads in the sands of Playa Girón for decades.²² Avoidance is unsurprising, as Latin America's Cold War is a problematic pill for Western Cold War historians to swallow, its history running contrary to Cold War consensus and conventional wisdom. For example, liberation theology, the preferential option for the poor, and the concept of a priest donning a Kalashnikov in support of left-wing guerrillas is incongruent with the Catholic Church's more accepted role as an anticommunist European actor; Western Cold War historians have long favoured omission to reconciliation, although a tempered symmetry is reached in new Cold War scholarship.²³ Another example is found in something as *seemingly* simple as chronology. Many prominent scholars identify an ending to the Cold War with events in Berlin and Moscow,²⁴ but protracted Cold War violence continued in Latin America and

²¹ For historiographic evaluations of inter-American relations and Latin America's absence in Cold War literature, see Thomas S. Blanton, 'Recovering the Memory of the Cold War', in: G.M. Joseph and D. Spenser (eds) *In from the Cold: Latin America's New Encounter with the Cold War* (Durham, NC: Duke University Press, 2008), 47-73; Max Paul Friedman, 'Retiring the Puppets, Bringing Latin America Back In: Recent Scholarship on United States-Latin American Relations', *Diplomatic History* 27, no. 5 (November 2003), 621-636; Grandin, 'Off the Beach', 439-441; Joseph, 'What We Now Know and Should Know', 3-46; Albert Manke, Kateřina Březinová, and Laurin Blecha, 'Conceptual Readings into the Cold War: Towards Transnational Approaches from the Perspective of Latin American Studies in Eastern and Western Europe', *Estudos Históricos (Rio de Janeiro)* 30, no. 60 (2017), 205-211.

²² 'Poets may see the world in a grain of sand...but only diplomatic historians could reduce the Latin American Cold War to a Cuban Beach', Attributed to William Blake, quoted in both Grandin, 'Off the Beach', 426; and Joseph, 'What We Know and Should Know', 9-10.

²³ For the Church as an anticommunist institution, see Nuti, Leopoldo and Vladislav Zubok. 'Ideology', in: S.R. Dockrill and G. Hughes (eds) *Palgrave Advances in Cold War History* (London: Palgrave Macmillan, 2006), 83-84; Gaddis, *A New History*, 192-194. For a more symmetrical assessment that includes Liberation Theology and the leftist leanings of the Church as well, see Diane Kirby, 'The Religious Cold War' in: R.H. Immerman and P. Goedde (eds) *The Oxford Handbook of the Cold War* (Oxford: Oxford University Press, 2013), 540-564. For concise accounts of Liberation Theology and popular mobilization in Latin and Central America, see John A. Booth, Christine J. Wade, and Thomas W. Walker, *Understanding Central America: Global Forces, Rebellion, and Change* (Boulder, CO: Westview Press, 6th edn. 2015), 41-42; Hal Brands, *Latin America's Cold War* (Cambridge, MA: Harvard University Press, 2010), 86-90. For a detailed account, see Teresa Whitfield, *Paying the Price: Ignacio Ellacuría and the Murdered Jesuits of El Salvador* (Philadelphia, PA: Temple University Press, 1994).

²⁴ For varied assessments on the end and/or spatial dimensions of the Cold War, see Francis Fukuyama, 'The End of History?', *National Interest*, 16 (1989), 3-18; Gaddis, *A New History*, 252-257; Nicholas Guyatt, 'The End of the Cold War', in: R.H. Immerman and P. Goedde (eds) *The Oxford Handbook of the Cold War* (Oxford: Oxford University Press, 2013), 605-606; Leffler, *For the Soul of Mankind*, 439-450; Holger Nehring, 'What Was the Cold War?', *English Historical Review*, 127/CXXVII (2012), 920-949; David S. Painter and Thomas S. Blanton, 'The End of the Cold War', in: J.-C. Agnew and R. Rosenweig (eds) *A Companion to Post-1945 America* (New York: Blackwell, 2002), 479-500.

Anders Stephanson, 'Fourteen Notes on the Very Concept of a Cold War', in: G.Ó Tuathail and S. Dalby (eds) *Rethinking Geopolitics*, (New York: Routledge, 1999), 62-85; Vladislav M. Zubok 'Why Did the Cold War End in 1989? Explanations of "The Turn"', in: O.A. Westad (ed.) *Reviewing the Cold War: Approaches, Interpretations, Theory* (London: Cass, 2000), 343-367.

elsewhere in the Third World long after the Berlin wall crumbled and Gorbachev handed the keys to Western capitalists. How else but through omission can the Gaddis camp claim that the Cold War concluded ‘so peacefully’ without having to confront the continuity of Cold War violence in the non-Western world, especially Latin America’s long Cold War?²⁵

Perhaps the most significant reason for Latin America’s peripheral treatment is that the region’s experiences are antithetical to the Manichean delusions that rationalized U.S. policy and that still haunt U.S. foreign policy discourse and some corners of Cold War scholarship.

Grandin contends that Latin America

has long been the Achilles’ heel in the hard armour of U.S. virtue, and even the most triumphal of Cold War scholars have been forced into moral contortions to explain away U.S. actions that contributed to the torture and murder of hundreds of thousands of individuals.²⁶

The duplicitous nature of U.S. assistance and soft power is evidenced by Washington’s aided creation of and consistent support for nondemocratic rights-abusing anticommunist regimes, and Lundestad’s ‘empire of invitation’ thesis is hardly applicable to a region whose century was marred by external obstructions to political and economic self-determination.²⁷ Rabe’s hemispheric Cold War survey describes U.S.-backed political repression in 1970s South America as so appalling ‘that international observers compared it to life in Nazi Germany in the 1930s’ while ‘[u]nspeakable atrocities became commonplace in Central America’ by the early 1980s.²⁸ Triumphalists, neo-orthodox proponents of exceptionalism and innocence, and run-of-the-mill Western-centred Cold War scholars have much to reconcile should they address Washington’s role in fostering such abuses; evading the inherent contradictions posed

²⁵ Quoted material in John Lewis Gaddis, ‘On Starting All Over Again: A Naïve Approach to the Study of the Cold War’, in: O.A. Westad (ed.) *Reviewing the Cold War: Approaches, Interpretations, Theory* (London: Cass, 2000), 28. ‘Latin America’s Long Cold War’ was coined by Gilbert Joseph and Greg Grandin (eds) in their collection *A Century of Revolution: Insurgent and Counterinsurgent Violence during Latin America’s Long Cold War* (Durham, NC: Duke University Press, 2010), wherein the editors and contributing authors demonstrate pre- and post-Cold War continuity in the hemisphere’s Cold War origins manifestations. That Latin America’s Long and anomalous Cold War does not fit within the bipolar timeline should not warrant the region’s experiences be excluded on the grounds of incongruence—such incongruence should warrant reconsideration of the Cold War’s traditional parameters and narratives.

²⁶ Greg Grandin, *The Last Colonial Massacre: Latin American in the Cold War* (Chicago, IL: University of Chicago Press, 2004), xii.

²⁷ For ‘empire by invitation’, see Geir Lundestad, ‘Empire by Invitation? The United States and Western Europe, 1945-1952’, *Journal of Peace Research*, 23 (1986), 263-77. See also, Blanton, ‘Recovering the Memory of the Cold War’, 47-50.

²⁸ Stephen G. Rabe, *The Killing Zone: The United States Wages Cold War in Latin America* (New York: Oxford University Press, 2012), xxv-xxxvii, 114, 144-145, and *passim*. Quoted material on 114, 145, respectively.

by inter-American Cold War experiences has been the norm in East-West literature, a form of containment unto itself within a field reluctant to change.²⁹

Integration is much needed, and there is a call to bring Latin America's Cold War 'in from the cold' and incorporate the region's history into the broader Cold War narrative.³⁰ Latin America's presence in transnational Cold War literature is gaining, but the depravity revealed in truth commissions and historical memory projects has failed to diminish the Cold War's Manichean dimensions and the alleged humanitarian legacies of American Cold War icons in academic circles.³¹ Trojan Horses abound, and some Western scholars taking interest in the hemisphere as of late are themselves re-colonising the narrative, rationalizing American transgressions with face-value security rhetoric and capitalizing on a trending preference for agency over asymmetry in North-South scholarship to discount Washington's role in the hemisphere's Cold War.³² Whether puppets and patrons or partners, agency does not absolve culpability and complicity, although it has succeeded in tempering avenues of inquiry critical of empire. By examining bilateral petro-diplomacy and its intersection with U.S. aid and human rights policy, this project contributes to the body of hemispheric research that East-West Cold War history so desperately evades.

Latin America's Cold War and the Central American theatre are left to Latin Americanists whose research contributes to the contextual foundation of this project, and this project indeed reciprocates in kind. Prominent accounts of the region acknowledged a legacy of external impositions and the role of the United States, but few from this lot acknowledged Guatemalan oil, and those that did are guilty of grossly undervaluing Guatemala's hydrocarbon potential and the significance of petro-diplomacy in U.S.-Guatemalan relations.

²⁹ Joseph argues that 'the gatekeepers of the diplomatic field practiced a strategy of *containment* on those who would introduce' new approaches. See Joseph, 'What we Know and Should Know', 17-18. Leffler offers a similar appraisal of diplomatic historians' reluctance to evolve, see Melvyn P. Leffler, 'New Approaches, Old Interpretations, and Prospective Reconfigurations', *Diplomatic History* 19, no. 2 (Spring 1995), 193. Gaddis, however, is a vocal sceptic of change and inclusivity. See Gaddis, 'On Starting All Over Again', 27-42; John Lewis Gaddis, 'The Corporatist Synthesis: A Skeptical View', *Diplomatic History* 10, no. 4 (Fall 1986), 357-362.

³⁰ Quoted from the title of an article calling for inclusion, see Joseph, 'In from The Cold'.

³¹ Blanton, 'Recovering the Memory of the Cold War,' 47-73; Friedman, 'Retiring the Puppets', 632-633; Grandin, 'Off the Beach', 426-445; Grandin, 'What Was Containment?', 27-47; Joseph, 'What We Know and Should Know', 3-46; Manke, Březinová, and Blecha, 'Conceptual Readings into the Cold War', 210-211; Nuti and Zubok, 'Ideology', 79.

³² This is emphatically encapsulated in Greg Grandin, 'Off the Beach', 426-445. For an example of Trojan Horse literature, see Hal Brands' *Latin America's Cold War*.

Walter LaFeber, himself a student of revisionist godfather William Appleman Williams and perhaps the last vocal advocate of Latin American dependency theory (whose work achieved similar notoriety), bridged the gap between hegemony and dependency theory in his seminal *Inevitable Revolutions* (1984) when he argued that Central America's compliant dependence on U.S. economic and military aid was uniquely buttressed by an historic propensity for physical intervention, a predicament he defined as *neo-dependency*.³³ LaFeber's work concisely acknowledged significant moments in early and mid-twentieth-century petro-diplomacy, but his only mention of Guatemalan oil thereafter is in relation to state violence.³⁴ Similarly, Dunkerly's 1988 *Power in the Isthmus: A Political History of Modern Central America* concisely accounted for the corruption, violence, and displacement associated with Guatemalan hydrocarbon development in the 1970s, but petro-diplomacy and liberalisation are not acknowledged thereafter.³⁵ The absence of Guatemalan oil and petro-diplomacy in these works is not indicative of its insignificance—it is indicative of oversight, which is precisely what makes this project valuable.

With the sunset of revisionist literature, and in the absence of a thriving Guatemalan oil industry at present, post-Cold War research into the Central American theatre has failed to account for Guatemalan oil and petro-diplomacy, which perpetuates a distorted understanding of U.S. interest in the region. Dependency theory may have fallen out of fashion towards the end of the Cold War, but John Coatsworth's 1994 *Central America and the United States: The Client and the Colossus* remained cognisant of neocolonial structures. Coatsworth's regional survey is void of Guatemalan oil and petro-diplomacy, but he was ahead of the historiographic curve in affording more agency to regional actors than his diplomatic contemporaries,³⁶ and this project's accounting of Guatemalan agency in the liberalisation process aligns with Coatsworth's efforts.

William LeoGrande's massive *Our Own Backyard: The United States in Central America, 1977-1992* is emblematic of a broader interpretation of regional events in which Guatemalan affairs and U.S. engagement therein were of comparatively less significance. LeoGrande's

³³ LaFeber, *Inevitable Revolutions*, 17-18.

³⁴ LaFeber, *Inevitable Revolutions*, 54-58, 62, 75-76, 125, 258.

³⁵ James Dunkerley, *Power in the Isthmus: A Political History of Modern Central America* (New York: Verso, 1988), 437, 466-467.

³⁶ John H. Coatsworth, *Central America and the United States: The Client and the Colossus* (New York: Twayne Publishers, 1994), esp. 4-23.

research centres on El Salvador and Nicaragua, affording Guatemala a ‘short shrift’ because, per the author, ‘Washington’s role was more peripheral’ due to comparatively low levels of U.S. assistance and the unlikely possibility of insurgent victory.³⁷ This project’s examination of petro-diplomacy and heightened U.S. national interest offers a nuanced but not insignificant clarification to the consensus that Reagan was more invested in Salvadoran and Nicaraguan affairs.³⁸ This is accomplished by demonstrating that from the mid-1970s to about 1982 the oil industry and international community believed Guatemala was on the brink of becoming a major energy exporter, and thus in that brief period Guatemala was a regional wild card that Washington monitored with considerable interest. Additional nuanced dissent towards LeoGrande’s presuppositions come in the way of metrics, as measuring the hierarchy of U.S. interest in Central American affairs solely by U.S. dollars received is fallible insofar as it fails to address both the political risk and comparatively greater lengths the White House took to provide the aid that it did to the untouchable Guatemalan pariah state, and the untold amount of humanitarian and development aid that the GOG misappropriated for military applications. This project considers the aid dimensions of quid pro quo petro-diplomacy—what American partners promised, attempted to bring and brought to the table, and how it got there—to reveal that Washington’s interests and commitments to the GOG were greater than previously appraised. The dollars-to-political consequences ratio was much more precarious in Guatemala, the obstacles to aid were considerable, and the efforts more substantial than previous undervalued assessments. This project’s dissent is nuanced and does not necessarily challenge the hierarchy of U.S. interest in the isthmus, but it contributes to regional scholarship by altering the criteria from which that hierarchy is reached all the same.

Progressive Guatemalan civil war narratives denounced the Reagan administration’s heightened Cold War antagonism and support for the rights-abusing regime, but they increasingly failed to substantively or accurately account for Guatemalan oil and petro-diplomacy. Black’s canonical 1984 *Garrison Guatemala* took inventory of both the Reagan administration’s eagerness to normalize aid relations with the rights-abusing GOG and Washington’s economic and resource interests in Guatemala, but Black miscalculated the

³⁷ William M. LeoGrande, *Our Own Backyard: The United States in Central America, 1977-1992* (Chapel Hill, NC: University of North Carolina Press, 1998), xii.

³⁸ Guatemala’s ‘third string’ relegation is evidenced in Cold War literature. See Fink, *Cold War*, 210; Westad, *The Global Cold War*, 339.

significance of Guatemalan oil. Black correctly identified one avenue of American interest in Guatemalan oil in zero sum Cold War security terms, but he committed to a misguided assertion that the State Department exaggerated both the volume of Guatemala's resource wealth and the national security value it garnered to make Reagan's unpopular efforts to normalise relations with regime more palatable to sceptical American audiences.³⁹ Similarly, Handy's 1984 *Gift of the Devil* also subscribed to the exaggeration thesis, and his limited observations on military and oligarchic power over Guatemalan oil and nickel extractives made no mention of petro-diplomacy or liberalisation.⁴⁰ McClintock's 1985 *American Connection* informs much about Washington's engagement in the Guatemalan civil war, but oil is mentioned insignificantly in passing.⁴¹ Perhaps Guatemala's limited hydrocarbon success lent legitimacy to the exaggeration thesis, but it does not hold up against archival materials, intelligence, public and private sector reports that demonstrate that Guatemalan oil's zero sum value was quite real in American security circles. Nor does it hold up to the fact that international optimism in Guatemala's hydrocarbon future was sincere, which is evidenced by not only the aforementioned materials, but copious commercial investment and loss. The State Department did not exaggerate Guatemala's hydrocarbon potential, but rather they followed the oil industry's lead, and everybody got it wrong. This project demonstrates that the catalyst for the Guatemala's hydrocarbon sector's decline in the early 1980s was not an absence of oil per se, but rather shifting market conditions that made it less commercially viable. There was oil in the ground, but it was less than anticipated and more expensive to access, and so while less appealing to investors it nonetheless retained zero-sum Cold War security value in Washington. By establishing the sincere optimism in Guatemalan oil in the late 1970s and early 1980s, and its ongoing zero-sum security value, this project debunks the exaggeration thesis and prompts reappraisal of both the political economy of U.S.-Guatemalan relations and U.S. interest in the region.

Post-Cold War scholarship on the Guatemalan civil war informs much of this thesis' contextual foundation, but oil and petro-diplomacy are absent. Jonas' *Battle for Guatemala* critically examines Washington's role in the creation of Guatemala's 'counterinsurgency state', which she defines as 'a variant of the bourgeois state in Latin America, that combines

³⁹ See George Black, *Garrison Guatemala* (New York: Monthly Review Press, 1984), 79-163.

⁴⁰ Jim Handy, *Gift of the Devil: A History of Guatemala* (Boston, MA: South End Press, 1985), 219-221.

⁴¹ Michael McClintock, *The American Connection: Volume 2, State Terror and Popular Resistance in Guatemala* (London: Zed Books, 1985), 135.

the traditional authoritarian-oligarchical state with the institutionalized apparatus created and imposed by the United States in the 1960s to prevent “another Cuba”.⁴² Jonas was a central figure in the political economy-minded activist scholarship of the 1970s, and while her recent work is effective in building the human rights dimensions of this project, oil is outside the scope of her research and appears only in passing.⁴³ Schirmer’s *Guatemalan Military Project* maps the physical, organizational and ideological anatomy of Guatemalan state forces, serving this project as a useful resource for articulating the misappropriation of non-military aid; oil and petro-diplomacy are also outside the scope of her research.⁴⁴ Garrard-Burnett’s *Terror in the Land of the Holy Spirit: Guatemala Under General Efraín Ríos Montt, 1982-1983* chronicles the Ríos regime’s abuses and contributes much in the way of U.S. support, but hydrocarbon development is mentioned only in passing and in the context of displacement.⁴⁵ Much of the aforementioned literature recognizes hydrocarbon development taking place with peripheral significance, but the oil itself, and its role in bilateral relations with the United States, are grossly undervalued. This project demonstrates that the belief in Guatemala’s hydrocarbon future was sincere and steadfast, which in turn contributes to our understanding of bilateral relations and U.S. national interest across the board in the relevant regional and country-specific literature. The aid and human rights dimensions of this project complement these aforementioned works and contribute to the body of scholarship on the Guatemalan civil war at this time.

This project contributes to several veins of scholarship critical of Washington’s and Reagan’s human rights policy. The United States recoiled from human rights institutions following the Second World War; Latin American Human Rights specialist Kathryn Sikkink argues that ‘human rights issues essentially dropped out of the U.S. foreign policy agenda from 1953 to 1973’, as ‘[c]ontainment fully dominated U.S. foreign policy’ and ‘became the major framework against which a human rights approach would have to struggle’.⁴⁶ Political scientist David Forsythe offers a slight variation, contending that at the start of the Cold War Washington pursued a warped and self-aggrandising human rights framework built around

⁴² Jonas, *The Battle for Guatemala*, 116-117. For analyses of Guatemala’s predisposition to military authoritarianism, see Mahoney, ‘Radical, Reformist and Aborted Liberalism’, 221-241.

⁴³ Jonas, *The Battle for Guatemala*, 78, 123.

⁴⁴ Jennifer Schirmer, *The Guatemalan Military Project: A Violence Called Democracy* (Philadelphia, PA: University of Pennsylvania Press, 1998).

⁴⁵ Virginia Garrard-Burnett, *Terror in the Land of the Holy Spirit: Guatemala under General Efraín Ríos Montt, 1982-1983* (New York: Oxford University Press, 2010), 121.

⁴⁶ Kathryn Sikkink, *Mixed Signals: U.S. Human Rights Policy and Latin America* (Ithaca, NY: Cornell University Press, 2004), 40-41.

American ideology and national security interests—*Dullesism*—wherein ‘the moralistic preoccupation with Soviet-led communism...solidified the notion that by contesting the USSR one was contributing to human rights’.⁴⁷ It mattered not that Latin America and the Global South gravitated towards a rights framework that valued social and economic rights, the right to self-determination, and an equitable democratic model that challenged colonial and neocolonial structural inequities; the Kennan Corollary to the Monroe Doctrine self-obliged Washington to expel communist ‘threats’ from the hemisphere, and intervention, repression, and obstructions to and infringements upon the self-determination of states carried on in the interests of U.S. national security, which, ostensibly, fell under Washington’s deranged purview of human rights, buttressed by the patronising sentiments of colonial cultural superiority and paternalism and carried out *in their own best interests*.⁴⁸ Such was the status quo until the 1970’s, at which time surging Latin American state terror that had been cultivated and long supported by the U.S. set in motion an unprecedented shift in the transnational politics of human rights.⁴⁹ Patrick William Kelly argues that Latin America was ground zero for a transnational human rights transformation, wherein ‘activists, exiles, and diplomats in Latin America, the United States, and Europe found a new common cause in the practices of human rights’, having adopted a ‘new moral and political vocabulary to challenge prevailing notions of state sovereignty and social activism, blurring the borders of the nation-state to endow an individual with a set of rights protected by international law’.⁵⁰ This transformation should not be interpreted as Latin America’s abandonment of the merits of social and economic rights for a superior rights framework, but rather it should be viewed as an adaptive transnational appeal in response to state terror.

⁴⁷ David P. Forsythe, ‘Human Rights in U.S. Foreign Policy: Retrospect and Prospect’, *Political Science Quarterly*, 105 (1990), 437-439, 441-447, quoted material on 437-438. Herein cited as ‘Retrospect and Prospect’.

⁴⁸ For comments on diverging interpretations of human rights, see Grandin, *The Last Colonial Massacre*, xi-xv, 1-17; Grandin, ‘Off the Beach’, 425-435. ‘In their own best interests’ is a play on words, a common phrase in relevant inter-American literature and the title of Latin Americanist Lars Schoultz’s appraisal of U.S. aid policy in Latin America. Per Schoultz, ‘altruism is the obligatory idiom of U.S. policy towards Latin America’. See Lars Schoultz, *In Their Own Best Interest: A History of the U.S. Effort to Improve Latin Americans* (Cambridge: Harvard University Press, 2018), quoted material on 90.

⁴⁹ Such is the subject of Patrick William Kelly’s *Sovereign Emergencies: Latin America and the Making of Global Human Rights* (Cambridge: Cambridge University Press, 2018); Sikkink, *Mixed Signals*, 40-41. For the shift, with less emphasis on Latin America itself, see Samuel Moyn, ‘Imperialism, Self-Determination, and the Rise of Human Rights’, in: A. Iriye, P. Goedde, and W.I. Hitchcock (eds) *The Human Rights Revolution: An International History* (Oxford: Oxford University Press, 2012), 159-178; Samuel Moyn, ‘Substance, Scale, and Salience: The Recent Historiography of Human Rights’, *Annual Review of Law and Social Science*, 8 (2012), 134; Samuel Moyn, *The Last Utopia: Human Rights in History* (Cambridge, MA: Belknap/Harvard, 2010), passim.

⁵⁰ Kelly *Sovereign Emergencies*, 2-3. See similar sentiments in Sikkink, *Mixed Signals*, 40-41.

Much to the confusion and frustration of anticommunist regimes, congressional Democrats and the Carter administration sought to rein in the counterinsurgency monsters Washington had created.⁵¹ Relations between the Carter White House and the GOG soured and aid was suspended due to human rights concerns. Notwithstanding, the Guatemalan business community and members of the GOG collaborated with American conservative actors and institutions whose unsanctioned diplomatic overtures to Guatemala and Latin America's other right-wing pariahs sustained anticommunist solidarity and assured them that Carter's agenda was temporary—these engagements produced the very *mixed signals* addressed in Sikkink's seminal work.⁵² These unsanctioned delegations carried both the prospect of normalised aid relations and assurances that human rights concerns would be muted if and when Reagan assumed the presidency, and this project illustrates how they laid the groundwork for Reagan's early Guatemalan policies. This thesis further demonstrates that petro-diplomacy informally affiliated with Reagan's campaign occurred in concert with these aforementioned delegations and was carried out in a climate of quid pro quo.

Reagan restored U.S. human rights policy to its original self-serving state. Human rights scholars acknowledge that Reagan rejected human rights on the campaign trail, and that he adopted a hawkish neoconservative foreign policy disposition dismissive of human rights and consistent with the Kirkpatrick doctrine upon entering office.⁵³ Congressional persistence required the administration to incorporate human rights into foreign policy, but whether or not Reagan did so is debated. Rasmus Søndergaard's critical appraisal of Reagan's human

⁵¹ This consensus is reached across fields and subfields. See Jill L. Arak-Zeman, 'An Analysis of the Similarities and Differences of United States Human Rights Policies Under the Carter and Reagan Administrations: The Cases of Guatemala and Chile', PhD Thesis, University of Southern California, 1991, 43-59; Barbara Keys and Roland Burke, 'Human Rights', in: R.H. Immerman and P. Goedde (eds) *The Oxford Handbook of the Cold War* (Oxford: Oxford University Press, 2013), 496-497; Leffler, *For the Soul of Mankind*, 234-337; Nancy Mitchell, 'The Cold War and Jimmy Carter', in: M.P. Leffler and O.A. Westad (eds) *The Cambridge History of the Cold War, Volume III: Endings* (Cambridge: Cambridge University Press, 2010), 66-74; Sikkink, *Mixed Signals*, 40-41; Peter H. Smith, *Talons of the Eagle: Latin America, the United States, and the World* (Oxford: Oxford University Press, 4th edn. 2013), 138-194; Sarah B. Snyder, "'A Call for U.S. Leadership": Congressional Activism on Human Rights', *Diplomatic History*, 37 (2013), 372-397; Westad, *The Global Cold War*, 248-249, 282-283; Jesús Velasco, *Neoconservatives in U.S. Foreign Policy under Ronald Reagan and George W. Bush: Voices behind the Throne* (Baltimore, MD: Johns Hopkins University Press, 2010), 86-103.

⁵² A play on words, as Sikkink's work is titled *Mixed Signals*. For severed aid, see Forsythe, *Human Rights and U.S. Foreign Policy*, 96-97; Sikkink, *Mixed Signals*, 137-139. The conservative delegations to Guatemala are the subject of Chapter 2. For investigative journalism from the time in question, see Allan Naim, 'Reagan Administration's Links to Guatemala's Terrorist Government', *Covert Action Quarterly* (Summer 1989), <http://www.hartford-hwp.com/archives/47/160.html>.

⁵³ David P. Forsythe, 'Congress and Human Rights in US Foreign Policy: The Fate of General Legislation', *Human Rights Quarterly*, 9 (1987), 382-404; Forsythe, *Human Rights and U.S. Foreign Policy*, 51-100; David P. Forsythe, *Human Rights and World Politics* (Lincoln, NE: University of Nebraska Press, 1983), 96; Forsythe, 'Retrospect and Prospect', 435-454; Sikkink, *Mixed Signals*, 148-149; Velasco, *Neoconservatives*, 86-115.

rights policy generously identifies Reagan's adoption of human rights discourse and alleged commitment to human rights as an opportunistic transition 'from rejection to reform',⁵⁴ while Tamar Jacoby coined the concept of a Reagan 'turnaround' on human rights.⁵⁵ Sikkink is not so easily convinced when she argues that Reagan transitioned from having pursued the Kirkpatrick Doctrine to a second phase in which the administration increasingly emphasised democracy promotion, but she cautions that Reagan's Central American policy 'maintained a single-minded and militant anticommunist focus throughout its two terms', adding that '[m]ost of the administration's energy and funding was directed to the military defeat of leftist governments and insurgencies in Central America rather than to the promotion of democracy', and that '[a]ll other areas of Latin America policy were subordinated to the militarized Central American policy'.⁵⁶ Thomas Carothers undercuts the notion that Reagan legitimately aspired to promote democracy in the hemisphere, articulating the ways in which the administration's standards for democracy were consistent with American Cold War principles of free markets and *status quo* continuity via subpar elections, but incongruent with the region's organic democratic aspirations.⁵⁷ Bullish militarism notwithstanding, Reagan packaged his Central American ambitions in simplistic democracy promotion rhetoric, and Sikkink is correct in her assertion that such duplicitous democracy promotion rhetoric became a bipartisan staple justification for U.S. interventionism and foreign policy rationale.⁵⁸ Reagan set this process in motion, and, according to preeminent rights scholar Samuel Moyn, 'the America that once seemed to many enthusiasts to be the prospective servant of universality abroad all too quickly became the America pursuing low-minded imperial ambitions in high-minded humanitarian tones'.⁵⁹

This thesis aligns with the school of thought that Reagan's alleged commitment to human rights and democracy promotion in Guatemala and at large were insincere. Research produced examples in which Reagan exacerbated poor human rights conditions in Guatemala by aiding and extending solidarity to the GOG during peak levels of state-led violence, along

⁵⁴ Søndergaard, *Reagan, Congress, and Human Rights*, 80.

⁵⁵ Tamar Jacoby, 'The Reagan Turnaround on Human Rights', *Foreign Affairs* 64, no. 5 (Summer 1986), 1066-1086.

⁵⁶ Sikkink, *Mixed Signals*, 149.

⁵⁷ Thomas Carothers, 'The Reagan Years: The 1980s', in: A. F. Lowenthal (ed) *Exporting Democracy: The United States and Latin America - Themes and Issues* (Baltimore, MD: Johns Hopkins University Press, 1991), 90-122.

⁵⁸ Sikkink, *Mixed Signals*, 149.

⁵⁹ Samuel Moyn, 'On the Genealogy of Morals', *The Nation*, 16 April 2007, <https://www.thenation.com/article/archive/genealogy-morals/>.

with examples of the administration's endorsement of Guatemalan election fraud and embrace of an undemocratically elected leadership. On the domestic front, this thesis identifies Reagan's deliberate efforts to sabotage U.S. human rights institutions, and provides examples of how Reagan's challenges to Congress and human rights provisions in foreign assistance legislation crippled the long-term effectiveness of said provisions. Lastly, this thesis buttresses the existing literature with an intensive focus on the Reagan White House's cognisance, identification and treatment of Guatemalan human rights abuses not as humanitarian issues, but as an optics issue that obstructed the administration from aiding the GOG and carrying out its security-centred, rights-indifferent policies. The administration not only lied about human rights abuses in Guatemala, but the White House strategically fabricated a neo-Dullesist 'conservative human rights policy' to complement pre-existing foreign policy objectives.⁶⁰ Ever a permanent campaigner, Reagan's pivot on human rights was a matter of rebranding. To these ends, secondary works provide essential post-mortem scholarly insights into the period and events in question, but contemporary human rights reports from Amnesty International, Human Rights Watch, are perhaps most useful for identifying not only the violence on the ground, but also what was known and/or contested by the international community, a metric that is essential when appraising the Reagan administration's human rights policy in Guatemala.⁶¹

One cannot appraise the application of U.S. human rights policy abroad without considering its connection to U.S. foreign assistance. A number of quantitative studies examining human rights and foreign aid during the Reagan administration have produced mixed results. Chomsky and Hermon identified a negative relationship between human rights performance and aid distribution in Latin America,⁶² confirming the assertions of contemporary activists

⁶⁰ This project coins the concept of 'neo-Dullesism'. For points of reference, see Forsythe, 'Retrospect and Prospect', 437-439, 441-447; Søndergaard, *Reagan, Congress, and Human Rights*, 47-55, *passim*. Søndergaard recognizes Reagan's opportunism, but he is noticeably generous in the application of bipartisanship. Under Reagan's expanded application of human rights, that Republicans could pursue hawkish policies under the auspices of human rights and gain or leverage for Democratic support seems less cooperative and more a manipulation and/or perversion of human rights.

⁶¹ See Americas Watch, *Human Rights in Guatemala: No Neutrals Allowed* (New York: Americas Watch, 1982); Amnesty International, *Amnesty International Report 1981* (London: Amnesty International Publications, 1981); Amnesty International, *Guatemala: A Government Program of Political Murder* (London: Amnesty International Publications, 1981); Amnesty International, *Guatemala: The Human Rights Record* (New York: Amnesty International USA, 1987); Amnesty International, *Special Briefing: Guatemala: Massive Extrajudicial Executions in Rural Areas Under the Government of General Efraín Ríos Montt* (London: July 1982).

⁶² Noam Chomsky and Edward S. Herman, *The Washington Connection and Third World Fascism: The Political Economy of Human Rights - Volume 1*, 2014 ed. (Chicago, IL: Haymarket Books, 2014), *passim*.

and scholars. In contrast, Cingranelli and Pasquarello's controversial 1985 study found a positive relationship,⁶³ but it was challenged for methodological deficiencies, the most glaring of which being having afforded too much credibility to State Department human rights reports issued under Reagan's appointed leadership. Of the subsequent works and controversy over Cingranelli and Pasquarello, Carleton and Stohl (1987) found no significant statistical relationship between human rights and foreign aid at the global level,⁶⁴ while Poe (1992), Apodaca and Stohl (1999), Poe et al (1994) and others identified human rights as one of multiple variables factored into the distribution and continued disbursement of aid, all of which came secondary to national security.⁶⁵ Lebovic (1988) found that political-military dimensions and alignment dominated the Reagan administration's decision-making process over aid distribution, that economic interests determined levels of assistance in developing states, and that human needs were of secondary importance. This project's consideration of misappropriated humanitarian and development funds aligns with Lebovic, who found that the 'distinction between military and economic assistance...was unsound in the Reagan years where economic and military assistance programs appeared to substitute for one another'.⁶⁶ The glaring, and perhaps only, consensus among quantitative studies is thus that donor goals, variables, and outcomes are vulnerable to partisan interpretation.

Qualitative analyses have produced similar obscurity. Broder and Lambek's scathing 1988 case study on military aid to Guatemala identified Reagan's evasions and circumventions of human rights legislation and deliberate erosions of human rights institutions as central to the decline of effective human rights institutions.⁶⁷ Forsythe identifies the Reagan

⁶³ David L. Cingranelli and Thomas Pasquarello, 'Human Rights Practices and the U.S. Distribution of Foreign Aid to Latin American Countries', *American Journal of Political Science*, 29 (1985), 539-563.

⁶⁴ David Carleton and Michael Stohl, 'The Role of Human Rights in U.S. Foreign Assistance Policy: A Critique and Reappraisal', *American Journal of Political Science*, 31 (1987), 1002-1018.

⁶⁵ Clair Apodaca and Michael Stohl, 'United States Human Rights Policy and Foreign Assistance', *International Studies Quarterly*, 43 (March (1999), 185-198; Steven C. Poe, 'Human Rights and Economic Aid Allocation under Ronald Reagan and Jimmy Carter', *American Journal of Political Science*, 36 (1992), 147-167; S. Poe, et al., 'Human Rights and U.S. Foreign Aid Revisited: The Latin American Region', *Human Rights Quarterly*, 16 (1994), 539-558.

⁶⁶ James H. Lebovic, 'National Interests and US Foreign Aid: The Carter and Reagan Years', *Journal of Peace Research*, 25 (1988), 115-135, quoted material on p.129. On the conflation of military and economic aid, see comments by Søndergaard, *Reagan, Congress, and Human Rights*, 40-41.

⁶⁷ Broder and Lambek, 'Military Aid to Guatemala', 111-145. The Bureau for Human Rights and Humanitarian Affairs (originally the Office of Human Rights) was established to provide annual human rights reporting for the executive and to ensure 'that human rights concerns were brought into all aspects of U.S. foreign policy'. In Sikkink, *Mixed Signals*, 69-70. For the transformation, see Velasco, *Neoconservatives*, 86-110. For an additional, albeit concise, summary of US human rights legislation and policy relevant to Latin America, see Amalia Bertoli, et al., 'Human Rights: ... "In the Soul of Our Foreign Policy"', *NACLA Report on the Americas*, 13 (1979), 5-39.

administration's negative impact on rights legislation at large and in Central America,⁶⁸ and more recent work by Chappell confirms the slow death of human rights provisions in foreign assistance legislation set in motion during Reagan's tenure.⁶⁹ Arak-Zeman, and Barry and Preusch of the aforementioned Inter-Hemispheric Education Resource Center observed the GOG's misappropriations of economic and humanitarian assistance towards military purposes, but neither party had the luxury of data provided by truth commissions and testimony following the civil war's conclusion.⁷⁰ Burgerman's more recent appraisal (2004) gave Reagan the benefit of absolution by arguing that less military assistance to the GOG gave Reagan less influence over Guatemalan policy, but her study rests on several fallacies. First, Burgerman limits the scope of U.S. interest and goals to human rights and security concerns; it is void of economic matters, and it takes Reagan's human rights goals at face value when the archival record reveals that the administration was content with and cognisant of human rights excesses, yet exponentially more concerned with optics and the impression of human rights improvements so as to normalise aid relations. Next, Burgerman's assertion that Guatemalan military operations functioned without overt U.S. support does not account for the extent to which multiple forms of assistance were misappropriated towards military projects, nor does it consider just how desperate the Guatemalan military was for U.S. support and how that desperation shaped the trajectory of both Guatemalan and U.S. policy. Lastly, yet in the same vein, Burgerman acknowledges that Taiwan and Israel supplied arms to Guatemala when Washington was congressionally obstructed from doing so, but she does not take into consideration the collaborative and complementary nature of international arms diplomacy wherein Washington collaborated with those and additional third party states to procure aid for the GOG.⁷¹ Burgerman concludes that more U.S. aid would have afforded Reagan more leverage to influence the regime's behaviour, but more aid would have also contributed to genocide, and financial hardship in the absence of U.S. assistance did much to weaken the rights-abusing Lucas and Ríos governments, their downfalls prolonged to some extent by what assistance they did receive. This thesis builds on the aforementioned legal

⁶⁸ Forsythe, *Human Rights and U.S. Foreign Policy*, 51-100.

⁶⁹ John Ramming Chappell, 'The Rise and Fall of Section 502B' 21, no. 1 (Winter 2023), 1-40, <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1250&context=njihr>.

⁷⁰ Arak-Zeman, 'The Cases of Guatemala and Chile'. See also, Tom Barry, *Guatemala: The Politics of Counterinsurgency* (Albuquerque, NM: Inter-Hemispheric Education Resource Center, 1986); Tom Barry and Deb Preusch, *The Soft War: The Uses & Abuses of U.S. Economic Aid in Central America* (New York: Grove Press, 1988).

⁷¹ Susan Burgermann, 'First Do No Harm: U.S. Foreign Policy and Respect for Human Rights in El Salvador and Guatemala, 1980-1986', in: D. Liang-Fenton (ed.) *Implementing U.S. Human Rights Policy* (Washington, DC: United States Institute of Peace Press, 2004), 267-298, quoted material on p.273.

scholarship, picking up where Barry, Preusch, and Arak-Zeman left off to examine critical moments in which the Reagan administration's efforts to aid the GOG had crippling impacts on congressional authority and human rights provisions in foreign assistance legislation, adding to the body of literature on Reagan's Guatemalan aid and human rights policies, all more or less within a framework of Burgerman's oversights.

Reagan himself is an historical genre, and much polarized work has been produced on his life and presidency across multiple fields. A fair amount of Cold War literature has been kind to Ronald Reagan, and many of the same actors that carried out the administration's duplicitous foreign policy initiatives brought the permanent campaign to the printing press to perpetuate the *myth of triumphalism*.⁷² Reagan has been canonized in conservative reflections by triumphalists steeped in American exceptionalism and innocence, and he is the hero of *victory school* narratives. Volumes of praise are committed to Reagan the man, the president, the Cold Warrior, the neoconservative, the neoliberal reformer and deregulator, and the champion of human rights.⁷³ Scholars willing to take State Department commentary at face value and commit to the Manichean dimensions of the Cold War find Reagan's Latin American policy honourable.⁷⁴ Among preeminent Cold War scholars, Gaddis has certainly checked these boxes.⁷⁵ This project does not contribute to this tradition. In contrast, many depict Reagan as a monster, an enemy of the poor, an environmental and economic saboteur, a public relations manipulator and permanent campaigner, a supporter of right-wing terror and an enabler of grotesque human rights violations. Regionally-specific and/or global south

⁷² A play on words. See Beth A. Fisher, *The Myth of Triumphalism: Rethinking President Reagan's Cold War Legacy* (Lexington: University of Kentucky Press, 2020), 2-10.

⁷³ For examples of victory school narratives, see Peter Schweizer, *Victory: The Reagan Administration's Secret Strategy That Hastened the Collapse of the Soviet Union* (New York: Atlantic Monthly Press, 1994); Jay Winik, *On the Brink: The Dramatic Behind the Scenes Saga of the Reagan Era and the Men and Women Who Won the Cold War* (New York: Simon and Schuster, 1996). For commentary, see Beth A. Fischer, 'US foreign policy under Reagan and Bush', in: M.P. Leffler and O.A. Westad (eds) *The Cambridge History of the Cold War, Volume III: Endings* (Cambridge: Cambridge University Press, 2010), 267-288; Painter and Blanton, 'The End of the Cold War', 485-491.

⁷⁴ See, for example, Russell Crandall, *Gunboat Democracy: U.S. Interventions in the Dominican Republic, Grenada, and Panama* (New York: Rowman & Littlefield, 2006); Edward A. Lynch, *The Cold War's Last Battlefield: Reagan, the Soviets, and Central America* (Albany, NY: State University of New York Press, 2011). Russell Crandall's bipartisan defence of U.S. interventionism is less a work of research and more a work of conservative revisionism. Having conducted no archival research, Crandall challenges prevailing criticisms of U.S. interventions by rehashing security threats and by taking administration rhetoric and rationale at face value. Moreover, Crandall invokes counterfactual hypotheses that situations could have deteriorated if Washington had not intervened, although the deterioration Crandall has in mind is defined by U.S. interests with little regard for Latin American self-determination.

⁷⁵ Gaddis, *A New History*, 214-236, *passim*. See comments by Grandin, 'Off the Beach', 426-445; Painter and Blanton, 'The End of the Cold War', 486.

perspectives often fall under this umbrella, especially so in Latin America, and by exposing Reagan's limited commitment to democracy and human rights, this project aligns with such perspectives. There is no substantive body of critical research on Reagan's energy legacy, but this project does contribute limited but original insights regarding Reagan's early energy policy formation, and therein friction between energy and security advocates in their respective policymaking circles.

Lastly, this thesis contributes to the small body of scholarship, legacy and lore of ardent Cold Warrior and Texas Congressman Charlie Wilson. Wilson's foreign policy adventurism and after-hours lifestyle garnered at-times provocative celebrity status among contemporaries and in the press, and he left behind a conflicted legacy of 'Lone Ranger diplomacy', which, per James Lindsay, occurs when 'individual members of Congress conduct their own foreign policy'.⁷⁶ George Crile's *Charlie Wilson's War* documented Wilson's Lone Ranger ventures into Pakistan and Afghanistan to procure support for the Afghan Mujahideen.⁷⁷ Crile's work was later transformed into the 2007 Hollywood production of the same name,⁷⁸ after which Wilson became somewhat of a pop-historical icon.⁷⁹ Sherman Sadler explored Wilson's consistent Lone Ranger support for Nicaragua's Somoza; Somoza's human rights excesses did not deter Wilson's public and private support, and in the shadow of the Hollywood marquee Sadler deemed the Somoza-Wilson relationship 'Charlie Wilson's First War'.⁸⁰ Arming Somoza and the future Taliban is a difficult misstep to surpass, but Wilson's petro-diplomacy in Guatemala outlined in this project is perhaps the darkest chapter in Wilson's legacy, wherein Wilson acted to aid the GOG during peak violence in the Guatemalan

⁷⁶ For 'lone ranger diplomacy', see James M. *Congress and the Politics of U.S. Foreign Policy* (Baltimore, MD: Johns Hopkins University Press, 1994), 120-126, quoted material on 120, 121. See also Søndergaard, *Reagan, Congress, and Human Rights*, 33, 117, 258-259, 265.

⁷⁷ George Crile, *Charlie Wilson's War: The Extraordinary Story of How the Wildest Man in Congress and a Rogue CIA Agent Changed the History of Our Times* (New York: Grove Press, 2003).

⁷⁸ See 'Charlie Wilson's War (2007)', *IMDB*, <https://www.imdb.com/title/tt0472062/>, (accessed 16 August 2022). For comments on the film's imperialist whitewashing and absolutist framing, see Jeremy Kuzmarov, 'Charlie Wilson's War, the Culture of Imperialism and the Distortion of History', *Columbian College of Arts and Sciences History News Network*, <https://historynewsnetwork.org/article/45974>, (accessed 16 August 2022); Melissa Raddy, 'The fiction sold in Charlie Wilson's War gives the CIA a free pass', *Columbian College of Arts and Sciences History News Network* (Originally published in *Alternet*), <http://hnn.us/roundup/entries/45838.html>, (accessed 5 January 2024).

⁷⁹ 'In later years Mr. Wilson insisted that the United States had not made a mistake by supporting the Afghan rebels, among them Osama bin Laden and the Islamists who would form the Taliban regime.' In Douglas Martin, 'Charlie Wilson, Texas Congressman Linked to Foreign Intrigue, Dies at 76', *New York Times*, 10 February 2010.

⁸⁰ Sadler, Sherman J. 'Charlie Wilson's First War: Challenging Carter's Human Rights Policy through his Support for Anastasio Somoza Debayle, 1977-79' Masters Thesis, Stephen F. Austin State University (2019), 24-25, <https://scholarworks.sfasu.edu/cgi/viewcontent.cgi?article=1298&context=etds>.

genocide. Wilson's Lone Ranger Guatemalan forays were in the interests and company of his oil industry constituents, and this project goes to great lengths to identify the driving micro and macro-economic conditions that drove Wilson and Texas extractive industry representatives to Guatemala to broker aid-for-oil during a genocide. As such, this project offers what Donaghy identifies as an intermestic appraisal of U.S. policy—an analysis of “where the international and domestic agendas become entwined.”⁸¹

On the whole, this project makes contributions and complementary support to a number of fields and avenues of inquiry, including but not limited to U.S., Latin American, inter-American and transnational Cold War history, the Guatemalan civil war and the Central American Cold War theatre, aid, human rights, and oil, energy and the Cold War political economy national security and national interest. The larger contribution is perhaps that these themes are all connected. The scope and diversity of this project warrants additional historiographic clarity, which is outlined in succeeding chapters.

Methods, Materials and Archives

This project's scope of inquiry is vast, and this is reflected in the diverse assortment of methods and materials prescribed herein. Internalist, externalist, and transnational angles are applied and synthesized when appropriate, highlighting the intersectional, interdependent, and intermestic nature of foreign and domestic policies and institutions.⁸² Using traditional historical methods, qualitative analysis of primary materials, and process tracing to understand the development of events, issues, and contexts, this project pursues the primary record across a multidisciplinary array of archives and sources, invoking relevant secondary materials and historiography as needed.

Digital archives proved an essential resource during the Covid-19 pandemic. The digital archives at George Washington University's National Security Archive (NSA) provided a wealth of declassified U.S. government documents concerning U.S.-Guatemalan diplomacy,

⁸¹ Aaron Donaghy, *The Second Cold War: Carter, Reagan, and the Politics of Foreign Policy* (Cambridge, UK: Cambridge University Press, 2021), 6.

⁸² Internalists of diplomatic history observe domestic forces shaping foreign policy, while externalists examine international relations at an interstate level. Internalism and externalism are best outlined by Robert J. McMahon, 'Diplomatic History and Policy History: Finding common Ground', *Journal of Policy History* 17, no. 1 (2005), 97. See also Søndergaard, *Reagan, Congress, and Human Rights*, 11 (n.37). For intermesticity, see Donaghy, *The Second Cold War*, 6.

the origins of the Guatemalan counterinsurgency state, Guatemalan state terror during the Lucas and Ríos presidencies, and Washington's cognisance and complicity; in addition, the NSA housed materials concerning third party arms diplomacy with Argentina. The NSA contains the initial thread from which this project was pulled, the 'smoking gun' document detailing Charlie Wilson's visit to Guatemala in the summer of 1982.⁸³ The NSA's editorial staff paid no mind to the oil part, a common omission within relevant literature and a deficit this project seeks to remedy. Several additional digital archives were used, including the Central Intelligence Agency's (CIA) Digital Reading Room, the Sir James Goldsmith Digital Archive, and the digital materials made available by the Ronald Reagan Presidential Library.

Two brick-and-mortar archives were accessed after Covid-19 travel restrictions were relaxed. The Ronald Reagan Presidential Library in Simi Valley, CA, yielded an abundance of documents on U.S.-Guatemalan relations, aid, human rights, and energy. Documents that made mention of Guatemalan oil were found to a much lesser extent, which in itself was revealing—Guatemala's hydrocarbon sector appeared more frequently in the documents and discourse of security figures than those in the energy realm. What became apparent was that Reagan's energy advisors were partial to the gods of open markets while the security-centred foreign policy apparatus applied zero-sum Cold War value to Guatemalan oil and other critical resources at large, and this dynamic is addressed within the project.

Stephen F. Austin University's East Texas Research Center (Nacogdoches, TX) houses the Charles Wilson Congressional Papers, and these were especially useful in drafting chapters four and five. Wilson's relationship with constituents, and constituent industries like oil and timber, came to life through a plethora of correspondence files, supported by troves of U.S. newspaper clippings collected by Wilson's staffers. The Wilson Papers revealed the intermestic nature of Wilson's petro-diplomacy, namely the domestic energy conditions that prompted his foreign policy overtures in the late 1970s and early 1980s. Immersion into the Wilson Papers reinforced the impressions of Wilson as a hawkish Cold Warrior and a clandestine Lone Ranger diplomat.

⁸³ United States Embassy, Guatemala, Confidential Cable, AmEmbassy Guatemala to RUEHC/SecState WashDC, 27 July 1982, 'A Visit to Guatemala of Congressman Charlie Wilson', Document 4, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu//dc.html?doc=4455353-Document-04-Visit-to-Guatemala-of-Congressman>, (accessed July 6 2018).

The Office of the Historian's *Foreign Relations of the United States* (FRUS) is behind schedule in releasing documents on the Reagan administration, with sections pertaining to Latin America and the Caribbean (fourteen through eighteen) shown as 'being researched or prepared' or 'under declassification review' at this time. Notwithstanding, FRUS and similar digital caches made available by the Office of the Historian have provided useful materials for points of reference prior to the Reagan presidency at various points in the project, especially in the first chapter.

Just as human rights reports remain the gold standard for documenting state terror in real time, truth commissions are the preeminent sources for documenting the Guatemalan civil war in hindsight. Multiple Amnesty International and Human Rights Watch reports are utilized throughout the project, and Guatemala's two truth commissions are the gold standard for studying civil war violence—the Commission for Historical Clarification (CEH), *Guatemala: Memory of Silence*, and the Archdiocese of Guatemala's Human Rights Office's (ODHAG) *Guatemala, Never Again! Recovery of Historical Memory Project (REMHI)*.⁸⁴

An assortment U.S. and international news media was used extensively throughout the project. In particular, the rise in optimism over Guatemala's hydrocarbon potential, and the various successes, challenges, and failures of oil companies in Guatemala are pieced together with news articles from multiple digital and print archives. To these ends, many articles were made available through the Sir James Goldsmith Digital Archive, or included in the Scrapbook Collections of the Charlie Wilson Congressional Papers.

Published interviews and transcripts of public speaking events are utilized often throughout the course of the project. Personal interviews conducted with individuals involved in Guatemalan oil and Latin American oil projects were conducted during preliminary stages of research prior to enrolment with the University of Reading.⁸⁵

This project utilized an eclectic assortment of additional public and private primary materials, including congressional record and subcommittee hearings, economic reports from the World

⁸⁴ CEH, *Memory of Silence*; REMHI.

⁸⁵ Two interviews were conducted prior to acceptance with the University of Reading: a telephone interview with Parker Drilling Company's Project Manager in Guatemala, Ken Ledet, and another with retired Anthony Giaquinto, a retired senior executive with Exxon Mobil who held leadership posts in Latin America.

Bank, United Nations Conference on Trade and Development (UNCTAD), the United States Government Accountability Office (GAO), and multiple private sector reports and newsletters. Published primary materials featured in edited works appear throughout the project as well. There are a number of older materials that walk a line between primary and secondary sources, including photojournalism and investigative, on-the-ground journalism, some of which was later compiled and published in journals and manuscript format.⁸⁶

Six maps are provided in the Appendix for reference. A political map of Guatemala and a regional map for context (Appendix A and B, respectively) are included, both compliments of the CIA's World Factbook.⁸⁷ Two of Kading's illustrations are included, one identifies Guatemalan hydrocarbon exploration and development projects (Appendix C), and the other both locates rural guerrilla organisations and violence directed towards Guatemala's Mayan population from 1980-83 (Appendix D).⁸⁸ Lastly, two adjoining illustrations (Appendix E) are included from Steinberg et al's 2006 'Mapping massacres: GIS and state terror in Guatemala' that identify massacre sites between 1978-95 in relation to Guatemala's indigenous population.⁸⁹

Chapter Structure and Research Objectives

The critical events in this thesis take place between 1975-86, beginning with Guatemala's first oil exports and the implementation of nationalistic hydrocarbon legislation in 1975, set in the context of Guatemala's escalating civil war and development-related violence, U.S.-Guatemalan relations and bilateral aid and oil diplomacy. This primacy focus of this thesis examines U.S.-Guatemalan petro-diplomacy and the individuals and events leading up to and in the wake of the 1983 liberalisation of Guatemalan hydrocarbon legislation, concluding

⁸⁶ For photojournalism and commentary, see Jean-Marie Simon, *Guatemala: Eternal Spring, Eternal Tyranny* (New York: W.W. Norton, 1998). For investigative and activist journalism, see note 13.

⁸⁷ In order of appearance: United States Central Intelligence Agency, 'The World Factbook: Guatemala – Details: GT-Map: Guatemala map showing major cities as well as parts of surrounding countries and the North Pacific Ocean', <https://www.cia.gov/the-world-factbook/static/maps/GT-map.jpg>; United States Central Intelligence Agency, 'The World Factbook: Guatemala – Details: GT-Locator Map: Central America, bordering the North Pacific Ocean, between El Salvador and Mexico, and bordering the Gulf of Honduras (Caribbean Sea) between Honduras and Belize', <https://www.cia.gov/the-world-factbook/static/locator-maps/GT-locator-map.jpg>.

⁸⁸ Kading, 'The Economics of *La Violencia*', 62 (Figure 2), 60 (Figure 1).

⁸⁹ Michael K. Steinberg, et al, 'Mapping massacres: GIS and state terror in Guatemala', *Geoforum* 30 (2006), 65, Maps 2 and 3, <https://irevolutions.org/wp-content/uploads/2009/08/guatemala-gis.pdf>.

with the normalisation of bilateral aid relations and the restoration of U.S. military assistance to Guatemala's in 1986. The prospect of Guatemalan oil was coveted long before any oil was extracted in commercially viable amounts, and consequently Guatemala's hydrocarbon potential has a diplomatic and political history that exceeds that of any tangible oil industry in that country. To address this deficit, the scope of this thesis was expanded to the beginning, from Guatemalan oil's conception with the earliest waves of exploration and legislation in the 1910s, and the contested and oscillating hydrocarbon legislation that was an at-times substantial obstacle in the course of U.S.-Guatemalan diplomacy.

This thesis proceeds chronologically through five overlapping and thematically distinguishable chapters. The first chapter traces the history of bilateral petro-diplomacy from the plausibility of Guatemalan oil in the early twentieth-century, to the period of exploration, early success, and heightened international sensationalism over Guatemala's hydrocarbon potential in the late 1970s, therein exposing a push and pull between Guatemalan resource sovereignty and American hegemony. The chapter outlines Guatemalan hydrocarbon exploration and development and the rise of Basic Resources alongside Washington's growing appetite for oil and the political economy of U.S. national security and interest, the sum of which is set against a backdrop of global political and energy-related events. This chapter draws on a mixture of secondary and primary materials, including interviews, dated newsprint and activist journalism, World Bank and United Nations reports, American intelligence, Embassy and State Department materials, and various other sources to establish the necessary context for the project's core focus in the succeeding chapters, most significantly the nexus of transnational power associated with Guatemalan oil, the sincere international sensationalism over Guatemala's hydrocarbon potential and a baseline precedent for U.S. national interest.

The second chapter examines the period of overlap between Guatemalan President Lucas Garcia and the Reagan presidential campaign, at which time oil, aid, and human rights became entwined. This chapter draws from George Washington University's National Security Archive's digital collections, the physical and digital archives of the Ronald Reagan Presidential Library, newsprint, and the diligent work of contemporary watchdog journalists active in Guatemala, Central America and the United States, to illustrate the private petro-diplomacy of American General Vernon Walters as a hired agent of transnational oil company Basic Resources, set against a backdrop of unsanctioned diplomacy conducted by American

conservative delegations, and a hostile political climate between the human rights-minded Carter administration and the rights-abusing Lucas regime. The chapter demonstrates that Walters engaged in semi-official, albeit climatic, quid pro quo petro-diplomacy—aid for oil, and that Walters and the GOG both followed through on their commitments. This chapter identifies the origins of Reagan’s Guatemalan policies in the conservative delegations, and establishes Reagan’s committed disregard for human rights in foreign policy consistent with the Kirkpatrick Doctrine.

The third chapter examines the overlapping period between the incoming Reagan administration and the outgoing Lucas administration, encompassing the peak and decline of Guatemala’s hydrocarbon potential. Drawing heavily from archived materials in the Ronald Reagan Presidential Library, along with both published and personally conducted interviews, newsprint, legal documents and literature, and supplemental secondary materials, this chapter presents several concurrent developments. First, this chapter highlights transitions in Reagan’s human rights disposition, namely the administration’s declared pivot from having rejected human rights towards a commitment to an American conservative human rights framework. The integrity of Reagan’s alleged commitment is challenged by exposing contradictions within the administration’s rights framework, the deliberate erosion of the Bureau of Human Rights, diplomatic exchanges and intelligence indicating the administration’s willingness to support fraudulent elections and coups that produced right-wing leadership in Guatemala, and the administration’s institutional processing of human rights violations not as humanitarian crises but rather as optics and public relations obstacles that prohibited the White House from normalising aid relations with the rights-abusing Lucas government. Next, the chapter explores the relationship between Reagan and Robert Parker, owner of the preeminent exploratory firm, Parker Drilling Co., and the resulting implications for Reagan’s overall energy policy and specific Guatemalan policy. At the same time that Parker explored Texaco’s prized Guatemalan concessions, he was lured to Washington to work directly with Reagan to shape domestic energy policy. The domestic energy policies enacted with Parker as Chair of the Energy Policy Task Force led to the domestic conditions that prompted small and medium-sized American oil companies to pursue Guatemalan oil that are outlined in the succeeding chapter. Parker’s performance in Guatemala serves as the bellwether for Guatemala’s heightened and waning hydrocarbon potential, and the Reagan administration’s heightened and waning interest in Guatemalan affairs, the sum of which contributes to the case for heightened U.S. national interest in Guatemalan oil. Lastly, this

chapter examines Texaco's bid for OPIC insurance in the context of human rights and foreign assistance, and which offers insights into the reciprocal nature of imperialism.

The fourth and fifth chapters examine U.S.-Guatemalan relations and relevant key events related to oil, aid, and human rights during the tenure of Guatemalan President Efraín Ríos Montt and shortly after his ouster. Whereas the previous chapter considers the climax of Guatemala's hydrocarbon potential, these chapters consider the climax of Guatemala's hydrocarbon legislation, the major intersection between oil, aid, and human rights that led to the liberalisation of Guatemalan hydrocarbon legislation and moved U.S. human rights and foreign aid policy closer towards liberalisation of its own. Drawing on the National Security Archive's digital collections, the Reagan Presidential Library, the Charles Wilson Congressional Papers (Stephen F. Austin University's East Texas Research Center), and an assortment of newsprint and supplementary secondary materials, chapter four examines the unsanctioned quid pro quo petro-diplomacy between high-profile U.S. Congressman Charlie Wilson and the genocidal Ríos government. Wilson and the GOG negotiated the prospect of U.S. assistance for access to Guatemalan oil, in spite of rampant human rights violations. This chapter identifies the intermestic political economy Charlie Wilson, namely the domestic economic and hydrocarbon conditions driving Wilson's Lone Ranger petro-diplomacy with the GOG, set in the context of Wilson's foreign and economic policy legacy, the culmination of which makes for a unique example of intermestic imperialism.

The fifth chapter draws on similar materials, with the addition of legislative documents and congressional record and testimony, to complete the major intersection between oil, aid, and human rights. This chapter recognises Wilson's efforts to follow through on his commitments to procure aid for the GOG, it qualifies readers of human rights provisions in U.S. foreign assistance legislation and the legislative criteria for eligibility, and then it proceeds to examine an Inter-American Development Bank (IDB, IADB) telecommunications package intended for the GOG that was proposed, flagged and debated before a congressional subcommittee in the wake of Wilson's visit, the outcomes and implications of which were quite severe. Chapter five presents the IADB package and telecommunications at large within the context of Guatemalan counterinsurgency as case study of misappropriated U.S. assistance to articulate that military support for the GOG was greater than previously appraised, which in turn bolsters the case for U.S. national interest and calls for further scrutiny towards past and future misappropriations. This chapter identifies the Reagan

administration's decision to disregard Congress and move forward with the package under the auspices of executive discretion was a critical moment in the erosion of human rights provisions in foreign assistance legislation that took place over the course of Reagan's tenure—ostensibly the liberalisation of U.S. human rights policy and foreign assistance legislation.

This thesis forms a complex coalescence of intersecting domestic, international, and transnational forces and policies that were political, economic, and humanitarian in nature. Guatemalan oil turned out to be much ado about nothing, but its prospect, potential, preservation, and pursuit were something to behold. Exposing this story reveals much about the insincerity of Reagan's commitment to human rights, it observes a major transition in U.S. human rights policy, and it adds a chapter to Wilson's abysmal record of Cold War antagonism. Concise summaries of the aforementioned chapters and elements are corralled into a protracted conclusion that offers suggestions for future avenues of research.

CHAPTER 1

Resource Sovereignty and the Political Economy of Hegemony: An Overview of U.S.-Guatemalan Petro-Diplomacy from Conception to Inception

‘It is hard to think of a single fundamental human right which has been respected in Guatemala, apart from the untrammelled right of free enterprise’.¹

Petroleum came of age in the early twentieth-century. It was rapidly integrated into the world economy, and it became an essential resource for waging modern warfare successfully.² Colonies and former colonies suspected of harbouring hydrocarbons were increasingly coveted by global powers. Many such places opened themselves to foreign enterprise and parcelled tracts of lands into concessions for foreign oil companies to explore and exploit. Other places sought to retain their resource wealth for themselves, although they were often pressured and/or coerced to entertain, oblige, and indulge foreign investment. The twentieth-century global political economy of critical resources hosted numerous struggles between public and private Western extractive interests on the one hand, and Global South self-determination and manifestations and exertions of resource sovereignty on the other; this became a significant axis of friction in the Cold War and decolonization process.

Oil industry experts in the early twentieth-century suspected northern and central Guatemala hosted a cache of oil. Washington established its role as the Western Hemisphere’s economic hegemon during the First World War, and the United States extended a proactive, protective interest in Guatemalan oil at that time. Critical resources took on an increasingly paramount foreign policy significance in Washington as policy planners came to identify critical resources and their procurement as essential elements of national security and interest. Guatemala’s hydrocarbon sector and the laws governing its extraction developed alongside, and largely in response to, the United States’ growing appetite for oil and Washington’s

¹ George Black, *Garrison Guatemala* (London: Monthly Review Press, 1984), 4.

² Matthieu Auzanneau, *Oil, Power, and War: A Dark History* (White River Junction, VT: Chelsea Green Publishing, 2018), 153-191; Daniel Yergin, *The Prize: The Epic Quest for Oil, Money & Power* (New York: Free Press, revised edn. 2008), 373-412.

evolving critical resource conceptions and policies. International optimism over Guatemala's hydrocarbon potential escalated over the course of the twentieth-century, exacerbated by changes in the global political economy of critical energy resources. A push and pull transpired between, on the one hand, efforts to liberalise Guatemala's hydrocarbon sector at the behest of the U.S., the oil industry, and the Guatemalan oligarchy, and, on the other hand, exertions of resource sovereignty from both Guatemala's political right and left, albeit in disunity. This struggle manifested itself in intense and significant diplomatic exchanges and (mis)conduct that were not only subject to, but influential on, the trajectory of bilateral relations, culminating in multiple modifications to, and overhauls of, Guatemala's hydrocarbon legislation over the course of the century. This chapter examines these aforementioned events and transitions in local, bilateral, global, and historiographic contexts, to produce a contextual hydrocarbon coming of age story for both nations. This foundational chapter demonstrates that U.S. interest and efforts to procure Guatemalan oil in the late-1970s and early-1980s were not historically anomalous, but rather part of seven-plus decades of oft-adversarial bilateral petro-diplomacy.

The promise, if not the presence, of Guatemalan oil is grossly undervalued in the relevant political literature concerning Guatemala and the United States, and so it follows that U.S. interest in Guatemalan oil is equally undervalued, which in turn has distorted our understanding of bilateral relations and U.S. national interest in Guatemalan affairs. This project contends that the Reagan administration's interest in Guatemalan affairs was significantly greater in 1981 and 1982 than scholars have previously assessed, which runs against the grain of historiographic and conventional wisdom regarding Reagan's hierarchy of interest in Central America. Guatemalan affairs are uniformly relegated as less pressing than Salvadoran and Nicaraguan crises, and although this hierarchy should remain more or less intact, Guatemala must not be reduced to such a distant third when accounting for American interest in Guatemala's hydrocarbon future. This chapter identifies consistent and enduring international and American interest in Guatemala's hydrocarbon development and potential, as a matter of both doctrinal national security pathology and acute national interest, therein exposing a sincere international optimism—even hysteria—over Guatemala's hydrocarbon potential in the 1970s and into the early 1980s, the depth of which has been largely misunderstood or absent in the relevant political literature. The nature of the incoming Reagan's interest is not easily detected, as Guatemalan oil was not something the administration acted on *per se*, but rather a pre-existing situation that his administration

inherited and watched carefully as it developed; the first leg of establishing Reagan's interest in Guatemalan oil thus calls for establishing this pre-existing interest.

This chapter makes several contributions across several avenues of inquiry, although it should be noted here that this was unintended within the thesis' original conception. The original concept called for a concise and balanced introduction to the information in the succeeding chapters, but the limited scope of existing scholarship scattered across timelines of events and themes made this an impossible task without conducting further original research.

Guatemalan hydrocarbon development has a small history, and the internal dimensions of Washington's interest in Guatemalan oil are not part of that history. Solano's aforementioned pioneering research provides a foundation for Guatemalan hydrocarbon development and bilateral petro-diplomacy,³ and Kading's research on the relationship between Guatemalan development and political violence provides much information about hydrocarbon development in the late 1970s and early 1980s,⁴ but the internal dimensions of American policymaking are outside the scope of their research. Building a contextual bridge to the information in the succeeding chapters required forging an original and comprehensive history of U.S.-Guatemalan petro-diplomacy during the period in question, the first of its kind in the English language. The chapter is divided into two sections: the first covers the period from the First World War to the end of the 1960s, which can be characterized as a period of intermittent exploration and limited success, while the second section covers the period of discovery and great expectations in the 1970s.

Coming of Age: Guatemalan Hydrocarbon Development and the Political Economy of U.S. National Security and Interest, 1916 - 1970

Guatemala's hydrocarbon sector came of age alongside both Washington's emerging pre-eminence as the Western Hemisphere's economic hegemon, and the increasing U.S. demand for oil over the twentieth-century. This section examines Guatemalan hydrocarbon development, Washington's evolving energy disposition, and bilateral petro-diplomacy from the First World War through the 1960s' end. This period is characterized by a push and pull

³ Luis Solano, *Guatemala petróleo y minería en las entrañas del poder* (Guatemala City: Inforpress Centroamericana, 2005).

⁴ Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24 (1999), 57-91.

between Guatemalan exertions of resource sovereignty, and U.S. obstructions to and infringements on said sovereign aspirations. This section demonstrates how Washington's propensity for intervention in support of U.S. corporate interests in Latin America took on new dimensions after the Second World War when American strategists came to identify and incorporate critical resources and their procurement as an essential tenet of national security—especially Latin America's critical resources. Commercially viable Guatemalan oil was not discovered and exploited until the mid-1970s, but this section illustrates how Guatemala's hydrocarbon potential came to be coveted by U.S. and international interests long prior, and how Washington made bold moves to sustain advantageous access to Guatemalan oil, even in the absence of an established working oil industry.

In Pursuit of Potential, 1916 – 1945

The economic fallout from the First World War enabled Washington to replace Britain as the Western Hemisphere's economic hegemon, at which time American capital became a dominant force in Guatemala's economic and political life.⁵ U.S. investors did not pursue physical oil concessions in Latin America until the 1920s, but Washington nonetheless sought to secure its sphere of influence over the region's hydrocarbon potential by deterring European hydrocarbon exploration. Commercially viable oil was yet to be discovered in Central America when the U.S. State Department firmly dissuaded British interests in Costa Rican oil as early as 1913, and again in 1918. The State Department warned Costa Rican President Federico Tinoco that Washington 'considers it most important that only approved Americans should possess oil concession[s] in the neighborhood of [the] Panama Canal'.⁶

⁵ Victor Bulmer-Thomas, *The Economic History of Latin America Since Independence* (New York: Cambridge University Press, 3rd edn. 2014), 165-207; Victor Bulmer-Thomas, *The Political Economy of Central America since 1920* (Cambridge: Cambridge University Press, 1987), 1-20; John H. Coatsworth, *Central America and the United States: The Client and the Colossus* (New York: Twayne Publishers, 1994), 1-48; Greg Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism* (New York: Metropolitan/Henry Holden and Co., 2006), 11-23; Walter LaFeber, *Inevitable Revolutions: The United States in Central America* (New York: W.W. Norton & Co., 2nd edn., 1993), 39-58, 74-78; Brian Loveman, *No Higher Law: American Foreign Policy and the Western Hemisphere since 1776* (Chapel Hill, NC: University of North Carolina Press, 2010), 181-225; Thomas O'Brien, *The Century of U.S. Capitalism in Latin America* (Albuquerque: University of New Mexico Press, 1999), 25-56 at large, and 42-43 for Guatemala; Peter H. Smith, *Talons of the Eagle: Latin America, the United States, and the World* (Oxford: Oxford University Press, 4th edn. 2013), 64-91; Edelberto Torres Rivas, *History and Society in Central America*, trans. D. Sullivan-Gonzalez (Austin, TX: University of Texas Press, Austin, 1993), 12-55.

⁶ LaFeber, *Inevitable Revolutions*, 54-58; United States Office of the Historian, Foreign Relations of the United States, 1919, Volume I, 'Document 914: 818.6363Am6/29, Telegram: The Secretary of State to the Consul at San José (Chase), Washington, December 9, 1919, 5 p.m', <https://history.state.gov/historicaldocuments/frus1919v01/d914>, (accessed 11 May 2021), herein cited as FRUS, Secretary of State to the Consul at San José, 9 December 1919.

The GOG received a similar message from U.S. President Woodrow Wilson in 1918.⁷ Wilson's warning was not required to keep European interests out, however, as Guatemala's 1916 legislation governing the concessioning, exploration, and extraction of petroleum was designed to discourage all foreign activity, including North American.⁸

After having pressured the GOG to exclude non-Americans from receiving concessions, Washington leveraged the GOG to alter its petroleum legislation twice in the 1920s to accommodate American interests. First, the State Department pressured the GOG to grant reciprocal rights to American oil enterprises in 1922, which would have enabled American individuals and oil operations to conduct business in Guatemala under the same criteria as Guatemalan nationals.⁹ As American capital increasingly monopolised Guatemala's economy and infrastructure at this time,¹⁰ so too were Guatemala's oil concessions subsumed by North American investors or ventures linked to North American capital. This wave of investment was pursued purely on speculation, as no oil had been discovered to date. At the 1923 International Petroleum Exposition, Guatemala's representative Francisco Latour made several comments on Guatemalan oil that would echo over the century: Guatemalan reserves were likely akin to Mexico's geological formations and thus the 'greatest potential oil bearing section in Central America', but Guatemala's rural landscape and limited transportation infrastructure presented logistical and financial challenges to the exploration, extraction and transportation of the coveted resource.¹¹

After lobbying the GOG for preferential treatment, international circumstances prompted Washington to reverse course. The U.S. attempted to break the British and French hold on Middle Eastern oil during the 1920s by proposing 'open door' competition when bidding on Middle Eastern concessions, which eventually led to the Red Line Agreement of 1928 and the formation of the Iraq Petroleum Company consortium.¹² Reciprocal rights accommodations

⁷ LaFeber, *Inevitable Revolutions*, 75-76.

⁸ This was according to Guatemala's representative at the 1923 International Petroleum Exposition, Francisco Latour. 'Guatemala Oil Leases: Law of 1922 Gives United States Citizens Reciprocal Rights to Secure Leases', *Wall Street Journal*, 19 October 1923. See also: Solano, *Guatemala petróleo y minería*, 13.

⁹ 'Guatemala Oil Leases', LaFeber, *Inevitable Revolutions*, 74-78.

¹⁰ LaFeber, *Inevitable Revolutions*, 54-58; FRUS, Secretary of State to the Consul at San José, 9 December 1919.

¹¹ 'Guatemala Oil Leases'. See also: Solano, *Guatemala petróleo y minería*, 13.

¹² For U.S.-Guatemalan negotiations with global context, see LaFeber, *Inevitable Revolutions*, 75-76. For a summary of open-door proposals and the Red Line Agreement, see Auzanneau, *Oil, Power, and War*, 109-120; Yergin, *The Prize*, 178-189. For an American-centred perspective, the Council on Foreign Relations describes these events as 'British and French attempts to shut U.S. oil companies out of their Middle East protectorates'.

for American enterprises presented a glaring double standard to Washington's free-market proposals in the Middle East, so Washington successfully pressured the GOG to rescind reciprocal rights in favour of an open-door model.¹³ The modification was purely superficial, as there were no Guatemalan concessions left to bid on—they had already been acquired by North American interests and Guatemalan elites.¹⁴

The 1920s saw an increase in oil exploration in Guatemala.¹⁵ The Rockefeller Foundation focused its interests on Latin America, especially Guatemala, where the Foundation's agricultural and evangelical investments were flanked by Standard Oil's exploratory efforts in the north.¹⁶ Fayette A. Jones of the New Mexico School of Mines in Guatemala City conducted surveys on behalf of American firms in 1920.¹⁷ The Guatemalan Petroleum Company and the Guatemalan Oil corporation conducted exploratory work at the start of the decade; the former was financed by domestic and foreign investors, while the latter was funded by U.S., Mexican, and Central American capital.¹⁸ Among the early American pioneers was mercenary and prior U.S. Consul to Honduras, Lee Christmas, backed by New York-based oilman Richmond Levering; the pair's operation failed to attract additional investment and was tabled in just two years.¹⁹ Guatemalan elites invested in concessions, including Manuel J. Cerdón (1926-1929) and Salvador and Domingo Abularach (1932), while a partnership between Carlos Enrique Nanne Sinbaldi and former British Chargé d'Affaires Jack Proby Armstrong maintained concessions throughout the 1930s.²⁰ Several

See 'Oil Dependence and U.S. Foreign Policy', *Council on Foreign Relations*, <https://www.cfr.org/timeline/oil-dependence-and-us-foreign-policy>, (accessed 06 May 2021).

¹³ 'Guatemala Oil Leases'; LaFeber, *Inevitable Revolutions*, 74-78; Solano, *Guatemala petróleo y minería*, 13-14.

¹⁴ LaFeber, *Inevitable Revolutions*, 74-78. For elite families at this time, see Susanne Jonas and David Tobis (eds), *Guatemala* (New York: North American Congress on Latin America / NACLA, 2nd edition/printing 1981), 216-251, see 216, 230, and 246 for specific families holding concessions at the time. See also: Solano, *Guatemala petróleo y minería*, 13.

¹⁵ United States Central Intelligence Agency, Petroleum Resources Branch, 'Memorandum. Guatemala: Assessment of Petroleum Potential. GI M 85-10258', 11 October 1985, *Central Intelligence Agency Digital Reading Room*, <https://www.cia.gov/readingroom/document/cia-rdp85t01058r000405250001-0>, <https://www.cia.gov/readingroom/docs/CIA-RDP85T01058R000405250001-0.pdf> (accessed 04 May 2021), 3. Herein referenced as CIA, 'Assessment of Petroleum Potential'.

¹⁶ For the Rockefellers in pre-WWII Guatemala, see Gerard Colby and Charlotte Dennet, *Thy Will Be Done: The Conquest of the Amazon: Nelson Rockefeller and Evangelism in the Age of Oil* (New York: Harper Collins, 1995), 23, 35-51.

¹⁷ 'Fayette A. Jones goes through bombardment unhurt', *Petroleum Age* 7, no. 9 (1920), 68.

¹⁸ 'Guatemala Oil Leases'. See also: Solano, *Guatemala petróleo y minería*, 13.

¹⁹ Thomas D. Schoonover and Lester D. Langley, *The Banana Men: American Mercenaries and Entrepreneurs in Central America, 1880-1930* (Lexington, KY: University Press of Kentucky, 2014), 157-160. Fred J. Davis also obtained a concession in 1926, see Solano, *Guatemala petróleo y minería*, 14.

²⁰ Jonas and Tobis, *Guatemala*, 216, 230, 246.

large and emerging oil companies surveyed Guatemala's Petén and Alta Verapaz regions between 1925 and 1935, concluding optimistically that petroleum deposits were highly probable.²¹ Gulf Oil received concessions in 1941, and the Ohio Oil Co. in 1943.²² Shell pursued and received concessions between 1936 and 1938, but pulled out in 1938 when favourable terms for exploitation could not be reached with the Jorge Ubico administration.²³ After Ubico was driven into exile during Guatemala's 'October Revolution' of 1944, John D. Rockefeller's Standard Oil of New Jersey acquired concessionary rights in 1944 and 1945.²⁴ No substantial discoveries were made, and Guatemala's primary petroleum export remained its potential.

Transformations in the Political Economy of U.S. National Security Doctrine

Oil became the lifeblood of wars and Western economies (and Western economies' wars) by the mid-twentieth-century. Global powers and small states alike grew increasingly cognisant of petroleum's economic and security value by the Second World War's end, and much state-level planning went into the procurement of oil and other critical resources. Despite the Manichean dimensions of Cold War discourse, many in Washington professed a realist's disposition towards global economic hegemony—especially with regard to critical resources, and especially with regard to inter-American relations. Postwar Washington incorporated the advantageous procurement of hydrocarbons and other critical resources as a tenet of U.S. national security;²⁵ beyond the scope of supporting American economic interests in Latin America, Washington also came to incorporate the advantageous procurement of Latin America's resources as a tenet of U.S. national security. Cold War U.S. policymakers envisioned a zero-sum disposition towards the Global South nations and their respective critical resources, or, in some instances more fittingly, Global South critical resources and

²¹ United States Central Intelligence Agency, 'Guatemala SR-46', 27 July 1950, *Central Intelligence Agency Digital Reading Room*, <https://www.cia.gov/readingroom/document/cia-rdp78-01617a001700030001-9>, <https://www.cia.gov/readingroom/docs/CIA-RDP78-01617A001700030001-9.pdf>, 27, (accessed 06 May 2021). Herein referenced as CIA, 'SR46'.

²² Solano, *Guatemala petróleo y minería*, 14.

²³ CIA, 'SR46', 27. See also: Solano, *Guatemala petróleo y minería*, 14, 17.

²⁴ Colby and Dennet, *Thy Will Be Done*, 23, 36-51; Solano, *Guatemala petróleo y minería*, 13-14. For Guatemala's 'October Revolution', see Richard H. Immerman, *The CIA in Guatemala: The Foreign Policy of Intervention* (Austin, TX: University of Texas Press, 9th edn. 2004), 41-43.

²⁵ Auzanneau, *Oil, Power, and War*, 153-191; Christopher R. W. Dietrich, *Oil Revolution: Anticolonial Elites, Sovereign Rights, and the Economic Culture of Decolonization* (Cambridge: Cambridge University Press, 2017), 26-60; David S. Painter, 'Oil, resources, and the Cold War 1945-1962', in: O.A. Westad and M.P. Leffler (eds) *The Cambridge History of the Cold War, Volume I: Origins* (Cambridge: Cambridge University Press, 2010), 488-489; Yergin, *The Prize*, 373-412.

their respective nations. This transformation in U.S. policy is best observed over a procession of personalities, emblematic documents and events, including the commentary and influence of George Kennan, the U.S. Defense Production Act, the recommendations of the Paley Commission, and, with specific regard to Latin America, through the recommendations of the National Security Council (NSC) and Thomas Mann.

One of Washington's original Cold Warriors, George Kennan substantially influenced the trajectory of U.S. Cold War foreign policy. An architect of Washington's Cold War containment strategy, Kennan called for the containment of Soviet aggression, but in what is arguably the Cold War's darkest irony, the aggression that Kennan called to contain was not encroaching Soviet militarism, but rather the expansion of the Marxist economic model and sphere of influence—Kennan was an advocate for U.S. economic hegemony as a matter of national security.²⁶ As Director of Policy Planning for the State Department, he expressed this position in February 1948:

[W]e have about 50% of the world's wealth but only 6.3% of its population... In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and day-dreaming; and our attention will have to be concentrated everywhere on our immediate national objectives. We need not deceive ourselves that we can afford today the luxury of altruism and world-benefaction.²⁷

Two years on, Kennan identified Latin American resources as 'our resources' when articulating Latin America's place in Washington's foreign policy horizon.²⁸ It seemed Containment's architect may have detested, or at least resented, Global South resource sovereignty; while visiting South America in 1950, Kennan charged that 'the price Western oil companies paid into "the coffers of the Venezuelan government"' was no more than

²⁶ George Kennan, interviewed by David Gergen, 'George Kennan, April 18, 1996', *PBS Newshour*, original transcript: <http://www.pbs.org/newshour/gergen/kennan.html>, <https://web.archive.org/web/20090417054822/http://www.pbs.org/newshour/gergen/kennan.html>, (accessed 11 May 2021).

²⁷ Office of the Historian, *Foreign Relations of the United States, 1948, The United Nations Volume I, Part 2, 'Document 4: PPS/23: Review of Current Trends US Foreign Policy, February 24, 1948'*, VII. Far East, 524, <https://history.state.gov/historicaldocuments/frus1948v01p2/d4>, (accessed 11 May 2021); See also: Jussi Hanhimäki, 'National Security and National Interest', in: S.R. Dockrill and G. Hughes (eds) *Palgrave Advances in Cold War History* (London: Palgrave Macmillan, 2006), 52-73.

²⁸ Dietrich, *Oil Revolution*, 26-27; LaFeber, *Inevitable Revolutions*, 107; Stephen G. Rabe, *The Killing Zone: The United States Wages Cold War in Latin America* (New York: Oxford University Press, 2012), 23.

“ransom to the theory of state sovereignty.”²⁹ United States’ foreign policy in Latin America pursued economic hegemony long prior to Kennan’s remarks and influence in Washington, but Kennan’s disposition serves as a metric for the changes taking place in the political economy U.S. Cold War national security doctrine.

The 1950 Defense Production Act formally incorporated energy as a ‘strategic and critical mineral’ and global hydrocarbon supply and trade were rendered an essential tenet of national security.³⁰ Shortly thereafter, the International Materials Policy Commission, known also as the Paley Commission, was authorised by U.S. President Harry Truman in January 1951 to research and generate informed recommendations for U.S. critical resource strategy. The Commission recommended pursuing economic hegemony over critical resource markets, observing the importance of maintaining advantageous/favourable access to such minerals, and noting that rising costs and/or obstructed access to such minerals could potentially ‘undermine our rising standard of living, impair the dynamic quality of American capitalism, and weaken the economic foundations of national security’.³¹ All but calling for imperialism and asymmetric economic relationships, the Commission recommended the U.S. acquire materials in the most cost-effective manner possible.³²

The Paley Commission's recommendations, like Kennan’s, were absorbed into the political economy of U.S. national security doctrine at large. By 1953 American oil companies, and to a lesser extent their Western allies, controlled the majority of oil concessions and the direction of flow worldwide. The top seven oil companies were referred to as the ‘Seven Sisters’, and they consisted of the Anglo-Iranian Oil Company (the precursor to British Petroleum), Royal Dutch Shell, and five American companies: Socony-Vacuum (the precursor to Mobil), Standard Oil of California (the precursor to Chevron), Standard Oil of New Jersey (the precursor to Exxon), the Texas Company (the precursor to Texaco, and Gulf Oil). The Sisters ‘controlled over 90 percent of oil reserves outside of the United

²⁹ Kennan also lamented that the oil workers were communist union members. Quoted material from and in Dietrich, *Oil Revolution*, 26. See previous note as well.

³⁰ ‘The Defense Production Act of 1950, As Amended [50 U.S.C. § 4501 et seq.] Current through P.L. 115-232, enacted August 13, 2018’, Section 106: Designation of Energy as a Strategic and Critical Material [50 U.S.C. § 4516]’, https://www.fema.gov/sites/default/files/2020-03/Defense_Production_Act_2018.pdf, (accessed 3 June 2021). See also: Dietrich, *Oil Revolution*, 26-28.

³¹ United States Office of the Historian, Foreign Relations of the United States, 1952-1954, General: Economic and Political Matters, Volume I, Part 2, ‘Editorial Note’, <https://history.state.gov/historicaldocuments/frus1952-54v01p2/d16>, (accessed 11 May 2021).

³² *Ibid.*

States, Mexico, and the Communist countries’,³³ and their enterprises ‘accounted for nearly 90 percent of world oil production, owned almost 75 percent of world oil-refining capacity, and provided about 90 percent of the oil traded in international markets’.³⁴

In 1952, U.S. diplomat Thomas Mann left a policy memorandum of significance for president-elect Eisenhower. The ‘Mann memo’, as it is often called, identified a national imperative to ensure and sustain the advantageous procurement of Latin American resources.³⁵ The memorandum is emblematic of Washington’s formal incorporation of Latin American resources, and their advantageous procurement, as a national security imperative. The Mann memo is also emblematic of Thomas Mann’s emerging influence on U.S. economic and political policies in Latin America—an influence that greatly exceeded the 1952 memo. Mann was an attorney by trade, ‘with considerable background in the petroleum field’.³⁶ He had been a State Department diplomat in Latin America since the Second World War, and he was a key figure in the political and hydrocarbon transformations that took place in 1950s Guatemala. The following decade, President Lyndon Johnson tasked Mann to run the Alliance for Progress after the assassination of President John F. Kennedy, but Johnson preferred Cold War stability over Kennedy’s strings-attached altruism, and Johnson and Mann transformed the Alliance from Kennedy’s investment initiative preoccupied by security interests, into a security-centred aid scheme that uplifted anti-communist regimes at the expense of actual progress. Such was the case in Guatemala throughout the 1960s and much of the 1970s. Thomas Mann’s own doctrine—the Mann Doctrine—advised Washington to engage in non-discriminatory economic and political partnerships with Latin America’s right-wing military regimes, in spite of any human rights excesses, under the auspices of neutrality and a national preference for stability. This document is considered a critical juncture towards

³³ For data on their holdings, see United States Congress, Senate, Select Committee on Small Business, ‘The International Petroleum Cartel: Staff Report to the Federal Trade Commission, Submitted to the Subcommittee on Monopoly of the Select Committee on Small Business, United States Senate’ (Washington, DC: U.S. Government Printing Office, 1952), 21–33, *Central Intelligence Agency Digital Reading Room*, <https://www.cia.gov/readingroom/docs/CIA-RDP57-00384R000700130001-2.pdf>, (accessed 2 June 2021). See also: Dietrich, *Oil Revolution*, 26-27.

³⁴ Dietrich, *Oil Revolution*, 26-27.

³⁵ Walter LaFeber, ‘Thomas C. Mann and the Devolution of Latin American Policy: From the Good Neighbor to Military Intervention’, in T. J. McCormick & W. LaFeber (eds.) *Behind the Throne: Servants of Power to Imperial Presidents, 1898–1968* (Madison: University of Wisconsin Press, 1983), 172-174. See also: LaFeber, *Inevitable Revolutions*, 106-107, 141-142.

³⁶ United States Office of the Historian, Foreign Relations of the United States, 1955-1957, The American Republics: Central and South America, Volume VII, ‘Document 23: Memorandum of a Conversation Between the Assistant Secretary of State for Inter-American Affairs (Holland) and President Castillo Armas, Guatemala City, February 14, 1955’, <https://history.state.gov/historicaldocuments/frus1955-57v07/d23>, (accessed 23 June 2021). Herein cited as FRUS, ‘Document 23: Conversation’.

Washington's formal endorsement of Latin American right-wing Cold War anticommunist military regimes,³⁷ perhaps the most egregious of which was the Guatemalan counterinsurgency state.³⁸ Consistent with earlier doctrines, the Mann Doctrine's noninterventionist decree came with the caveat that approved of U.S. intervention in cases where regional threats of communist influence were present.³⁹ For zero sum hardliners in Washington, communist threats were everywhere, and Latin American exertions of resource sovereignty were conflated with Marxism.

The spirit of the Mann memo was reflected in the National Security Council's (NSC) March 1953 prescriptions for US policy in Latin America, the 'United States Objectives and Courses of Action With Respect to Latin America', known also as NSC 144/1. The Council articulated an anticommunist hardline for the region, but one of the core objectives put forth in the document was the '[a]dequate production in Latin America of, and access by the United States to, raw materials essential to U.S. security.'⁴⁰ In the evolving Cold War national security paradigm, Latin America's resource wealth was, according to the NSC, 'essential' to the United States. Latin American political economist Raul Prebisch summarized these conditions: '[in] this scheme, it is Latin America's position to act as part of the periphery of

³⁷ For the Mann Doctrine, see Thomas C. Mann, 'The Experience of the United States in Economic Development: Its relevance for Latin America', *The Department of State Bulletin* 47, no. 1221 (November 1962), 772-776, in: R. H. Holden and E. Zolov (eds) *Latin America and the United States: A Documentary History* (Oxford: Oxford University Press, 2nd edition 2011), 238-240. See also: John H. Coatsworth, *Central America and the United States: The Client and the Colossus* (New York: Twayne Publishers, 1994), 110; LaFeber, 'From Good Neighbor to Military Intervention', 166-203; LaFeber, *Inevitable Revolutions*, 141-172; Smith, *Talons*, 138-149.

³⁸ Susanne Jonas defines the counterinsurgency state as 'a particular form of the counterrevolutionary state, a variant of the bourgeois state in Latin America, that combines the traditional authoritarian-oligarchical state with the institutionalized apparatus created and imposed by the United States in the 1960s to prevent 'another Cuba.' As such, it is a historically specific response to the challenge from revolutionary movements since the 1960s.' In Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads, and U.S. Power* (San Francisco, CA: Westview Press, 1991), 57-58, 69-71, 115-123. Quoted material located on 116-117. For analysis of Guatemala's predisposition to military authoritarianism, see James Mahoney, 'Radical, Reformist and Aborted Liberalism: Origins of National Regimes in Central America', *Journal of Latin American Studies* 33, no. 2 (May 2001), 221-241.

³⁹ Coatsworth, *Clients and the Colossus*, 110; LaFeber, 'From Good Neighbor to Military Intervention', 166-203; LaFeber, *Inevitable Revolutions*, 141-172; Smith, *Talons*, 138-149.

⁴⁰ United States Office of the Historian, Foreign Relations of the United States, 1952-1954, The American Republics, Volume IV, 'Document 3: S/S-NSC files, lot 63 D 351, NSC 144 series, Statement of Policy by the National Security Council, NSC 144/1, Washington, March 18, 1953, United States Objectives and Courses of Action With Respect to Latin America', 7, <https://history.state.gov/historicaldocuments/frus1952-54v04/d3>, (accessed 22 June 2021). Herein cited as FRUS, 'NSC 144/1'. Quoted material from section 4/e of the document.

the world economic system, in the specific role of producing food and raw materials for the large industrial centers'.⁴¹

Washington's mid-century hemispheric strategy envisioned and acted upon the advantageous procurement of critical resources as a U.S. national security priority. This presents two considerations regarding the political economy of U.S. foreign policy in Latin America. First, there is the matter of intrinsic state and corporate interests, for, in the absence of a national U.S. oil company, the procurement of critical resources deemed essential to U.S. national security was/is carried out by private capital. Critical resources, the American companies that procure them, and the ease with which they were, are, and will be procured by American companies, was formally and conceptually absorbed into U.S. national security doctrine in the Cold War's early years. Protecting and promoting U.S. investments and activities regarding critical resources, whether through trade, imposition, or intervention, could be carried out under the auspices of national security.⁴² Corporate interests on matters of critical resource procurement abroad were often congruent with Washington's interests. The U.S. military may have acted as 'racketeer[s]' and 'gangster[s]' for American capital at the start of the century,⁴³ but the postwar relationship between the United States government and the oil industry is most accurately observed as one of collaborative interdependence.

The second consideration regarding the political economy of U.S. foreign policy at this time stems from the inherently antithetical relationship between Latin American resource sovereignty, and Washington's policies regarding Latin America's critical resource wealth. McNeish and Borchgrevink define resource sovereignty as 'the controversial and uncertain ability of nation-states, or emergent polities within them, which seek sovereignty over territory to manage territorial resources in the public interest', noting that public interest is circumstantial.⁴⁴ Putting the pieces together, Latin American states whose critical resource

⁴¹ Raúl Prebisch, 'El Desarrollo Económico de la América Latina y Algunos de sus Principales Problemas', *El Trimestre Económico* 16, no. 63 (1949), 348. See also: Dietrich, *Oil Revolution*, 26.

⁴² Dietrich, *Oil Revolution*, 26-28.

⁴³ Decades earlier, former U.S. General Smedley Butler described himself and his military service as having been a 'racketeer' and a 'gangster for capitalism', for reportedly courting the interests of American capital during the more brazen years of American imperialism. Smedley Butler, 'Smedley Butler on Interventionism: Excerpt from a speech delivered in 1933 by Major General Smedley Butler, USMC', *Federation of American Scientists*, <https://fas.org/man/smedley.htm>, (accessed 29 March 2019).

⁴⁴ John-Andrew McNeish and Axel Borchgrevink, 'Introduction: Recovering Power from Energy', in: J. A. McNeish, A. Borchgrevink, and O. Logan (eds.) *Contested Powers: The Politics of Energy and Development in Latin America* (London: Zed Books, 2015), 2.

initiatives created disadvantageous terms for U.S. procurement were categorically incongruent with U.S. national security interests. Such became the case in Guatemala.

Towards Regime Change: Guatemalan Resource Sovereignty Vs. U.S. National Security

Just as postwar Washington identified a national need to procure oil on favourable terms, so too did Global South states see an opportunity to use their resources wealth to their advantage, and Guatemala was no exception. During Guatemala's 'democratic spring', the presidencies of Juan Jose Arévalo (1945-1951) and Jacobo Árbenz (1951-1954) challenged the excesses of foreign capital and landed elites by undertaking economic and development initiatives deemed nationalistic by American observers, by investing in social infrastructure, and by supporting labour and political organisation.⁴⁵ An American intelligence assessment from 1952 (NIE-62) observed the GOG had embarked upon 'a strong national movement to free Guatemala from the military dictatorship, social backwardness, and "economic colonialism" which had been the pattern of the past'.⁴⁶ Much to Washington and Wall Street's displeasure, many Guatemalan reforms took aim at American-owned operations, inevitably so given the extent of American capital's all-encompassing presence in Guatemalan economic, political, and subsequently social life.⁴⁷

Guatemala's progressive leadership took to reforming the nation's hydrocarbon legislation. The Ubico government's Hydrocarbon Law Decree 1998 (1934) was considered too generous to foreign investors. The National Constituent Assembly crafted Article 95 of the new constitution during Arévalo's first year in office, which stated that Guatemala's hydrocarbons can only be exploited by the Guatemalan state, by Guatemalan nationals, or through Guatemalan-led endeavours comprised primarily of Guatemalan capital.⁴⁸ Next, Arévalo

⁴⁵ CIA, 'SR46', 22-24; United States Office of the Historian, Foreign Relation of the United States, 1951, The United Nations; The Western Hemisphere, Vol. II, 'Document 800: Policy Statement Prepared in the Department of State, Secret, Washington, May 2, 1951, Guatemala', 1421, <https://history.state.gov/historicaldocuments/frus1951v02/d800>, (accessed 06 May 2021). Herein cited as FRUS, 'May 2, 1951, Guatemala'.

⁴⁶ United States Office of the Historian, Foreign Relations of the United States, 1952-1954, Guatemala, 'Document 6: National Intelligence Estimate, NIE62, Present Political Situation in Guatemala and Possible Developments During 1952, March 11, 1952', 10, <https://history.state.gov/historicaldocuments/frus1952-54Guat/d6>, (accessed 1 June 2021). Herein cited as FRUS, 'NIE-62'.

⁴⁷ FRUS, 'May 2, 1951, Guatemala', 1427-1428.

⁴⁸ Per Article 95, 'Hydrocarbon deposits and their derivatives can only be exploited by the State, by Guatemalans, or by Guatemalan companies whose capital is predominantly national.' ('Los yacimientos de hidrocarburos y sus derivados solamente pueden ser explotados por el Estado, por guatemaltecos, o por

repealed Ubico's Decree 1998 and crafted a new petroleum law, but the President struggled to shake the presence of both American capital and American diplomacy throughout the process. The Inter-American Development Commission of Washington sponsored the Report on Legislative Proposal for Oil in Guatemala. The document was prepared and submitted to the GOG by American Max Weston Thornburg in March 1946. Thornburg had served as Petroleum Advisor and Special Assistant to the Undersecretary of State during the Second World War, and he had been Standard Oil and Rockefeller's chief engineer since 1924. Not surprisingly then, Thornburg's report suggested opening Guatemala to foreign investment.⁴⁹ Thornburg went on to become a specialist with the New York-based Rockefeller Brothers Fund and with Harvard University's Center for International Affairs in the 1950s, and following the U.S.-backed overthrow of Iran's democratically elected government in 1953, Thornburg served as an advisor to the shah.⁵⁰ Arévalo recalls that in that same year U.S. Ambassador Edwin Kyle informally offered his government \$200 million in assistance with a list of much-needed infrastructure projects that included drilling for oil. The implication of Kyle's proposal, according to Arévalo, was that Guatemalan legislation should be altered to accommodate American oil interests, and that it was an all-or-nothing list.⁵¹ Arévalo declined, and the administration's new petroleum law, Decree 468, was finalised in December 1947 and enacted January 1948. Among the stipulations were fifty-year contract commitments, quarterly royalty payment schedules, filing fees for exploration and an annual exploration tax. Thornburg's suggestions were discarded, with the exception of the oil export tax's removal.⁵²

compañías guatemaltecas cuyo capital sea predominantemente nacional'). See Republic of Guatemala, 'Constitución de la Republica de Guatemala Decretada por la Asamblea Constituyente en 11 de Marzo de 1945', <https://archivos.juridicas.unam.mx/www/bjv/libros/5/2210/24.pdf>, (accessed 09 September 2023). See also: Solano, *Guatemala petróleo y minería*, 15, 17.

⁴⁹ Rafael Piedra Santa Arandí, *El Petróleo y los Minerales en Guatemala: Problemas Creados*, (Guatemala City, Guatemala: University of San Carlos, Facultad de Ciencias Económicas, 1979), 9-10; Inter-American Development Commission, Max Weston Thornburg, *Report on Proposed Petroleum Legislation for Guatemala*, (Washington, DC: Inter-American Development Commission, 1946), <https://catalog.hathitrust.org/Record/006828551>, (accessed 12 June 2021). See also: Solano, *Guatemala petróleo y minería*, 16-21.

⁵⁰ C. L. Sulzberger, 'Foreign Affairs: Islam and Communism--A Misconception?', *New York Times*, 13 April 1957; 'Turkey Chosen for Study', *New York Times*, 27 January 1947.

⁵¹ Juan José Arévalo Bermejo, *Guatemala, la democracia y el imperio* (Guatemala: Editorial Nueva Era, 1994), 61-63. See also: Solano, *Guatemala petróleo y minería*, 19-21.

⁵² FRUS, 'May 2, 1951, Guatemala', 1427-1428; Solano, *Guatemala petróleo y minería*, 16-17.

In August 1949, the Guatemalan Congress proposed further revisions to hydrocarbon legislation, to purportedly ‘safeguard the interests of the nation’.⁵³ The result was that *A Petroleum Law, Legislative Decree No. 649 of 30 August 1949* was signed into law the following month.⁵⁴ Decree No. 649 sought to discourage external monopoly and create an equitable framework for extraction, requiring mandatory inclusion and/or participation of Guatemalan nationals, cascading royalty payments, mandatory production levels of 3,000 barrels-per-day (bpd) for operating wells, and other undesirable stipulations. This was hypothetical, as still no oil had been pumped from Guatemalan wells. The World Bank objected on behalf of foreign oil firms to 649’s requirement that Guatemalan investors be included, but the objection was ignored.⁵⁵ Arévalo recalled U.S. Ambassador Richard C. Patterson Jr. lambasting, ‘Who are you saving that oil for?’ Arévalo replied, ‘For Guatemala.’⁵⁶ Patterson responded to Arévalo’s exertion of resource sovereignty by making him ‘persona non grata’.⁵⁷ The ambassador pressured landholders to circumvent the new legislation by allowing international oil firms to operate on their tracts under loopholes for consortiums. Patterson went as far as to engage in subversive plotting with the Guatemalan military and various reactionary groups.⁵⁸ At the request of the GOG, and in response to his interventionist meddling, the State Department terminated Patterson in 1950.⁵⁹

The Cold War climate in Washington generated anxieties over the progressive changes taking place in Guatemala. Washington’s concerns centred on disruptions to the social and economic status quo, the mobilisation of the peasantry, and restricted American access to Guatemalan resources. The GOG’s assertions of resource sovereignty, and restrictions on petroleum exploration and development, were interpreted by U.S. intelligence and diplomatic observers as Marxist-led developments and/or infiltrations. Recent scholarship has identified five key

⁵³ United States Embassy, Guatemala, ‘Guatemala: Airgram from U.S. Embassy at Guatemala City (Dated August 31, 1949)’, *Foreign Commerce Weekly* [vol. XXXVI, no. 12 (19 September 1949)], 18. See also: FRUS, ‘May 2, 1951, Guatemala’, 1427-1428.

⁵⁴ United States Embassy, Guatemala, ‘Guatemala: Airgram from U.S. Embassy at Guatemala City (Dated September 30, 1949)’, *Foreign Commerce Weekly* XXXVII, no. 3 (17 October 1939), 49. See also: FRUS, ‘May 2, 1951, Guatemala’, 1427-1428.

⁵⁵ Solano, *Guatemala petróleo y minería*, 17-19.

⁵⁶ Arévalo, *Guatemala, la democracia y el imperio*, 61-63; Solano, *Guatemala petróleo y minería*, 19-21.

⁵⁷ Solano, *Guatemala petróleo y minería*, 20-21.

⁵⁸ *Ibid.*, 20-21.

⁵⁹ United States Office of the Historian, Foreign Relations of the United States, 1950, The United Nations, The Western Hemisphere, Volume II, ‘Document 452: Relations of the United States and Guatemala, with special reference to concern of the United States over Communist activity in Guatemala (Documents 444-475) Editorial Note’, <https://history.state.gov/historicaldocuments/frus1950v02/d452>, (accessed 5 June 2021). See also: Solano, *Guatemala petróleo y minería*, 20-21.

intelligence documents between 1950 and 1954 that encompass Washington's political and economic discontent with the GOG, that contributed to and rationalised Washington's commitment to regime change in Guatemala. These include SR46 (27 July 1950), CIA/RE34-49 ('Soviet Capabilities and Intentions in Latin America', 14 November 1950), National Intelligence Estimate 3 (NIE3, 15 November 1950), National Intelligence Estimate 62 (NIE62, 11 March 1952), and National Intelligence Estimate 84 (NIE84, 19 May 1953).⁶⁰

Prior to the Paley Commission, the CIA's 1950 assessment of Guatemala's strategic importance (SR46) took issue with the Arévalo administration's social and economic initiatives, including Guatemala's reassertion of hydrocarbon resource sovereignty. The SR46 report acknowledged Guatemala's oil potential in the northern Petén and Alta Verapaz regions, but lamented that 'the nationalistic policies of the present administration have prevented the exploitation of suspected deposits of petroleum'.⁶¹ Indeed, Standard Oil of Ohio, the Ohio Oil Company, and the Atlantic Refining Company conducted exploratory work between 1945 and 1950, and SR46 was correct to assert that negotiations over the terms of exploitation were unsuccessful because of 649's terms.⁶² Guatemala had made the cardinal sin of saying 'no'. The anticommunist Cold War bias of SR-46's authors shines through, however, as the document makes no mention of Shell's inability to negotiate favourable terms with the pro-American Ubico dictatorship in the prior decade, nor does SR46 acknowledge that Standard Oil of New Jersey did not pursue operations until Ubico was no longer in office—such points would have been inconsistent with the document's anticommunist tone and objective. The SR46 report did criticise Guatemala's (re)assertion of 'national ownership of natural resources'.⁶³ The report cautioned that oil companies were pessimistic and on the verge of withdrawal, and concluded that No. 649 'reflects the extreme nationalism of the present [Arévalo] administration, which repudiates exploitation of the country's resources by foreign enterprises except on terms extremely favorable [sic] to Guatemala'.⁶⁴ Such statements beg the question, to whom else should the terms have been favourable to? The report did not identify specific grievances within Guatemala's new hydrocarbon legislation,

⁶⁰ William R. Weber, 'In Darker Shadows: Intelligence Analysis and Decision-Making behind the Overthrow of Guatemalan Democracy', Master's Thesis, University of West Virginia, 2017, <https://researchrepository.wvu.edu/cgi/viewcontent.cgi?article=7969&context=etd>, 43.

⁶¹ CIA, 'SR46', 1.

⁶² CIA, 'SR46', 27. See also: Solano, *Guatemala petróleo y minería*, 14, 17. The Atlantic Refining Company is/was also referred to as the Atlantic Refining-Tide-Water group.

⁶³ CIA, 'SR46', 11-12.

⁶⁴ CIA, 'SR46', 27.

providing only vague lamentations over Guatemalan resource sovereignty.⁶⁵ On the whole, SR46 observed creeping Soviet and Marxist incursions throughout Guatemala, and Guatemalan resource sovereignty and preference for equitable economic symmetry were perceived as Marxist endeavours by SR46's authors. The report is one of the more significant landmarks in Washington's transition towards a policy of regime change in Guatemala at that time, and it is emblematic of both Washington's incorporation of critical resource procurement as a national security tenet, and of the American fixation with Guatemala's hydrocarbon potential.

The State Department's 1951 Policy Statement for Guatemala was quite similar to SR46, except it echoed the Paley Commission's position on resource procurement. The State Department contended that there were no American oil operations inside Guatemala following the 649's issuance,⁶⁶ but this is incorrect. Guatemalan legislation did not ban foreign firms from participating in exploration and extraction, but it did require the participation of Guatemalan capital in their ventures. This condition was an olive branch extended to the Guatemalan oligarchy on behalf of the reformist government, as foreign firms operating in Guatemala at the time did so in collaboration with Guatemalan elites. In one such example, Emilio Cerdón Méndez of the powerful and prominent Cerdón family represented *Petrolera California* as a subsidiary of Standard Oil of California in 1951.⁶⁷ The State Department was aware of this fact, but the Department's 1951 Statement contained a punch list of policy objectives in Guatemala that reflected Washington's incorporation of Guatemalan resources into its own interpretation of security by stressing a need '[t]o bring about the establishment...of favorable [sic] conditions for the conduct of business by U.S. interests on mutually advantageous terms', and 'to secure access to and to maintain and expand the production and flow of raw materials which are strategically necessary for our defense and that of the hemisphere'.⁶⁸ Recognizing Guatemala's petroleum potential, the logistical challenges in accessing Guatemalan oil, and Guatemala's disenchantment with American capital, the Statement suggested that '[w]e should...press with greater vigor our

⁶⁵ A comparable metric for the CIA's economic morality can be found in the report's comments on labour and economic ideology, specifically the notion that the GOG's curtailing of exploitative vagrancy-labour laws and promotion of organised labour is 'disruptive' and 'antagonistic to the interests of a propertied class, whose economic position has been largely dependent on cheap labor, the undisputed ownership of large landholdings, and the ability to dominate the political scene'. CIA, 'SR46', 22-23, quoted material on 23. See also: FRUS, 'May 2, 1951, Guatemala', 1421.

⁶⁶ FRUS, 'May 2, 1951, Guatemala', 1433.

⁶⁷ Jonas and Tobis (eds), *Guatemala*, 230; Solano, *Guatemala petróleo y minería*, 18-19.

⁶⁸ FRUS, 'May 2, 1951, Guatemala', 1415, 1427-1428. Quoted material on 1415.

desire to have Guatemala establish conditions which would be conducive to exploration and possible subsequent exploitation of petroleum and strategic minerals'.⁶⁹ The Statement revealed Guatemalan petroleum within Washington's larger hemispheric strategy:

Assuming that it is in the interest of the United States and of the Hemisphere to develop all possible sources of petroleum in readily accessible areas, efforts should be made to seek the modification of the restrictive attitude which Guatemala has thus far demonstrated with respect to proving its petroleum potential, and, if such exists, permitting its exploitation. It is therefore the policy of this Government to seek the modification of these restrictions in a manner which will permit advantageous exploration for and exploitation of petroleum in Guatemala by foreign capital, including all legitimate safeguards for the national interests of Guatemala.⁷⁰

Conflating resource sovereignty with Marxism, the report lamented that 'success in this endeavor again will be largely determined by the extent to which Communists and ultra-nationalists are able to continue their influence within the Government'.⁷¹ It seems that even the GOG's humble requirement that international firms collaborate with an already-collaborative class of elites, like the Cordóns, was too symmetrical for Washington's taste.

Within the 1951 Statement's criticisms of No. 649 are claims that the architects of Guatemalan petroleum policy were anti-American 'pro-communists'. The Statement referenced Argentine activist and GOG Petroleum Advisor (1948-1949) Angel Hurtado Mendoza, Director General of Mining and Director of the National Petroleum Institute Jose Mendez Zebadua, and Associate Chief of Mining and Sub-Director of the National Petroleum Institute Humberto Veliz Gonzalez.⁷² An Embassy intelligence cable from March 1953 made further claims about Veliz Gonzalez, based on an unidentified informant's disclosure Gonzalez returned from Panama with spools of eight millimetre film containing photos of U.S. military installations in the Canal Zone and left them at the National Petroleum Institute. The informant claimed the Institute was a 'commie cell' and an armoury headed by the Communist Party of Guatemala's (PCG) General Secretary Jose Manuel Fortuny, and that the arms were for an international army of 3,500 communists dispersed throughout Guatemala.⁷³

⁶⁹ Ibid., 1427-1428, 1435. Quoted material on 1435.

⁷⁰ Ibid., 1427-1428.

⁷¹ Ibid., 1435.

⁷² Ibid., 1427-1428.

⁷³ United States Central Intelligence Agency, Correspondence, Redacted to Dir/SGuat, Subject: Intel, 11 March 1953, *Central Intelligence Agency Digital Reading Room*, https://www.cia.gov/readingroom/docs/DOC_0000914955.pdf (accessed 11 May 2021).

Hyperbolic reports and intelligence of this nature placed a target on the petroleum industry's back and contributed toward the mounting climate of interventionism in Washington.

Guatemalan President Jacobo Árbenz was driven from office in 1954 by a U.S.-backed golpe, bringing Guatemala's decade of reform to an end. American capital made considerable efforts to promote the intervention—UFCO's well-documented interests and efforts were flanked by a nexus of political-economic power that included Rockefeller and Standard Oil, a group described by Guatemalan historian Suzanne Jonas as the 'intervention lobby'.⁷⁴ In addition, of the three right-wing subversive groups actively opposed to Guatemala's reformist government(s), one led by Guatemala Colonel Arturo Ramirez consisted of expatriates in Mexico and was funded by American oil interests.⁷⁵

A hydrocarbon conspiracy is not afoot. Neither U.S. national interest in Guatemalan oil, nor the efforts and leverage of American corporate interests, were sole catalysts in U.S. President Dwight Eisenhower's decision to move forward with the golpe in 1954. These factors were, however, powerful elements in the Eisenhower administration's decision-making process, although relevant scholarship remains divided on the matter. Jonas, Schlesinger and Kinzer identify UFCO and American capital as the antagonists in promoting U.S. intervention.⁷⁶ Piero Gleijeses identifies Eisenhower's decision to intervene as a response to progressive events taking place in Guatemala, processed through an (hyperbolic) anticommunist Cold War security framework.⁷⁷ Conservative scholars like John Gaddis and United Fruit Company historian Paul Dosal have extolled Gleijeses' research, concluding, as if the Monroe Doctrine and Kennan Corollary were themselves divine (and not god complex declarations of exceptionalism), that the Árbenz government's tolerance and affiliations with Marxist individuals and organisations justified Washington's obstructions to Guatemalan self-

⁷⁴ For UFCO's efforts at regime change, see Stephen Schlesinger and Stephen Kinzer, *Bitter Fruit: The Story of the American Coup in Guatemala* (Cambridge, MA: Harvard University, David Rockefeller Center for Latin American Studies, 4th edn. 2005). For the intervention lobby, see Susanne Jonas, 'Anatomy of an Intervention: The U.S. "Liberation" of Guatemala', in: S. Jonas and D. Tobis (eds) *Guatemala* (Berkeley, CA: North Atlantic Congress on Latin America / NACLA, 2nd edition 1981), 57-73. For commentary on Rockefeller and Standard Oil, see Colby and Dennett, *Thy Will Be Done*, 235-251, 264.

⁷⁵ United States Office of the Historian, Foreign Relation of the United States, 1952-1954: Guatemala, 'Document 2: Memorandum From the Chief of the Western Hemisphere Division, Central Intelligence Agency, (King) to the Deputy Director for Plans, Central Intelligence Agency (Wisner), Washington, January 11 1952: Estimate of the Situation in Guatemala', 3, <https://history.state.gov/historicaldocuments/frus1952-54Guat/d2>, (accessed 16 May 2021).

⁷⁶ See Jonas, 'Anatomy of an Intervention', 57-73; Schlesinger and Kinzer, *Bitter Fruit*.

⁷⁷ Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton, NJ: Princeton University Press, 1991).

determination. Perhaps this disposition is in need of decolonization; Gleijeses responded to these apologist interpretations and argued that, regardless of Eisenhower's belief that intervention was consistent with U.S. national interest, the 'administration acted with supreme indifference toward the fate of the Guatemalan people' to the point of 'wanton criminal negligence', referencing the rollback of reform, the restoration of the socioeconomic status quo, the subsequent continuity in extreme socioeconomic disparity, and the Guatemalan counterinsurgency monster created in the post-democracy vacuum.⁷⁸

Guatemalan oil often eludes historians' short lists of U.S. precursors to intervention, perhaps because Guatemala does not produce much oil at present, or because there was no tangible oil to speak of through much of the twentieth-century. This is unfortunate, as Guatemala's untapped oil reserves held not only economic potential, but zero-sum political value to Cold Warriors in Washington.⁷⁹ Exertions of economic and critical resource sovereignty were incongruent with U.S. national security interests and identified as Marxist developments in U.S. intelligence and foreign policy circles, the sum of which contributing to Washington's heightened anti-communist disposition that was already leaning towards intervention. Whatever the formula for intervention was, Washington's restricted access to Guatemalan oil was part of it.

Liberalisation, Limited Progress, and Basic Resources, 1954-1970

With the changing of the political guard and firm guidance from North American interests, post-Árbenz Guatemala reopened for business. The GOG committed to liberal trade as directed by the United States and its flanking international financial institutions. In the absence of both legitimacy and funds, Washington's co-conspirator in the coup and Árbenz's

⁷⁸ Piero Gleijeses, 'Afterword: The Culture of Fear', in: N. Cullather, *Secret History: The CIA's Classified Account of Its Operations in Guatemala 1952-1954* (Stanford, CA: Stanford University Press, 1999), xxvii-xxix, xxxii. See also: Greg Grandin, 'Off the Beach: The United States, Latin America, and the Cold War', in: J-C. Agnew and R. Rosenweig (eds) *A Companion to Post-1945 America* (New York: Blackwell, 2002), 429-430.

⁷⁹ See for example, Frank Aker, 'The Third World War and Central America: U.S. Strategic and Security Considerations in the Caribbean Basin', Paper, In Ronald Reagan Presidential Library Digital Library Collections, Box 44, Central America – VI (1 of 3), https://www.reaganlibrary.gov/public/digitallibrary/smf/publicliaison/blackwell/box-055/40_047_7009056_055_007_2017.pdf, (accessed 22 June 2021); Louis A. Tambs, 'Guatemala, Central America, and the Caribbean: A Geopolitical Glance', Prepared for the United States House of Representatives Sub-Committee on Inter-American Affairs, 30 July 1981, Signed copy from Tambs to Richard Allen ('To Dick, with best wishes, from Louis'), then forwarded through Sally Sherman to Roger Fontaine on 26 August (To Roger Fontaine, Mr. Allen forwards Professor Tamb's testimony for your info./interest, Sally Sherman'), Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [3].

presidential successor, General Carlos Castillo Armas, was inclined to improve both economic development and relations with the United States.⁸⁰ Armas was initially hesitant to take on multilateral debt, but his administration accepted an \$18.2 million infrastructure loan at Eisenhower's urging, and the GOG instituted a five-year economic plan that had been 'virtually written by David Gordon, head of the World Bank mission to Guatemala'.⁸¹ Guatemala's future was Washington's to mould: then-U.S. Vice President Richard Nixon recalls Armas having said to him, 'Tell me what you want me to do and I'll do it'.⁸²

Guatemala's hydrocarbon legislation was swiftly targeted for liberal reform, and various American state and private actors leveraged the new law to accommodate U.S. interests. The Guatemalan Petroleum Commission's preliminary hydrocarbon reforms (Preliminary Law to the Petroleum Code, Decree 172 of December 13, 1954) called for a 50/50 profit sharing arrangement between the state and extractive firms, and the gradual imposition of income taxes over a ten year period. Further, the Code required oil companies to build and operate a refinery, for without a refinery any oil that was extracted would potentially need to be transported to the U.S. for refinement and then reimported for domestic Guatemalan consumption. Washington's International Cooperation Administration (ICA), which was created in June 1955 and which would transform into USAID in 1961, leveraged the Castillo government to hire American consulting firm Meyers and Batzell to produce a permanent petroleum code that was more conducive to foreign investment. The firm was reportedly linked to American oil interests and, unsurprisingly, they found Decree 172 too nationalistic. Meyers and Batzell eventually put forth their own suggested version of the law in English, much to the chagrin of Guatemalan nationalists and oligarchs.⁸³

⁸⁰ LaFeber, *Inevitable Revolutions*, 125; Solano, *Guatemala petróleo y minería*, 22-23.

⁸¹ Benedicte Bull, *Aid, Power, and Privatization: The Politics of Telecommunication Reform in Central America* (Northampton, MA: Edward Elgar Publishing, 2005), 44.

⁸² United States Office of the Historian, Foreign Relations of the United States, 1955-1957, The American Republics: Multilateral; Mexico; Caribbean, Volume VI, 'Document 195: Memorandum of Discussion at the 240th Meeting of the National Security Council, Washington, March 10, 1955',

<https://history.state.gov/historicaldocuments/frus1955-57v06/d195> (accessed 22 June 2021). See also: Lars Schoultz, *In Their Own Best Interest: A History of the U.S. Effort to Improve Latin Americans* (Cambridge: Harvard University Press, 2018), 188; David Schmitz, *The United States and Right Wing Dictatorships, 1965-1989* (Cambridge: Cambridge University Press, 2006), 197.

⁸³ Solano, *Guatemala petróleo y minería*, 22-24; Stephen M. Streeter, *Managing the Counterrevolution: The United States and Guatemala, 1954-1961* (Athens, OH: Ohio University Center for International Studies, 2000), 200-201.

Thomas Mann had been an instrumental advocate for Árbenz's ouster, and he continued to influence political and economic transformations in Guatemala thereafter. Mann inserted himself in the dialogue concerning Guatemala's hydrocarbon legislation overhaul, and he leveraged Castillo directly to adopt a code that was friendly to international capital. Feeling the pressure, the Guatemalan President reported that he would not put forth new legislation until it had been approved personally by Mann.⁸⁴

The Castillo Armas government adopted Petroleum Code, Decree No. 345 of 7 July 1955. The new law was based on Meyers and Batzell's recommendations and created under the guidance of several international oilmen, including former Standard Oil of California exploration scientist and aspiring wildcatter John D. Park; Roy Merritt, who served as U.S. Secretary of State John Foster Dulles' advisor for oil affairs; and U.S.-based Amerada Petroleum Company agent J. P. D'Artois.⁸⁵ Decree 345 was described by *Time* as a 'come-and-get-it oil code that set hardboiled [sic] but workable terms by which [the GOG] is willing to let foreign oil companies find and pump its oil'.⁸⁶ Under the terms of Decree 345, oil companies were required to pay royalties of 12.5 percent of oil produced; 50/50 profit sharing was upheld, despite Meyers and Batzell's proposed 60/40 to Guatemala's disadvantage, but the GOG would only begin to share in the profits after a grace period of ten years. Well depletion was calculated into the profit-sharing equation, rendering 27.5 percent of well output tax exempt, and any taxes paid to the GOG by American operations were credited against taxes owed at home. Oil companies were required to drill at least two wells per year, which they complained was cumbersome. Regarding resource sovereignty, the mandate to include Guatemalan capital in oil ventures was waived, and oil from Guatemalan concessions was, rather symbolically, no longer identified as Guatemalan property, but rather it was considered the property of the concession holders.⁸⁷ Guatemala's petroleum veins had been reopened at the behest of the United States and transnational oil. In a manner audaciously

⁸⁴ FRUS, 'Document 23: Conversation'.

⁸⁵ Amerada would eventually operate under the better-known name Hess. Steve Mufson, 'Elf Aquitaine quits oil venture in dispute with Basic Resources', *Wall Street Journal*, 10 July 1984. See also: Nancy Peckham, 'Guatemala: Peasants Lose Out in Scramble for Oil Wealth', *Multinational Monitor* 2, no. 5 (May 1981), <https://multinationalmonitor.org/hyper/issues/1981/05/peckham.html> (accessed 16 August 2020); Nancy Peckham, 'Land Settlement in the Petén', *Latin American Perspectives* 7, no. 2/3 (1980), 169-177; Solano, *Guatemala petróleo y minería*, 22-26, 43-46; Streeter, *Managing the Counterrevolution*, 200-201.

⁸⁶ *Time* also recognized Guatemala's hydrocarbon potential and proximity to Mexican oil. See 'The Americas: Oil Dickers', *Time*, 25 July 1955. Herein cited as 'Oil Dickers'.

⁸⁷ J. H. Carmical, 'Big Oil Rush Due in Guatemala, If Government Maintains Order', *New York Times*, 18 November 1957; 'Oil Dickers'; Peckham, 'Peasants Lose Out'; Solano, *Guatemala petróleo y minería*, 23-26; Streeter, *Managing the Counterrevolution*, 200-201.

befitting of American imperialism in the hemisphere, the GOG even received a bill for Meyers and Batzell's consulting services; the State Department agreed to pay their fee of \$70,556 using funds generated from the sale of surplus corn that the ICA had donated to the GOG earlier in the year.⁸⁸ Big changes were made to Guatemalan hydrocarbon legislation, and yet commercially viable oil had not yet been identified, let alone extracted, from Guatemalan soil, which is evidence of both Washington and the oil industry's heightened valuation of Guatemala's hydrocarbon potential at the time that 345 was created.

The changes to Guatemala's hydrocarbon legislation ushered in a new phase of exploration. No sooner had the law passed did reports emerge speculating that Conorada Petroleum Corporation (a consortium between Continental, Ohio, and Amerada), Standard Oil of California, and Standard Oil of New Jersey were 'ready to sign'.⁸⁹ At the diplomatic level, a U.S. National Security Estimate from 1955 (NIE 82) assessed Guatemalan oil as follows:

There are indications of commercially exploitable oil deposits in the northeastern part of the country, and the Castillo government has prepared a Petroleum Law which it hopes will attract foreign investment while appeasing nationalistic fears of foreign exploitation.⁹⁰

The document offered an 'even chance that oil will be exploited in profitable quantities, and that the Lake Izabal area will yield increased exports of lumber and wood products'.⁹¹ Such was a generous suggestion given the overhead investment required to explore and exploit Guatemalan oil. By 1957, thirty-nine permits were issued to explore 3.8 million hectares (9.3 million acres) of land, which equated to about one-third of the country. Many American organisations were among the recipients, including Signal Oil and Gas Company, the Ohio Oil Company, Standard Oil of California, Amerada, Sun Oil Company, The Texas Company, Union Oil Co. of California, Continental Oil Company, Shell, Standard Oil of Ohio, The Atlanta Refining Co., Standard Oil of New Jersey, Jaime Allan Willard Durán, TideWater Associated Oil Co., Union Oil Co. of California, , Signal Oil and Gas Co., and Story J.

⁸⁸ Solano, *Guatemala petróleo y minería*, 23-26; Streeter, *Managing the Counterrevolution*, 200-201.

⁸⁹ 'Oil Dickers'.

⁹⁰ United States Office of the Historian, Foreign Relations of the United States, 1955-1957, The American Republics: Central and South America, Vol. VII, 'Document 35: National Intelligence Estimate, NIE 82-55, Washington, 26 July 1955. Probable Developments in Guatemala, III. Economic Developments, no. 45', 101, <https://history.state.gov/historicaldocuments/frus1955-57v07/d35> (accessed 25 May 2021). Herein cited as FRUS, 'NIE82-55'.

⁹¹ FRUS, 'NIE82-55', no.57/104.

Sloane.⁹² Several companies partnered to conduct air-based electronic magnetometer surveys of Guatemala's northern regions, carried out by Aero Service Corporation of Philadelphia, Pennsylvania, and Gravity Meter Exploration Company of Houston, Texas. Preliminary core drilling had been carried out prior, but the only active exploratory drilling underway by mid-1957 was carried out in the Caribbean region of eastern-central Guatemala by Story J. Sloane II,⁹³ a 'petroleum land man' and photographer from Texas whose images of vintage oil operations have featured throughout the publication *Oilman Magazine*.⁹⁴ Between independent operations and consortiums, American interests dominated Guatemala's oil operations for the remainder of the decade.

Petroleum became a sensitive issue in Guatemala's 1958 presidential elections, and oil investors and companies vied to maintain favourable conditions. American oil companies contributed tens of thousands of dollars towards anti-communist groups in Guatemala in 1957. Texas businessman Charles Gainer Jr. held extractive interests in Guatemala, and in 1957 he appealed to the anti-communist climate in Washington by asking the State Department to intervene in the 1958 election; his appeal for intervention was overtly dismissed.⁹⁵ Candidate and eventual victor Miguel Ydígoras Fuentes campaigned with a nationalistic flair, attacking his opponents with rumours of foreign influence and comparing foreign oil companies to nineteenth-century American filibusterer William Walker. Ydígoras claimed he rejected an offer of \$500,000 from oil company Amerada's representative William H. Carr to withdraw from the presidential race, and that his opponent, Cruz Salazar, had in fact received funds from the oil company Amerada.⁹⁶

⁹² Carmical, 'Big Oil Rush Due in Guatemala'; Peckenham, 'Guatemala: Peasants Lose'; World Bank, 'Staff Working Paper No. 289: Petroleum and Gas in non-OPEC Developing Countries: 1976-1985', April 1978, 10, <https://documents1.worldbank.org/curated/en/610701468765884277/pdf/multi0page.pdf> (accessed 29 November 2021). Herein cited as World Bank, 'Non-OPEC'.

⁹³ Carmical, 'Big Oil Rush Due in Guatemala'.

⁹⁴ Story Sloane, III, interviewed by William H. Kellar, 'Preserving Houston's Visual History: Story Sloane's Gallery, Interview with Story Sloane, III', 8 January 2008, *Houston History Magazine* 5, no. 2 (Spring 2008), 43-47, <https://houstonhistorymagazine.org/wp-content/uploads/2011/11/V5-N2-Story-Sloanes-Gallery.pdf> (accessed 18 June 2021). For Sloane's catalogue and profile with *Oilman Magazine*, see 'Story Sloane', *Oilman Magazine*, <https://oilmanmagazine.com/author/story-sloane/> (accessed 24 June 2021).

⁹⁵ Solano, *Guatemala petróleo y minería*, 24-26.

⁹⁶ Miguel Ydígoras Fuentes, *My War with Communism, as told to Mario Rosenthal* (New Jersey: Prentice-Hall, 1963), 59. See also: Solano, *Guatemala petróleo y minería*, 25-26. For William Walker's occupation of Nicaragua, see Coatsworth, *Clients and the Colossus*, 27-29; LaFeber, *Inevitable Revolutions*, 30-31. For Walker's account, see William Walker, *The War in Nicaragua* (New York and Mobile, AL: S.H. Goetzal, 1860).

Ydígoras decisively won the election with 40 percent of the vote, but once in office he collaborated with American interests and failed to live up to his campaign's rhetorical opposition to international oil. This is well evidenced in Guatemala's role in hosting the training grounds for Washington's insurgents as they prepared for the Bay of Pigs invasion, an accommodation that even had ties to the oil industry. Ohio Oil had explored Chinajá, northern Alta Verapaz, from 1956 through 1961, but the company did not find commercially viable oil. Ydígoras authorised that the airfield used for Ohio's Chinajá operation be repurposed to accommodate clandestine preparations for the Bay of Pigs invasion. While Retalhuleu, Guatemala, was the primary location for training operations at this time, and referred to as Base Trax, the airfield at Chinajá was nonetheless utilized for training operations.⁹⁷

After assisting in 345's creation, John D. Park formed Basic Resources with the intention of pursuing Guatemalan oil. A promising strike in 1958 created a buzz in the industry that sustained optimism in Guatemalan oil for decades.⁹⁸ Park explored the Petén and Alta Verapaz departments along the Mexican border, and he appraised the area as geologically similar to Mexico's Reforma oil fields. Basic reportedly drilled seven wells in the Petén in 1959,⁹⁹ and their Alta Verapaz venture was backed by chemical giant Monsanto.¹⁰⁰ During a three-year exploratory window, the deposits identified by Basic failed to meet commercially exploitable levels, and operations were abandoned thereafter.¹⁰¹ By the late 1960s, Park had reportedly carried out unsanctioned drilling under various other trade names on four concessions held by Guatemalan businessman Rudy Weissenberg Martínez and his firm Recursos del Norte. In 1975 the GOG formally approved the transfer of Rudy Weissenberg's

⁹⁷ Republic of Cuba, Cuban G-2 (military intelligence), 'Report on mercenary camps and bases in Guatemala, Nicaragua, and Florida (Forwarded to Cuban President Osvaldo Dorticos Torrado), January 12, 1961', released by Cuban Government for the 'Bay of Pigs: 40 Years After' Conference, Havana, 22-24 March 2001, translated by the National Security Archive, *Wilson Center Digital Archive*, <http://digitalarchive.wilsoncenter.org/document/115184>, (accessed 1 June 2021); Paul P. Kennedy, 'U.S. Helps Anti-Castro Forces At Secret Base in Guatemala', *New York Times*, 10 January 1961; Jim Rasenberger, *The Brilliant Disaster: JFK, Castro, and America's Doomed Invasion of Cuba's Bay of Pigs* (New York: Scribner, 2011), 84-85; Solano, *Guatemala petróleo y minería*, 27-28.

⁹⁸ Patrick Marnham, 'Vanishing Oil', *The Spectator*, 24 March 1984, *Sir James Goldsmith Digital Archive*, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Vanishing_oil-24_03_1984.jpg (accessed 22 April 2021).

⁹⁹ Peckenham, 'Land Settlement in the Petén', 169; Peckenham, 'Peasants Lose Out'.

¹⁰⁰ Kading, 'The Economics of *La Violencia*', 65-66.

¹⁰¹ Peckenham, 'Land Settlement in the Petén', 169; Peckenham, 'Peasants Lose Out'.

concessionary rights to a Basic-led operation called Operación Conjunta (OC), as OC agreed to pay the GOG at 51 percent, which was 1 percent more than normally required.¹⁰²

Oil companies quickly confirmed that Guatemalan oil was burdened by a high threshold for commercial viability. Park, Basic, and anyone who ventured into northern Guatemala in search of oil faced formidable logistical, and subsequently financial, challenges. The remoteness and limited access to and from sites were challenging on their own, but drilling costs were exacerbated by the depth and geological formations beneath the soil. Guatemala's wells proved moderately deep at an approximate average of 3,300 metres, and navigating Guatemala's geological obstacles was considered about four times as costly as the terrain in Mexico's adjacent Reforma oil fields. Once extracted, the unexceptional quality of Guatemalan crude limited its end use potential and required additional processing and refining costs. The cost of exploratory work and the logistics of moving crude to ports, refineries, and markets, meant that only large yields could be commercially viable. The CIA observed that oil 'production costs in Guatemala rank among the highest in the world'.¹⁰³ To these ends, Standard Oil of New Jersey representative Lionel Weidey joked that 'Guatemala's first barrel of export oil will cost \$50 million'.¹⁰⁴

Larger outfits' interests in Guatemalan oil declined in the 1960s due to the aforementioned logistical challenges, and Basic remained the primary exploratory operation in Guatemala during that time. Although Guatemala was known to contain oil, the resource was more accessible, and thus more affordable and profitable, elsewhere. Basic resumed modest exploration towards the end of the 1960s in Tortugas, south of the Petén department, an area that experts believed had promise at the time.¹⁰⁵ After a modest discovery in the late 1960s, Park recalled an event that took place at Guatemala City's Camino Real hotel in which Basic's manager of operations drew a gun on Park and stated that he was taking possession of the concession, instructing Park to leave the country. Park recounts that he 'had more courage than...brains in those days', as he assaulted the claim-jumping manager and knocked the gun from his hand, at which point his manager fled the hotel and, eventually, the country.¹⁰⁶

¹⁰² Solano, *Guatemala petróleo y minería*, 43-46, 49.

¹⁰³ CIA, 'Assessment of Petroleum Potential', 6-9; Kading, 'The Economics of la Violencia', 67; Peckenham, 'Land Settlement in the Petén', 169; Peckenham, 'Peasants Lose Out'.

¹⁰⁴ 'Oil Dickers'.

¹⁰⁵ World Bank, 'Non-OPEC', 10; James B. Stewart and John J. Fialka, 'Guatemala Oil Venture is Testing the Resolve of Canadian Wildcatter', *Wall Street Journal*, 11 July 1985.

¹⁰⁶ Stewart and Fialka, 'Guatemala Oil Venture'.

Despite having prevailed in an attempted robbery, once again the logistical challenges of searching for oil in a jungle with limited road access deterred ongoing and additional hydrocarbon exploration for several years to come.¹⁰⁷

The Transformative 1970s

The 1970s were transformative years for Guatemala's extractive sector, and for the global political economy of critical resources at large. Major oil firms' interests in Guatemalan oil had declined in the preceding decade, but several events in the 1970s revived international optimism over Guatemala's hydrocarbon potential.¹⁰⁸ The oil crisis of the 1970s transformed the political economy energy worldwide, prompting oil-importing states and extractive industries to adapt to the changing landscape. Rising oil import costs put a strain on the Guatemalan economy, but there were silver linings for Guatemala's hydrocarbon sector: oil-importing states across the world began pursuing non-OPEC alternative sources for oil, and the inflated price of crude had the capacity to offset the logistical and financial obstacles inhibiting exploration and exploitation of Guatemalan reserves. These conditions, made possible by the first global energy crisis of the 1970s, revived international interest in Guatemala's untapped hydrocarbon potential. John D. Park's Basic Resources remained the primary petroleum operation in Guatemala for most of the decade, integrating into an expanding nexus of political, military, and transnational power. Park's company made promising discoveries in proximity to massive finds in southern Mexico, and industry experts concluded that Guatemala shared the same geological formations. Mexican oil was a state-led venture and off-limits to foreign investment, but Guatemala was open for business, and optimism and investment in Guatemala's hydrocarbon potential swelled as a rush of oil companies and investors pursued access to Guatemalan concessions. Guatemala became Central America's only oil-exporting state by the mid-1970s. For the GOG, the cumbersome cost of imported fuel spurred a strong desire to become energy independent, and eventually an energy exporter, prompting large-scale development initiatives and considerable foreign investment.¹⁰⁹ Guatemalan oil became a 'glittering prospect', hailed as 'another Mexico' or

¹⁰⁷ Peckenham, 'Peasants Lose Out'.

¹⁰⁸ Kading, 'The Economics of la Violencia', 66-67; Peckenham, 'Land Settlement in the Petén', 169, 173-176; Peckenham, 'Peasants Lose Out'; Solano, *Guatemala petróleo y minería*, 36-40.

¹⁰⁹ CIA, 'Assessment of Petroleum Potential', 3, 5; Kading, 'The Economics of la Violencia', 66-67; Peckenham, 'Land Settlement in the Petén', 173-176; United Nations Conference on Trade and Development (UNCTAD), 'Investment Policy Review: Guatemala', (New York: United Nations, 2011), 3-5,

‘another Texas’ by industry insiders.¹¹⁰ The military GOG adopted a conservative, if not nationalistic, disposition towards its resource wealth, taking the lead in major development initiatives and altering hydrocarbon legislation twice in the mid-1970s. These changes drew the ire of Guatemala elites, transnational oil firms, and the U.S.; the changes did not, however, deter the mounting international optimism and investment in Guatemala’s hydrocarbon sector that carried into the 1980s.¹¹¹

Crisis and Opportunity

The first global oil crisis of the 1970s impacted small and large states alike. The price of oil worldwide quadrupled between 1973 and 1974. This was part of a longer trend in per-barrel crude prices that rose from \$2.50 in 1972 to \$14 in 1977/1978. Global shortages, and the rapid rise in OPEC oil prices, painted the balance sheets of many oil importing states red.¹¹²

American procurement of critical resources on favourable terms escalated from a tenet of U.S. national security to a priority. Access to Middle Eastern oil occupied a significant portion of U.S. national interest, as is evidenced by the Carter Doctrine,¹¹³ but oil-importing states and oil companies alike responded to the global crisis by looking to alternative non-OPEC sources for oil. The World Bank’s International Bank for Reconstruction and Development (IBRD) report on non-OPEC oil producing states observed in 1978:

Non-OPEC developing countries currently produce only about 6% of world oil, although they account for more than 40% of total oil prospective areas in the world. Vast sedimentary areas, that probably contain 75% of all potential petroleum resources of Latin America, 80% of those in Africa and 95% of Asia and the Far East, are yet to be intensively prospected and developed.¹¹⁴

http://unctad.org/en/Docs/diaepcb201009_en.pdf, (accessed 29 November 2021); World Bank, ‘Non-OPEC’, 3,10.

¹¹⁰ Paul Ellman, ‘Goldsmith’s legal battle for £137m’, 11 March 1984, Scrapbooked article, publication undisclosed, likely *Maclean’s*, in: *Sir James Goldsmith Digital Archive*, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Goldsmiths_legal_battle_for_137m-11_03_1984.jpg, (accessed 21 April 2021).

¹¹¹ Kading, ‘The Economics of la Violencia’, 71-72.

¹¹² World Bank, ‘Non-OPEC’, 1, 10.

¹¹³ United States Office of the Historian, *Foreign Relations of the United States, 1977–1980, Volume XVIII, Middle East Region, Arabian Peninsula*, ‘Document 45: Editorial Note’, <https://history.state.gov/historicaldocuments/frus1977-80v18/d45>, (accessed 07 June 2021). The Carter Doctrine’s tragic irony is that, despite Carter’s commitment to human rights, environmentalism and reduced consumption, the Doctrine affixed to his presidency is one that identifies hegemonic access to Middle Eastern oil as vital to U.S. national interest/security.

¹¹⁴ World Bank, ‘Non-OPEC’, 3.

The IBRD's assessment defines the rationale behind the pivot, that non-OPEC hydrocarbon sources in the Global South were an inevitable part of the future global energy economy. A friction between exertions of resource sovereignty and global powers seeking advantageous, if not asymmetric, access to said resources, was the crux of North-South extractive imperialism.¹¹⁵

Oil-importing states were hit especially hard by the oil crisis, and Guatemala was no exception. Rising oil costs in the 1970s significantly strained the Guatemalan economy; oil imports rose from about \$400,000 in 1973 to about \$120 million by 1976,¹¹⁶ taking up one quarter of the national budget.¹¹⁷ In comparison, this spike was exponentially more severe than other oil-importing developing countries across the globe, whose imports had risen to an average of about \$18 million in 1977. Faced with scaling back consumption in the midst of a civil war, the GOG was forced to (continue to) rely on foreign loans and aid to sustain petroleum import levels. Guatemala technically became an oil producing state in 1974 when Basic Resources' first well came on line, but output in the 1970s was far from enough to offset the GOG's rising demand, which reached about 30,000 bpd by 1980.¹¹⁸ Lacking a refinery, Guatemala remained both a producer and net importer of oil, and the GOG was dependent on the U.S. to process what little crude it produced.¹¹⁹ By the decade's end, '[e]xports to the United States totalled more than 700,000 barrels, bringing revenue of approximately \$19 million to the Guatemalan government'.¹²⁰

The global oil crisis was bittersweet for Guatemala when straining import hardships were offset by hydrocarbon development opportunities of their own. The global pivot towards non-

¹¹⁵ For extractive imperialism in Latin America, see James Petras and Henry Veltmeyer (eds), *Extractive Imperialism in the Americas: Capitalism's New Frontier* (Chicago, IL: Haymarket Books, 2015). For an emotional and canonical account of Latin American resource exploitation and asymmetric political economy, see Eduardo Galeano, *Open Veins of Latin America: Five Centuries of the Pillage of a Continent*, trans. C. Belfrage (New York: Monthly Review Press, 1971). For global observations, see Dietrich, *Oil Revolution*.

¹¹⁶ World Bank, 'Non-OPEC', 10

¹¹⁷ Joseph B. Treaster, 'Guatemala Drills for Big Find', *New York Times*, 25 January 1976.

¹¹⁸ See the monthly publication from the Association de Amigos del País: Amigos del País, 'Guatemala Newsletter' (Guatemala City: Guatemala, August 1981), in Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [4]; World Bank, 'Non-OPEC', 10. See also: Kading, 66; Peckenham, 'Land Settlement in the Petén', 174-175.

¹¹⁹ United States Directorate of Intelligence, 'Guatemala: Development and Insurgency in the Northern Frontier, An Intelligence Assessment', January 1983, Ronald Reagan Presidential Library, Oliver L. North Files, Box 62, Stack B, Row 154, Compartment 1, Shelf 6, Folder: Guatemala - Oliver L. North, NSC Staff (1 of 3); World Bank, 'Non-OPEC', 10.

¹²⁰ Amigos del País, 'Guatemala Newsletter', 3.

OPEC oil sources drew attention to Guatemala's untapped wealth. Due to the aforementioned logistical and geological challenges, Guatemala's oil had a high threshold for commercial viability, but inflated market conditions brought on by the oil crises offset the cumbersome costs of exploring and exploiting Guatemala's reserves. As long as the price of oil stayed high, Guatemalan oil was potentially commercially viable, improving foreign hydrocarbon investment's palatability.¹²¹ Basic Resources' wells came on line mid-decade, making Guatemala the first oil producing state in Central America, and the world began to swoon over Guatemala's hydrocarbon potential. The 1978 IBRD report was optimistic, anticipating Guatemala would be self-sufficient in oil by 1985, compared to projected annual production rate increases of 9 percent among non-OPEC states between 1976 and 1985. The caveat to this projection was continued interest and investment in Guatemalan exploration, which required oil prices to remain high.¹²² The optimism surrounding Guatemalan oil and hydro combined was such that the GOG and the international development community foresaw Guatemala transforming into an energy exporting state by the 1980s.¹²³ Searching for oil in a jungle without a transportation network in the middle of a brutal civil war had deterred development and investment in Guatemalan oil during the preceding decade(s), but the market conditions brought on by the oil crisis offset such deterrents.¹²⁴

Great Expectations: Mounting Optimism Over Guatemala's Hydrocarbon Potential

Basic Resources carried the torch of Guatemalan exploration in the 1960s, and persistence paid off in the following decade. In 1970, Basic acquired concessions that had been explored and abandoned by major oil companies in the prior decades.¹²⁵ Basic's \$6 million exploration investment in the Petén department carried on with some success by mid-1972, with a flowing discovery well that generated 1,300 bpd from a depth of 2,400 feet.¹²⁶ Additional discoveries made in the vicinity of the Tortugas Salt Dome generated further optimism and interest.¹²⁷ In early 1973, Shenandoah Oil (U.S.) and Norway's Saga Petroleum formed a consortium with Basic Resources to explore and develop 943,000 acres across Rubelsanto,

¹²¹ Ibid., 1, 10.

¹²² Ibid., 3, 10.

¹²³ Treaster, 'Guatemala Drills for Big Find'.

¹²⁴ Peckenham, 'Land Settlement in the Petén', 173-176; Peckenham, 'Peasants Lose Out'.

¹²⁵ Mufson, 'Elf Aquitaine quits'.

¹²⁶ World Bank, 'Non-OPEC', 10. See also: Kading, 'The Economics of la Violencia', 66; Solano, *Guatemala petróleo y minería*, 43-46.

¹²⁷ World Bank, 'Non-OPEC', 10.

Alta Verapaz department, and at Chinajá in southwestern Petén department.¹²⁸ The venture discovered commercially viable oil at Rubelsanto in 1974, and by the middle of the decade Basic could claim the first two wells to yield commercially viable oil in Central America.¹²⁹ Between 1975 and 1976, the Basic-led consortium was spending \$1.5 million per month on what was by far ‘the most successful oil exploration in Guatemala’ to date.¹³⁰ In July 1976, Basic and the GOG confirmed Rubelsanto oil was available to local consumers, with an expected 3,200 bpd to offset the domestic demand for 20,000 bpd.¹³¹ Terrance Kading concluded, in his research on the relationship between economic development and political violence in the Guatemalan civil war, that Basic’s success created ‘almost unreal economic expectations for the future of’ Guatemala.¹³² Rubelanto’s oil output fell well short of national self-sufficiency levels, but voices in the industry were optimistic that Guatemala was en route to becoming a major global petroleum exporter.¹³³

Developments on Basic Resources’ concessions drew the attention of the international oil community,¹³⁴ but what maximised expectations was their proximity to adjacent discoveries in Mexico, and the geological similarities among them. Speculations that Guatemala’s hydrocarbon potential was akin to southern Mexico’s had been ongoing for nearly fifty years when the latter’s potential became reality in the early 1970s. Mexican tests for oil and gas took place in Chiapas and Tabasco, along the border with the Guatemalan departments of El Petén, El Quiché and Huehuetenango, and considerable oil and gas reserves had been identified by 1974 in what would become Mexico’s Reforma and Chac fields, with estimates offering between ten and twenty billion barrel potential.¹³⁵ As early as 1975, Shenandoah’s chief engineer in Guatemala, David Leahy, declared his company’s proximal operation to have ‘very large potential’.¹³⁶ Geological studies carried out in the Petén near Guatemala’s

¹²⁸ Peckenham, ‘Land Settlement in the Petén’, 174-175; Stewart and Fialka, ‘Guatemala Oil Venture’; World Bank, ‘Non-OPEC’, 10;

¹²⁹ World Bank, ‘Non-OPEC’, 10. See also: Kading, ‘The Economics of la Violencia’, 66; Peckenham, ‘Land Settlement in the Petén’, 174-175.

¹³⁰ Treaster, ‘Guatemala Drills for Big Find’.

¹³¹ Peckenham, ‘Land Settlement in the Petén’, 173-176; World Bank, ‘Non-OPEC’, 9-10.

¹³² Quoted material in Kading, ‘The Economics of la Violencia’, 65.

¹³³ Treaster, ‘Guatemala Drills for Big Find’.

¹³⁴ Treaster, ‘Guatemala Drills for Big Find’.

¹³⁵ A CIA report from 1985 suggests ten, while journalists like David Santry referenced industry assumptions of twenty. CIA, ‘Assessment of Petroleum Potential’, 3,5; David G. Santry, ‘Guatemalan oil fuels a stock runup’, *Business Week*, 28 May 1979, Correspondence: Memo From the Desk of P. Fred Fox to Sir James Goldsmith [altered news clipping], http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Guatemala_oil_fuels_stock_runup-24_05_1979.jpg, (accessed 21 April 2021). See also: Kading, ‘The Economics of la Violencia’, 67; UNCTAD, ‘Guatemala’, 3-5.

¹³⁶ Treaster, ‘Guatemala Drills for Big Find’.

border with Mexico defined ten major structures with hydrocarbon potential, and in 1978 the IBRD reaffirmed geological similarities between discoveries in southern Mexico and Basic's operations in Rubelasanto, the Tortugas Salt Dome and the Petén department.¹³⁷ Rubelsanto's proven reserves of twenty million barrels were exponentially shy of Mexico's Reforma and Chac reserves,¹³⁸ but interest and investment in Guatemalan oil activity expanded at unprecedented levels in the decade's final years.

The belief that Mexico and Guatemala tapped the same geological formations continued throughout the decade and beyond, sustained by the best available technology. While substantial advancements in drilling technology had occurred throughout the twentieth-century, the methods used to assess a given area's hydrocarbon potential remained comparatively underdeveloped.¹³⁹ Anthony Giaquinto, a retired senior executive at ExxonMobil with experience throughout Latin America, suggests that the private sector patent technologies used for geological hydrocarbon assessments at present is advanced to the point that companies can determine not only where oil is located, but whether the oil is available in sufficient quantities so as to be commercially viable; 'They don't go anywhere unless they know there's oil', Giaquinto noted. He added that the federal government often relied on oil corporations' patent technologies for certain geological evaluations.¹⁴⁰ In the 1970s and into the 1980s, however, the method to determine the presence of oil utilised soundwave technology, whereby the ground was forcefully impacted and the corresponding soundwaves measured for voids, pockets that the exploring parties 'hoped...contained oil or gas, and not salt water'.¹⁴¹ This method was not consistently accurate; the presumptions over Guatemala's hydrocarbon potential and of a Mexican-Guatemalan geological connection were founded on the best technology available at the time.

Under the prevailing belief that Guatemala and Mexico shared the same geological source, Guatemalan oil was especially coveted because Mexico's thriving state-led industry was closed to outsiders. Guatemalan oil was identified in the press as an alternative to southern

¹³⁷ World Bank, 'Non-OPEC', 10.

¹³⁸ World Bank, 'Non-OPEC', 10; Santry, 'Guatemalan oil fuels a stock runup'.

¹³⁹ Warren Hodge, 'Texaco in Guatemala: A Low Key "Eureka"', *New York Times*, 8 May 1981.

¹⁴⁰ Telephone conversation with former Exxon Mobil Senior Executive Anthony Giaquinto of Houston, TX, on 18 November 2018.

¹⁴¹ This quote was obtained during a telephone conversation (1 January 2020) between the author and Ken Ledet, who was employed as Parker Drilling Co.'s Project Manager for the Western Hemisphere, and specifically the on-site Project Manager for the Texaco-Parker operation in Guatemala. Herein cited as Conversation with Ledet, 1 January 2020.

Mexico's oil potential.¹⁴² This sentiment carried the decade, as noted in the May 1979 issue of the investment publication *Smart Money*'s description of Basic's operation as 'the closest thing to a pure play on the Mexican oil fields'.¹⁴³

Larger oil companies optimistically pursued Guatemalan oil in the latter half of the 1970s. Robert Bishoff, Texaco's President for Latin America and West Africa, affirmed his company's belief in the presumption of the Mexican-Guatemalan geological connection.¹⁴⁴ Warren Gillies, then-manager of Texaco Exploration Guatemala Inc., offered a realistic assessment:

Everyone says that if you commit \$12.6 million, you must know there's oil where you're drilling... But you don't. You can do all the seismic work and all the testing you want, but the only proof finally is the hole in the ground.¹⁴⁵

Scepticism, however, did not dissuade Texaco from hiring Parker Drilling Co. to explore their Guatemalan prospects for the sum of \$18,000 per day. Parker Drilling Company's owner, Robert Parker Sr., pulled his Western Hemisphere project manager, Ken Ledet, from Parker's ongoing operations in Alaska's north slope to specifically handle the Guatemalan operation.¹⁴⁶ Gillies may have been pragmatic in his assessment, but his company's fiscal commitment to their Guatemalan operations performatively demonstrates confidence. Shenandoah's management subscribed to simpler adages, commenting: 'If you're getting oil, you've got more oil in there'.¹⁴⁷ The age of wildcatter exploration was nearing its end, and the industry's superstitions and vague adages for success would be subsumed by advancing technology within a generation, but exploratory approximations and a fair amount of guesswork were still in use when international interest peaked over Guatemalan oil. As far as anyone knew, Guatemala was the next big thing.

Oil companies' pursuits of Guatemalan concessions surged at the end of the 1970s. This was in spite of Guatemala's ongoing civil war and pariah state status, in spite of the logistical challenges in exploring, extracting, and transporting Guatemalan oil, and in spite of Guatemala's 1975 petroleum legislation.¹⁴⁸ Oil prices remained high, closing the gap between

¹⁴² Treaster, 'Guatemala Drills for Big Find'.

¹⁴³ Santry, 'Guatemalan oil fuels a stock runup',

¹⁴⁴ Hodge, 'A Low Key "Eureka"'.
¹⁴⁵ Ibid.

¹⁴⁵ Ibid.

¹⁴⁶ Conversation with Ledet, 1 January 2020. See also: Hodge, 'A Low Key "Eureka"'.
¹⁴⁷ Treaster, 'Guatemala Drills for Big Find'.

¹⁴⁷ Treaster, 'Guatemala Drills for Big Find'.

¹⁴⁸ World Bank, 'Non-OPEC', 3

overhead and market prices and making Guatemalan oil potentially commercially viable. In addition to, and enticed by, Basic's success, Getty, Hispanoil, Ashland, Braspetro, Elf Aquitaine, and Texaco-Amoco started drilling Guatemala's northern regions,¹⁴⁹ with Exxon showing interest as well.¹⁵⁰ As noted, Basic partnered with state-owned French oil giant Elf Aquitaine in 1978, and in 1980 Elf took over physical operations for several Basic wells.¹⁵¹ Hispanoil pursued a concession just east of Basic's operations, and they declared their Yalpamech well commercially viable in the first quarter of 1980. Texaco-Amoco had some successes working their 147,000 acre concession in the northernmost region of the Petén department in April 1980.¹⁵²

Texaco's commitments to the Petén department were such that they contracted Robert Parker of Parker Drilling Co., 'the largest drilling contractor in the world' at the time.¹⁵³ Parker built a reputation for drilling in Cold War hot spots and obscure locations like arctic Alaska, and for owning the then-largest transportable drilling rig in the world, the 'TBA-2000 Helihoist', which was used to access Texaco's concessions in Guatemala's least accessible region. TBA reportedly stood for 'Transportable By Anything', which seems appropriate given the design function: the rig broke down into two-ton sections that could be moved by helicopter, but required cargo aircraft for greater distances. At the Petén drilling site, excavation equipment was broken down, transported, and used to construct an air strip. The TBA-2000 arrived in Puerto Barrios by boat, and was loaded onto Hercules C-130 cargo planes and flown to the drilling site, requiring 192 flights to complete the process.¹⁵⁴ It was an expensive process, even by Guatemalan standards, but optimism was thriving. The CIA estimated that oil companies invested about \$750 million on Guatemalan exploration and development between 1978 and 1984,¹⁵⁵ and investment in Guatemala's northern areas peaked in 1980-1981 when Reagan prepared for, and eventually assumed, the presidency.¹⁵⁶ Robert Parker was offered the opportunity to run Reagan's Department of Energy, but he declined. Parker claims his

¹⁴⁹ Peckenham, 'Land Settlement in the Petén', 174; Peckenham, 'Peasants Lose Out'.

¹⁵⁰ Hodge, 'A Low Key "Eureka"'; Stewart and Fialka, 'Guatemala Oil Venture'.

¹⁵¹ Paul Lewis, 'French Oust Chief of Elf Aquitaine', *New York Times*, 16 June 1983; Marnham, 'Vanishing Oil'; Stewart and Fialka, 'Guatemala Oil Venture'.

¹⁵² Peckenham, 'Peasants Lose Out'.

¹⁵³ Conversation with Ledet, 1 January 2020.

¹⁵⁴ Conversation with Ledet, 1 January 2020; Hodge, 'A Low Key "Eureka"'; Robert L. Parker, interviewed by John Erling, *University of Tulsa: Voices of Oklahoma*, 8 April 2009, http://www.voicesofoklahoma.com/wp-content/uploads/2015/04/Parker_Transcript.pdf, (accessed 2 July 2021), herein cited as Parker, interviewed by Erling.

¹⁵⁵ CIA, 'Assessment of Petroleum Potential', 5. See also: Kading, 'The Economics of la Violencia', 71,74.

¹⁵⁶ Kading, 'The Economics of la Violencia', 74

decision was based on his desire not to part with his company. Instead, Parker was brought on as Reagan's top energy policy planner—Chair of the administration's Energy Policy Task Force. Parker could retain ownership of his firm in this position, despite the glaring conflict of interest.¹⁵⁷

Guatemalan Oil and the Nexus of Oligarchic and Transnational Power

Guatemala's hydrocarbon sector became entrenched in a web of domestic and transnational power throughout the twentieth-century. To speak of Guatemala's hydrocarbon sector prior to the mid 1970s was, ostensibly, to speak of John D. Park's Basic Resources, and vice versa. Basic was the most consistently operational oil company in Guatemala until the rush of the late 1970s. Since Basic's inception, the firm was absorbed into an expanding labyrinth of power that included Guatemala's military and oligarchy, and a host of transnational individuals, firms, and institutions, the sum of which blurred the lines between state and capital interests. This transformation was exacerbated by Basic's successes in the mid-1970s and the rising international optimism over Guatemala's untapped reserves.

Basic Resources' first wave of partners and financial backers in the 1970s included Monsanto, Murphy Oil Corporation, a Norwegian shipping firm and 'some California movie people'. When Guatemala's first wells came on line and talk of constructing a pipeline to the Caribbean was raised, Basic's partners balked and reduced or withdrew support.¹⁵⁸ Saga withdrew from the consortium in September 1976,¹⁵⁹ Shenandoah sold its share of the operation back to Basic in 1978,¹⁶⁰ and Murphy Oil dumped the last of its 8.4 million shares of Basic stock in 1978.¹⁶¹ Anglo-French entrepreneur Sir James Goldsmith seized an opportunity, investing \$50 million to acquire 34 percent of Basic. Goldsmith upped his stake to 43 percent to become Basic's Chairman.¹⁶²

¹⁵⁷ Parker, interviewed by Erling.

¹⁵⁸ Peckenham, 'Peasants Lose Out'; Stewart and Fialka, 'Guatemala Oil Venture'.

¹⁵⁹ Basic maintained 62.5 percent, while Shenandoah retained 37.5 percent. Saga kept a small interest in net proceeds, initially 1.25 percent, and later 5 percent. Stewart and Fialka, 'Guatemala Oil Venture'; World Bank, 'Non-OPEC', 10.

¹⁶⁰ Peckenham, 'Land Settlement in the Petén', 174.

¹⁶¹ Santry, 'Guatemalan oil fuels a stock runup'.

¹⁶² Mufson, 'Elf Aquitaine quits'; Stewart and Fialka, 'Guatemala Oil Venture'.

Sir James became a significant actor in Guatemalan hydrocarbon development over the next few years. A celebrity in financial circles, Sir James earned the nickname ‘the takeover king’ for his predatory business practices. His financial empire included banking, grocery chains, media publications, and construction firms; Goldsmith added ‘oilman’ to his resume with his acquisition of Basic.¹⁶³ Goldsmith went on to finance a number of development initiatives for both the previously oft-impooverished Basic Resources and the cash-strapped military GOG, including the development-obsessed Lucas García regime. It is not unreasonable to say that most externally funded development initiatives in Guatemala experienced some degree of corruption at this time, and so while these programs served an overt purpose in advancing development initiatives, they also enriched Guatemala’s oligarchy and military.¹⁶⁴ Goldsmith’s lending assistance within Guatemala afforded Basic good favour that bridged both sectors of Guatemalan power. Sir James’ affiliated firms often participated in the construction of Guatemala’s development initiatives, bringing the cashflow full circle.¹⁶⁵

French state-owned oil company, Elf Aquitaine, expressed interest in acquiring a portion of Basic Resources’ operation. Park was sceptical of partnering with a large firm, but Goldsmith urged Park towards absorbing Elf by reminding him that ‘[i]f you don’t discover oil, you lose your money’, but [i]f you do discover it, you need a hell of a lot more’ to exploit it.¹⁶⁶ Elf acquired 10 percent of Basic for \$34.5 million in 1977-1978; they increased their stake to 20 percent and became the primary well operator for Basic’s Rubelsanto and Chinaja operations in 1980. International optimism in Guatemalan oil is certainly evidenced by the French government’s investments.¹⁶⁷

Basic Resources increased its standing within the nexus of local and transnational power by placing powerful figures in transnational and local circles to important roles in the company. Park appointed Robert W. Purcell as President of Basic Resources in 1972; Purcell was well connected in Washington, having formerly served as the President of Rockefeller’s Latin American investment firm, International Basic Economy Corporation (IBEC).¹⁶⁸ Basic’s

¹⁶³ Mufson, ‘Elf Aquitaine quits’.

¹⁶⁴ Graham Hancock, *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business* (New York: Atlantic Monthly Press, 1989), 175.

¹⁶⁵ Stewart and Fialka, ‘Guatemala Oil Venture’.

¹⁶⁶ Ibid.

¹⁶⁷ Lewis, ‘French Oust Chief’; Marnham, ‘Vanishing Oil’; Mufson, ‘Elf Aquitaine quits’; Stewart and Fialka, ‘Guatemala Oil Venture’.

¹⁶⁸ ‘Investment: The Profitable Do-Gooder’, *Time*, 12 April 1963; ‘Stroud Resigns as Head of Basic Economy Corp.’, *New York Times*, 17 September 1964. See also: Solano, *Guatemala petróleo y minería*, 43-46.

management team then drew from the inner circle of the Guatemalan oligarchy, whose names cycled in and out of key cabinet positions within the GOG. The list included Rudy Weissenberg Martínez, Ernesto Rodríguez Briones, and Manuel Ayau Córdón.¹⁶⁹

The aforementioned Córdón family held oil concessions and engaged in joint exploratory ventures in prior decades, but the family empire was much bigger than oil. Manuel Ayau Córdón was one of Guatemala's neoliberal pioneers and had become an international figure in free-market circles by the 1970s. Ayau formed the Center for Social-Economic Studies in 1957-1958 (Centro de Estudios Económicos y Sociales, CEES),¹⁷⁰ a Guatemalan free-market think tank that 'developed economic ideas that were radical to even most Chicago-style economists', calling for minimal legislation and 'full privatization of all state activities and state property' through radio and news publications.¹⁷¹ Ayau was also a member of the neoliberal Montpelerin Society, where he befriended Friedrich Hayek and later served as the Society's President from 1978-1980.¹⁷² Ayau used his positions at, and proximity to, Basic Resources to develop relationships with powerful and politically connected extractive industry figures, including the family of Halliburton CEO and later U.S. Vice President Dick Cheney.¹⁷³

Ayau created the free-market Universidad Francisco Marroquín (UFM) in 1971. The UFM was designed to counter the leftist disposition identified with the Universidad de San Carlos. Ayau's creation indeed became known as the 'University of Free Marketeers' for its intensive neoliberal curriculum which it maintains through the present.¹⁷⁴ Contributions to establish UFM came from Guatemala's oligarchy, whose positions of power and privilege spanned business ventures and political office. The donor list included Ayau Córdón's brother-in-law

¹⁶⁹ Jonas and Tobis (eds), *Guatemala*, 230-231, 233-238, 243-244, 249-250; Solano 43-46.

¹⁷⁰ Bull, *Aid, Power, and Privatization*, 59-61; Jonas and Tobis (eds), *Guatemala*, 230-231; Solano, *Guatemala petróleo y minería*, 43-46,

¹⁷¹ Bull, *Aid, Power, and Privatization*, 60-61. Quoted material on 61.

¹⁷² Solano, *Guatemala petróleo y minería*, 43-46.

¹⁷³ Luis Solano, 'Development and/as Dispossession: Elite Networks and Extractive Industry in the Franja Transversal del Norte', in: C. McAllister and D. M. Nelson (eds) *War by Other Means: Aftermath in Post-Genocide Guatemala* (Durham, NC: Duke University Press, 2013), 128; Solano, *Guatemala petróleo y minería*, 60.

¹⁷⁴ Bull, *Aid, Power, and Privatization*, 60-61; ReasonTV, 'Universidad Francisco Marroquin (aka University of Free Marketeers)', *YouTube*, <https://www.youtube.com/watch?v=zI-1ckeicu0>, (accessed 02 June 2021); Solano, *Guatemala petróleo y minería*, 45-46, 60.

Raul Minodo Herrera of the Herrera family, Rudy Weissenberg Martínez, and the Novella family.¹⁷⁵

The Novellas monopolised Guatemalan cement production (Cementos Novella), and they were active in Guatemala's hydrocarbon sector in public and private capacities. Enrique Novella had served as one of Basic's first directors,¹⁷⁶ and Julio Monto Novella served as the General Director of Mines and Hydrocarbons in the 1960s.¹⁷⁷ Cementos Novella obtained oil for its operations from tanker trucks owned, in part, by Ayau Cerdón. Ayau's trucks travelled on shipping roads constructed through a joint venture between Basic's consortium partner, Shenandoah, and the military GOG's Batallón de Ingenieros del Ejército and Instituto de Transformación del Norte.¹⁷⁸ Interests were often intrinsic in this environment.

UFM began offering courses in petroleum technology in 1976 under the sponsorship of Basic Resources. The Guatemalan Centre for Military Studies also initiated an oil technician training program for military personnel, and, although initially opposed to the idea over concerns of resource sovereignty, the University of San Carlos (USAC) started offering similar courses to stay relevant to the field.¹⁷⁹ Quite befitting, if not emblematic, of the relationship between the Guatemalan military, the oligarchy, and Guatemala's fledgling hydrocarbon sector, is that Basic Resources maintained their central Guatemalan office at UFM, adjacent to the law department's faculty offices and the Honor Guard Military Brigade.¹⁸⁰

Through UFM, Ayau formed the university-affiliated Fundación Marroquín, and he later appointed Elliot Abrams as the Foundation's director from 2001-2002.¹⁸¹ Abrams had been a friend to Guatemala and a person of influence in the Reagan administration's Central

¹⁷⁵ Jonas and Tobis (eds), *Guatemala*, 230-231, 233-238, 243-244, 249-250. Solano, 'Development and/as Dispossession', 128-130; Solano, *Guatemala petróleo y minería*, 43-46.

¹⁷⁶ Jonas and Tobis (eds), *Guatemala*, 243-244. Solano, 'Development and/as Dispossession', 128-130; Solano, *Guatemala petróleo y minería*, 43-46.

¹⁷⁷ Vincent Castagnino, 'Metal Mining and Human Rights in Guatemala: The Marlin Mine in San Marcos' (Ireland: Peace Brigades International / Troicair Ireland, 2006), 8, http://www.mypbi.net/fileadmin/user_files/groups/germany/Dateien/mining-human-rights_eng.pdf (accessed 22 May 2021); Jonas and Tobis (eds), *Guatemala*, 243-244.

¹⁷⁸ Jonas and Tobis (eds), *Guatemala*, 230-231, 243-244; Kading, 'The Economics of la Violencia', 71-72; Solano, *Guatemala petróleo y minería*, 50-52.

¹⁷⁹ Solano, *Guatemala petróleo y minería*, 46-47.

¹⁸⁰ Solano, 'Development and/as Dispossession', 128; Solano, *Guatemala petróleo y minería*, 60.

¹⁸¹ See previous note.

American Cold War theatre as the administration's Assistant Secretary of State for the Bureau of Human Rights. Abrams' human rights philosophy centred on anti-communism,¹⁸² and Bureau reporting became markedly biased in support of the administration's right-wing allies, especially so in Guatemala.¹⁸³ By producing reports of human rights improvements and commitment in Guatemala during heightened state-led violence that was later deemed genocidal by the United Nations, Abrams was instrumental in enabling the Reagan administration to circumvent human rights provisions in foreign assistance legislation so as to channel aid to the GOG.¹⁸⁴

John D. Park, who had nearly been robbed of his concession at gunpoint by a Guatemala City hotel pool just over ten years prior, had integrated himself and Basic Resources into a nexus of transnational power. Both public and private circles of power in Guatemala stood to gain from hydrocarbon development, but whereas the oligarchy favoured liberalisation, the military GOG maintained a penchant for military developmentalist projects, creating ample space for friction. When the rift between the Carter administration and the military GOG unfolded over human rights conditions in Guatemala, it was transnational capital and conservative business groups like Amigos del País and Fundación that maintained dialogues with public and private power in Washington.¹⁸⁵

¹⁸² For Abrams' East-West Cold War human rights framework, see Elliot Abrams, 'Excerpts from State Department Memo on Human Rights', *New York Times*, 5 November 1981; American Association for the International Commission of Jurists (ICJ), *Human Rights and U.S. Foreign Policy: The First Decade, 1973-1983* (Washington, DC: Library of Congress, 1984), 37; United States Department of State, 'Country Reports on Human Rights Practices for 1981', February 1982, 3. See also: Barbara Crossette, 'Strong U.S. Human Rights Policy Urged in Memo Approved by Haig', *New York Times*, 5 November 1981; Rasmus Sinding Søndergaard, *Reagan, Congress, and Human Rights: Contesting Morality in US Foreign Policy* (Cambridge: Cambridge University Press, 2020), 69-71.

¹⁸³ ICJ, *Human Rights and U.S. Foreign Policy*, 37-39; Lawyers Committee for International Human Rights, 'An Evaluation of the State Department's Country Reports on Human Rights Practices for 1981', 28 April 1982, 39-42.

¹⁸⁴ For human rights provisions in foreign assistance legislation, see Tanya Broder and Bernard D. Lambek, 'Military Aid to Guatemala: The Failure of Human Rights Legislation', *Yale Journal of International Law* 13:111 (1988), 111-145.

¹⁸⁵ Council on Hemispheric Affairs, Press Release, Thursday 17 July 1980, 'Anticipated Reagan Policy Toward Latin America Would Force Re-Emergence of Congress as Chief Regional Policy Maker if Republican Candidate Elected: Complete Inadequacy of 1930's Mentality Would Soon Become Apparent', Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Council on Hemispheric Affairs Press Conference, Questions and Answers, 30 October 1980, 'Controversial Reagan Campaign Links with Guatemalan Government and Private Sector Leaders', Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Allan Nairn, 'Controversial Reagan Campaign Links with Guatemalan Government and Private Sector Leaders', *Council on Hemispheric Affairs*, Research Memorandum, 30 October 1980, in Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Allan Nairn, 'Guatemala: The Region's Blue Chip Investment, Thanks to a Special Relationship Between the Ruling Elite and Multinationals', *Multinational*

Transformations in Guatemalan Infrastructure, Legislation and Development

Guatemala had been open for business since Arbenz was removed from office in 1964, and U.S. investment remained especially prominent, all in spite of an ongoing civil war (1960-1996). About 80% of Guatemala's FDI came from the U.S. by the end of the 1960s, and over 100 U.S. corporations were operating in Guatemala, including, but not limited to, Kraft, Eli Lilly, Colgate-Palmolive, and Texaco, and a company called NELLOTER [sic] that provided major transportation infrastructure project work from 1970-75.¹⁸⁶ Manufacturing increased during the Cold War, but the GOG failed to address import needs, keeping the Guatemalan economy dependent on U.S. imports.¹⁸⁷ Mounting optimism over Guatemala's extractive potential prompted the GOG to initiate several institutional changes during the 1970s. The Guatemalan leadership became obsessed with ambitious development initiatives over the course of the 1970s, exacerbated by the prospect of energy independence, and even an energy-exporting future. Development and infrastructure initiatives increasingly targeted Guatemala's resource-rich regions, made possible by transnational capital infusions. When Guatemala's hydrocarbon sector started to look most promising, the pendulum swung in the nationalist direction. The military GOG exerted resource sovereignty and initiated changes to Guatemala's hydrocarbon legislation, and the military, the oligarchy, the transnational business community and oil industry found their interests incongruent.

A rift emerged between Guatemalan business elites and Guatemala's military governments of the 1970s. Both had been allied in anti-communist principles and shared a development-friendly disposition, but whereas Guatemala's elites favoured liberalisation and privatisation wherever possible, the administrations of Colonel Carlos Arana Osorio (1970-1974), General

Monitor 2, no. 5 (May 1981), <https://www.multinationalmonitor.org/hyper/issues/1981/05/nairn.html>, (accessed 20 February 2021); Allan Nairn, 'Reagan Administration's Links to Guatemala's Terrorist Government', *Covert Action Quarterly* (Summer 1989), <http://www.hartford-hwp.com/archives/47/160.html>, (accessed 20 February 2021); Jenny Pearce, *Under the Eagle: U.S. Intervention in Central America and the Caribbean* (London: Latin American Bureau, 2nd ed. 1982), 170-181; Peter Dale Scott, 'Reagan, Foreign Money, and the Contra Deal', *Crime and Social Justice* 27/28, *Contragate and Counter Terrorism: A Global Perspective* (1987), 111-112, 116-126, 135-136.

¹⁸⁶ For U.S. businesses active in Guatemala at that time, see Jonas and Tobis (eds), *Guatemala*, 167-174; Tom Barry and Deb Preusch, *The Central American Fact Book* (New York: Grove Press, 1986); See also: Barbara Rose Johnston, 'Chixoy Dam Legacy Issues Document Review: Chronology of Relevant Events and Actions', vol. 2. *Chixoy Dam Study Issues* (Santa Cruz, CA: Center for Political Ecology, March 2005), 10-19, <http://www.derechos.net/ativima/en/Documents/Information/vol2.pdf>, (accessed 2 August 2021); UNCTAD, 'Guatemala', 3-4.

¹⁸⁷ UNCTAD, 'Guatemala', 4.

Kjell Laugerud García (1974-1978), and General Romero Lucas García (1978-1982) pursued state-led development initiatives on par with Peru's military developmentalism. The GOG applied an increasingly protectionist stance towards Guatemala's resource sectors. Military leadership identified both state-owned industries and privately run critical-resource sectors as funding sources for infrastructure, counterinsurgency operations for the ongoing civil war, and increasingly for personal wealth and patronage. As a result, Guatemalan development initiatives in the 1970s took a particularly nationalistic turn.¹⁸⁸

As early as 1973, Guatemala's Ministry of Mines and Hydrocarbons began accumulating requests from international firms large and small for exploratory concessions in northern Guatemala.¹⁸⁹ In response, nine oil companies, including Amoco, carried out \$100 million in prospecting in the Petén department.¹⁹⁰ In 1974 the GOG launched a campaign to promote additional oil exploration, and new tracts were slated for exploration in the Petén and Alta Verapaz departments.¹⁹¹ The Arana government, however, was notably less committed to free markets than to counterinsurgency, and in 1974 Arana passed Decree No. 62-74 (Law of the Petroleum Regime of the Nation, *Ley de Régimen Petrolífero de la Nación*). The Decree did not repeal No. 345, but it required oil companies to pay 50 percent of production costs in royalties up front. Funds were ideally deposited into the Banco del Ejército (Bank of the Army), which Arana had established in 1972. Basic's July 1974 discovery at Rubelsanto occurred during Arana's final month in office, at which time he boasted publicly of the discovery and Guatemala's hydrocarbon future.¹⁹²

The second change to Guatemala's hydrocarbon legislation occurred the following year with Decree Law 96-75's (*Ley de Régimen Petrolífero de la Nación*) enactment. Of the fifty companies that expressed interest in exploration by 1974,¹⁹³ thirty applied for exploratory concessions by the end of 1975.¹⁹⁴ The Ministry of Mines and Hydrocarbons stalled in approving oil companies' applications, while the GOG capitalised on the investment climate by abolishing the twenty-year-old Decree No. 345 and drafting a new code. Decree Law 96-

¹⁸⁸ Bull, *Aid, Power, and Privatization*, 46-47; Kading, 'The Economics of la Violencia', 57-91; LaFeber, *Inevitable Revolutions*, 164-172, 256-261.

¹⁸⁹ Kading, 'The Economics of la Violencia', 66.

¹⁹⁰ Solano, *Guatemala petróleo y minería*, 47-48.

¹⁹¹ Peckenham, 'Peasants Lose Out'; Treaster, 'Guatemala Drills for Big Find'.

¹⁹² Kading, 'The Economics of la Violencia', 66; Solano, *Guatemala petróleo y minería*, 47-48.

¹⁹³ World Bank, 'Non-OPEC', 10,

¹⁹⁴ Treaster, 'Guatemala Drills for Big Find'.

75 was written into law during the Laugerud administration. The new code required oil companies to carry the total costs of exploratory work, successful or not, and it required oil companies to deposit a large portion of their investment capital in Guatemalan banks.¹⁹⁵ Unlike No. 345, which granted exploitation operations a ten-year grace period before profits were shared with the GOG, the new code mandated the GOG receive first 51 percent of profits, and then 55 percent, along with an export tax and a provision that called for 75 percent royalties for high production yields. Mindful of the potentially fleeting investment window of commercial viability in which the logistical obstacles of Guatemalan oil were offset by high prices, the new code required oil companies to make commitments that could not be circumvented. Stipulations included strict timetables for operations, requiring firms to invest more over a shorter period of time. Oil companies were required to dig a minimum number of wells at a minimum depth. Concessions were to be revoked if no exploitable oil was found in six years, so oil companies could not sit on concessions should the price of oil decline. Concessions could be held for no longer than twenty-five years, during which time oil companies were required to build schools and facilities for employees of sustained operations. Compensation for expenses was not guaranteed if oil was not found, putting the burden of unsuccessful exploration entirely on oil companies. In addition, a fee of one million Guatemalan Quetzales was due upon signing. These provisions were surmountable inconveniences to larger and medium-sized companies, which in turn formed consortiums to seek out Guatemalan oil, but these provisions were deterrents to smaller operations. Foreign firms voiced contempt for these new stipulations, but interest was not dissuaded, and the optimism over Guatemalan oil escalated over the remainder of the decade.¹⁹⁶

The World Bank and its affiliate lending institutions boasted of Guatemala's energy potential while they condemned Guatemala's hydrocarbon laws for breaking with free market doctrine. Reflecting on the period, a World Bank Scoping Report uses language that misrepresents 96-75, framing it as a deterrent to foreign investment. The report argued that 96-75 made Guatemala 'less attractive to foreign investors', and contended that only Shenandoah and Centram 'remained in Guatemala after 1976'.¹⁹⁷ This contention is misleading because it

¹⁹⁵ Kading, 'The Economics of la Violencia', 66; Treaster, 'Guatemala Drills for Big Find'.

¹⁹⁶ Kading, 'The Economics of la Violencia', 66-71; Peckenham, 'Land Settlement in the Petén', 174; Peckenham, 'Peasants Lose Out'; Solano, *Guatemala petróleo y minería*, book 49.

¹⁹⁷ World Bank, Hilda Harnack, *Republic of Guatemala: Preliminary Scoping Report of the Reconciliation of Mining and Hydrocarbon Sector Payments and Revenues* (Washington, DC: World Bank, 2011), 26, <http://documents.worldbank.org/curated/en/820231468035449957/pdf/728170WP00PUBL0ENGLISH0110920final.pdf>, (accessed 19 February 2021).

implies that other oil firms took issue with No. 96-75's terms and abandoned Guatemala, when in fact Centram and the Basic consortium (which included Shenandoah and Saga) were among the only operations active in Guatemala when the code took effect.¹⁹⁸ Foreign firms did not leave, but rather they continued to pursue and receive concessionary contracts after 96-75's creation. The discrepancy between parties that expressed interest in Guatemalan concessions and the number of physical operations on the ground is explained by the fact that interested oil companies formed consortiums to pursue Guatemalan oil, and because many of the oil companies listed were not brick-and-mortar operations in the first place, but rather investors in tangible operations or paper companies that included Guatemalan nationals and capital so as to meet the legislation's criteria.¹⁹⁹ The gap between, on the one hand, the mid-1970s surge in interest that followed discoveries in southern Mexico and Basic's Guatemalan successes, and on the other hand the explosion of interest and activity in Guatemala at the end of the decade, is explained by the GOG's decision to stall when it was considering exploratory applications, not approving the applications until hydrocarbon legislation was altered in Guatemala's favour. Decree Law 96-75's provisions may have been undesirable to foreign investors—particularly small to medium sized oil companies—but the terms were not deterrents to foreign investment. The 1975 legislation reasserted Guatemalan resource sovereignty and allowed the GOG to negotiate from a position of strength so as to retain favourable terms if and after making accommodations and concessions—it appears to have been a prudent decision. Given the uncertainties in exploratory ventures, oil companies were leery of legislation and/or concessionary arrangements that did not guarantee terms of recuperation and/or did not articulate those terms clearly. Guatemala's 1975 legislation was indeed criticised for the vague and uncertain terms with which oil companies would be compensated for failed exploratory work. Given the sensationalism over Guatemala's hydrocarbon potential, the oil companies that did invest in Guatemala were not particularly worried that they would come up empty, as is evidenced by their risk.²⁰⁰

The primary deterrent to Guatemalan hydrocarbon exploration and development was not 96-75, but the logistical challenges in accessing sites and transporting oil to its next destination

¹⁹⁸ Peckenham, 'Land Settlement in the Petén', 173-175; Stewart and Fialka, 'Guatemala Oil Venture'; World Bank, 'Non-OPEC', 9-10.

¹⁹⁹ Solano, *Guatemala petróleo y minería*, 47-48; Treaster, 'Guatemala Drills for Big Find'.

²⁰⁰ CIA, 'Assessment of Petroleum Potential', 6-7; Kading, 'The Economics of la Violencia', 66-71; Peckenham, 'Land Settlement in the Petén', 174; Peckenham, 'Peasants Lose Out'; Solano, *Guatemala petróleo y minería*, book 49.

for refinement. In response, the GOG adopted ambitious plans to develop Guatemala's infrastructure in ways that duly accommodated the extractive sector. Oil companies collaborated with the military to improve road networks in El Quiche and northern Huehuetenango. Among these ambitious development initiatives was the Anillo Pereférico Nacional (National Ring Road) project, designed to reduce logistical barriers to development in proximity to key extractive centres. Despite Guatemala's pariah state status, the \$300 million concept expanded to a \$1.4 billion project whose potential financiers included the World Bank, Canadian and European banks.²⁰¹ Post-Lucas Guatemalan leadership abandoned many of the Lucas administration's development initiatives, the Anillo Pereférico Nacional among them.²⁰²

The success of Basic's oil operations prompted the construction of a 237km pipeline to the Caribbean in 1977. The pipeline was designed to transport oil from Basic's Wells to Puerto Barrios on the Caribbean, where it would then be transported to New Orleans for refinement. Goldsmith was financially integral to the project. The \$30 million pipeline was financed by a group of international lenders headed by Goldsmith's Occidentale. The 12 inch pipeline included tanker loading facilities and capacity of 50,000 bpd. It was completed in December 1979, built by Entrepouse SA, a French firm with financial ties to Goldsmith. When Basic's oil reached port, Guatemala became Central America's first oil-exporting nation.²⁰³

Goldsmith promoted and supplied financing for several of the Lucas regime's infrastructure projects, in addition to the pipeline. Included among them was the construction of Guatemala's largest Pacific Ocean port, Puerto Quetzal. The project was completed by the French firm Dragages et Travaux Publics, and Goldsmith was the company's primary shareholder. The first phase was completed in 1985, during the Mejía Vítores administration (1983-1986). The operation was noted for its corruption and for grossly exceeding its original budget.²⁰⁴

Additional large scale development projects were undertaken during the GOG's quest to become energy independent, a vision that can be characterised by debt, corruption and

²⁰¹ Kading, 'The Economics of la Violencia', 70-72.

²⁰² Kading, 'The Economics of la Violencia', 72-75.

²⁰³ Peckenham, 'Land Settlement in the Petén', 173-176; World Bank, 'Non-OPEC', 9-10.

²⁰⁴ Solano, *Guatemala petróleo y minería*, 50-52.

violence.²⁰⁵ The Chixoy Dam project, for example, resulted in copious borrowing, massacres and displacement. The GOG received a \$105 million loan from the Inter-American Development Bank (IADB) in 1976 to build the Chixoy Dam, a project carried out entirely by European and American companies. The initial loan for the dam reflected projected construction costs of \$340 million, but costs, and debt, swelled to nearly one billion U.S. dollars by the time it was finished nearly ten years later. Researchers have suggested that up to half of the money was corrupted by the oligarchy and military GOG.²⁰⁶ To the north, Western Geophysical, a North American company, cleared a grid pattern of access roads intersecting at the seventh mile throughout western Petén. Nancy Peckenham lamented that '[t]he jungle environment, so recently a stranger to man, is now being ravaged by diesel-powered machinery which indiscriminately removes all obstacles in its path'.²⁰⁷

Other industrial sectors were linked to the fate of Guatemalan hydrocarbons. As extractives go, mining interests in Guatemala were more prominent than oil until the mid-1970s.²⁰⁸ A World Bank study estimated Guatemalan nickel reserves in the vicinity of seventy million tons, with an average of 1.5 percent nickel content. Prior to Guatemala's hydrocarbon potential having drawn international attention in the latter half of the 1970s, the nickel industry and international lending and development communities expressed intense optimism over the future of Guatemalan nickel extraction.²⁰⁹ The nickel industry was burdened by the same logistical challenges as Guatemala's hydrocarbon sector, and their fates were entwined.

The International Nickel Company of Canada (INCO) and U.S.-based M.A. Hanna Mining Company partnered in Guatemala under the name EXMIBAL between 1960 and 1980.²¹⁰ EXMIBAL shared the same ties with the labyrinth of corporate and political power in Washington that included the Rockefellers, John Foster Dulles, Sullivan & Cromwell, and

²⁰⁵ For a summary of Guatemala's military developmentalist projects at this time, see Kading, 'The Economics of la Violencia'.

²⁰⁶ Hancock, *Lords of Poverty*, 150-151, 172-173, 175; Johnston, 'Chixoy', 10-19. Villagers inhabiting the flood zone were massacred by the Guatemalan military to make way for the project, in what was known as the Rio Negro Massacre.

²⁰⁷ Peckenham, 'Land Settlement in the Petén', 174.

²⁰⁸ Castagnino, 'Metal Mining and Human Rights', 8-10; Jonas and Tobis (eds), *Guatemala*, 151-166; Solano, *Guatemala petróleo y minería*, 33.

²⁰⁹ 'Nickel Project Set in Guatemala', *New York Times*, 16 March 1974.

²¹⁰ Hanna owned 20 percent of the operation, while INCO owned 80. In UNCTAD, 'Guatemala', 3-5; 'Nickel Project Set in Guatemala'. See also: Castagnino, 'Metal Mining and Human Rights', 8-10; Jonas and Tobis (eds), *Guatemala*, 151-166; Peckenham, 'Land Settlement in the Petén', 173-175; Peckenham, 'Peasants Lose Out'; Stewart and Fialka, 'Guatemala Oil Venture'; World Bank, 'Non-OPEC', 9-10.

other factions within the intervention lobby that precipitated the overthrow of Jacobo Árbenz. As with oil, so too did Washington impose upon Guatemala to accommodate the interests of American and international capital, and the industry at large; and yet so too were those interests and efforts often collaborations with Guatemala's economic and military elites. A USAID-funded study conducted by Guatemala's Institute of Research and Industrial Technology deemed the nickel industry an 'industry of transformation', a position formally adopted by the GOG in 1968 that allowed EXMIBAL to avoid paying taxes for the first five years of exploitation, in addition to other perks.²¹¹ Faculty at USAC produced a report that condemned the arrangement for its asymmetry, but right-wing death squad activity targeted EXMIBAL's critics during negotiations with the Arana government in 1970 and again in 1971.²¹² Arana pursued neither free-market absolutism nor overbearing protectionism in the profit-sharing agreement that was reached, and funding for expanded nickel production was procured from the World Bank and creditors in Canada, Britain, and the U.S., including Rockefeller's Chase Manhattan Bank, \$13.5 million of which was guaranteed by the Export-Import Bank of the United States, Eximbank.²¹³

Changes in the global political economy of critical resources put a strain on Guatemala's nickel sector. Nickel prices started to decline in the 1970s, while fuel prices necessary for the nickel industry spiked due to the global crisis. In response, EXMIBAL formed Centram-Zamora in 1973 to explore and procure oil for its nickel operations. The fate of Guatemala's nickel industry rested on EXMIBAL and Centram's ability to procure oil advantageously, and a rebound in the global market value of nickel. Both operations were strained by not only the logistical costs of procuring Guatemalan oil, but labour costs and localised violence. Costly oil production could not offset free-falling nickel prices, and EXMIBAL's operations did not last the decade.²¹⁴

Nickel production tapered prior to Reagan's assumption of the presidency, but its presence alone retained zero-sum value in Washington. Shifting market conditions could have easily

²¹¹ Jonas and Tobis (eds), *Guatemala*, 151-166, especially 155-164, 217; Solano, *Guatemala petróleo y minería*, 35-42.

²¹² Castagnino, 'Metal Mining and Human Rights', 8-10; Solano, *Guatemala petróleo y minería*, 36-38.

²¹³ Jonas and Tobis (eds), *Guatemala*, 166; UNCTAD, 'Guatemala', 3-5.

²¹⁴ Castagnino, 'Metal Mining and Human Rights', 8-10; Jonas and Tobis (eds), *Guatemala*, 151-166; 'Nickel Project Set in Guatemala'; Peckenhams, 'Land Settlement in the Petén', 173-175; Peckenhams, 'Peasants Lose Out'; Solano, *Guatemala petróleo y minería*, 33-42; Stewart and Fialka, 'Guatemala Oil Venture'; UNCTAD, 'Guatemala', 3-5; World Bank, 'Non-OPEC', 9-10.

revived Guatemala's nickel industry. The discovery of large quantities of Guatemalan oil that so many were so certain would take place would have been essential to the industry's revival.

Oil and Human Rights

Many of the GOG's development initiatives in the 1970s were associated with state-led violence. Guatemala contains a natural resource belt that came to be known as the Franja Transversal del Norte (FTN, or Northern Transversal Strip). The FTN runs from Huehuetenango in the west, across Quiché, Alta Verapaz, and northern Baja Verapaz, to Izabal in the east, encompassing about 15,750 sq km.²¹⁵ Hydrocarbon and mineral discoveries in the FTN in the early 1970s prompted the GOG to initiate a 'massive frontier development program' in the area in 1976.²¹⁶ Profit-seeking members of the military and Guatemala's financial elites assumed ownership of forcibly and/or coercively vacated lands. Even Lucas acquired a massive cattle ranch in the FTN with the help of a Bank of America loan. Due to the large number of land acquisitions from the Guatemalan military, and the area's eventual military occupation, this land grab lent the FTN the nickname 'Zone of the Generals'.²¹⁷

The Guatemalan civil war in the late 1970s was primarily an urban theatre, and the bulk of the violence did not shift into the countryside until the 1980s. There was, however, a consistent level of rural state-led violence affiliated with rural state-led development projects during the Lucas presidency. Prior to that shift, the rural FTN and Petén department saw considerable state-led displacement and loss of life in the 1970s. The military displaced and/or destroyed villages and small farms throughout the FTN, and increasingly the Petén department to the north, and much of this violence was tied to extractive development. Journalist Nancy Peckenham observed firsthand in Guatemala that 'with the arrival of foreign oil companies (Texaco-Amoco, Shenandoah, Ashland, and Basic Resources International)[...]...the dispossession of inhabitants, the increase in land values, and the loss of unreplenishable natural resources has followed close behind'.²¹⁸ Guatemalan Vice President

²¹⁵ Kading, 'The Economics of la Violencia', 62.

²¹⁶ Beatriz Manz, 'Refugees - Guatemalan Troops Clear Peten for Oil Exploration', *Cultural Survival Quarterly* 5, no. 3 (September/Fall 1981), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/refugees-guatemalan-troops-clear-peten-oil-exploration>, (accessed 2 August 2021).

²¹⁷ Black, *Garrison Guatemala*, 30, 54; Manz, 'Refugees'; Michael McClintock, *The American Connection: Volume 2, State Terror and Popular Resistance in Guatemala* (London: Zed Books, 1985), 135-136; Peckenham, 'Land Settlement in the Petén', 175; Peckenham, 'Peasants Lose Out'; Solano, *Guatemala petróleo y minería*, 50-64.

²¹⁸ Peckenham, 'Land Settlement in the Petén', 169.

Francisco Villigran Kramer, who resigned in September 1980 over the deteriorating human rights, claimed that ‘the discovery of petroleum in the northern part of the country’ prompted a ‘race among the nation’s leading businessmen and military officers to stake out claims on land seized from Indian communities in the oil-rich territory’.²¹⁹ When Basic Resources set their sights on Chinaja, the town and its inhabitants were forcibly removed by the Guatemalan military. Several confrontations occurred between Kekchi communities in the Rubelsanto area and government officials trying to relocate them. Elsewhere in the FTN, hundreds of Kekchi Mayan men, women, and children were massacred in May 1978 while attending an event to discuss land rights at Panzos, Alta Verapaz; this tragedy became known as the Panzos Massacre. Rural Guatemalans were violently forced from their lands during the first half of 1979 from Cojaj, San Juan Chamelco, San Luis Peten, Chisec, and Sechaj-Sequiche. Peckenham observed ‘hundreds of confrontations’ following the Panzos massacre, with campesinos up against foreign companies and Guatemalan elites seeking their resource rich lands. The Guatemalan military ostensibly occupied the FTN by 1980.²²⁰

The violence was reciprocal, and oil companies distanced themselves from the military and large landowners, and maintained lower levels of security at their operations, so as not to make themselves a target for insurgency. Security at Rubelsanto, for example, was scaled back, under the prevailing fear that ‘military guards would only provoke attacks because the military is considered the real enemy’.²²¹ Many Guatemalans understood the structural causes of their displacement and destitution, and oil operations were targeted accordingly. An Elf employee reported that gas tanks, the pipeline, and even the control room at an Elf drilling location, had been attacked. The Guatemala City home of Elf’s national manager was also fired on by machine guns.²²²

²¹⁹ Council on Hemispheric Affairs, Press Release, ‘Villigran Resignation Underlines Rising Tide of Human Rights Violations in Guatemala, Now the Hemisphere’s Most Violent Nation, Vice President Cites Violence, Repression in his Withdrawal Letter and at COHA Press Conference’, 4 September 1980, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1].

²²⁰ Black, *Garrison*, 30, 54; Manz, ‘Refugees’; McClintock, *American Connection*, 135-136; Peckenham, ‘Land Settlement in the Petén’, 175; Peckenham, ‘Peasants Lose Out’; Solano, *Guatemala petróleo y minería*, 50-64.

²²¹ Peckenham, ‘Peasants Lose Out’.

²²² Marnham, ‘Vanishing Oil’; United States Embassy, Guatemala, Regional Security Office, ‘Terrorist Statistical Summary, Guatemala, 12/01/80 to 10/30/81’, Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3, Folder: ‘Guatemala: Human Rights’.

Development initiatives, and the prospect, potential, pursuit and preservation of Guatemalan oil, certainly exacerbated poor human rights conditions in Guatemala. Terrence Kading's closer look at 'the economics of la violencia' identifies a direct correlation between GOG-led violence and development initiatives.²²³ The extent to which development initiatives underwrote human rights violations is perhaps indeterminable; that development initiatives exacerbated poor human rights conditions, however, is undeniable. In this context, Guatemalan hydrocarbon development contributed to the rift that formed between the Carter administration and the GOG. Hydrocarbon initiatives continued to exacerbate poor human rights conditions in Guatemala into the 1980s, but the incoming Reagan administration pivoted towards a position of support for the rights-abusing GOG. The administration's relationship and proximity to Guatemalan oil, however, has been long absent from historical consideration.

Conclusions

Guatemalan oil had been coveted by the United States from the moment its plausibility entered the imaginations of international oilmen. Over the next seven decades, a push and pull transpired between Guatemalan resource sovereignty and the hegemonic disposition of the United States over access to Guatemala's hydrocarbon potential, manifesting in oscillating modifications to Guatemalan hydrocarbon law. Washington's motivations and conduct were typical of American pro-business imperialism prior to the Second World War, but the United States came to incorporate critical resources and their procurement as an essential element of postwar U.S. national security, at which time the value of Guatemala's hydrocarbon potential took on new dimensions in Washington. The U.S. leveraged the GOG to open its hydrocarbon veins by liberalising hydrocarbon legislation on multiple occasions, all before one drop of commercially viable oil had been extracted from Guatemalan soil. The GOG pushed back, and Guatemalan resource sovereignty was exerted by both the progressive governments of Guatemala's 'democratic spring', and by the Guatemalan military governments of the late 1970s. After decades of intermittent exploration and optimism, the prospect and potential of Guatemalan oil rose sharply in the 1970s, as did political violence. The commercial viability window for Guatemalan oil, however, was precariously tied to fleeting phenomena in the global energy economy as the decade drew to a close.

²²³ Kading, 'The Economics of la Violencia', 57-91.

Guatemala's hydrocarbon sector has received little scholarly attention. Guatemalan oil is absent from the pages of global oil histories, and it is even neglected in regional histories focused on Latin American hydrocarbon development.²²⁴ Perhaps this is because there was no oil to speak of until relatively recent history, as the first six decades of petro-diplomacy and struggle outlined in this chapter had transpired not over thriving wells and brimming barrels, but merely over Guatemala's hydrocarbon potential. Numerous articles and chapters have considered recent events in and related to Guatemalan hydrocarbon development, and activist groups have reported on recent conflict between extractive development and rural communities, but research on the period and events presented in this chapter are under-developed. Oil historians can be forgiven for the oversight of failing to report on the petro-diplomacy over oil that did not yet exist, but diplomatic historians should not be let off the hook so easily—Guatemala's hydrocarbon potential and U.S.-Guatemalan petro-diplomacy were of considerable political significance long before Basic's first wells came on line. Indeed, the absence of a thriving oil industry seems a natural disincentive, a reasonable explanation for this deficit in scholarship over Guatemalan oil and its role in bilateral relations. This presumption is supported by the fact that the only comprehensive history of Guatemalan hydrocarbon development that considers the years outlined in this chapter is published in the Spanish language by a Latin American scholar—Luis Solano—whose diligent work considers the subject from a Guatemalan perspective, understandably outside the scope of the developments in the political economy of U.S. national security and national interest outlined in this chapter. Guatemalan scholars remember the push and pull between resource sovereignty and U.S. economic hegemony, but researchers in the metropole have been either unaware of, disenchanted by, or uninterested with this information. By presenting this information in the appropriate global, inter-American and bilateral contexts, this chapter adds new dimensions to our understanding of bilateral relations and U.S. imperialism in Guatemala, and to U.S. hydrocarbon and resource policy at large.

²²⁴ Guatemala appears only in passing in Latin America's lone hydrocarbon survey. See George Philip, *Oil and Politics in Latin America: Nationalist Movements and State Companies* (Cambridge: Cambridge University Press, 1982), 45, 146, 159. Guatemala is absent from John Wirth's (ed.) *The Oil Business in Latin America: The Early Years* (Washington, D.C.: Beard Books, 1985), which tapers off in the mid-twentieth-century. Guatemalan oil, and its absence in the relevant literature, is not addressed in recent historiographic work from Marcelo Bucheli, 'Major Trends in the Historiography of the Latin American Oil Industry', *Business History Review*, 84 (Summer 2010), 339-362.

Political developments in Guatemala are featured frequently in the literature on Latin America's Cold War, and on the global Cold War. The 1954 coup that saw democratically elected Guatemalan President Jacobo Árbenz removed from office is a staple feature in any Cold War history, Latin American or global, and there has been much historical debate over the American private sector's role and culpability in the golpe.²²⁵ The petro-diplomacy outlined in this chapter was very much a point of friction between the United States and the progressive governments of Guatemala's 'democratic spring', and yet it is absent from literature committed to the Árbenz coup. This chapter provides new dimensions to this seemingly exhausted moment in bilateral relations.

One of this project's core objectives is to demonstrate that Guatemalan oil was of considerable U.S. national security interest leading up to and during the Reagan administration. This chapter contributes toward this objective first by articulating the political economy of U.S. national interest and national security with regard to critical resources—if there was oil, then Washington was interested as a matter of national security at the very least. Zero-sum Cold War principles applied even if the situation was not profitable, and if American oil companies expressed interest, then that interest was intrinsic. In addition, this chapter contributes towards establishing U.S. national interest by establishing the global optimism in Guatemala's hydrocarbon potential and the subsequent investment frenzy that followed Basic's pioneering Rubelsanto success and continued into the Reagan presidency. The Guatemala that Candidate Reagan encountered on the campaign trail was on the verge of becoming an oil producing powerhouse, with an excitedly optimistic investment climate in spite of 96-75, and a collaborative class of oligarchic insiders that pandered for reconciliation, and thus Guatemalan oil categorically occupied U.S. national security and national interest when Reagan entered the White House.

²²⁵ Gleijeses, 'Culture of Fear', xxvii-xxix, xxxii; Gleijeses, *Shattered Hope*; Grandin, 'Off the Beach', 429-430; Schlesinger and Kinzer, *Bitter Fruit*; Jonas, 'Anatomy of an Intervention', 57-73.

CHAPTER 2

Oil, Aid, and Human Rights Diplomacy: Lucas and Reagan, Act I

Against the grain of the Carter administration's foreign policy initiatives, the American right pursued and maintained positive unsanctioned diplomatic relations with right-wing anticommunist regimes in the Global South. They did this through a variety of channels, including business and financial networks, and conservative political organisations. In response to the Church Committee, and with the rise of rights-minded factions in Congress, many in Washington aspired to reduce the United States' subversive and clandestine geopolitical footprints in the latter half of the 1970s. Many diplomats and intelligence officials that had operated in, and perhaps preferred, the clandestine consequently withdrew to the private sector, where they put their experience and contacts to use as foreign policy consultants, arms brokers, and agents of unsanctioned political and economic diplomacy for conservative interest groups—sometimes concurrently. Many of these actors maintained or restored positive relations with anti-communist regimes, oligarchs, and clandestine individuals and institutions during the Carter years, and many retained and expanded their clandestine skillsets and networks after having conducted business in the shadows of a rights-minded Congress and Carter administration. These agents and institutions became affiliated with the Reagan campaign in official and peripheral capacities as they conducted diplomatic overtures with the hemisphere's right-wing regimes prior to and throughout the campaign, and many were brought back into the fold of public service to join the ranks of the incoming Reagan administration's foreign policy teams where their clandestine networks and experience were put to use. Their policy objectives and recommendations toward right-wing governments like the GOG were formulated in the aforementioned unsanctioned diplomatic relations, and these recommendations became Reagan's foreign policy.¹

¹ Associated Press, 'Ex-C.I.A. Aide Sees "No Way" to Prohibit Retired Agent Deals', *New York Times*, 23 September 1981; Jeff Gerth, 'Former Intelligence Aides Profiting From Old Ties', *New York Times*, 06 December 1981; Greg Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism* (New York: Metropolitan Books / Henry Holt & Co., 2006), 64-73, 92-94. Jonathan Marshall, Jane Hunter, and Peter Dale Scott, *The Iran-Contra Connection: Secret Teams and Covert Operations in the Reagan Era* (New York: Black Rose Books, 1987), passim; Peter Dale Scott, 'Reagan, Foreign Money, and the Contra Deal', *Crime and Social Justice* 27/28, *Contragate and Counter Terrorism: A Global Perspective* (1987), 110-148.

Droves of conservative delegations disavowed the Carter administration's human rights initiatives, and visited and negotiated with Guatemala's military government and business elites. Retired Generals John Singlaub and Daniel Graham visited Guatemala in 1979 as delegates from the American Security Council (ASC) and as welcomed guests of Guatemala's business community; Graham also became an official member of Reagan's Foreign Policy Advisory Committee. Singlaub returned to Guatemala the following year with a melee of conservative agents affiliated with the not-yet-elected Reagan administration, and Reagan's future Latin American policy advisor Roger Fontaine made several visits to Guatemala around this time as well. These groups undermined Carter's human rights initiatives by reinforcing anticommunist solidarity, and by condoning the GOG's excessive counterinsurgency measures. Moreover, these groups made it expressly known that a potential, and later forthcoming, Reagan administration intended to restore military assistance and mute criticism of Guatemala's poor human rights conditions. The messages they carried were well received, and these diplomatic exchanges created the template for the future administration's Guatemalan policy.²

Retired General Vernon Walters was active in Guatemala at that time, but his objectives were of a seemingly different nature. Walters was affiliated with the Reagan campaign as a member of the Foreign Policy Advisory Committee alongside Graham, and while his colleagues acted as the Kirkpatrick Doctrine's vanguard in Guatemala and throughout the hemisphere, Walters was engaged by Basic Resources as a private consultant. Guatemala's Lucas Garcia administration had placed restrictions on the volume of oil that Basic could extract from its Guatemalan wells, and Walters was tasked with obtaining favourable extractions terms from Lucas. He was successful in this task in the summer of 1980.³

Vernon Walters returned to public service with the incoming Reagan administration. He was swiftly named Secretary of State Alexander Haig's special advisor, and he was appointed ambassador-at-large for the administration. Following the pre-electoral vanguard, Walters

² Grandin, *Empire's Workshop*, 64-73, 92-94.

³ Vernon Walters, 'Vernon Walters, Landon Lecture, November 11, 1988', Landon Lecture Series on Public Issues, Kansas State University, 11 November 1988, <https://www.k-state.edu/landon/speakers/vernon-walters/transcript.html>, (accessed 20 April 2021). See also George Black, *Garrison Guatemala* (New York: Monthly Review Press, 1984), 117-118, 149; Global Newswatch, 'Basic Resources: Guatemala's Largest Oil Driller Defends Military Rule', *Multinational Monitor* 3, no. 2 (February 1982), <https://www.multinationalmonitor.org/hyper/issues/1982/02/guatemala-oil.html>, (accessed 3 November 2022), herein cited as GN, 'Defends Military Rule'.

was tasked with implementing the Kirkpatrick Doctrine at large; he pursued cordial relations with Latin America's worst human-rights abusers, and negotiated clandestine and duplicitous inter-American arms diplomacy among states whose supply of U.S. arms were reduced by the Carter administration's human rights initiatives. Included among them were Argentina and Guatemala, both of which were responsible for the hemisphere's worst human rights violations through extreme counterinsurgency measures. Walters was appointed special emissary to Guatemala, making him the administration's key point of contact with the Lucas administration.⁴ He was tasked with navigating the restoration of military assistance amidst concerns over Guatemala's increasingly abysmal human rights record. In 1981, Walters negotiated third-party military assistance with the Argentine junta for Guatemala, and he parlayed clandestine shipments of U.S. military goods to the military GOG that same year.⁵ Both arrangements cast a dark shadow on the Reagan administration's human rights record, as the administration evaded and circumvented human rights provisions in foreign assistance legislation to provide military assistance to the GOG during peaking levels of state-led terror.

⁴ Don Oberdorfer, 'Vernon Walters with Haig on Mideast Trip', *Washington Post*, 4 April 1981; David Remnick, 'Vernon Walters, Back in His World', *Washington Post*, 16 December 1985.

⁵ For Walters in Argentina, see United States Embassy, Argentina. Secret Cable, AmEmbassy Buenos Aires to SecState WashDC, 25 February 1981, 'My Talk with President Videla', Document ID 1679044915, Document no. 001311, *National Security Archive*, DNSA: Argentina, 1975-1980: The Making of U.S. Human Rights Policy, <https://www.proquest.com/docview/1679044915/E0F1E37925EB418FPQ/8?accountid=13460>, <https://www.proquest.com/government-official-publications/my-talk-with-president-videla/docview/1679044915/se-2?accountid=13460>, (accessed 28 January 2022), herein cited as U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001311]; United States Embassy, Argentina, Secret Cable, AmEmbassy Buenos Aires to SecState WashDC, 25 February 1981, 'My Talk with President Videla', Document ID 1679045469, Document no. 001312, *National Security Archive*, DNSA: Argentina, 1975-1980: The Making of U.S. Human Rights Policy, <https://www.proquest.com/docview/1679045469/fulltextPDF/E526177068924B7APQ/15?accountid=13460>, <https://www.proquest.com/government-official-publications/my-talk-with-president-videla/docview/1679045469/se-2?accountid=13460>, (accessed 28 January 2022), herein cited as U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001312]; United States Embassy, Argentina, Secret Cable, AmEmbassy Buenos Aires to SecState WashDC, 26 February 1981, 'My Talk with President-Elect Viola', Document ID 1679048724, Document no. 001335, *National Security Archive*, DNSA: Argentina, 1975-1980: The Making of U.S. Human Rights Policy, <https://www.proquest.com/docview/1679048724/E526177068924B7APQ/12?accountid=13460>, <https://www.proquest.com/government-official-publications/my-talk-with-president-elect-viola/docview/1679048724/se-2?accountid=13460>, (accessed 28 January 2022), herein cited as U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001335]; United States Embassy, Argentina, Secret Cable, AmEmbassy Buenos Aires to SecState WashDC, 26 February 1981, 'My Talk with President-Elect Viola', Document ID 1679044988, Document no. 001336, *National Security Archive*, DNSA: Argentina, 1975-1980: The Making of U.S. Human Rights Policy, <https://www.proquest.com/docview/1679044988/abstract/E526177068924B7APQ/20?accountid=13460>, <https://www.proquest.com/government-official-publications/my-talk-with-president-elect-viola/docview/1679044988/se-2?accountid=13460>, (accessed 28 January 2022), herein cited as U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001336]. See also Paul H. Lewis, *Guerrillas and Generals: The "Dirty War" in Argentina* (London: Praeger, 2002), 190.

This chapter's chronological scope is loosely defined by the Lucas' presidency (1978-1982), taking liberties to stray when required. Centring on Vernon Walters as an axis between oil, aid, and human rights issues, this chapter highlights the circumstances and events surrounding Walters' public and private diplomacy, and demonstrates that Walters' public and private engagements were mutually influential on one another; they were neither indistinguishable nor easily compartmentalised. While there is no smoking gun to suggest that Walters acted on behalf of both Basic Resources and the Reagan campaign or administration concurrently, contextual evidence suggests that Walters' petro-diplomacy was carried out in a climate of *quid pro quo*, and there is further reason to suspect that Reagan was aware. Further, this chapter highlights ways in which Walters' experiences with Basic Resources contributed to U.S. national interest in Guatemalan oil, and influenced U.S. public diplomacy regarding unpopular Guatemalan policy in 1981.

This chapter draws from a mix of declassified State Department materials, commissions and human rights reports based on victims' testimonies, contemporary media and investigative activist journalism, and it is supported by relevant secondary literature. The chapter begins by summarising the bilateral rift over human rights and foreign assistance that occurred during the Carter administration, so as to articulate the soured state of bilateral relations in the late 1970s, and to contextualise the American conservative push to warm relations with, and restore military assistance to, Guatemala. Revisiting the works of investigative journalists at the time, the chapter proceeds to identify unsanctioned diplomacy carried out by conservative groups and Reagan campaign affiliates prior to Reagan's assumption of the Presidency in January 1981, and therein the efforts of actors and institutions whose objective was to warm relations with the GOG and offer assurances that a Reagan presidency would restore military assistance and mute human rights criticisms.

The chapter presents Vernon Walters' private lobbying efforts in these contexts. Connecting networks of interest and power, this chapter establishes Walters' affiliation with the Reagan campaign, Basic's affiliation to the Guatemalan business community, and Walters' formal and affiliated proximity to conservative delegations mending fences with Guatemalan power circles in 1979 and 1980. The first ASC delegation is often mentioned in literature that examines bilateral relations and Washington's engagements in the Guatemalan civil war and the Central American theatre, albeit concisely, and also within the small body of literature examining the transnational private anti-communist lobbying movement led by American

conservatives, but the Walters-petroleum connection is either dismissed or missed altogether in these avenues of academic inquiry.⁶ Walters' petro-diplomacy is sparsely acknowledged in the literature on Guatemalan resource sovereignty, which fails to account for his proximity to the Reagan campaign and the impact his experience with Basic had on Reagan's Guatemalan policy. Synthesising these narratives exposes and integrates elements of the political economy of bilateral relations absent from security-centred perspectives. This chapter proceeds by exploring Walters' inter-American diplomacy in 1981. As the administration's ambassador-at-large, Walters was tasked with implementing the Kirkpatrick Doctrine in Latin America by improving relations with, and negotiating restored military assistance to, the hemisphere's human-rights abusing right-wing regimes. This chapter demonstrates that Walters' complicity in arranging inter-American arms transactions was part of the goodwill effort towards the fulfilment of *quid pro quo*.

Lastly, this chapter considers Guatemala's hydrocarbon potential in various avenues of U.S. public diplomacy and national interest. The administration's efforts to market its unpopular objectives to normalise relations with the rights-abusing Guatemalan regime made use of Guatemala's resource wealth. The State Department projected Guatemalan oil in zero-sum security terms to Congress and the American public, which is evidence of Guatemala's hydrocarbon potential and U.S. national interest in it, and of the marketing value that Guatemalan oil held when used to bolster unpopular foreign policy. The few scholars to brave the subject have accused the Reagan administration of exaggerating Guatemala's hydrocarbon wealth so as to solicit support for its unpopular Guatemalan policy, and some have suggested that Vernon Walters repurposed Basic Resources' inflammatory data for this purpose.⁷ The climate of interest and optimism in Guatemalan oil examined prior, however, suggests the State Department's valuation of Guatemalan oil in the public domain was both manipulative and sincere.

Aid and Human Rights: Inconsistent Objectives and Expectations, 1954-1981

The GOG stopped receiving U.S. military assistance in 1978. The circumstances that led to the suspension of Guatemalan assistance are similar to other aid suspensions to other Latin

⁶ See, for example, Black, *Garrison Guatemala*, 117-118, 149.

⁷ Black, *Garrison Guatemala*, 149.

American regimes in the 1970s insofar as congressional scrutiny over human rights violations brought about diplomatic and legislative impasse. The Guatemalan case is unique, however, because it was not Washington who severed aid relations, but rather it was the rights-abusing GOG that opted out of receiving U.S. assistance. The GOG had been scrutinized for rights violations, but an optimistic 1977 State Department report observed that Guatemalan human rights abuses were *on the decline*—they still occurred, but they had improved. Indeed, the Kjell Laugerud administration (1974-1978) was responsible for the fewest politically-related disappearances and deaths of any Guatemalan administration between 1970 and 1991, but the GOG had grown hypersensitive to, and irritated by, inconsistent messages coming from Washington regarding human rights in the 1970s, and the GOG took offence at the appraisal that human rights violations had occurred at all. Committed to Cold War national security doctrine and their anticommunist mission, the GOG had been waging a messianic crusade against Marxism that mirrored that of the United States, which had funded, trained, and encouraged them to do so; the Guatemalan military government had been under the impression that they were partnered with Washington in a global anticommunist struggle. The GOG were outraged over Washington's hypocritical and inconsistent disposition in the 1970s, and nationalist elements in the GOG suspected human rights critiques and any criterion or stipulations affixed to U.S. assistance as encroachments on Guatemalan sovereignty. How could Washington incur copious collateral civilian damage abroad under the auspices of anticommunism, but the GOG was chastised for abuses in their own domestic anticommunist struggle? Washington would not, they insisted, tell them how to fight their counterinsurgency war. If U.S. assistance came with human rights stipulations, Guatemalan leadership chose to go without, then have the terms of their counterrevolution dictated from abroad. The GOG rejected military assistance in 1977, and the following year Guatemala was removed from Washington's recipient lists.⁸

⁸ For government documentation, see United States Government Accountability Office (USGAO), *Military Sales: The United States Continuing Munition Supply Relationship with Guatemala*, (Washington, D.C.: GAO, January 1986), 1-9; Jonathan Sanford, 'Guatemala: U.S. Foreign Assistance Facts', *Library of Congress - Congressional Research Service: Foreign Affairs and National Defense Division*, 31 March 1983. For journalistic accounts, see Christopher Dickey, 'Haig's Emissary, in Guatemala, Discounts Charges of Rights Abuse', *Washington Post*, 14 May 1981; 'End Run to Guatemala', *New York Times*, 18 May 1981; Richard J. Meislin, 'U.S. Military Aid for Guatemala Continuing Despite Official Curbs', *New York Times*, 19 December 1982; Allan Nairn, 'U.S. Captain Trains at Guatemalan Military', *Washington Post*, 21 October 1982; Juan de Onis, 'U.S. Sending Envoy to Guatemala with View to Resuming Arms Aid', *New York Times*, 7 May 1981; 'Vernon Walters in Guatemala for Talks', *UPI: UPI Archives*, 13 May 1981, <https://www.upi.com/Archives/1981/05/13/Vernon-Walters-in-Guatemala-for-talks/3090358574400/>, (accessed 3 January 2022). For a legal scholar's summary of human rights diplomacy, see Tanya Broder and Bernard D. Lambek, 'Military Aid to Guatemala: The Failure of Human Rights Legislation', *Yale Journal of International*

The GOG's hypersensitivity to human rights critiques at the time is not surprising given the bilateral history of anticommunist cooperation leading up to the 1970s. Washington ostensibly created the Guatemalan counterinsurgency monster, and the GOG found themselves being penalised for performing precisely as they had been instructed at the onset. In the early years of the Guatemalan civil war, the U.S. was instrumental in modernising Guatemalan military intelligence and technology infrastructure, transitioning a nation preconditioned to military authoritarianism into a Cold War *counterinsurgency state*.⁹ Susanne Jonas defines a counterinsurgency state as

a particular form of the counterrevolutionary state, a variant of the bourgeois state in Latin America, that combines the traditional authoritarian-oligarchical state with the institutionalized apparatus created and imposed by the United States in the 1960s to prevent "another Cuba." As such, it is a historically specific response to the challenge from revolutionary movements since the 1960s.¹⁰

In the immediate wake of the 1954 Arbenz coup, counterinsurgency was enshrined into Guatemala's constitution through the 1954 National Security Doctrine, which echoed Washington's Cold War disposition, the Preventative Penal Law against Communism (Decree 59), and the Committee for National Defense against Communism (Decree 023). The 1956 Directorate General of National Security (Decree 553) placed security, judicial, juridical, and administrative departments at the National Police's disposal with a mandate to investigate and pursue suspected political criminals.¹¹ The World Bank and the United States Agency for International Development (USAID) began operating in concert with the highest levels of Guatemalan government almost immediately after the 1954 golpe.¹² US military advisors collaborated with USAID's Technical and Public Safety Offices (OPS) and their International Cooperation Administration (ICA, which later became the Inter-American Development Bank, IADB) to create joint military operation centres, and to provide the GOG with military

Law 13, no. 1 (1988), 129-131; Kathryn Sikkink, *Mixed Signals: U.S. Human Rights Policy and Latin America* (Ithaca, NY: Cornell University Press, 2004), 137-139.

⁹ For analysis of Guatemala's predisposition toward military authoritarianism, see James Mahoney, 'Radical, Reformist and Aborted Liberalism: Origins of National Regimes in Central America', *Journal of Latin American Studies* 33, no. 2 (May 2001), 221-241.

¹⁰ Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads, and U.S. Power* (San Francisco, CA: Westview Press, 1991), 57-58, 69-71, 115-123, quoted material located on 116-17.

¹¹ Archivo Histórico de la Policía Nacional (AHPN), *From Silence to Memory: Revelations of the AHPN* (Eugene, OR: University of Oregon Libraries, 2013), 106-107, <https://scholarsbank.uoregon.edu/xmlui/handle/1794/12928>.

¹² Jonas, *Battle for Guatemala*, 57-64.

and technical equipment, extensive training and organisational initiatives centred on counterinsurgency.¹³ From the onset of the Guatemalan civil war, the GOG was explicitly structured for repression.

Washington became increasingly aware of the Guatemalan counterinsurgency monster it had created by the late 1960s, and the discourse on these matters is evidence of emerging polarizations in American human rights and foreign policy opinions. A 1966 State Department report from the Director of Intelligence and Research cautioned of ‘over-zealous clandestine counter-insurgent activities by the security forces and their associates’, including ‘kidnappings, torture, and summary executions’ of civilians.¹⁴ Viron Vaky, then a mid-level State Department staffer and a moral thorn in Henry Kissinger’s side, issued a scathing report in 1968; he described Guatemalan counterinsurgency tactics as ‘counter-terror’ and suggested that, despite condemnation of these methods in the public sphere, Washington’s ongoing assistance ‘may even in effect have encouraged or blessed it’. Highlighting the moral dilemma, Vaky asked:

Is it conceivable that we are so obsessed with insurgency that we are prepared to rationalize murder as an acceptable counter-insurgency weapon? Is it possible that a nation which so reveres the principle of due process of law has so easily acquiesced in this sort of terror tactic?¹⁵

In contrast, Cold Warriors doubled down on security policy in Guatemala. Before a 1971 congressional hearing on the OPS program, the embassy in Guatemala claimed that the Arana government (1970-1974) ‘is for the most part attempting to use standard, orthodox police methods...and the U.S. Government is in agreement with these methods’, adding that OPS had ‘been a positive force in helping the Guatemalan Police to meet their challenges in a

¹³ AHPN, *From Silence to Memory*, 107-119.

¹⁴ United States Department of State, Secret Intelligence Note, Thomas L. Hughes to Secretary of State, 23 October 1967, ‘Guatemala: A Counter-Insurgency Running Wild?’, Document 4, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc04.pdf>, (accessed 12 January 2022).

¹⁵ United States Department of State, Secret Memorandum, Viron Vaky to Oliver, 29 March 1968, ‘Guatemala and Counter-terror’, Document 5, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc05.pdf>, (accessed 12 January 2022); also available in within the Foreign Relations of the United States (FRUS) series, see United States Office of the Historian, Foreign Relations of the United States, 1964–1968, Volume XXXI: South and Central America: Mexico: Central America: 1969–1972, ‘Document 102: Memorandum From Viron P. Vaky of the Policy Planning Council to the Assistant Secretary of State for Inter-American Affairs (Oliver), March 29, 1968’, <https://history.state.gov/historicaldocuments/frus1964-68v31/d102>, (accessed 12 January 2022).

professional, legal manner'.¹⁶ The death toll depicted a different story, and an increasingly human rights-minded U.S. Congress terminated the OPS programs in 1974.¹⁷

The Carter administration's pro-human rights agenda made matters worse for rights-abusing recipients of U.S. foreign assistance. President Jimmy Carter was raised in rural Georgia during the Great Depression. He graduated from Annapolis Naval Academy in 1946 and completed a seven-year stint with the Navy, after which he returned to Georgia to run his family's peanut farm. Carter entered politics in the 1960s and became an advocate for civil rights and social reform; he was first elected to the Georgia state senate in 1962, and then he served as governor 1971-75. Carter emerged on the national stage from relative political obscurity amidst general disenchantment with status quo politics in Washington. He championed reform and restored trust between constituents and government in his bid for the White House, and he 'leaned heavily on moral principles in the presidential campaign'.¹⁸ Donaghy contends that 'Carter's message was grounded in his born-again Christian beliefs, and values such as honesty, integrity, and compassion', and he praises Carter for having been 'free of the lies and corruption that had sullied the reputation of those in government'.¹⁹ Indeed, Carter assured voters in campaign advertisements that he would 'never tell a lie'.²⁰ Carter 'invoke[d] Wilsonian language and a sense of mission', he called upon 'a moral compass to guide America's outlook', and he 'align[ed] a values-based platform with a vision for human rights abroad'.²¹ Carter may have been 'a latecomer to global human rights' on the campaign trail, but they became 'the centerpiece [sic] of his presidential (and postpresidential) legacy'.²²

In office, Carter was both a Cold Warrior and a pragmatist on foreign policy matters, having 'subordinat[ed] ideology and principles for politics when needed', especially concerning the

¹⁶ United States Department of State, Secret Cable, 'Fascell Sub-Committee Hearings on Guatemala Public Safety Program' 2 September 1971, Document 7, *National Security Archive*, Electronic Briefing Book no.11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc07.pdf>, (accessed 10 January 2022).

¹⁷ AHPN, *From Silence to Memory*, xix. For emerging human rights initiatives in Congress, see Grandin, *Empire's Workshop*, 63; Sikkink, *Mixed Signals*, 48-76.

¹⁸ Aaron Donaghy, *The Second Cold War: Carter, Reagan, and the Politics of Foreign Policy* (Cambridge: Cambridge University Press, 2021), 18-19, quoted material on 19.

¹⁹ Donaghy, *The Second Cold War*, 18.

²⁰ Quoted in *Ibid.*, 19.

²¹ *Ibid.*, 19.

²² Carter opposed the 1975 Helsinki Accords fearing that the Final Act would enable Soviet dominance over Europe, and his campaign did not identify with human rights discourse until two months remained in the 1976 presidential campaign. See *Ibid.*, 20.

Cold War.²³ He was neither the altruist for which he has been posthumously canonized by the left, nor the negligible pacifist as described by conservatives like Jeane Kirkpatrick.²⁴ Donaghy identifies Carter as ‘an antiestablishment [sic] politician, an evangelical Christian, whose moral compass helped to guide his convictions (though not always his decisions)’.²⁵ Many of Carter’s foreign policy positions ‘lurched toward the right’, ‘at odds with the principles he had earlier espoused’.²⁶ Undeservedly accused of weakness on foreign policy, perhaps the weakest point in Carter’s administration was his public relations skills, having failed to package his policies and their fallout for public consumption.²⁷ Carter did reduce the flow of arms and money to rights-abusing regimes when possible, but he often did so strategically and pragmatically, as was the case in Guatemala.

Guatemala rejected U.S. assistance in 1977 and was removed from the military assistance recipient list for 1978. President Carter, however, did not explicitly label Guatemala a gross violator of human rights. Hardly an oversight, Carter’s non-designation was categorical and pragmatic for several reasons. First, there is the matter of eligibility: Washington was cognisant of Guatemalan counterinsurgency excesses, but Guatemala arguably did not fit the specific gross violator criteria at that time, as large-scale repression was not observed until the Lucas regime’s counterinsurgency push in 1979.²⁸ Next, the absence of a gross violator distinction allowed for the potential restoration of future aid to occur more swiftly, as the GOG would not need to comply with restoration criteria, which they, or any state engaged in a counterinsurgency war, would likely be unable to meet. This should by no means suggest that Guatemalan human rights conditions were any less severe or detested by the Carter administration, because Carter, perhaps pragmatically, did not label any state a gross violator

²³ Ibid., 291.

²⁴ Jeane Kirkpatrick, ‘Dictatorships and Double Standards’, *Commentary* 68, no. 5 (November 1979), 34-45; Jeane J. Kirkpatrick, ‘Establishing a Viable Human Rights Policy’, *World Affairs*, 143 (1981), 323-334

²⁵ Donaghy, *The Second Cold War*, 52.

²⁶ Ibid., 291.

²⁷ See Barbara Keys and Roland Burke, ‘Human Rights’, in: R. H. Immerman and P. Goedde (eds) *The Oxford Handbook of the Cold War* (Oxford: Oxford University Press, 2013), 496-497; Melvin P. Leffler, *For the Soul of Mankind: The United States, the Soviet Union, and the Cold War* (New York: Hill and Wang, 2008), 234-337; Nancy Mitchell, ‘The Cold War and Jimmy Carter’, in: M.P. Leffler and O.A. Westad (eds) *The Cambridge History of the Cold War, Volume III: Endings* (Cambridge: Cambridge University Press, 2010), 66-88; Peter H. Smith, *Talons of the Eagle: Latin America, the United States, and the World* (Oxford: Oxford University Press, 4th edn. 2013), 138-194; Jesús Velasco, *Neoconservatives in U.S. Foreign Policy under Ronald Reagan and George W. Bush: Voices behind the Throne* (Baltimore, MD: Johns Hopkins University Press, 2010), 86-103; Odd Arne Westad, *The Global Cold War* (Cambridge: Cambridge University Press, 2007), 248-249, 282-283.

²⁸ Sikkink, *Mixed Signals*, 137-139.

of human rights.²⁹ Despite conservative condemnations that Carter's human rights policy was idealistic and naive,³⁰ this is but one example of Carter's undervalued pragmatism, which, ironically, has been criticised, and perhaps mischaracterized, by rights advocates as inconsistency. Without a gross violator distinction, however, the Reagan administration had fewer obstacles when it maneuvered to restore aid to the GOG, although by that time Guatemala was categorically engaged in gross and consistent human rights violations. Considering Reagan's early human rights disposition, the administration's disregard for human rights and the institutions that preserve them are evidenced by the fact that Washington exhausted the most effort to provide military and economic assistance to the GOG, legally and illegally, when Guatemala's human rights performance escalated beyond the threshold of gross violator status.

Mixed Messages and Multidirectional Diplomacy

Rights-minded factions in Washington made their intolerance of Guatemalan rights abuses known during the Carter administration, but the GOG received tangible mixed messages over their human rights performance as multiple forms of assistance—positive reinforcement—made its way to Guatemala through the duration of Carter's sole term. Inspired by military developmentalism taking place elsewhere in Latin America, the military GOG embarked on large-scale development initiatives bankrolled by international capital. The International Monetary Fund (IMF) and the World Bank continued to fund the Chixoy Dam project, which ballooned in cost to nearly \$1 billion during the Reagan administration; up to half of said funds were allegedly corrupted by members of the military government,³¹ and the project was associated with dislocation and the state-led Chixoy Dam massacre.³² U.S. dollars, and funds

²⁹ Broder and Lambek, 'Military Aid to Guatemala', 124; Velasco, *Neoconservatives*, 95.

³⁰ One prominent voice criticising Carter's human rights policy was that of Jeane Kirkpatrick. See Jeane Kirkpatrick, 'Dictatorships and Double Standards', *Commentary* 68, no. 5 (November 1979), 34-45; Jeane J. Kirkpatrick, 'Establishing a Viable Human Rights Policy', *World Affairs*, 143 (1981), 323-334. See supporting comments in American Association for the International Commission of Jurists (ICJ), *Human Rights and U.S. Foreign Policy: The First Decade, 1973-1983* (Washington, DC: Library of Congress, 1984), 31.

³¹ Graham Hancock, *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*, (New York: Atlantic Monthly Press, 1989), 150-151, 172-173, 175.

³² See Barbara Rose Johnston, *Volume Two: Chixoy Dam Legacy Issues Study, Chixoy Dam Legacy Issues Document Review: Chronology of Relevant Events and Actions* (Santa Cruz, CA: Center for Political Ecology, 2005), 10-19, passim; Matt Pacenza, 'A People Damned: The Chixoy Dam, Guatemalan Massacres, and the World Bank', *Multinational Monitor* 17, no. 7/8 (July/August 1996), <https://www.mattpacenza.com/multinational-monitor-1996>, (accessed 18 December 2021).

from international financial institutions in which Washington held influential primacy, continued to flow for military developmentalist projects categorised as meeting Guatemalans' basic human needs, and many development-related projects were implemented by or in concert with the Guatemalan military. Many such projects also led to community dislocation and state-led massacres,³³ and many involved kickbacks for American companies supplying materials and labour.³⁴ A number of private military contracts between U.S. manufacturers and the GOG were not impacted by the 1977-1978 suspension and carried on unimpeded. The U.S. assistance that did get curtailed was largely limited to congressionally-approved packages, but the deficit in U.S. military assistance was offset by collaborative international arms diplomacy.³⁵ In sum, suspended military assistance was certainly not comprehensive.

Tangible aid aside, powerful mixed messages came from conservative groups in the U.S., who denounced and defied Carter's human rights policies, and established positive relations with Guatemalan power circles. As early as 1979, the GOG and Guatemala's business elites made concerted efforts to support Reagan's ascension to the presidency, to improve Guatemala's image and strengthen ties with conservative groups in Washington. At the same time, conservative U.S. factions engaged in unofficial and/or semi-official diplomacy that directly countered Carter's human rights and foreign policy strategies. Amidst surging conservatism in the U.S., a number of institutions and actors denounced Carter's human

³³ Journalists at the time observing development-related violence in the field include Beatriz Manz, 'Refugees - Guatemalan Troops Clear Peten for Oil Exploration', *Cultural Survival Quarterly* 5, no. 3 (September/Fall 1981), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/refugees-guatemalan-troops-clear-peten-oil-exploration>, (accessed 2 August 2021); Nancy Peckenham, 'Guatemala: Peasants Lose Out in Scramble for Oil Wealth', *Multinational Monitor* 2, no. 5 (May 1981), <https://multinationalmonitor.org/hyper/issues/1981/05/peckenham.html> (accessed 16 August 2020); Nancy Peckenham, 'Land Settlement in the Petén', *Latin American Perspectives* 7, no. 2/3 (1980), 169-177, esp.173-176; Gabriel Aguilera Peralta, 'The Massacre at Panzos and Capitalist Development in Guatemala', *Monthly Review* 31, no. 7 (December 1979), 13-23; Davis Shelton, 'The Social Consequences of "Development" Aid in Guatemala', *Cultural Survival Quarterly* 7, no. 1 (March 1983), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/social-consequences-development-aid-guatemala>, (accessed 15 August 2020). For international observations of rights violations in 1980-81, see Amnesty International, *Guatemala: A Government Program of Political Murder* (London: Amnesty International Publications, 1981); Amnesty International, *Amnesty International Report 1981* (London, Amnesty International Publications, 1981), 148-156. For a comprehensive analysis of the correlation between state violence and development, see Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24, no. 47 (1999), 57-91.

³⁴ New Jersey-based companies received \$3.2 million contract to build five vocational schools. See Amigos del País, 'Guatemala Newsletter' (Guatemala City: Guatemala, August 1981), 3, in Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [4].

³⁵ USGAO, *Military Sales*, 1-9. See also Jill L. Arak-Zeman, 'An Analysis of the Similarities and Differences of United States Human Rights Policies Under the Carter and Reagan Administrations: The Cases of Guatemala and Chile', PhD Thesis, University of Southern California, 1991, 185-227; Broder and Lambek, 'Military Aid to Guatemala', 129-131; Grandin, *Empire's Workshop*, 109.

rights agenda, and made restorative overtures that a Reagan administration would be on their side. The human rights critiques, they suggested, would go away, and things would return to normal—the GOG could go back to killing communists as they saw fit, and Washington would reward their efforts with financial and military assistance. Bonds were forged between Guatemalan factions and the forthcoming Reagan administration, and the culmination of these exchanges produced the administration’s early Guatemalan policy initiatives in 1981.³⁶

Conservative factions in the U.S. actively worked against the Carter administration’s human rights policies in the public domain. Right-wing think-tanks like the American Enterprise Institute, the Center for Strategic and International Studies at Georgetown University, the Heritage Foundation, and the Hoover Institute promoted a heightened climate of anticommunism, and filled the ranks of Reagan’s campaign advisors, transition teams, and domestic and foreign policy staff. These actors and institutions produced a plethora of publications and manifestos denouncing Carter’s policies and generating the blueprint for Reagan’s early foreign policy disposition.³⁷ The more notorious and influential among them

³⁶ Council on Hemispheric Affairs, Press Release, Thursday 17 July 1980, ‘Anticipated Reagan Policy Toward Latin America Would Force Re-Emergence of Congress as Chief Regional Policy Maker if Republican Candidate Elected: *Complete Inadequacy of 1930’s Mentality Would Soon Become Apparent*’, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Council on Hemispheric Affairs Press Conference, Questions and Answers, 30 October 1980, ‘Controversial Reagan Campaign Links with Guatemalan Government and Private Sector Leaders’, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Allan Nairn, ‘Controversial Reagan Campaign Links with Guatemalan Government and Private Sector Leaders’, Research Memorandum, *Council on Hemispheric Affairs*, 30 October 1980, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Allan Nairn, ‘Guatemala: The Region’s Blue Chip Investment, Thanks to a Special Relationship Between the Ruling Elite and Multinationals’, *Multinational Monitor* 2, no. 5 (May 1981), <https://www.multinationalmonitor.org/hyper/issues/1981/05/nairn.html>, (accessed 20 February 2021); Allan Nairn, ‘Reagan Administration’s Links to Guatemala’s Terrorist Government’, *Covert Action Quarterly* (Summer 1989), <http://www.hartford-hwp.com/archives/47/160.html>, (accessed 20 February 2021); Jenny Pearce, *Under the Eagle: U.S. Intervention in Central America and the Caribbean* (London: Latin American Bureau, 2nd ed. 1982), 170-181; Scott, ‘Reagan, Foreign Money, and the Contra Deal’, 111-112, 116-126, 135-136. Nairn’s aforementioned work summarises the agreed-upon goals and objectives reached between the delegates and the GOG. Reagan’s initial Guatemalan policy is outlined in the talking points for Special Ambassador General Vernon Walters for his 1981 visits with the Lucas regime, and they mirror the conclusions and recommendations from the conservative delegations noted in Nairn’s aforementioned work. See United States Department of State, Confidential Cable, SecState WashDC to AmEmbassy Guatemala, 28 April 1981, ‘Initiative on Guatemala: Talking Points for General Walters’, Document ID 1679121031, Document no. 108913, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, https://www.proquest.com/dnsa_gu/docview/1679121031/D2628B126E3D4BEFPO/7?accountid=13460, (accessed 2 August 2022), herein cited as Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

³⁷ Pearce, *Under the Eagle*, 170-181. For a summary of neoconservative individuals and institutions, and their influence on U.S. foreign policy, human rights policy, and Latin American policy, see Grandin, *Empire’s Workshop*, 64-86, passim; Velasco, *Neoconservatives*, 16-110.

included Kirkpatrick's 'Dictatorships and Double Standards', which evolved into the Kirkpatrick Doctrine that provided the ideological rationale for Reagan's initial disregard of human rights and support for right-wing regimes.³⁸ Also included among them was the Committee of Santa Fe's *New Inter-American Policy for the Eighties*; steeped in East-West security hyperbole, the document became the blueprint for Reagan's Latin American policies.³⁹ Pariah states scorned by Carter needed to look no further than the pages of American publications for assurances that they had friends in Washington, and that Carter's rights agenda was temporary.

American conservative groups sent delegations to Guatemala as early as 1979 in an attempt to warm relations with the right-wing pariah state. Retired Generals John Singlaub and Daniel Graham made the future Reagan administration's first informal visit to Guatemala in 1979 as delegates from the American Security Council (ASC) in concert with Guatemala's elites.⁴⁰ The ASC was regarded as a 'private ultra-hawk U.S. military lobby'⁴¹ that advocated for a post-Vietnam resurgence of U.S. military primacy. Peter Dale Scott observes that the organisation

was supported by a more desperate, manipulative, and even conspiratorial group pushing for the restoration of U.S. covert operations. These were the CIA's veterans of the clandestine services, who (often in mid-career) had been eased or kicked out of the CIA in large numbers after the CIA began to retrench on such operations.⁴²

Both Singlaub and Walters were retired generals, intelligence veterans, ardent anti-communists, and well qualified for such a mission. Graham had served as Deputy Director of the CIA (1973-1974) and Director of the military's Defense Intelligence Agency (1974-1975/6) under Nixon and Ford.⁴³ In 1978, Graham became co-chairman of the conservative

³⁸ Kirkpatrick, 'Dictatorships and Double Standards', 34-45; Kirkpatrick, 'Viable Human Rights Policy', 323-334. See also ICJ, *Human Rights and U.S. Foreign Policy*, 31-33.

³⁹ Committee of Santa Fe, *A New Inter-American Policy for the Eighties* (Washington, DC: Council for Inter-American Security, 1980). See commentary in R. H. Holden and E. Zolov (eds), 'No. 109, 1980, Saving the New World from Communism', *Latin America and the United States: A Documentary History* (Oxford: Oxford University Press, 2nd edn. 2011), 296-299. The editor confirms the influence of the document, as does additional commentary regarding the Committee's significance in Grandin, *Empire's Workshop*, 70-73; Kirk Tyvela, *The Dictator Dilemma: The United States and Paraguay in the Cold War* (Pittsburgh, PA: University of Pittsburgh Press, 2019), 151-152.

⁴⁰ United States Army, 'Lieutenant General Daniel O. Graham US Army, Retired (Deceased)', <https://www.ikn.army.mil/apps/MIHOF/biographies/Graham,%20Daniel.pdf>, (accessed 19 February 2022).

⁴¹ Quoted material in Nairn, 'Terrorist Government'.

⁴² Scott, 'Reagan, Foreign Money, and the Contra Deal', 114.

⁴³ U.S. Army, 'Daniel O. Graham'.

ASC's congressional lobbying front, the Coalition of Peace through Strength.⁴⁴ Graham also served as a military and foreign policy advisor on Reagan's 1976 and 1980 campaigns.⁴⁵ Singlaub was a founding CIA pioneer and career military leader. He was removed from his post in Korea and forced into retirement following a public disagreement with President Carter over the future of Korean policy,⁴⁶ after which his activities in anti-communist circles increased.⁴⁷ He was co-founder of the ASC's Western Goals Foundation (WGF), a private intelligence-gathering institution established in 1979 to "fight Communist-controlled penetrations and subversion" of the U.S. government', thereby 'fill[ing] the critical gap caused by the crippling of the FBI, [and] the disabling of the House Committee on Un-American Activities'.⁴⁸ Reagan extended tax-exemption status to the WGF once in office;⁴⁹ the organisation was later disbanded when the Tower Commission investigating the Iran-Contra affair learned of WGF's complicity in laundering funds for Nicaragua's Contra insurgency. In addition, Singlaub's personal complicity in arms diplomacy with the Contras and other insurgent groups was called into question over time.⁵⁰ It would not be unreasonable to describe Singlaub and Graham as subversive figures, and this was the caste from which Washington's conservative delegates were drawn.

In April 1979, Singlaub and Graham visited Guatemala as agents of the ASC. These two experienced clandestine operatives were tasked to warm relations with the GOG and to prime the regime for a potential Reagan presidency by emphasising collaborative anti-communist solidarity and prioritised resumption of U.S. military and financial assistance.⁵¹ On the issue of human rights violations, Singlaub conveyed that candidate Reagan 'recognized that a good

⁴⁴ Richard Burt, 'Pro-Arms Coalition Formed in Congress', *New York Times*, 09 August 1978.

⁴⁵ U.S. Army, 'Daniel O. Graham'.

⁴⁶ For Singlaub's disagreements with Carter, see Richard Goldstein, 'John K. Singlaub, 100, General Who Clashed with Jimmy Carter, Dies', *New York Times*, 31 January 2022. See also: Nairn, 'Terrorist Government'.

⁴⁷ Marshall, Hunter, and Scott, *Iran-Contra Connection*, 13, 76; Scott, 'Reagan, Foreign Money, and the Contra Deal', 110-148.

⁴⁸ Mary Batiata, 'Congressman's Foundation Targets Communist "Threat"', *Washington Post*, 22 August 1981.

⁴⁹ Batiata, 'Congressman's Foundation'.

⁵⁰ Zach Dorfman, 'The Congressman Who Created His Own Deep State. Really', *Politico*, 02 December 2018, <https://www.politico.com/magazine/story/2018/12/02/larry-mcdonald-communists-deep-state-222726/#:~:text=Own%20Deep%20State,-.Really,.his%20own%20intelligence%20gathering%20arm.&text=Zach%20Dorfman%20is%20senior%20fellow.for%20Ethics%20in%20International%20Affairs>, (accessed 5 October 2021); Theodore Draper, *The Iran-Contra Affairs: A Very Thin Line* (New York: Simon & Schuster, 1991), 59-60. The findings from the Iran-Contra's Tower Commission (White House Special Review Board) are available in John Tower, Edmund Muskie and Brent Scowcroft. *The Tower Commission Report: The Full Text of the President's Special Review Board* (New York: Bantam Books, 1987).

⁵¹ U.S. Army, 'Daniel O. Graham'.

deal of dirty work has to be done' in Guatemala.⁵² The trip's itinerary was arranged by Fundación por la Libertad (Guatemala Freedom Foundation, Fundación), an extreme pro-Lucas lobbying group founded by Roberto Alejos Arzu. The Foundation was run by former Guatemala City Coca-Cola plant owner John C. Trotter, who had been 'implicated in the death squad murders of a number of workers and union leaders at the bottling plant'.⁵³ The ASC delegation met with Guatemalan President Lucas García and top members of the Guatemalan military, they observed rural counter-insurgency activities by helicopter, and they mingled with Guatemalan oligarchs at Alejos' estate—the same estate that was used by the CIA to prepare for the Bay of Pigs invasion of 1961. Graham informed Lucas that he would push the Reagan campaign team to adopt a position in pursuit of restored military assistance to the GOG. Upon his return, Singlaub reflected that he was 'terribly impressed' with Lucas' (purported) attempts to promote human rights, but 'lamented the fact that "as the [Guatemalan] government loses support from the United States, it gives the impression to the people that there's something wrong with their government'.⁵⁴ Singlaub's comments offer insight into the extremes of anti-communist ideology percolating in conservative American circles at this time, in that he found no fault with a non-democratic military government that inflicted the hemisphere's worst human rights violations on its own citizens, because that government opposed purported Marxist forces. While this delegation was by no means an official delegation of the Reagan campaign, the delegates themselves came to be in time, and the meetings produced the template for Reagan's Guatemalan policies. The messages carried by the delegates were well received by the GOG, as is evidenced by a spike in death squad activity following the visit.⁵⁵

Singlaub carried more mixed messages to Guatemala the following year with a large delegation in April 1980. The Reagan campaign had been up and running since November

⁵² Singlaub's quote is quite accessible. See Grandin, *Empire's Workshop*, 109; Marshall, Hunter, and Scott, *Iran-Contra Connection*, 13, 76; Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Scott, 'Reagan, Foreign Money, and the Contra Deal', 117.

⁵³ Quoted in Nairn, 'Terrorist Government'. See also Nairn, 'Campaign Links'; Pearce, *Under the Eagle*, 175-178; Scott, 'Reagan, Foreign Money, and the Contra Deal', 116.

⁵⁴ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Pearce, *Under the Eagle*, 176; Scott, 'Reagan, Foreign Money, and the Contra Deal', 116.

⁵⁵ Nairn, "Campaign Links"; Nairn, 'Terrorist Government'; 178; Pearce, *Under the Eagle*, 176. For the template on Reagan's early Guatemalan policy, compare Nairn's accounts of the delegates' recommendations with the policy outline and recommendations for Special Ambassador General Vernon Walters during his 1981 visits with the Lucas regime. See Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

1979, making this visit much more official.⁵⁶ Trotter's Fundación invited representatives of the New Right, and those in attendance included Bow Hakeman of Young Americans for Freedom, Jeffrey Gainer of the Heritage Foundation, Bow Billings of Moral Majority, Conservative Caucus founder Howard Philips, Jack Pierney of the American Conservative Union, Bryn Benson of the *Conservative Digest*, members of the Young Republicans' National Federation, and John Laxalt, leader of Reagan's campaign organisation Citizens for the Republic. John Laxalt's brother, Senator Paul Laxalt, was both Reagan's long-time friend and chair of Reagan's campaign. Also in attendance was General Gordon Sumner of the Council for Inter-American Security, a radical conservative think tank and lobbying group composed of hawkish antagonists like Lewis Tambs of the Committee of Santa Fe, Pat Buchanan, and Reagan's future top Latin American advisor Roger Fontaine.⁵⁷ During this visit, Singlaub assured Guatemalans that 'help was on the way in the form of Ronald Reagan'.⁵⁸ Upon return to the U.S., Howard Philips projected that 'Guatemala has a brilliant future, if the policy of the United States [under Carter] does not ruin it'.⁵⁹ A particularly troubling message on human rights was conveyed through these overtures; an exiled 'former high official of the Guatemalan government' observed that the GOG had 'been assured by Reagan's associates that the death squads will be able to operate without adverse pressure from the White House or the State Department'.⁶⁰ Such was the second delegation to Guatemala.

Several additional meetings transpired between the GOG, Guatemala's elites, and members of U.S. conservative groups, many of whom were affiliated with the Reagan campaign and/or incorporated into the administration's foreign policy apparatus. Future foreign policy advisors Richard Allen and Roger Fontaine both visited Guatemala in 1980, the latter 'at least' twice, and they engaged with public and private sector power circles.⁶¹ Nairn described Fontaine as 'an established hard-liner in regional matters', based on his tenure as director of Latin American Studies at the Center for Strategic and International Studies in Washington, which Nairn claims was 'perhaps the nation's most conservative academic-activists center for Latin

⁵⁶ Robert Lindsey, 'Reagan, Entering Presidency Race, Calls for North American "Accord"', *New York Times*, 14 November 1979.

⁵⁷ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'.

⁵⁸ Quoted in Scott, 'Reagan, Foreign Money, and the Contra Deal', 117.

⁵⁹ Quoted in Pearce, *Under the Eagle*, 178.

⁶⁰ Pearce, *Under the Eagle*, 179.

⁶¹ Pearce, *Under the Eagle*, 176-178.

American affairs'.⁶² Following one of his visits, Fontaine insisted publicly 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'.⁶³ Nairn reported further that 'Fontaine is on a first name basis with right-wing figures and keeps in constant touch with them by telephone'.⁶⁴ Fontaine reportedly told American-born Guatemalan plantation owner, Robert Merrick, and several of his associates, that Reagan 'would do everything he could within the law to help train the Guatemalan police' in counterinsurgency measures that included interrogation techniques.⁶⁵ Allen also met with ranking members of Amigos del País during his visit, including Manuel Ayau Cerdón.⁶⁶ Through meetings like these, conservative American forces and Guatemala's business and military elites identified congruent goals.

The American expatriate business community in Guatemala also condoned counterinsurgent violence, denounced the Carter administration's human rights initiatives, and expressed eager anticipation of a possible and future Reagan presidency. Fred Sherwood, former President of the American Chamber of Commerce in Guatemala, praised death squad violence:

Why should we be worried about the death squads? They're bumping off the commies, our enemies. I'd give them more power. Hell, I'd get some cartridges if I could, and everyone else would too... Why should we criticize them? The death squad—I'm for it... Shit! There's no question, we can't [sic] wait 'til Reagan gets in. We hope Carter falls in the ocean real quick... We all feel that [Reagan] is our saviour.⁶⁷

Keith Parker, Vice President of Bank of America's Guatemalan division, spoke in favour of the GOG's counterinsurgency tactics in September 1980, arguing that '[w]hat they should do is to declare martial law. Then you catch somebody, they go to a military court, three colonels are sitting there, you're guilty, you're shot. It works very well'.⁶⁸

Diplomacy was multidirectional, and Guatemala's elites made their own diplomatic overtures on American soil. The military GOG and much of Guatemala's business

⁶² Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'.

⁶³ Quoted in Nairn, 'Terrorist Government'.

⁶⁴ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'.

⁶⁵ Quoted in Nairn, 'Terrorist Government'.

⁶⁶ Pearce, *Under the Eagle*, 176-178.

⁶⁷ Quoted in Pearce, *Under the Eagle*, 176.

⁶⁸ Quoted in Pearce, *Under the Eagle*, 176.

community were certainly allied in anti-communist principles, but friction developed over the GOG's military developmentalist tendencies and state-heavy development initiatives of the late 1970s (and early 1980s).⁶⁹ Both entities were united in their pursuit to normalise relations with Washington and usher in a Guatemalan-friendly Reagan administration, albeit for different reasons. Both parties wished to see human rights critiques reduced, an essential step towards restoring Guatemala's eligibility for U.S. and international assistance and lending programs.⁷⁰ The military GOG aspired toward restored U.S. military assistance, while the elites stood to gain from the influx of economic and development capital, and from any privatisations or liberalisations affiliated with such programs. Prior to the first ASC delegation, Lucas assembled the nation's landed elites and business community in 1979 to raise funds for public relations efforts to improve Guatemala's standing in Washington, and to lobby for restored military assistance. It was estimated that about \$500,000 was raised.⁷¹ Amigos del País hired consulting and public relations firm Deaver and Hannaford of Los Angeles and Washington, DC; they paid \$11,000 in monthly retainer fees, and \$150,000 for contacts with the press, the State Department and Congress. The firm's lead partner, Michael Deaver, was responsible for the Reagan campaign's advertising, and he was appointed Deputy Chief of Staff in the White House after Reagan was elected.⁷² Deaver was later linked to clandestine arms diplomacy in the Nicaragua Contra affair as well.⁷³ Ayau Cordón and Amigos del País director Juan Maegli both met with future Nation Security Council head Richard Allen to articulate their economic and security perspectives. Trotter's Fundación hired public relations firm McKenzie and McCheyne, and they invested over \$250,000 in their campaign to win Washington over. McKenzie and McCheyne had done similar rebranding work for Nicaragua's Somoza, and eventually the same for Salvadoran death squad architect Roberto D'Aubuisson.⁷⁴ Trotter emerged as 'a key figure in arranging contacts

⁶⁹ Kading, 'The Guatemalan Military and the Economics of *La Violencia*', 69-78.

⁷⁰ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'.

⁷¹ Pearce, *Under the Eagle*, 178; Scott, 'Reagan, Foreign Money, and the Contra Deal', 122-123.

⁷² Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Pearce, *Under the Eagle*, 179.

⁷³ Deaver's engagements and complicity are detailed throughout Scott, 'Reagan, Foreign Money, and the Contra Deal', 110-148.

⁷⁴ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Pearce, *Under the Eagle*, 179. D'Aubuisson ordered the killing of Salvadoran Archbishop Oscar Romero. Journalist Mary McGrory claimed the Reagan administration was 'beguiled by his anti-communist fanaticism' and 'learning to love the charismatic killer in the elevator boots'. Quoted in Michael McClintock, *The American Connection, Volume Two: State Terror and Popular Resistance in Guatemala* (London: Zed Books, 1985), 296-297. See also Jefferson Morley, 'When Reaganites Backed D'Aubuisson, They Unleashed a Political Assassin: El Salvador: Washington's right was so

between Guatemalan businessmen and politicians and members of the Republican Party' at that time.⁷⁵ Chronologically, the first ASC delegation succeeded Lucas' push for image reform, and it was through these efforts that the second U.S. delegation was assembled.

Reagan personally met with members of Guatemala's business community prior to taking office. Guatemalan hotelier and oligarch Eduardo Carrette met Reagan in California around the same time of Singlaub's second delegation. Carrette was considered a 'leading figure' in Amigos del País, and he was Lucas' pick for the ambassador position in Washington.⁷⁶ An unnamed member of the Reagan campaign disclosed that Reagan had told 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'.⁷⁷ Reagan also engaged with Manuel Ayau Cordón and Roberto Alejos Arzu on the campaign trail in 1979, and the two men were accompanied by Trotter. Afterwards Reagan hailed Ayau Cordón as 'one of the few people...who understands what is going on down there'.⁷⁸ What *was* going on down there were the worst human rights conditions in the hemisphere, if not the world, carried out by official and clandestine state forces, in the name of anticommunism.⁷⁹

Allegations that Reagan's campaign received illegal donations from Guatemalans surfaced in 1980-1981. Investigative journalist Allan Nairn identified many of the aforementioned connections in 1980, and he contended that 'businessmen who back the death squads gave their all for the Reagan campaign'.⁸⁰ Robert Merrick reportedly informed Nairn that American businessmen in Guatemala made substantial campaign donations, but Nairn was unable to identify their names in the Federal Election Commission's donor list; the sole

pleased with the politician's anti-communism it was willing to overlook his abuse of human rights', *Los Angeles Times*, 1 March 1992.

⁷⁵ Pearce, *Under the Eagle*, 175-179, quoted material on 176.

⁷⁶ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'.

⁷⁷ Quoted in Nairn, 'Terrorist Government'.

⁷⁸ Quoted in Pearce, *Under the Eagle*, 178-179; Scott, 'Reagan, Foreign Money, and the Contra Deal', 116.

⁷⁹ For human rights conditions, see Amnesty International, *A Government Program of Political Murder*, passim; Amnesty International, *Amnesty International Report 1981*, 148-156; Archdiocese of Guatemala, Human Rights Office, *Guatemala, Never Again! Recovery of Historical Memory Project (REMHI) - The Official Report of the Human Rights Office of the Archdiocese of Guatemala* (Maryknoll, N.Y: Orbis Books, 1999), 211-216, herein cited as *REMHI*. Rights violations are examined categorically throughout the latter, as opposed to chronologically. The page range provided considers the Lucas period into the early 1980s, but violations from this period are dispersed throughout the body of the Report.

⁸⁰ Nairn, 'Terrorist Government'. See also: Nairn, 'Campaign Links'; Scott, 'Reagan, Foreign Money, and the Contra Deal', 111, 116.

exception was Trotter's \$750 donation to Reagan's primary run. Nairn claimed an unidentified businessman was solicited by the Reagan campaign and provided 'explicit instructions' not to give directly to the campaign itself; donors were to send funds through 'an undisclosed committee in California'.⁸¹ Amidst close relations between U.S. and Guatemalan parties with shared interests and bad reputations, Nairn assembled a compelling case of anonymous disclosures, but smoking guns were off the record and unverifiable.⁸² His claims were echoed the following year by former Guatemalan Vice President Villigran Kramer, who recalled for the BBC in February 1981 that 'several cases where rather important businessmen in Guatemala [disclosed] that they had made contributions to the Republican Party and thereby to Mr Reagan's victory', totalling 'up to 10 million dollars'.⁸³ Supporting Nairn's claims, Kramer suggested the contributions may have been channelled to Reagan's campaign through the American expatriates living in Guatemala at the time.⁸⁴ Hiding in plain sight, prominent members of Amigos del País attended Reagan's inauguration, including former Guatemalan Vice President and high-ranking death squad magnate Mario Sandoval Alarcón, and former Guatemalan President Colonel Arana Osorlo, referred to as 'the butcher of Zacape' for his brutality in the field.⁸⁵ Allegations of illegal campaign contributions were not definitively proven, but what is evident is that these pre-1981 relationships and exchanges identified mutual interests between the American right and Guatemala's power circles, and that the latter had a vested interest in a Reagan presidency.

A small circle of journalists keeping tabs on conservative groups' international diplomacy taking place at this time purport that the delegations, and Guatemala's military and business elites, identified four objectives to improve bilateral relations if (and when) Reagan became president. The first objective was to restore military assistance to the GOG and remove Guatemala from what Amigos del País director Maegli referred to as Washington's 'blacklist'. The second goal was to resume U.S. counterinsurgency training for Guatemala's military and police, which included 'surveillance, intelligence, and interrogation techniques';

⁸¹ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'.

⁸² Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Scott, 'Reagan, Foreign Money, and the Contra Deal', 111, 116-117.

⁸³ Villigran Kramer, interviewed on BBC Radio's File on Four, 4 February 1981. Quoted in Pearce, *Under the Eagle*, 180. See also Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Scott, 'Reagan, Foreign Money, and the Contra Deal', 111, 116-117.

⁸⁴ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Scott, 'Reagan, Foreign Money, and the Contra Deal', 111, 116-117.

⁸⁵ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Pearce, *Under the Eagle*, 179; Scott, 'Reagan, Foreign Money, and the Contra Deal', 111, 116.

as noted, Fontaine made personal assurances to this effect.⁸⁶ A third objective was to reduce criticism of Guatemala's human rights record and, in particular, death squad activity at that time. If human rights conditions were not going to improve, then improving Guatemala's human rights image would be necessary to become eligible for U.S. and international economic assistance. The fourth point was an understanding that Reagan would intervene militarily in Guatemala should the insurgency be victorious, or should a popular uprising akin to Iran's take place.⁸⁷ These agreed upon objectives are quite nefarious when reduced to simpler terms: the plan, ostensibly, was to collaborate so that the GOG could continue to commit human rights violations while Washington spoke less about them, and to suppress any hypothetical attempts by Guatemalans to break the cycle. The agreement would have left the potential Reagan administration with plenty of risk, but to what advantage? Campaign contributions would have been well received, but they were not the driving factor behind American conservatives' support; if Kramer's \$10 million estimate was accurate, it would not have altered the trajectory of the 1980 presidential election.⁸⁸ Restoring military sales to Guatemala might have peripheral benefits for American contractors, but the real return on Washington's commitment was a (potentially) well-armed and contented Guatemalan ally in the escalating Central American theatre,⁸⁹ and both sides of the aisle wished to be on good terms with a stable GOG in the then-likely event that Guatemala became a hydrocarbon powerhouse, although this angle is rarely mentioned in the relevant literature. When Reagan assumed the presidency in 1981, these agreements were transcribed into formal policy initiatives for Guatemala, and Vernon Walters was identified as the individual to implement the policy.⁹⁰

⁸⁶ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'. See also Pearce, *Under the Eagle*, 175-179.

⁸⁷ See previous note.

⁸⁸ The 1980 U.S. election was the first allow for private campaign contributions. The purported \$10 million in Guatemalan contributions would have been on top of the estimated \$10 to \$15 million raised by the Reagan campaign within the U.S. The Democratic campaign had raised only \$1.3 million for the 1980 election. See Thomas B. Edsall, 'Reagan Campaign Gearing Up its 'Soft Money' Machine for '84', *Washington Post*, 27 November 1983.

⁸⁹ This is perhaps best evidenced by the Reagan administration's decreased military assistance to Guatemala's Cerezo administration when Cerezo pursued a position of 'active neutrality' toward the Nicaraguan conflict in the mid-1980s. At that time Congress sought to reward Guatemala's first democratically elected leader in decades with assistance, but Guatemala's strategic value plummeted after the insurgency was crippled, Cerezo chose not to cooperate in Washington's Contra war, and Guatemalan oil floundered. See Arak-Zeman, 'Similarities and Differences', 208; Jeane A. Briggs, 'Going It Alone', *Forbes*, 174, 18 May 1987.

⁹⁰ Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

Vernon Walters and Basic Resources: Petro-Diplomacy in a Climate of Quid Pro Quo

Vernon Walters is remembered as one of Washington's decorated Cold Warriors, and he appears throughout the history of Latin America's Cold War as a subversive antagonist in military, intelligence, and diplomatic roles. Walters was considered 'a major figure in the Brazilian military coup of 1964',⁹¹ and he became a significant actor in the creation and implementation of Nixon and Kissinger's Latin American policies in the 1970s, including Washington's efforts to see Chile's President Salvador Allende removed from office.⁹² Following his term as Deputy Director of the CIA from 1972 to 1976, Walters did what many 'revolving door' intelligence personnel and diplomats did when post-Church committee Washington sought to reduce its subversive and clandestine geopolitical footprint—Walters put his international experience and contacts to use as a broker in the private arms sector.⁹³ Many of these actors were brought back into the fold of public service with the Reagan administration's resurrection of clandestine initiatives; having conducted business in the shadows for several years, they maintained clandestine skill sets and networks.⁹⁴ Walters was of this stock, and he returned to Washington to serve on the Reagan campaign's Foreign Policy Advisory Committee.⁹⁵ When Fontaine, Singlaub, Graham, and other conservatives were in Guatemala promoting restored military support with an incoming Reagan presidency, Walters was also in Guatemala, albeit in a purportedly different capacity—Walters was employed as a \$1,000-per-day consultant for Basic Resources in Guatemala.⁹⁶

⁹¹ Scott, 'Reagan, Foreign Money, and the Contra Deal', 134.

⁹² For a concise assessment, see Scott, 'Reagan, Foreign Money, and the Contra Deal', 134. For deeper analysis, see Stephen G. Rabe, *Kissinger and Latin America: Intervention, Human Rights, and Diplomacy* (Ithaca, NY: Cornell University Press, 2020). For a glaring example of Walters' influence on policy, see United States Office of the Historian, Foreign Relations of the United States, 1969-1976, Volume XXI, Chile, 1969-1973, 'Document 170: Memorandum From Vernon A. Walters to the President's Assistant for National Security Affairs (Kissinger), Washington, November 3, 1970', <https://history.state.gov/historicaldocuments/frus1969-76v21/d170>, (accessed 8 January 2022). Note 1 reads: 'The memorandum is typed on White House stationery. At the top of the page, Kissinger wrote, "Attach to P[resident]'s reading for NSC meeting." The President received the memorandum on November 5 along with other preparatory materials for the National Security Council meeting on Chile. He returned the memorandum to Kissinger with a note that reads, "K[issinger]—Read the Walters memo again [and] see that it is implemented in *every* respect."'

⁹³ AP, 'Ex-C.I.A. Aide'; Gerth, 'Former Intelligence Aides'; Oberdorfer, 'Mideast Trip'; Remnick, 'Back in His World'; Walters, 'Landon Lecture'.

⁹⁴ AP, 'Ex-C.I.A. Aide'; Gerth, 'Former Intelligence Aides'; Marshall, Hunter, and Scott, *Iran-Contra Connection*, passim; Scott, 'Reagan, Foreign Money, and the Contra Deal'; See also Grandin, *Empire's Workshop*, 64-73, 92-94.

⁹⁵ AP, 'Ex-C.I.A. Aide'; Gerth, 'Former Intelligence Aides'; Oberdorfer, 'Mideast Trip'; Remnick, 'Back in His World'; Walters, 'Landon Lecture'.

⁹⁶ Oberdorfer, 'Mideast Trip'; Remnick, 'Back in His World'; GN, 'Defends Military Rule'.

Guatemalan President Lucas García escalated the GOG's commitment to large-scale infrastructure and development initiatives, a substantial number of which came to be associated with massacres, dislocation, repression and other human rights violations.⁹⁷ While allied with the oligarchy in anti-communist principles, the military GOG's nationalistic disposition on development resembled the military developmentalism taking place elsewhere in Latin America and was often at odds with the business community's interests. Such was the case when Lucas arbitrarily set extraction limits of 5,100 bpd on Basic's Rubelsanto and Chinaja operations, when Basic's wells were capable of greater output.⁹⁸ For Basic, and other potential operations in Guatemala, restricting output volume limited the pace at which they could recoup expenses and begin to profit; pace was especially critical, as the window in which inflated market prices kept Guatemalan oil commercially viable was as precarious as the Guatemalan political landscape. Basic incurred additional expenses with the pipeline's construction that also needed recoupment. Vernon Walters was tasked with expanding Basic's concessions and raising output volume restrictions.⁹⁹ Multinational Monitor's Global Newswatch reported that Walters had been hired to use 'his influence with Guatemala's military rulers to get permission for the company to increase oil production there'.¹⁰⁰ Walters was indeed successful in his negotiations with Lucas, and the GOG agreed to a waterfall tiered production sharing agreement at 55 percent, climbing to 65 percent at 100,000 bpd, in August 1980.¹⁰¹

Whether or not Vernon Walters served Basic Resources and the Reagan White House concurrently, whether chronologically or duplicitously, is not easily determined. That Basic maintained a lingering affiliation with Walters into 1981 is evident; Basic made no secret of

⁹⁷ See Johnston, 'Chixoy Dam'; Manz, 'Refugees'; Peckenham, 'Land Settlement in the Petén'; Peckenham, 'Peasants Lose Out'; Pacenza, 'A People Damned'; Peralta, 'The Massacre'; Shelton, 'Social Consequences'. For international observations of rights violations in 1980-81, see Amnesty International, *A Government Program of Political Murder*; Amnesty International, *Amnesty International Report 1981*, 148-156. For a comprehensive summary of violence linked to development, see Kading, 'The Economics of *La Violencia*', 57-91.

⁹⁸ Warren Hodge, 'Texaco in Guatemala: A Low Key "Eureka"', *New York Times*, 8 May 1981.

⁹⁹ Remnick, 'Back in His World'; GN, 'Defends Military Rule'; Peckenham, 'Land Settlement in the Petén'; Peckenham, 'Peasants Lose Out in Scramble for Oil Wealth'.

¹⁰⁰ GN, 'Defends Military Rule'.

¹⁰¹ Snipped article included in a memorandum from Fred P. Fox to Sir James Goldsmith, found in the Sir James Goldsmith Digital Archive. It is dated by hand and catalogued 15 August 1980. The date of the article's publication is unknown, and author is ambiguous. *Wall Street Journal* Staff Reporter, 'Basic Resources Sets Agreement with Elf and with Guatemala', *Wall Street Journal*, [date unknown], in Memo: P. Fred Fox to Sir James Goldsmith, 15 August 1980, *Sir James Goldsmith Digital Archive*, <http://www.sirjamesgoldsmith.com/basic-resources-sets-agreement-with-elf-and-with-guatemala/>, (accessed 3 February 2022).

having secured Walters' services in the company's first shareholder newsletter from August 1981, which boasted of Walters' record of service with the company.¹⁰² There is, however, no evidence to suggest that Walters was actively and/or substantively in Basic's employ while also in the service of an inaugurated Reagan administration. Basic employed Walters as a per diem asset, and so his last day of formal service to the company could have been long prior to his removal from the company roster. At a public speaking event in 1988, Walters did not specifically reject the notion of overlap in his services to Basic and the Reagan administration, but he maintained that his lobbying work was not in concert with the administration's Guatemalan policy. Walters also denied involvement in creating Central American policy and his complicity in the Iran-Contra affair at the same speaking event, both of which were proven to be false claims. If he was truthful in insisting there was no connection between his public and private institutional roles in Guatemala, it would have been sandwiched between falsehoods.¹⁰³ If there was overlap between Walters and Basic, however, and if Walters is to be believed at all, then Reagan would have likely been informed; Walters described his relationship with Reagan as transparent, and he recounted that Reagan told him 'precisely what he wanted me to do', and that he would report back to the oval office 'to talk about [his] success or failure'.¹⁰⁴

The hallmark of Walters' employment with Basic was having secured advantageous contractual arrangements from Lucas in the summer of 1980, at which time Walters was indeed concurrently affiliated with the Reagan campaign through the Foreign Policy Advisory Committee.¹⁰⁵ There is no readily available evidence to suggest that Walters offered

¹⁰² Amigos del País, 'Guatemala Newsletter'; GN, 'Defends Military Rule'. See also: Black, *Garrison Guatemala*, 117-118, 149. For higher projections, see United Nations Conference on Trade and Development (UNCTAD), 'Investment Policy Review: Guatemala' (New York: United Nations, 2011), 4-5, http://unctad.org/en/Docs/diaepcb201009_en.pdf, (accessed 29 November 2021); World Bank, 'Staff Working Paper No. 289: Petroleum and Gas in non-OPEC Developing Countries: 1976-1985', April 1978, 10, <https://documents1.worldbank.org/curated/en/610701468765884277/pdf/multi0page.pdf> (accessed 29 November 2021); World Bank, Hilda Harnack, *Republic of Guatemala: Preliminary Scoping Report of the Reconciliation of Mining and Hydrocarbon Sector Payments and Revenues* (Washington, DC: World Bank, 2011), 26, <http://documents.worldbank.org/curated/en/820231468035449957/pdf/728170WP00PUBLOENGLISH0110920final.pdf>, (accessed 19 February 2021).

¹⁰³ Walters downplayed the extent of his diplomacy in Central America, but the primary record demonstrates that he was an instrumental liaison for the administration's Central American policies, especially in Guatemala. See Walters, 'Landon Lecture'.

¹⁰⁴ Vernon A. Walters, *The Mighty and the Meek: Dispatches from the Front Line of Diplomacy* (London: St. Ermin's Press, 2001), 46.

¹⁰⁵ Reagan declared his candidacy in November 1979. Ronald Reagan, 'Candidacy for Presidency: Ronald Reagans [sic] announcement for candidacy for President of U.S. 11/13/79', *Ronald Reagan Foundation, The*

quid pro quo arrangements with Lucas, but Walters and Basic's requests were granted in, at minimum, a *climate* of quid pro quo: The Basic Resources investment network included members of Guatemala's business community who had collaborated to facilitate the aforementioned conservative delegations, and Walters pressed the GOG for better contractual terms while he was both affiliated with the Reagan campaign in an official foreign policy capacity, and while said groups and individuals officially and ambiguously affiliated with the campaign simultaneously asserted that a Reagan administration would restore military assistance to the GOG and mute human rights criticisms. While it seems perhaps improbable that Walters did not echo his colleagues in extending assurances of restored military assistance, this remains unconfirmed at this time. The absence of a smoking gun does not negate the climate of collaboration.

That Basic nor Walters refuted a mutual affiliation through much of 1981 raises further suspicion of quid pro quo. Walters met with the Argentine junta and brokered clandestine arms shipments for the GOG as early as February 1981.¹⁰⁶ In his first visit as special emissary to Guatemala in May 1981, Walters extended an olive branch of military equipment as instructed by the State Department.¹⁰⁷ Mindful of the fact that the State Department's ranks and Latin American policy teams were filled by members affiliated with said conservative groups or even present on their delegations to Guatemala (and elsewhere in Latin America), if Walters had not himself made overtures that an incoming Reagan administration would seek to restore military assistance while he was in Basic's employ, when Walters returned to public service in 1981 he was nonetheless implemental in getting arms to the GOG as the delegations had promised, in the service of a State Department comprised of former conservative delegates. If Walters is to be believed, Reagan knew about all of it.

Ronald Reagan Presidential Library, Youtube, 16 April 2009, <https://www.youtube.com/watch?v=fAtYMD-H2UY&t=25s>, accessed 29 June 2021.

¹⁰⁶ U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001311]; U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001312]; U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001335]; U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001336].

¹⁰⁷ Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913]. For press coverage of the visit, see De Onis, 'Sending Envoy to Guatemala'; Dickey, 'Haig's Emissary'; 'End Run to Guatemala'; GN, 'Defends Military Rule'; E. Michael Myers, 'Retired Army Gen. Vernon Walters will visit Guatemala to...', *UPI: UPI Archives*, 7 May 1981, <https://www.upi.com/Archives/1981/05/07/Retired-Army-Gen-Vernon-Walters-will-visit-Guatemala-to/2592358056000/>, (accessed 2 November 2021); 'Vernon Walters in Guatemala for Talks'.

The Incoming President

As an actor, California governor, and then president of the United States, Ronald Reagan was an emphatic Cold Warrior. He believed in American exceptionalism and innocence, that Washington was the ‘shining city on the hill’, and the United States was the leader of the free world.¹⁰⁸ Reagan described communism as ‘a form of insanity...contrary to human nature’,¹⁰⁹ and he insisted, incorrectly, that there was no word for ‘freedom’ in the Russian language.¹¹⁰ Donaghy contends that ‘[f]or Reagan, foreign policy was the perfect political tonic’, and that ‘he made the Cold War a focal point of his quest for office’.¹¹¹ On the one hand, Reagan has been described as disengaged from the details of foreign policy decision-making, ‘highly dependent on’ and yielding to his advisors.¹¹² Reagan reportedly ‘had less success in grasping the substance of policy, whether domestic or foreign’, and [h]e was often inattentive to details’, and the applications and consequences of his convictions.¹¹³ On the other hand, Reagan was also considered ‘less passive than commonly depicted’.¹¹⁴ Cold War historian Melvin Leffler claims Reagan was ‘no one’s prisoner’ on foreign policy matters, and that ‘[h]e possessed his own complex and protean ideas about the nation’s security, however inept he was in thinking them through or finding the means to implement them’.¹¹⁵ Reagan fixated on a core list of policy tenets, namely anti-communism, national security and increased military spending, neoliberalism, deregulation, reducing the role of government, and reducing federal budget.¹¹⁶

Reagan was a gifted communicator. His speech writers were idealistic, influential, and in sync with CIA director William Casey.¹¹⁷ He oversimplified policy themes and positions for his audiences, and he handled the media well. Reagan was not averse to dishonesty, however, and his administration utilised propaganda with extensive and unprecedented application of pollsters, public relations firms, permanent campaigning, and illegal acts of media

¹⁰⁸ Donaghy, *The Second Cold War*, 115.

¹⁰⁹ *Ibid.*, 115-117.

¹¹⁰ ‘President Reagan says there is no word for freedom’, *United Press International*, 31 October 1985, <https://www.upi.com/Archives/1985/10/31/President-Reagan-says-there-is-no-word-for-freedom/3664499582800/>.

¹¹¹ Donaghy, *The Second Cold War*, 114.

¹¹² *Ibid.*, 120-121.

¹¹³ *Ibid.*, 120.

¹¹⁴ *Ibid.*, 120-121.

¹¹⁵ Leffler, *For the Soul of Mankind*, 234-467, quoted material on 354.

¹¹⁶ Donaghy, *The Second Cold War*, 114-117, 121.

¹¹⁷ Grandin, *Empire’s Workshop*, 82.

manipulation.¹¹⁸ Reagan's gubernatorial rise and overall brand was guided by public relations firm Deaver and Hannaford, which also worked with pariah states, clandestine forces, and conservative groups seeking to improve their optics and status within the international community. Michael Deaver served as Reagan's Deputy Chief of Staff from 1981-1985 alongside Chief James Baker and Counselor Ed Meese, contributing to perception management policy and facilitating clandestine contacts with former clients.¹¹⁹

Reagan's foreign policy over the course of his presidential tenure has, like Carter's, been described as 'pragmatic',¹²⁰ but whereas as Carter's foreign policy 'lurched' to the right, scholars observe the Reagan administration as having 'moved decisively toward the center [sic], instituting changes in tone and policy'.¹²¹ This appraisal unfortunately does not hold up where human rights and Reagan's Latin American policy are concerned. The administration's tone certainly shifted—Reagan rejected the incorporation of human rights into foreign policy on the campaign trail and in his first year in office, but rights-minded congressional obstructions led the State Department to create and adopt a conservative human rights framework. A shift in policy is less detectable—the administration was certainly more conscious of and burdened by human rights optics and the legislative obstacles they presented on the Hill, but the administration continued to prioritise anticommunism and pursued largely the same policies in Latin America, albeit cloaked in a new brand of human rights discourse. Reagan later insisted that human rights were 'a fundamentally American invention', and that the United States had been 'specifically created to preserve' them,¹²² but Reagan only incorporated human rights into foreign policy once they had been redefined in such a way that they rationalized pre-existing foreign policy positions.

Reagan's ascension to the presidency is considered an essential moment in the rise of neoliberal capitalism, both in the domestic and international spheres. Reagan was a disciple

¹¹⁸ See Donaghy, *The Second Cold War*, 120; Grandin, *Empire's Workshop*, passim, especially 123-134; Eldon Kenworthy, *America/Américas: Myth in the Making of U.S. Policy Toward Latin America* (University Park, PA: Pennsylvania State University Press, 1995), passim; Robert Parry and Peter Kornbluh, 'Reagan's Pro-Contra Propaganda Machine', *Washington Post*, 04 September 1988.

¹¹⁹ See Marshall, Hunter, and Scott, *The Iran-Contra Connection*, 53-57; Scott, 'Contragate', 110-148.

¹²⁰ Donaghy, *The Second Cold War*, 291.

¹²¹ *Ibid.*, 291.

¹²² Rasmus Sinding Søndergaard, *Reagan, Congress, and Human Rights: Contesting Morality in US Foreign Policy* (Cambridge: Cambridge University Press, 2020), 72. In Reagan's defense, Carter made similar claims: 'America did not invent human rights. In a very real sense, it is the other way round. Human rights invented America'. See 'President Carter's Farewell Address to the Nation, January 14, 1981', *PBS*, 14 January 1981, https://www.pbs.org/newshour/spc/character/links/carter_speech.html.

of neoliberal godfather Milton Freeman.¹²³ His first encountered Friedman in 1967, at which time ‘the two of them had a “long and thoroughly enjoyable” conversation that served as a foundation for their mutual admiration’.¹²⁴ Friedman accompanied Reagan on his 1973 gubernatorial campaign, and later put his support behind Governor Reagan’s 1976 presidential primary bid. Reagan was smitten with both Friedman and his work; former economic advisor Martin Anderson commented that ‘Reagan’s eyes sparkled with delight every time he engaged in a dialogue with [Friedman]’.¹²⁵ Speaking to the Conservative Political Action Conference in 1981, Reagan acknowledged that neoliberal economists like ‘Friedrich Hayek [and] Milton Friedman...shaped so much of our thoughts’.¹²⁶ Indeed, neoliberalism was a cornerstone of Reagan’s domestic and international agenda, wherein privatization and deregulatory measures at home and abroad were, for Reagan, acts of liberation. We may presume with confidence that Reagan’s impressions of Guatemala’s nationalistic oil laws were, like those of the oil industry and intelligence community, less than favourable.

Oil, Violence, and the Kirkpatrick Doctrine

Human rights conditions in Guatemala were abysmally poor when Reagan assumed the presidency in 1981, and the unfortunate individuals and communities that stood in the way of development fared poorly. The previously examined correlation between development and state-led violence persisted into the 1980s, and projects related to hydrocarbon development were no exception. Terrence Kading acknowledges that ‘the level of military violence directed against civilians located within or near the FTN dramatically escalated’ over the course of 1981.¹²⁷ As petroleum operations expanded during Reagan’s first year in office, the

¹²³ For Friedman’s neoliberal legacy, see Angus Bergin, *The Great Persuasion: Reinventing Free Markets since the Depression* (Cambridge: Harvard University Press, 2012), 11, 149, 152-156, 205-207, 211, 230; Daniel Stedman Jones, *Masters of the Universe: Hayek, Friedman, and the Birth of Neoliberal Politics* (Princeton: Princeton University Press, 2012), 225-230.

¹²⁴ Bergin, *Great Persuasion*, 205-207.

¹²⁵ Ibid.

¹²⁶ Quoted in Bergin, *Great Persuasion*, 230. See original, Ronald Reagan, ‘Remarks at the Conservative Political Action Conference Dinner’, 20 March 1981, In Ronald Reagan Presidential Library Digital Library Collections, Speeches, <https://www.reaganlibrary.gov/archives/speech/remarks-conservative-political-action-conference-dinner>, accessed 26 August 2024.

¹²⁷ Kading, ‘The Economics of la Violencia’, 75-76.

Guatemalan military relocated and/or massacred the inconveniently located occupants of areas targeted for hydrocarbon expansion.¹²⁸

Guatemala's oil 'rush' was nothing short of apocalyptic for local individuals and communities.¹²⁹ The influx of activity in the western Petén department created a refugee crisis along the Mexican border. About 1,900 villagers from nineteen communities fled state-led terror as the GOG cleared a path for hydrocarbon exploration and development. The Guatemalan military attacked the village of El Arbolito in the western Petén department in June 1981. Survivors were taken to an encampment along with captives from other villages along the Usumacinta River. Two prisoners reported being denied food and water, and having being tortured, 'forced to lie in mud and their own excrement while their hands and feet were kept bound'.¹³⁰ The El Consuelo cooperative on the Pasion River was also found vacant that year. Refugees that were returned to Guatemala by the Mexican authorities were placed in military encampments, tortured, and in many cases killed.¹³¹

Oil-related violence was asymmetrically inflicted by state forces, but it was not without retaliation. The section of Basic's oil pipeline between Rubelsanto and their Puerto Barrios facility was targeted by insurgents in 1981. On the urban front, Chevron's oil depository in Guatemala City was also attacked the same year.¹³² Sporadic violence against the industry continued into the early 1980s; Elf reported occasional gunfire at drilling locations, and guerillas machined gunned the home of Elf's national manager while his family members were inside.¹³³ Some operations opted not to have state protection for fear that soldiers would draw insurgent violence. Nancy Peckenham observed that oil companies 'anxious to keep their operations free from guerrilla attacks...attempted to distance themselves from

¹²⁸ Manz, 'Refugees'.

¹²⁹ It would be misleading to describe the influx of oil industry activity as an oil 'boom' insofar as very little commercially viable oil was subsequently found. An oil 'rush' in the same conceptual vein as a 'gold rush' seems more appropriate, insofar as outside prospectors flocked to the region but were largely unsuccessful.

¹³⁰ Manz, 'Refugees'.

¹³¹ Ibid.

¹³² United States Central Intelligence Agency, Petroleum Resources Branch, 'Memorandum. Guatemala: Assessment of Petroleum Potential. GI M 85-10258. October 11, 1985', *Central Intelligence Agency Digital Reading Room*, p. 16, 30 December 2010, available at: <https://www.cia.gov/readingroom/document/cia-rdp85t01058r000405250001-0>, <https://www.cia.gov/readingroom/docs/CIA-RDP85T01058R000405250001-0.pdf>, (accessed 04 May 2021).

¹³³ Patrick Marnham, 'Vanishing Oil', *The Spectator*, 24 March 1984, *Sir James Goldsmith Digital Archive*, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Vanishing_oil-24_03_1984.jpg (accessed 22 April 2021).

landowners and the military' by limiting security.¹³⁴ Unnamed oil company personnel reported that 'military guards would only provoke attacks' because the oil companies were not 'the real enemy', and because the oil companies were 'operating for the ultimate well-being of the Guatemalan people'.¹³⁵ To the contrary, however, the industry brought displacement, coercion and death, and the financial small gains from Guatemalan oil were limited 'to a handful of Guatemala's elite'.¹³⁶ The CIA was increasingly confident that the insurgency did not pose a significant threat to the oil industry.¹³⁷ The majority of oil-related violence was inflicted by the state to accommodate foreign investment, at a time when the Guatemalan civil war was transitioning from an urban to rural theatre.¹³⁸

Vernon Walters became a significant figure in the Reagan administration's early Latin American initiatives. After both serving on the Reagan campaign's Foreign Policy Advisory Committee and consulting for Basic Resources in Guatemala, Walters swiftly transitioned into the Reagan White House as Secretary of State Alexander Haig's special advisor and as the administration's ambassador-at-large.¹³⁹ The Reagan administration specifically wished to ignite the Cold War in Central America, and Walters' hemispheric objective was to revive anti-communist solidarity and collaboration with rights-abusing pariah states that had been alienated by the Carter administration's rights-based agenda. To these ends, Walters was instructed to make inroads toward normalising military assistance relations, in spite of worsening human rights conditions; this was to be accomplished overtly and through clandestine arrangements.¹⁴⁰ In 1981, Walters brokered clandestine arms diplomacy between the Argentine military junta and the military GOG, both of which had stopped receiving military assistance as a result of poor human rights conditions.

Human Rights conditions in Latin America's anti-communist regimes became increasingly poor in the late 1970s and into the 1980s, much of which came with Washington's blessing, training, and financial and material support.¹⁴¹ The School of the Americas trained a

¹³⁴ Peckenham, 'Peasants Lose out'.

¹³⁵ Ibid.

¹³⁶ Ibid.

¹³⁷ CIA, 'Assessment of Petroleum Potential', 16.

¹³⁸ For a chronological evolution of the civil war from the Lucas administration into the early 1980s, see *REMHI*, 206-240.

¹³⁹ GN, 'Defends Military Rule'; Oberdorfer, 'Mideast Trip'.

¹⁴⁰ GN, 'Defends Military Rule'; Oberdorfer, 'Mideast Trip'; Remnick, 'Back in His World'.

¹⁴¹ Recent scholarship has done well to 'retire the puppets', challenging the patron-client paradigm and highlighting Latin American agency in north-south hemispheric relations. See Max Paul Friedman, 'Retiring the

generation of Latin American officers in counterinsurgency and torture,¹⁴² and the U.S. played a central role in the creation, implementation, and funding of counterinsurgency states like Guatemala, and intelligence networks like Operation Condor in South America.¹⁴³ Congress and Carter's pivot towards human rights in the 1970s sent mixed messages throughout the hemisphere; regimes were criticised for executing counterinsurgency measures that the U.S. had both officially endorsed in preceding years, and quietly praised through rogue diplomacy during Carter's tenure.¹⁴⁴ Said regimes responded with a mixture of frustration, patience, and innovation as they navigated counterinsurgency in the absence of

Puppets, Bringing Latin America Back In: Recent Scholarship on United States–Latin American Relations', *Diplomatic History* 27, no. 5 (November 2003), 621-636, esp. 622-624. Stephen Rabe cautions that these 'new approaches...serve as a useful corrective to the prevailing historiography[, b]ut in their zeal to write the history of inter-American relations from a Latin American perspective, historians should be cautious about discounting U.S. power'. See Stephen G. Rabe, 'A Question of Power: U.S. Relations with Latin America', *Diplomatic History* 34, no. 2 (April 2010), 453.

¹⁴² James LeMoyné, 'Testifying to Torture', *New York Times*, 5 June 1988; Dana Priest, 'U.S. Instructed Latins on Execution, Torture', *Washington Post*, 21 September 1996. For an interdisciplinary account of Washington's counterinsurgency promotion, see Lesley Gill, *The School of the Americas: Military Training and Political Violence in the Americas* (Durham, NC: Duke University Press, 2004). For Washington's assessment on torture programs, see United States Office of the Assistant Secretary of Defense, Public Affairs Office, 'Fact Sheet Concerning Training Manuals Containing Materials Inconsistent With U.S. Policy', *National Security Archive*, <https://nsarchive2.gwu.edu/nsa/archive/news/dodmans.htm>, last updated 24 September 1996, (accessed 2 September 2020). For various torture manuals distributed by Washington throughout the hemisphere are available, see Thomas Blanton and Peter Kornbluh (eds), Electronic Briefing Book No. 122: Prisoner Abuse: Patterns of the Past, *National Security Archive*, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB122/index.htm>, (accessed 1 October 2023).

¹⁴³ For 'counterinsurgency state', see Jonas, *The Battle for Guatemala*, 116-117. George Washington University's National Security Archive hosts a trove of primary materials from Operation Condor across several electronic briefing books in their collection. See 'Operation Condor, 1975-1980', *National Security Archive*, <https://nsarchive.gwu.edu/events/operation-condor-1975-1980>, (accessed 1 October 2023).

¹⁴⁴ In addition to the aforementioned conservative delegations in Guatemala, Henry Kissinger was actively sending mixed messages in the southern cone. Despite Carter's suspension of military assistance, Argentine sentiments were reinforced, at least in part, by Kissinger's continued personal diplomacy. Kissinger visited Argentina in 1978 as a guest of the junta to watch the World Cup and meet with Argentine leadership. He voiced praise and sympathy for the junta's counterinsurgency efforts while speaking on economics, hemispheric relations, the merits of the dirty war and the need to *project* human rights compliance. Kissinger was made an honorary member of the Argentine Council on International Relations during the visit. See United States Embassy, Argentina, Cable, AmEmbassy Buenos Aires to SecState WashDC, 27 June 1978, 'Henry Kissinger Visit to Argentina, June 27, 1978', Document 12, *National Security Archive*, Electronic Briefing Book No. 73, Part II: Argentine Military Believed U.S. Gave Go-Ahead for Dirty War, published 21 August 2002, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB73/780627.pdf>, (accessed 12 December 2020), herein cited as U.S. Embassy, Argentina, to Secretary of State, 27 June 1978. Congressman and Cold Warrior Charlie Wilson also carried out Lone Ranger Diplomacy worldwide, most notably in arming Afghanistan's Mujahideen, and challenging Carter's human rights agenda in Central America by supporting Nicaragua's Somoza. For Afghanistan and the Middle East, see George Crile, *Charlie Wilson's War: The Extraordinary Story of How the Wildest Man in Congress and a Rogue CIA Agent Changed the History of Our Times* (New York: Grove Press, 2003). For Nicaragua support, see Patricia Derian, interviewed by Charles Stuart Kennedy, *Foreign Affairs Oral History Project*, 12 March 1996, 63-67, quoted material on 64, <https://adst.org/wp-content/uploads/2013/12/Derian-Patricia.19961.pdf>, (accessed 13 March 2021). For Guatemala, see United States Embassy, Guatemala, Confidential Cable, AmEmbassy Guatemala to RUEHC/SecState WashDC, 27 July 1982, 'A Visit to Guatemala of Congressman Charlie Wilson', Document 4, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455353-Document-04-Visit-to-Guatemala-of-Congressman>, (accessed July 6 2018).

U.S. assistance. Based on Reagan's campaign rhetoric and pre-presidential diplomacy from conservative groups in the US, the hemisphere's right-wing regimes anticipated the incoming administration would restore some semblance of Cold War anti-communist normalcy. Ideological alignment notwithstanding, the diplomatic challenge of mending soured relations faced by Reagan and Walters required navigating nationalist personalities and pride, concerns of sovereignty, and ongoing and undeterred rights violations that presented congressional obstacles back in Washington.

Many regimes adversely affected by Washington's temporary human rights agenda in the late 1970s were not desperate for U.S. military and economic handouts when Reagan assumed the presidency, and even some in precarious financial positions remained acrimonious and sceptical of human rights compliance and/or stipulations that accompanied U.S. assistance. The nature in which aid to Latin American regimes was suspended during the Carter administration is often misunderstood—Carter is frequently miscredited for having *severed* aid to human rights abusing regimes, when in fact Carter and rights-minded congressional factions often *reduced* aid and/or *imposed human rights conditions/stipulations* on rights-abusing aid recipients. In turn, heightened nationalism, pride, and concerns of sovereignty prompted states to reject Washington's conditions/stipulations, and, subsequently, the financial assistance altogether. Such was the case in Argentina and Guatemala, although rights-minded congressional factions were happy to see them struck from recipient lists.¹⁴⁵

Pariah states turned to the booming global arms market to procure their firepower in the absence of U.S. military assistance. Washington's share of hemispheric arms sales declined from 70 percent at the start of Carter's human rights push, to 20 percent by 1980.¹⁴⁶ Britain, Taiwan, Israel, South Africa and several others supplied munitions to Latin American states

¹⁴⁵ Lucas' lack of desperation regarding human rights compliance is evidenced throughout the diplomatic record in 1981 and early 1982. See, for example: White House Situation Room, AmEmbassy Guatemala to SecState Wash DC, Subject: Meeting with President Lucas, Ref: Guatemala 1438, 11 March 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5], herein cited as AmEmbassy to SecState, 11 March 1981; White House Situation Room, Confidential Cable, AmEmbassy Guatemala to SecState WashDC ('For the Secretary and ARA Amb Enders from Gen Walters'), Subject: Unavailability of President Lucas, 17 June 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5], herein cited as AmEmbassy to SecState, 17 June 1981. See also: De Onis, 'Sending Envoy to Guatemala'; Dickey, 'Haig's Emissary'; 'End Run to Guatemala'.

¹⁴⁶ Aaron S. Klieman, *Israel's Global Reach: Arms Sales as Diplomacy* (New York: Pergamon-Brassey's, 1985), 136; Stewart Reiser, *The Israeli Arms Industry: Foreign Policy, Arms Transfers, and Military Doctrine of a Small State*, 1st ed. (New York: Holmes & Meier, 1989), 213.

that Washington could or would not supply.¹⁴⁷ Israeli arms sales increased exponentially when and where U.S. arms sales declined throughout the hemisphere; Latin America became Israel's largest market, and with it Israel became the Global South's top arms supplier in the 1970s.¹⁴⁸ Some describe Israel's arms relationship with the United States as one of proxy, while others observe converging national interests, security concerns and market forces driving Israeli arms sales.¹⁴⁹ Notwithstanding, Latin American rights-abusers continued to acquire arms in spite of Congress and Carter's objections, proving that they were not dependent on direct U.S. military assistance. Although the hemisphere engaged in its share of international disputes with one another, Bishara Bahbah insists that 'most of the [imported] weapons procured in Latin America [were] used in suppressing internal dissent'.¹⁵⁰

Despite a significant decline in market share and correlative soft power, the incoming Reagan administration harnessed global and inter-American arms diplomacy to restore damaged relationships with states whose human rights records rendered them ineligible for direct U.S. programs. Israeli-American arms collaborations became especially complementary in the hemisphere during the Reagan administration; a 1981 Memorandum of Understanding between the U.S. and Israel called for global collaboration on arms sales, and the MOU was upgraded to a formal security agreement in 1983. Israel's global arms export volume ranked seventh by the mid-1980s, half of which went to Latin American rights abusers in Argentina, Chile, Guatemala, El Salvador.¹⁵¹ Israel also maintained particularly close relations with the GOG, supplying weapons, training and leadership, and partnering in Guatemala's fledgling attempts at munitions manufacturing.¹⁵² Such was the nature of arms diplomacy that Washington was able to supply arms to its allies through indeterminable quid pro quo

¹⁴⁷ Grandin, *Empire's Workshop*, 113-115; Scott, 'Reagan, Foreign Money, and the Contra Deal', 110-148.

¹⁴⁸ Argentina acquired about 30 percent of Israel's total arms exports in the 1970s, and one third of Israel's net arms sales (\$1.2bn) went to Argentina and El Salvador by 1980. Israel further sold arms to Pinochet, and continued to arm Somoza despite Carter's objections. Aaron Klieman contends that 'the flow of arms corresponded to the aggressive export-oriented character of Israel's general arms diplomacy with the emphasis upon seizing market opportunities as they arise'. See Klieman, *Israel's Global Reach*, 136, 156-157, quoted material on 136. Jane Hunter, less cordially, describes Israel as a 'scavenger of abandoned U.S. policy'. See Jane Hunter, *Israeli Foreign Policy: South Africa and Central America* (Boston: South End Press, 1987), 186. See also: Bishara Bahbah, *Israel and Latin America: The Military Connection* (London, UK: Palgrave MacMillan, 1986), 61, 86-105, 123-125, 167; Benjamin Beit-Hallahmi, *The Israeli Connection: Who Israel Arms and Why* (New York: Pantheon, 1987), 102, 180-181; Milton Jamail and Margo Gutierrez, *It's No Secret: Israel's Military Involvement in Central America* (Belmont, MA: Association of Arab-American University Graduates, 1986), 12-15; Reiser, *The Israeli Arms Industry*, 213.

¹⁴⁹ Bahbah, *Israel and Latin America*, 90, 102-103; Jamail and Gutierrez, *It's No Secret*, 6-22; Klieman, *Israel's Global Reach*, 136.

¹⁵⁰ Bahbah, *Israel and Latin America*, 87-89.

¹⁵¹ Bahbah, *Israel and Latin America*, 168-170; Jamail and Gutierrez, *It's No Secret*, 12-20, 27-61.

¹⁵² Jamail and Gutierrez, *It's No Secret*, passim.

exchanges between both state and private institutions. In sum, the global arms market enabled rights-abusing regimes to stay armed, and the Reagan administration's participation in collaborative international arms diplomacy in the 1980s enabled Latin American rights-abusers to acquire even more arms in spite of congressional objections, but with the President's blessing. Walters became the administration's broker for many of these early exchanges.

Ambassador-at-large Vernon Walters made diplomatic rounds in Latin America as early as February 1981. He visited friendly governments in Mexico, Panama and Venezuela, and he was tasked with warming relations with the rights-abusing Operation Condor regimes of Argentina, Brazil, and Chile.¹⁵³ Walters conveyed the administration's disposition towards counterinsurgency and human rights: anti-communist efforts were paramount, but human rights violations were an obstacle to normalised aid relations. To these ends, Walters articulated that the nature of the human rights obstacle was not regimes violating human rights per se, but rather the perception problem they carried in Congress.¹⁵⁴

Reagan and Haig sent Walters to express solidarity and warm relations with the Argentine junta in the midst of their ongoing Dirty War.¹⁵⁵ The administration aspired to collaborate with the Argentinians to supply military assistance to Central American rights-abusing regimes that the administration was congressionally obstructed from assisting.¹⁵⁶ Aid relations between Argentina and the United States had suspended after the junta rejected Carter-era criticism and human rights conditions affixed to U.S. assistance. The U.S. intelligence community lamented that the pursuit of human rights in the 1970s was perceived by Argentina's military leadership as fleeting pageantry, 'largely perfunctory, a temporary outburst of moral fervor reflecting pressure from a few misguided human rights zealots in the Congress and non-governmental organizations', and that they were assured that 'Argentina

¹⁵³ Oberdorfer, 'Mideast Trip'.

¹⁵⁴ U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001311]; U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001312]; U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001335]; U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001336]; Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

¹⁵⁵ For a comprehensive account of Argentina's Dirty War, see Lewis, *Guerrillas and Generals*.

¹⁵⁶ Walter Lafeber, 'The Reagan Administration and Revolutions in Central America', *Political Science Quarterly* 99, no. 1 (Spring 1984), 6.

would be protected for the duration of its “dirty war” by friends in the U.S. executive and Congress and/or the Pentagon’.¹⁵⁷

This conclusion was buttressed by conservative diplomatic overtures. General Graham had also visited Argentina prior to Reagan’s assumption of the presidency and commented that ‘Carter’s human rights policy...had disastrous effects on America’s relations with Latin America. . . and if Reagan is elected, the U.S. would abandon the policy of throwing old friends to the wolves’.¹⁵⁸ Such comments followed Henry Kissinger’s ‘lone ranger diplomacy’; Kissinger visited Argentina as a guest of the junta in 1978 to attend the World Cup and to engage with high ranking members of the government. During his trip, Kissinger voiced praise and sympathy for the junta’s counterinsurgency efforts, and he spoke with Argentine officials on hemispheric relations, economic concerns, the (purported) anti-communist merits of the Dirty War and the need to project human rights compliance. Kissinger was made an honorary member of the Argentine Council on International Relations during the visit. Such unsanctioned, private diplomacy contributed to the junta’s belief that its aggressive commitment to counterinsurgency was still supported by many in Washington,¹⁵⁹ and given these overtures, Walters was well received in Buenos Aires upon arrival.

In February 1981, Walters met with junta leadership and gauged the executive transition taking place within the Argentine government. The ambassador-at-large met with both sitting Argentine President Jorge Rafael Videla and President-elect Roberto Eduardo Viola.¹⁶⁰ When discussing counterinsurgent human rights violations with Videla, Walters empathised that there was ‘no nation which was without sin’.¹⁶¹ Walters cabled Washington during the visit, professing that Videla was ‘one of the most impressive men’ he had ever met, and that ‘he is what his mother thinks he is’.¹⁶² Such praise is an indication of Walters’ and Washington’s

¹⁵⁷ For Argentine assuredness, see United States Department of State, Bureau of Intelligence and Research, ‘Evolution of U.S. Human Rights Policy in Argentina, September 11, 1978’, 11 September 1978, Document 13, *National Security Archive*, Electronic Briefing Book no. 73, Part II: Argentine Military Believed U.S. Gave Go-Ahead for Dirty War, published 21 August 2002, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB73/780911.pdf>, (accessed 2 May 2020).

¹⁵⁸ Nairn, ‘Terrorist Government’.

¹⁵⁹ U.S. Embassy, Argentina, to Secretary of State, 27 June 1978.

¹⁶⁰ U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001311]; U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001312]; U.S. Embassy, Argentina, to Secretary of State, [001335]; U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001336].

¹⁶¹ U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001311].

¹⁶² U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001312].

darker moral compass—Videla was later convicted of crimes against humanity and died serving a life sentence for his role in the Dirty War.¹⁶³

The February meetings addressed inter-American arms diplomacy. Argentina counted itself among the Latin American states whose U.S. military assistance was affected by the Carter administration's human rights agenda, but reductions in American assistance had a nominal impact in Argentina for two reasons. First, Argentina maintained its own arms manufacturing sector, and they were able to both produce much of their own small and primitive arms supply, and to export arms to anticommunist allies abroad. Next, Argentina relied on a host of international sources for heavy and technologically sophisticated arms imports, and the free-market nature of arms diplomacy was such that Argentina's import flow was unimpeded by the rift with Washington. Britain was Argentina's top arms supplier in the 1970s and maintained arms relations with the junta until just days before the April 1982 Falklands/Malvinas invasion, even when the attack was presumed imminent.¹⁶⁴ In addition, Argentina accounted for about 30 percent of Israel's total arms exports throughout the 1970s, and one third of all Israeli arms sales (\$1.2bn) were purchased by Argentina and El Salvador by 1980; between 14-17 percent of Argentine arms imports were Israeli-made by 1981.¹⁶⁵ A 1978 U.S. Bureau of Intelligence and Research report also acknowledged the junta had access to weapons from the Soviet Union and elsewhere in Europe, creating a predicament the administration was unable to rectify. The absence of U.S. military assistance was an inconvenience of little consequence to the Argentines.¹⁶⁶

Given Argentina's ability to produce and procure arms without Washington's assistance, Reagan's desire to normalise aid relations was more a gesture of anti-communist solidarity and collaboration than it was a pressing need to suppress a counterinsurgent foothold. There

¹⁶³ Ignacio de los Reyes, 'Death of Argentina's Videla evokes painful memories', *BBC*, 17 May 2013, <https://www.bbc.com/news/world-latin-america-22578356>, (accessed 17 November 2021).

¹⁶⁴ For British arms sales, see 'Israel Says it Will Not Make New Arms Sales to Argentina', *New York Times*, 9 May 1982; Grace Livingstone, 'Margaret Thatcher's secret dealings with the Argentine military junta that invaded the Falklands', *Merco Press*, 30 January 2020, <https://en.mercopress.com/2020/01/30/margaret-thatcher-s-secret-dealings-with-the-argentine-military-junta-that-invaded-the-falklands>, (accessed 2 July 2021); Grace Livingstone, 'UK ready to sell aircraft to junta just days before Falklands attack', *Independent*, 05 May 2013, <https://www.independent.co.uk/news/uk/politics/uk-ready-to-sell-aircraft-to-junta-just-days-before-falklands-attack-8604088.html>, (accessed 2 July 2021).

¹⁶⁵ For Israeli arms sales, see Bahbah, *Israel and Latin America*, 61, 86-103, 123-126; Klieman, *Israel's Global Reach*, 136; Reiser, *The Israeli Arms Industry*, 213.

¹⁶⁶ U.S. Department of State, Bureau of Intelligence and Research, 'Evolution of US Human Rights Policy in Argentina, September 11, 1978'.

was no perceived domestic communist threat that the junta could not confront with sufficient firepower, but the same cannot be said for the Central American theatre where Reagan wished to ignite the Cold War.¹⁶⁷ Much to Carter's irritation and Reagan's delight, the Argentine junta was one of many arms-dealing nations that provided military assistance, training, and material support to anti-communist factions in Central America whose U.S. supply line was adversely affected by Carter's rights agenda. The Guatemalan counterinsurgency state, the Nicaraguan Contra insurgency, and the Salvadoran government were all receiving some form of Argentine military support when Reagan assumed the presidency.¹⁶⁸ During his February 1981 visit, Walters ensured Argentina's ongoing commitment to provide assistance to Central America's rights-abusing anti-communist factions. In exchange, the Reagan administration agreed to leverage Congress to restore military assistance to the Argentines.¹⁶⁹ As a further act of collaboration and solidarity, Washington voted with Argentina to abolish the United Nations Working Group on Enforced or Involuntary Disappearances at the 37th session of the Commission on Human Rights in February-March 1981.¹⁷⁰ In spite of ongoing rights violations, bilateral relations between the U.S. and Argentina remained positive through 1981; the relationship did not sour until the Falklands/Malvinas invasion in April 1982. The junta's authority withered thereafter, but at no point did Argentina's rights record infringe on the Reagan administration's goodwill.¹⁷¹

¹⁶⁷ The CIA considered the Guatemalan insurgency a threat to the regime's survival in the final years of Lucas' tenure. See United States Central Intelligence Agency, Intelligence Assessment, 'Guatemala: Prospects for Political Moderation, An Intelligence Assessment', 1 August 1983, Document 15, 6, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455364-Document-15-Guatemala-Prospects-for-Political>, (accessed 5 August 2020); United States Directorate of Intelligence, 'Guatemala: Prospects for Political Moderation, An Intelligence Assessment, August 1983', 6, Ronald Reagan Presidential Library, Oliver L. North Files, Box 62, Stack B, Row 154, Compartment 1, Shelf 6, Folder: Guatemala - Oliver L. North, NSC Staff (3 of 3).

¹⁶⁸ Lafeber, 'The Reagan Administration and Revolutions in Central America', 6. For Argentine assistance to El Salvador, see 'El Salvador's ambassador to Argentina, Col. Figueroa Vargas, said...', *UPI*, 4 February 1982.

¹⁶⁹ United States Department of State, Bureau of Human Rights and Humanitarian Affairs, Confidential Memorandum, Stephen Palmer to Elliot Abrams, 20 November 1981, 'Your Meeting with Ambassador Chapin, Monday, November 23, 1981 at 3:00 p.m. [Includes Attachments]', Document ID 1679121140, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999,

https://www.proquest.com/dnsa_gu/docview/1679121140/A2C331775AB24668PQ/21?accountid=13460, <https://www.proquest.com/government-official-publications/your-meeting-with-ambassador-chapin-monday/docview/1679121140/se-2?accountid=13460>, (accessed 4 May 2022); U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001311]; U.S. Embassy, Argentina, to Secretary of State, 25 February 1981, [001312]; U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001335]; U.S. Embassy, Argentina, to Secretary of State, 26 February 1981 [001336]. See also Lewis, *Guerrillas and Generals*, 190.

¹⁷⁰ The U.S. voted alongside Brazil and Ethiopia. ICJ, *Human Rights and U.S. Foreign Policy*, 33-34. For the full transcript, see United Nations Commission on Human Rights, 'Report on the 37th Session, 2 February-13 March 1981, Geneva', United Nations Digital Library, <https://digitallibrary.un.org/record/36314?ln=en>.

¹⁷¹ Lafeber, 'The Reagan Administration and Revolutions in Central America', 6; Lewis, *Guerrillas and Generals*, 190-195.

In May 1981, Vernon Walters was dispatched to Central America with related business and similar objectives to his February Latin American trip, namely that he was to express anti-communist solidarity with heads of state, confirm third-party collaboration, extend an olive branch, and convey the Reagan administration's initiatives for the isthmus.¹⁷² The incoming Reagan Administration had been briefed on the state of Guatemalan political, civil and hydrocarbon affairs, and relative U.S. interests, in February 1981. The American Embassy in Guatemala 'made very specific policy and strategy recommendations addressing the increasingly serious [threats] to U.S. interests in this region.'¹⁷³ Guatemala was identified as '[t]he most substantial economic and military power in Central America now augmented by oil reserves of undetermined' wealth; the Embassy cautioned that the harmony between of 'the narrow military/business... coalition [that] brought Lucas to power' was precariously drifting apart, but the Embassy was optimistic that Guatemalan oil had the potential to restore economic and political stability, which was ideal for the new Administration's Central American objectives.¹⁷⁴ The Joint Chiefs' Policy and Strategy Recommendations for Guatemala noted that a 3,000 metre airfield was being developed by the military GOG on an excavation site of ruins, although they expressed no qualms about the latter. The development purportedly housed an infantry company and several U.S. and Israeli-made helicopters. A befriended Guatemala's ideal role in Reagan's Central American theatre was revealed: 'Upon

¹⁷² National Security Council, Memorandum, Robert Schweitzer and Roger Fontaine to Richard V. Allen, Subject: Guatemala Update, 9 April 1981; Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [3 of 5], herein cited as Schweitzer and Fontaine to Allen, 9 April 1981; Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913]; United States Department of State, Confidential Memorandum, John A. Bushnell, Chairman of the Interagency Group Acting Assistant Secretary of State for Inter-American Affairs, to ARA - Mr. Cheek, ARA/CEN - Mr. Backen, ARA/CHP - Mr. Arenales, ARA/PPC - Mr. Sullivan, ARA/RPP - Mr. Jones, ARA/ECP - Mr. Eddy, PM - Mr. Burt, PM/ISP - Ms. Vinovic, S/P Ms. Reese, HA / Mr. McBride, INR - Mr. Knepper, AID/AA/LAC - Mr. Coy, AID/LAC/DP; Mr. Lazar, AID/LAC/CEN - Mr. Schwartz, CIA - [Redacted], CIA - [Redacted], CIA/NIO - [Redacted], DOD/ISA - Gen. DeCamp, DOD/JCS - General Palmer, DIA - Mr. Togashi, NSC - Mr. Fontaine, Subject: Report of March 3 Interagency Group Meeting on Guatemala, 5 March 1981, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [7]; United States Secretary of State, Memorandum, SecState WashDC to AmEmbassy Guatemala, Subject: Initiative on Guatemala Update, Encrypted date: 080119Z April 1981, Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [3 of 5], herein cited as SecState to AmEmbassy, April 1981, Initiative on Guatemala Update. For press coverage of the visit, see De Onis, 'U.S. Sending Envoy to Guatemala with View to Resuming Arms Aid'; Dickey, 'Haig's Emissary'; 'End Run to Guatemala'; Myers, 'Retired Army Gen.'; 'Vernon Walters in Guatemala for Talks'.

¹⁷³ The exact word is blurred out, but the context indicates 'threats' or 'challenges' to be appropriate. United States Embassy, Guatemala, Cable, U.S. Ambassador to Guatemala Frank V. Ortiz to Secretary of State Washington D.C., Subject: Policy and Strategy Recommendations for Guatemala, 23 February 1981, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [7].

¹⁷⁴ Ibid.

completion, the air strip could be utilized as a staging area for U.S. forces into El Salvador and other Central American destinations'.¹⁷⁵ Both the U.S. and Guatemala sought arms diplomacy and cooperation in their respective Cold Wars.

Vernon Walters was chosen as special emissary to Guatemala for a host of reasons. The CIA acknowledged Guatemala's leftist insurgency posed a legitimate threat to the Lucas regime's survival, although the regime's potential downfall would be due to instability and internal collapse exacerbated by insurgent efforts, and not necessarily a clear insurgent military victory like the one in Nicaragua.¹⁷⁶ The State Department procured Walters to 'engage the Guatemalan government at the highest level in a dialogue to discuss the full range of our bilateral relations and the initiatives we can take together to improve them.'¹⁷⁷ Given Washington's objectives in Guatemala, Walters' curriculum vitae was certainly appropriate to the position; it would not be unreasonable to describe Walters as an experienced subversive and clandestine figure in support of Latin America's anticommunist right-wing regimes *that year alone*, let alone throughout the Cold War, and Walters kept his clandestine skill set current by engaging in private arms diplomacy during the Carter years.¹⁷⁸ Walters' arrival in Guatemala would have been well received, having just mended fences with the Argentine junta and ensured ongoing military assistance to the GOG. Moreover, Lucas was notably committed to state-led development initiatives, and yet Walters was able to extract contractual concessions from Lucas on Basic Resources' behalf—either his petro-diplomacy was very effective, or it was carried out in some degree of quid pro quo, or perhaps a combination of the two, but the result was that Walters had demonstrated that he was capable of amicably navigating the erratic personality of Guatemala's Lucas Garcia on sensitive issues related to nationalism, sovereignty, and oil. The sum of these efforts rendered Walters an optimal and well received emissary.

Walters was by no means going in blind, as the GOG's disposition was known in Washington due to the continuity of cooperation between American conservatives and Guatemala's

¹⁷⁵ United States Department of State, Confidential, Incoming Telegram, JCS (Joint Chiefs of Staff) Washington D.C., to Secretary of State, et al., Subject: Construction of a Civilian/Military Airbase At Flores [sic], Guatemala, Encrypted date: 232144Z March 1982, Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3, Folder: 'Guat: Guerrillas'.

¹⁷⁶ CIA, 'Prospects', 6; USDIA, 'Prospects', 6.

¹⁷⁷ Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

¹⁷⁸ AP, 'Ex-C.I.A. Aide'; Gerth, 'Former Intelligence Aides'; Oberdorfer, 'Mideast Trip'; Remnick, 'Back in His World'.

military and economic leadership. Democratic Senator from Florida and ‘millionaire Spanish-speaking lawyer’ Richard Stone joined Reagan’s transition team,¹⁷⁹ working alongside Vernon Walters and other figures with friendly ties to Guatemala’s oligarchy and military leadership. As a member of Reagan’s transition team, Stone insisted publicly that human rights would not interfere with the Reagan Administration’s foreign policy objectives.¹⁸⁰ Stone resigned from his post in the Senate at the end of 1980, and he then registered as a foreign agent and began working as legal counsel for the GOG in the employ of the Washington-based firm Proskauer, Rose, Goetz and Mendelsohn. Stone had ostensibly managed to change uniforms while playing for the same team, and he became a central figure in procuring U.S. assistance and engaging Washington’s participation in Guatemala’s border disputes with Belize, both of which went hand in hand in 1981.¹⁸¹

In the case of the Guatemala and Belize, Belizean independence from Britain was hampered by historic geographic disputes with their Guatemalan neighbour. Washington sought to play a role in brokering the solution, but U.S. motivations to help were more political than altruistic, rooted instead in Cold War concerns. By assisting in the negotiation process and expediting Belizean independence, the National Security Council hoped that Washington could ‘undercut Cuba’s campaign to appear as a major spokesman for Belize’s independence’. Stone played this angle when seeking to procure U.S. military assistance for the GOG in 1981.¹⁸²

Richard Stone first visited Guatemala as a lobbyist in mid-January 1981, less than one month after resigning from the Senate. Stone obtained a list of the GOG’s desired military goods and services, and he forwarded the list to Roger Fontaine along with an accounting of the sixty-six active Foreign Military Sales (FMS) cases dating back to 1970, with the request that Fontaine relay the materials to National Security Advisor Richard Allen.¹⁸³ Both Fontaine and Allen were also part of the continuity of cooperation between American conservatives and the

¹⁷⁹ ‘Looking for Trouble’, *Time*, 9 May, 1983, <https://content.time.com/time/subscriber/article/0,33009,923593,00.html>, (accessed 17 August 2022).

¹⁸⁰ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 31.

¹⁸¹ ‘Looking for Trouble’; National Security Council, Memorandum, Roger Fontaine to Richard V. Allen, Subject: Memcon with Richard Stone on Guatemala-Belize Dispute February 16, 1981, 17 February 1981, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [7], herein cited as Fontaine to Allen, 17 February 1981.

¹⁸² Fontaine to Allen, 17 February 1981.

¹⁸³ *Ibid.*

GOG. Fontaine had visited Guatemala as a key member of the conservative delegations during the Reagan campaign,¹⁸⁴ and he became Reagan's chief Latin American advisor as the Director of Latin American Affairs with the National Security Council.¹⁸⁵ Prior to Reagan's inauguration and Allen's appointment as National Security Advisor, Allen had been Reagan's chief foreign policy advisor dating back to 1977;¹⁸⁶ Allen had also been making inroads in Guatemala during the Carter years, liaising with Manuel Ayau Cordón and Amigos del País director Juan Maegli.¹⁸⁷ Given Fontaine and Allen's proximity to Reagan, it is unsurprising that Guatemalan elites found candidate Reagan so 'well informed' of their situation and perspective as early as 1979 (and subsequently worthy of dark campaign donations).¹⁸⁸ Such was the pipeline through which the Lucas regime articulated their needs to the incoming Reagan administration in 1981.

The Reagan Administration's overall approach to bilateral relations with Lucas were outlined in an April 1981 State Department memorandum titled 'Initiative on Guatemala'. Washington sought to 'actively convey to GOG officials, the Guatemalan military, Guatemalan and resident US Business leaders [the Reagan administration's] desire for friendship and closer cooperation', which included reduced human rights critiques and increased economic and military assistance. The memorandum was authored by Deputy Secretary of State William Clark, but the contents echoed the recommendations of the conservative delegations and continuity of cooperation.¹⁸⁹ The State Department's plan called for the swift restoration of U.S. military assistance. Following the suspension of U.S. assistance in 1977/78, Guatemala received an increased volume of arms from U.S. allies Taiwan, Israel, and Argentina, and a host of U.S. military contracts and programs were not impacted by the curtailment of U.S. assistance.¹⁹⁰ Given the sense of national pride and cognisance of sovereignty present in Guatemalan military leadership at that time, '[t]he [State] Department...concluded that any

¹⁸⁴ Grandin, *Empire's Workshop*, 64-73, 92-94; Pearce, *Under the Eagle*, 176-178.

¹⁸⁵ For Fontaine's formal position, see 'In Memoriam: Prof. Roger Fontaine', *Institute of World Politics*, 9 November 2020, <https://www.iwp.edu/press-releases/2020/11/09/in-memoriam-prof-roger-fontaine/>, (accessed 6 June 2023).

¹⁸⁶ 'Fellow: Richard V. Allen', *Hoover Institution*, <https://www.hoover.org/profiles/richard-v-allen>, (accessed 5 July 2023).

¹⁸⁷ Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Pearce, *Under the Eagle*, 179.

¹⁸⁸ J. C. Trotter to. Clymer Wright, Letter, Subject: Guatemala political situation, From, 31 March 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [3].

¹⁸⁹ Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

¹⁹⁰ Arak-Zeman, 'Similarities and Differences', 185-227; Broder and Lambek, 'Military Aid to Guatemala', 129-131; Meislin, 'U.S. Military Aid'; Nairn, 'U.S. Captain'; Sanford, 'U.S. Foreign Assistance Facts', 3-8; Sikkink, *Mixed Signals*, 137-139; USGAO, *Military Sales*, 1-9.

attempt to re-establish a dialogue would at a minimum require some initial, condition-free demonstrations of our good will'.¹⁹¹ Procuring ongoing Argentine assistance certainly fit the bill. The State Department initially concluded that goodwill concessions could not include helicopter parts, direct military sales or anything classified as arms or munitions 'without provoking serious US public and congressional criticism of the administration given the human rights provisions section of 502B of the Foreign Assistance Act'; the fear was that doing so would prompt Congress to enact country specific legislation that would prohibit security assistance and sales to the GOG, and 'complicate' efforts to aid the Salvadoran government in their counterinsurgent civil war.¹⁹² To circumvent 502B restrictions, the State Department requested that the Department of Commerce remove specific trucks and jeeps that had been created for military applications, and designated as such, from the list of police and military equipment restricted from export. Such changes enabled a three-million-dollar olive branch to the Guatemalan military government.¹⁹³

On the public relations end, the State Department called for additional '[c]onfidence building measures', namely defending Guatemalan rights abuses in public forums like the February-March 1981 Human Rights session at the United Nations. Further, and in sync with the previous delegations' recommendations, the memorandum called for minimising public statements by US officials about Guatemala 'about which there is little positive to be said', although the State Department recognised that 'some such statements may be unavoidable in testifying before congressional committees'.¹⁹⁴ The extent to which the State Department would deceive Congress on such matters could not have been known at that time, but the Reagan administration's duplicity concerning the Central American theatre went on to cast long and dishonest shadows over the administration's record on human rights and public diplomacy.

Walters was scheduled to meet the Lucas administration in late April 1981, although the meeting did not take place until May of that year. The State Department wished to convey the objective of swiftly restoring U.S. economic assistance and military cooperation. In the case of the latter, the State Department wished to extend invitations to senior Guatemalan officers

¹⁹¹ Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

¹⁹² Ibid.

¹⁹³ Ibid.

¹⁹⁴ Ibid.

to collaborate on counterinsurgency and economic initiatives, and to invite mid-level officers to U.S. military facilities for further counterinsurgency training.¹⁹⁵

The plan for the meeting was summarised as follows:

Walters will recognize that the GOG is fighting a war for survival. He will state our desire to help... He will inform Lucas that as a gesture of our good will we have already taken a number of unilateral actions and will be taking more. Walters will frankly discuss our concerns about political violence.¹⁹⁶

Rights violations were to be framed as a perception problem, and that the Reagan administration's desire to restore aid was hindered by public and congressional human rights concerns and the human rights legislation of the previous administration. Walters was to articulate that these were 'real and serious internal and political impediments to [the administration's] ability to reestablish...traditional political and military supply and training relationship with Guatemala'.¹⁹⁷ The tone of the message was that Washington concurred with the counterinsurgency mission, and that human rights violations were not a problem of principle, but rather a problem of perception.

Just days prior to Walters' May 1981 visit, Guatemalan foreign minister Rafael Castillo met with U.S. Deputy Secretary of State William Clark in Washington to assess the status of bilateral relations. Their meeting addressed Guatemala's rights abuses, but Clark signalled that anti-communist solidarity took precedence over human rights when he 'assured Castillo that the Reagan administration would not publicly castigate human rights offenders nor forget its friends', insisting that the only problem in Guatemala was the (purportedly) Cuban-led insurgency.¹⁹⁸ Latin American human rights specialist Kathryn Sikkink asserts that the GOG interpreted Clark's reassurances 'as a green light to continue repression',¹⁹⁹ a pattern that would continue through diplomatic solidarity in which Washington framed human rights violations not as an humanitarian crisis, but rather an optics problem.

¹⁹⁵ Ibid.

¹⁹⁶ Ibid.

¹⁹⁷ Ibid.

¹⁹⁸ United States Department of State, Memorandum of Conversation, 'Guatemalan Foreign Minister Calls on Deputy Secretary Clark', 8 May 1981, Document ID 1679120237, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, https://www.proquest.com/dnsa_gu/docview/1679120237/D98E2E5B394648C2PQ/1?accountid=13460, <https://www.proquest.com/government-official-publications/guatemalan-foreign-minister-calls-on-deputy/docview/1679120237/se-2?accountid=13460>, (accessed 2 August 2022). See also: Sikkink, *Mixed Signals*, 161.

¹⁹⁹ Sikkink, *Mixed Signals*, 161.

Walters arrived in Guatemala in May 1981 amidst rampant urban state-led counterinsurgency terror. He was accompanied by former Ambassador Frank Ortiz, who had been removed from his post ‘because his superiors in the Carter administration felt him too conciliatory toward the Guatemalan regime’.²⁰⁰ Whereas one administration found fault, the other found virtue, for Reagan had summoned Ortiz back to Central America as Special Assistant for International Affairs to the U.S. Commander and Chief of Southern Command (SouthCom) in Panama. The State Department insisted that Ortiz’s inclusion on Walters’ visit was cordial and organic.²⁰¹ Indeed, there was talk of organising a parade for Ortiz’s return but such brazen pageantry was discouraged by Foreign Minister Castillo.²⁰²

The State Department wished to restore military assistance as quickly as possible, as did the GOG, albeit with no human rights stipulations attached. The policy for Guatemala was such that Walters was to look for and/or obtain any commitment or indication from Lucas that the GOG would reduce ‘the indiscriminate killing of political opponents and innocent non-combatants, and...foster a climate propitious [sic] to a viable electoral process’.²⁰³ Walters would convey that, in exchange, Washington would immediately resume some military equipment transactions, including coveted helicopter parts for much-needed repairs.²⁰⁴ In short, Walters was looking for any sign of improvement—an excuse—that could be used to justify the restoration of military assistance.

This strategy remained part of Reagan and the State Department’s Guatemalan and Central America policies for several years. The administration invested copious funds and administrative energy into perception management and the opportunistic rebranding of states

²⁰⁰ Quoted material in Dickey, ‘Haig’s Emissary’. See also: Arak-Zeman, ‘Similarities and Differences’, 188; Virginia Garrard-Burnett, *Terror in the Land of the Holy Spirit: Guatemala under General Efraim Rios Montt, 1982-1983* (New York: Oxford University Press, 2010), 152, 225 (n.25); United States Department of State, Confidential Cable, SecState WashDC to AmEmbassy Guatemala, 5 May 1981, ‘Press Guidance for Walters Visit to Guatemala’, Document ID 1679121254, Document no. 114980, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, <https://www.proquest.com/government-official-publications/press-guidance-walters-visit-guatemala/docview/1679121254/se-2?accountid=13460>, (accessed 2 August 2022), herein cited as Secretary of State to U.S. Embassy, Guatemala, 5 May 1981, [114980]; U.S. Department of State, ‘Guatemalan Foreign Minister Calls on Deputy Secretary Clark’.

²⁰¹ Secretary of State to U.S. Embassy, Guatemala, 5 May 1981, [114980].

²⁰² U.S. Department of State, ‘Guatemalan Foreign Minister Calls on Deputy Secretary Clark’.

²⁰³ Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913].

²⁰⁴ Ibid.

and individuals.²⁰⁵ Just as the Reagan administration looked for any sign that Lucas would make improvements in the human rights situation in Guatemala so that Washington could restore military assistance, so too did the Reagan administration swiftly push for assistance to Lucas' presidential successor, Ríos Montt, under the auspices that Ríos made human rights 'improvements', albeit in an abysmally narrow window of time.²⁰⁶ That Ríos came to power through a military coup that followed fraudulent elections, or that human rights conditions worsened after Ríos' arrival, was of little consequence—Washington sought to capitalise on the transition to invoke executive discretion, thereby circumventing human rights provisions in foreign assistance legislation. That the administration evaded and circumvented human rights provisions in foreign assistance legislation to aid both Lucas and Ríos during peak violence—the worst in the hemisphere—leaves a significant blemish on Reagan's human rights record.²⁰⁷

As instructed, the American envoy headed by Walters reiterated anti-communist solidarity with Lucas, and articulated the administration's security ambitions for the isthmus. Walters relayed the administration's desire to restore military assistance as quickly as possible, and framed human rights conditions in Guatemala as a perception obstacle in Washington that both the GOG and the Reagan administration needed to overcome, a shared burden. Walters also reminded the GOG of the olive branch efforts in motion to provide the GOG with military equipment; jeeps and similar military vehicles had been reclassified by the Commerce Department and were made available to the GOG in the coming months, which was very much a violation of 502B. If Lucas would commit, even superficially, to the prospect of elections and reduced human rights violations, Washington would reopen lines of

²⁰⁵ United States Department of State, 'Management of Public Diplomacy Relative to National Security (NSC-NSDD-77)', 14 January 1983, published by the *Federation of American Scientists, Intelligence Resource Program*, <https://irp.fas.org/offdocs/nsdd/nsdd-077.htm>, (accessed 15 July 2023). For a trove of primary materials on Otto Reich, who led Reagan's Office of Public Diplomacy, see Thomas Blanton (ed), 'Public Diplomacy and Covert Propaganda: The Declassified Record of Ambassador Otto Juan Reich', *National Security Archive*, Electronic Briefing Book No. 40, published 2 March 2001, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB40/>. For a comprehensive study of the administration's efforts to sell its Latin American policies to the American public, see Kenworthy, *America/Américas*; Grandin, *Empire's Workshop*, 123-134, 231; Parry and Kornbluh, 'Reagan's Pro-Contra Propaganda Machine'.

²⁰⁶ United States House of Representatives, *Inter-American Development Bank Loan to Guatemala: Hearing before the Subcommittee on International Development Institutions and Finance of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Ninety-Seventh Congress, Second Session. Thursday, August 5, 1982. Serial No. 97-80*, (Washington, D.C.: U.S. Government Printing Office, 1982); USGAO, *Military Sales*, 2, 4, 35; ICI, *Human Rights and U.S. Foreign Policy*, 22.

²⁰⁷ For analysis of 'improvements' and the legal implications for 502B, see Broder and Lambek, 'Military Aid to Guatemala', 111-145, esp. 124-127.

military assistance.²⁰⁸ Following the meeting, Walters evaded questions from the press concerning whether or not the meeting was to discuss the restoration of U.S. military assistance, and he downplayed human rights issues in Guatemala.²⁰⁹ The embassy was instructed to do the same.²¹⁰

The Lucas regime identified itself as a victim of imbalanced international press coverage, but also recognised that Guatemala's human rights performance could create obstacles for the Reagan administration. The American Embassy in Guatemala City reported that Lucas 'wanted at all cost to avoid compromising the US or creating problems for the new administration', and he 'claimed that for this reason he has rejected repeated recommendations from his advisors to seek a personal meeting with President Reagan to request assistance'.²¹¹ Per the Embassy, Lucas was not seeking charity, and 'the only thing he asked...was that we not block GOG efforts to purchase the items they needed to defend themselves', namely helicopters, spare parts, and 'essential equipment'.²¹² Perhaps guided by nationalism, pride, the preservation of sovereignty (or the perception of the preservation of sovereignty to appease more nationalistic elements in the military government), or perhaps as a measure of calculated diplomacy, or all of the above, Lucas recognised that a strong, anti-communist Guatemala was imperative to the Reagan administration's plans for Central America, and thus played hard-to-get with human rights compliance.

Richard Stone informed Roger Fontaine in June 1981 that the GOG was 'pleased with...U.S. policy' and cognisant of 'the political sensitivities of resuming military aid' because of Guatemala's ongoing human rights crisis.²¹³ Stone indicated that he was to be the key intermediary in the process of resuming aid, which was described as follows:

²⁰⁸ SecState to AmEmbassy, April 1981, Initiative on Guatemala Update; Schweitzer and Fontaine to Allen, 9 April 1981; United States Department of State, Cable/Telegram, AmEmbassy Guatemala to SecState WashD.C., Subject: Ambassador Walters' Call on President Lucas: Bilateral Issues, Encrypted date: 221509Z September 1981, Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3 (Box 90502), Folder: Guat: US/Assist [spelled Assit]; Secretary of State to U.S. Embassy, Guatemala, 28 April 1981, [108913]; USGAO, *Military Sales*, 2, 4, 35.

²⁰⁹ Dickey, 'Haig's Emissary'; 'End Run to Guatemala'; Myers, 'Retired Army Gen. Vernon Walters will visit Guatemala'; 'Vernon Walters in Guatemala for Talks'.

²¹⁰ Secretary of State to U.S. Embassy, Guatemala, 5 May 1981, [114980].

²¹¹ AmEmbassy to SecState, 11 March 1981; AmEmbassy to SecState, 17 June 1981.

²¹² Ibid.

²¹³ National Security Council, Memorandum, Roger Fontaine to Richard V. Allen, Subject: 'Memorandum of Conversation - Sen. Stone on Guatemala', 11 June 1981, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [5].

First, the U.S. will release the trucks to Guatemala. Then, General Sumner will go to Guatemala within a week to give the government the details of the aid program. Next, Guatemala military officers will be invited to the Defense Department to discuss other forms of “non-embarrassing military aid.” Another Guatemalan group will go to the Department of State to meet the new team at ARA. In July or August more military equipment will be released. Finally, in the fall, Guatemala will receive its sorely needed helicopter spare parts.²¹⁴

Neither Lucas nor Reagan were committed to respecting human rights in 1981. Counterinsurgent terror and civilian deaths in Guatemala were rampant that year,²¹⁵ but Reagan was committed to the Kirkpatrick Doctrine and disempowering the Bureau of Human Rights.²¹⁶ Haig was direct with Reagan in August 1981 that there had ‘not yet been any perceptible reduction in the level of violence and terrorism by the right and the GOG's own security forces’, only ‘some evidence of an improved performance...in avoiding unnecessary civilian casualties’.²¹⁷ Notwithstanding, the U.S. was moving forward with the assistance that Walters had offered,²¹⁸ although ongoing rights abuses and rights-minded factions on the hill prevented the plan from unfolding as intended.

Assistant Secretary of State for Inter-American Affairs Tom Enders met with Guatemalan Foreign Minister Rafael Castillo and Richard Stone in August 1981. Craig Johnstone, then Chief of the State Department’s Office of Central American Affairs, prepared Enders for the meeting; his recommendations centred on the border dispute with Belize, and the challenges in restoring aid due to human rights conditions (and the bad press they generated). Johnstone suggested Enders urge the Lucas government to resume talks with the British, and, knowing full well Stone was cognisant of Washington’s desire to outflank the Cubans on public diplomacy over Belizean independence, Johnstone anticipated correctly that Stone would

²¹⁴ Ibid.

²¹⁵ See Amnesty International, *A Government Program of Political Murder*; Amnesty International, *Amnesty International Report 1981*, 148-156; *REMHI*, 211-216, passim.

²¹⁶ David P. Forsythe, ‘Human Rights in U.S. Foreign Policy: Retrospect and Prospect’, *Political Science Quarterly* 105, no. 3 (Autumn 1990), 437-439, 441-447; ICJ, *Human Rights and U.S. Foreign Policy*, 31-33, 42-44, 47-49; Søndergaard, *Reagan, Congress, and Human Rights*, 47-55, passim; Velasco, *Neoconservatives*, 86-110.

²¹⁷ United States Secretary of State, Memorandum, Alexander M. Haig, Jr. to Ronald Reagan, Subject: The Risk of Losing in El Salvador, and What Can be Done About it, 11 August 1981, Ronald Reagan Presidential Library Digital Library Collections, Collection: Executive Secretariat, NSC: Meeting File, Folder: NSC 00020 08/17/1981 [East-West Trade, Central America, Strategic Forces], <https://www.reaganlibrary.gov/public/2022-03/40-750-80627194-001-037-2021.pdf>, (accessed 2 May 2021).

²¹⁸ Ibid.

push for FMS sales.²¹⁹ Enders was advised to let them down easy and with solidarity: ‘continued human rights violations...are creating an atmosphere in the Congress that likely will lead to restrictions and, possibly, prohibitions on military sales to Guatemala’.²²⁰ The takeaway, again, was that ‘congressional opinion’ was the obstacle, more so than the rights violations themselves.²²¹

Walters met with Lucas again in September 1981, and the erratic Guatemalan leader was steadfast in dismissing human rights concerns and continuing his bloody counterinsurgency campaign with or without U.S. assistance. In a later 1981 meeting between Walters and Lucas, the latter insisted that despite Washington’s concerns on human rights, however functional and insincere, ‘the repression will continue...and that the guerrilla threat will be successfully routed’ without U.S. assistance.²²² Reagan, on the other hand, was coming to terms with the reality that human rights were not so easily dismissed in Washington. Rights-minded factions in Congress remained obstacles to the Kirkpatrick Doctrine’s implementation in Latin America. Notwithstanding, during peak violence in Guatemala’s civil war, and without any commitment from Lucas to improve the human rights situation that Washington was well aware of, military goods affiliated with the U.S. continued to arrive in Guatemala. Congressionally approved assistance and IFI funds subject to 502B were curtailed to development projects targeting basic human needs, but a not-insignificant supply of US arms were sold to the Guatemalan military uninterrupted during both Carter and Reagan’s watch. Small private contractors supplied military equipment unabated; for example, Mass Transit Systems, an American company, continued supplying the regime with laser rifle sights with no recourse. Texas-based helicopter manufacturer Bell supplied the GOG with twenty-three helicopters at a value of nearly \$25 million between 1980 and 1981; the helicopters were

²¹⁹ United States Department of State, Confidential Report, Craig Johnstone to Tom Enders, Subject: Your Meeting with Guatemalan Foreign Minister Rafael Castillo, 4:00pm, August 24’, 21 August 1981, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [4], herein cited as Johnstone to Enders, 21 August 1981.

²²⁰ Ibid. Johnstone suggested Enders articulate that the U.S. wanted ‘to carry through with our commitment to sell you the equipment but we are hampered by the level of violence in Guatemala and resulting congressional opinion in the US’.

²²¹ Ibid.

²²² United States Department of State, Secret Memorandum, Robert L. Jacobs to Einaudi, 5 October 1981, ‘Guatemala: What Next?’, Document 18, *National Security Archive*, Electronic Briefing Book no. 32: The Guatemalan Military: What the U.S. Files Reveal, Vol. II, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB32/docs/doc18.pdf>, (accessed 7 December 2021), and Document 13, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc13.pdf>, (accessed 7 December 2021).

classified for civilian use, but they were later retrofitted for military use, and Guatemalan Air Force pilots received training at Bell's Texas headquarters. At the Reagan administration's request, military trucks and jeeps were reclassified as civilian equipment and shipped to Guatemala in June 1981. Aforementioned third-party arms diplomacy persisted, and the CIA arranged for ten U.S. M-41 tanks at a cost of \$34 million to ship to Guatemala through a private Belgian shipping company that routed the tanks through the Dominican Republic in 1982; the shipment was intercepted and never delivered.²²³ Military training continued discreetly under the Personnel Exchange Program, as American trainers were sent to Guatemala under reclassified civilian titles like 'language instructor'.²²⁴ While numerous streams of U.S. assistance, military goods and services continued uninterrupted from Carter's watch to Reagan's, the key distinction is that whereas Carter sought to curtail assistance because of poor human rights conditions, Reagan knowingly and duplicitously sought to restore assistance as human rights conditions worsened. This methodology was sustained in the continuity in cooperation between Guatemala's leadership and business community on the one hand, and American conservatives that had transitioned from delegations to diplomats and key policymaking figures.

Guatemalan Oil, Public Diplomacy, and U.S. National Security and Interest

The Republican Party Platform in 1980 was 'carefully coordinated with Governor Reagan's senior foreign policy and defense advisors'.²²⁵ The platform identified Latin America as an area of 'primary interest'. One of the Party's stated goals was 'to maintain a strong economy and protect our overseas sources of energy and other vital raw materials', under the presumption that 'the entire Western world faces complex and multi-dimensional threats to its

²²³ Broder and Lambek, 'Military Aid to Guatemala', 111, 125-136; Sanford, 'U.S. Foreign Assistance Facts', 3-8; USGAO, *Military Sales*. For military training, see Meislin, 'U.S. Military Aid'; Nairn, 'U.S. Captain'; United Press International, 'Guatemala to Get U.S. Military Aid', *Pittsburgh Press*, June 19, 1981; Arak-Zeman, 'Similarities and Differences', 129-131. For Bell Helicopters retrofitted for military use, see Charlie Wilson's testimony before the House Committee on Banking, Finance, and Urban Affairs' Subcommittee on International Development Institutions and Finance in August 1982, in U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

²²⁴ Nairn, 'U.S. Captain'; Meislin, 'U.S. Military Aid'.

²²⁵ *Guatemala: A Confidential Report*, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [1]; *Guatemala: A Confidential Report II*, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [1]. The reports' author(s) are not indicated. Herein cited as *Guatemala: A Confidential Report* and *Guatemala: A Confidential Report II*, respectively.

access to energy and raw material resources'.²²⁶ This disposition did not change much in spirit over the next few years—the National Security Council (NSC), for example, passed the same 1980 platform along to the interagency group tasked with drafting U.S. national security strategy for 1982.²²⁷

Confidential intelligence reports asserted that 'Guatemala's resources and strategic location ma[d]e it the linchpin to all of Central America',²²⁸ but this was no secret. National Security Council consultant and future U.S. Ambassador to Colombia (1983-1985) and Costa Rica (1985-1987) Lewis Tambs presented a report for the Congressional Sub-Committee on Inter-American Affairs in July 1981, the contents of which appraise the political economy of the Cold War in the Western Hemisphere, and the strategic value of Guatemala and Guatemalan oil in the context of the Central American theatre and broader east-west dimensions of the Cold War.²²⁹ Prior to his involvement as a member of the hawkishly conservative Committee of Santa Fe, and as a participant in the unsanctioned delegations to Guatemala during the Reagan campaign, Tambs' background also included Latin American oil and coffee interests; the sum of these qualifications makes the reports' conclusions unsurprising.²³⁰ Tambs' report, titled 'Guatemala, Central America, and the Caribbean: A Geopolitical Glance', weighed the domestic-economic and global zero-sum significance of Latin American resources, with emphasis on the precarious nature of shipping and logistics. Guatemala's oil and nickel potential were optimistically assessed. The report reminded readers that the U.S. imports more than one-third of its oil, and over half of the critical minerals needed for industrial and

²²⁶ Ibid.

²²⁷ National Security Council, Memorandum, Sven Kraemer to National Security Strategy Group, Subject: US Strategy – GOP Platform, 11 February 1982, Ronald Reagan Presidential Library, Christopher C. Shoemaker Files, RAC Box 2 (Box 1), Stack B, Row 1511, Compartment 8, Shelf 1, Folder: NSSD 1-82 [Review of U.S. National Security] (1 of 2).

²²⁸ *Guatemala: A Confidential Report; Guatemala: A Confidential Report II.*

²²⁹ Louis A. Tambs, 'Guatemala, Central America, and the Caribbean: A Geopolitical Glance', Prepared for the United States House of Representatives Sub-Committee on Inter-American Affairs, 30 July 1981, Signed copy from Tambs to Richard Allen ('To Dick, with best wishes, from Louis'), then forwarded through Sally Sherman to Roger Fontaine on 26 August (To Roger Fontaine, Mr. Allen forwards Professor Tamb's testimony for your info./interest, Sally Sherman'), Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [3], herein cited as Tambs, 'Geopolitical Glance'; Ronald Reagan, 'Nomination of Lewis Arthur Tambs To Be United States Ambassador to Colombia', 10 December 1982, *American Presidency Project (University of California Santa Barbara)*, <https://www.presidency.ucsb.edu/node/244720>, <https://www.presidency.ucsb.edu/documents/nomination-lewis-arthur-tambs-be-united-states-ambassador-colombia>, (accessed 8 August 2023).

²³⁰ For Tambs' involvement with the unsanctioned diplomatic overtures to the GOG, see Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'. For Tambs' background, see Reagan, 'Nomination of Lewis Arthur Tambs'.

military application, rendering Central America and the Caribbean ‘crucial’.²³¹ Sucking the agency out of the hemisphere, Latin American self-determination was reduced to Soviet puppetry and the hemisphere’s revolutionary movements were characterised as Soviet manipulations. Within the Soviet Union’s purported pursuit of global hegemony was an objective to ‘strangle the oil and ore supplies vital to the industrialized democracies’.²³² The report warned that

since some three-quarters of all U.S. oil imports are either produced or transit the shore and sea of the New World Mediterranean, whoever controls the Caribbean and Central America could strangle the United States by choking off the petroleum life lines.²³³

To these ends, ‘Central America and the Caribbean [were] not only America’s global power perch, but also a focal point for oil and ore supplies’, but, per the report, ‘the noose [was] tightening’.²³⁴ Scholars have credited the Committee of Santa Fe for having generated the blueprint for Reagan’s Latin American policies,²³⁵ and this report serves as an example of this process unfolding.

Guatemalan oil was used in attempts to bolster the Reagan administration’s unpopular support for the GOG to the press and to the public. The Reagan administration combined simplified hyperbolic discourse and sophisticated perception management to sell its Central American policies to the American public with moderate success throughout the 1980s,²³⁶ but an American constituency reeling from global oil crises was apt to cringe at the prospect of future petroleum problems. As such, Guatemalan oil became a marketing tool for the Reagan administration’s unpopular support for the GOG.

To prime constituents for Reagan’s policy agenda, the ASC financed and produced a documentary film made for U.S. television called *Attack on the Americas!* Additional financing was provided by Amigos del País and Fundación, both institutions whose members were linked to the Basic Resources investment network. American expatriate John C. Trotter

²³¹ Tambs, ‘Geopolitical Glance’, 2.

²³² Ibid., 1-4. See pages 8-18 for alleged Soviet subversion.

²³³ Ibid., 3.

²³⁴ Ibid., 26, 3. Respectively.

²³⁵ Grandin, *Empire’s Workshop*, 70-73; Holden and Zolov (eds), ‘Saving the New World from Communism’, 296-299; Tyvela, *Dictator Dilemma*, 151-152.

²³⁶ For a comprehensive analysis of the administration’s discourse and rhetoric, see Kenworthy, *America/Américas*; John Richard Peterson, “‘An Evil Empire’: The Rhetorical Rearmament of Ronald Reagan”, PhD Thesis, Ohio University, 2010, *passim*.

of Fundación worked as a consultant on the film; Trotter was instrumental in organising the pre-inaugural conservative delegations. The film had a production budget of \$150,000, but its distribution budget was \$5 million. The film's message was par for hyperbolic security discourse from the American right and the Reagan campaign: the Western hemisphere is under Soviet attack, and dominoes will fall in 'our backyard' in the absence of anticommunist vigilance.²³⁷ A transcript from the film reads:

What is at stake is more than the freedom of our neighbours to the South, more than the oilfields of Guatemala and Mexico, more than the natural resources of our allies in the Western Hemisphere. Today: El Salvador and Guatemala. Tomorrow: Honduras, Costa Rica, Belize, Venezuela, the Dominican Republic, Mexico...the United States...²³⁸

Mention of Guatemala's oil reserves is a testament to the value of Guatemalan oil within conservative circles going into the 1980s, expressed here in zero-sum terms.

The Reagan administration's rhetoric to bolster support for anticommunist regimes and insurgents was steeped in sphere-of-influence discourse, utilising themes of Soviet-Cuban incursion into America's 'backyard' or 'doorstep'.²³⁹ Indeed, Guatemala held the first accessible oil fields south of Texas, and when Reagan took office both U.S. intelligence and the oil industry maintained strong presumptions of a Guatemalan hydrocarbon powerhouse in the near future. In the first ninety days of the Reagan presidency, and in tandem with Texaco and Parker's initial 'eureka' success in the Petén department,²⁴⁰ Haig framed Guatemala as 'strategically the most important Central American republic because of its size, population and raw materials, oil included'. Haig further identified Guatemala's natural resources as a target on the Soviet Union's alleged 'hit list'.²⁴¹ In this vein, conservative circles in Washington maintained zero-sum concerns over Guatemalan resources. Senator Jesse Helms'

²³⁷ Pearce, *Under the Eagle*, 175-178; Nairn, 'Campaign Links'; Nairn, 'Terrorist Government'; Scott, 'Reagan, Foreign Money, and the Contra Deal', 116-117.

²³⁸ Quoted in Pearce, *Under the Eagle*, 177.

²³⁹ The Carter administration's human rights watchdog, Patricia Derian, described the Reagan administration's fervent attempts to solicit support for its early Central American policies as a 'political blitzkrieg'. In Karen DeYoung, 'El Salvador: Where Reagan Draws the Line', *Washington Post*, 09 March 1981. Proximity was always in focus, but 'backyard' and 'doorstep' discourse didn't enter the administration's quiver until about 1983, at which time the administration used it ad nauseam. See, for example, Ronald Reagan, 'Radio Address to the Nation on the Situation in Central America', 30 March 1985, transcript, Ronald Reagan Presidential Library, available at <https://www.reaganlibrary.gov/archives/speech/radio-address-nation-situation-central-america-0>, (accessed 5 February 2021); 'Reagan Again Draws on History to Make His Case', *UPI*, 10 May 1984, <https://www.upi.com/Archives/1984/05/10/Reagan-again-draws-on-history-to-make-his-case/1281453009600/>, (accessed 8 June 2023).

²⁴⁰ Hodge, 'Low Key "Eureka"'.
²⁴¹ Quoted in Don Oberdorfer, 'After the Killing Stops', *Washington Post*, 18 April 1982.

(R-NC) submitted into the *Congressional Record* in October 1981 a piece written by Edward J. Walsh titled ‘Strategic Guatemala: Next Red Plum in the Hemisphere’, in which Walsh, and subsequently Helms, swoon over Guatemala’s hydrocarbon potential when appraising the nation’s zero-sum security value and calling for increased U.S. support for the right-wing regime.²⁴² Further, the Trans-Guatemala Crude Oil Pipeline Project (‘Intermares’) was proposed to policymakers by the private sector as an alternative to the Panama Canal at the turn of the decade. Security-minded policymakers that had chafed the Carter Administration with signing away a strategic asset in the Panama Canal now reveled at the prospect of a Guatemalan alternative, mindful of the amount of vital American petroleum that travelled through the Canal from Alaska to the Eastern United States.²⁴³ Guatemalan energy resources and logistics were inevitably genuine Cold War security concerns in Washington.

Conclusions

Oil, aid, and human rights intersected under a climate of quid pro quo on Reagan’s campaign trail. American conservative organisations affiliated with or in direct support of the Reagan campaign maintained a direct line of communication with Guatemala’s elites and the Lucas Garcia military government as early as 1978. Reciprocal delegations drafted the template for the Reagan administration’s initial policies toward Guatemala, which were steeped in anticommunist solidarity and included commitments to redeem the GOG’s international image, to mute American criticism of Guatemala’s human rights crisis, and to restore military and economic assistance and cooperation. Basic Resources consultant and Reagan and Haig’s future ambassador-at-large Vernon Walters assumed dynamic and overlapping public and private roles at this time when he negotiated with the Lucas government as an agent of Basic Resources while concurrently affiliated with the Reagan campaign. Walters would have been the ideal candidate to negotiate for Basic due to his reputation as an anticommunist Cold

²⁴² Edward J. Walsh, ‘Strategic Guatemala: Next Red Plum in the Hemisphere’, *National Defense: The Journal of the Defense Preparedness Association*, October 1981, reprinted in: J. L. Fried, et al. (eds), *Guatemala in Rebellion: Unfinished History* (New York: Grove Press, 1983), 302-308.

²⁴³ F. E. Mosier, Standard Oil Company of Ohio (SOHIO), to Fernando Gallo Zelaya, Letter, 5 November 1976, Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [3 of 5]; United States Department of Energy, Secretary of Energy, Memorandum, James B. Edwards to Richard Allen, Special assistant to the President, 9 November 1981, Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [3 of 5]; National Security Council, Memorandum, John E. Treat to Richard V. Allen, Subject: Trans-Guatemala Pipeline: Meeting with Peter Hannaford, 7 April 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [3 of 5].

Warrior with a history of collaboration with right-wing governments and factions, and he was a likely candidate for a post of significance in a future Reagan administration's foreign policy machine, the sum of which would have appealed to nationalist hardliners within the military GOG. Moreover, Walters' affiliation with the Reagan campaign made him an especially effective petro-diplomat as he was very much acting in a semi-, or pre-emptively, official capacity. Campaign diplomacy inevitably shapes the foundations of any administration's foreign policies, and individuals and groups that are affiliated with electoral campaigns while simultaneously engaged in international diplomacy do so in a pre-emptive, albeit speculative, official capacity—they are diplomats from a possible forthcoming administration, laying the groundwork for that possible forthcoming administration's policies. Herein lies the formula for establishing a climate of quid pro quo: even if Walters had acted strictly as an agent of Basic Resources, he was still affiliated with the Reagan campaign, and his petro-diplomacy was flanked by concurrent overtures from conservative delegations in which many of the participants were also affiliated or working in concert with the Reagan campaign, and these delegates and affiliates made commitments to restore U.S. military and economic assistance under the banner of a possible, and later elected and forthcoming Reagan administration. Barring Reagan's death or recusal, that is as close to official diplomacy as one gets prior to inauguration. Research in the Ronald Reagan Presidential Library and the National Security Archives did not produce evidence to indict Walters for having engaged in direct aid-for-oil quid pro quo negotiations at this time, but it would be an exercise in naivety to presume that Walters' petro-diplomacy as not carried out in a collaborative climate of quid pro quo in which he was a passive harbinger of future U.S. military and economic support. The delegates themselves went on to become Reagan's policymaking machine, and Walters did the diplomatic dirty work to fulfil their promises.

A nuanced but important distinction should be made regarding Walters and Basic's lobbying successes. The modifications obtained with Walters' assistance in 1980 were not applied to Guatemala's national hydrocarbon legislation, unlike those that occurred at the behest of the United States in the 1920s, 1955, and later in 1983. Instead, this was a company-specific modification to a company-specific set of restrictions—Basic was looking for special treatment under the existing law. Given that Basic operated Guatemala's only functioning oil export operation at that time, however, the Walters-Basic modifications were exceptions to Guatemalan hydrocarbon law that no other companies were yet to follow. The significance of Basic's output restrictions comes into greater focus in Chapter 4, which considers the

financial risks of American corporations tied to the Reagan White House, and the subsequent modifications to international investment securities to accommodate said corporations by offsetting said risk.

Just as Basic Resources took advantage of Walters' stature when they lobbied the GOG, it stands to reason that by bringing Walters on board as special emissary to Guatemala, the Reagan administration in turn took advantage of Walters' proven ability to negotiate with the GOG on sensitive matters. Had Walters been unsuccessful while lobbying on Basic's behalf, he might not have been the right person to warm relations with the Lucas government. Walters was successful, and he was appointed as the Reagan administration's agent in Latin America. Walters and the Reagan White House procured clandestine and third-party arms shipments to the GOG, which contributed towards the fulfilment of the quid pro quo petro-diplomacy that had taken place. Walters' arms diplomacy might at first glance appear to be circumstantially unconnected, but this is precisely the nuance with which shadowy diplomatic promises are often kept.

Reagan's disposition toward Guatemala, and the clandestine and third-party military assistance disbursed once he took office, were consistent with conservative delegations' agreements with the GOG. This assistance reinforced the GOG's disregard for human rights and materially contributed to further deterioration of human rights conditions in Guatemala, which was more or less what it was intended to do. The connection between oil, aid, and human rights observed in this chapter might appear circumstantial, but the relationship will be further examined in the coming pages.

CHAPTER 3

Oil, Aid, and Human Rights Diplomacy: Lucas and Reagan, Act II

The incoming Reagan administration overlapped the outgoing Lucas regime for a period of approximately fifteen months. At the outset, President Reagan sought to hold true to his campaign promises to implement the Kirkpatrick Doctrine, to divest human rights from foreign policy decision-making, and to rekindle relationships with anticommunist right-wing regimes in Latin America, including the GOG. On the domestic front, Reagan sought to divest conservation from energy policy, to deregulate energy sectors and to encourage domestic oil production. The administration's foreign and energy policy ambitions, however, were not so easily accomplished, and they were challenged on multiple fronts.

This chapter explores the anatomy of Reagan's early energy disposition, the consequences of which come into focus in the succeeding chapters. The White House sustained interests in the political economy of global energy resources, despite the Reagan administration's professed commitment to deregulated markets and ambitious support for domestic energy production. The administration carried on in pursuit of international non-OPEC petroleum sources, Guatemala among them.¹ As international optimism over Guatemalan oil was peaking, and

¹ James B. Edwards, 'Statement of Honorable James B. Edwards, Secretary, U.S. Department of Energy, on The World Energy Situation and Its Implications for National Security, Before the Senate Armed Services Committee, March 13, 1981', Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box H31, Stack B, Row 135, Compartment 6, Shelf 1, Folder: Energy - Policy (3 of 17), herein cited as Edwards, 'The World Energy Situation and Its Implications for National Security'; 'Asia's Energy Needs and U.S. Energy Policy', *The Wilson Center*, U.S.-East Asia Energy Security Seminar Paper, 16 November 1982, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box 18, Stack B, Row 135, Compartment 5, Shelf 6, Folder: Energy-Foreign, herein cited as 'Asia's Energy Needs'; Rich Jarovslovsky, 'A Look at Reagan's Energy Policy', *Wall Street Journal*, 05 August 1980; James Everett Katz, 'US Energy Policy Impact of the Reagan Administration', *Energy Policy* 12, no. 2 (June 1984), 135-145; Douglas Martin, 'Reagan Aide Optimistic About U.S. Oil Potential', *New York Times*, 30 June 1981; Larry B. Parker, Robert L. Bamberger, and Susan R. Abbasi, *The Unfolding of the Reagan Energy Program: The First Year* 82-266 (Washington: Library of Congress Congressional Research Service, December 17, 1981), 15-17; Robert L. Parker, interviewed by John Erling, *University of Tulsa: Voices of Oklahoma*, 8 April 2009, http://www.voicesofoklahoma.com/wp-content/uploads/2015/04/Parker_Transcript.pdf, (accessed 2 July 2021); Ronald Reagan, 'Statement on Signing Executive Order 12287, Providing for the Decontrol of Crude Oil and Refined Petroleum Products, January 28, 1981' *Gerhard Peters and John T. Woolley, The American Presidency Project, University of California Santa Barbara*, <https://www.presidency.ucsb.edu/node/246753>, (accessed 2 December 2021). For continuity in pursuit of non-OPEC sources, see 'Oil Dependence and U.S. Foreign Policy', *Council on Foreign Relations*, <https://www.cfr.org/timeline/oil-dependence-and-us-foreign-policy>, (accessed 06 May 2021). For energy initiatives in the broader context of Reagan's economic agenda, see Daniel Stedman Jones, *Masters of the*

the Central American theatre escalating, Reagan secured a direct line to hydrocarbon developments in Guatemala (and elsewhere) when he appointed Robert Parker Sr. to chair the administration's Energy Policy Task Force. Parker was a preeminent international figure in twentieth-century oil exploration, a technological trailblazer whose company, Oklahoma-based Parker Drilling Co., was the most advanced and logistically able exploratory drilling outfit in the world. Parker just so happened to be drilling on Texaco's prized Guatemalan concession when Reagan lured him to Washington, the circumstances of which are outlined in this chapter. As Task Force chair, Parker played an influential role in the creation and implementation of the administration's domestic energy policies,² which in turn influenced the trajectory of American foreign policy and petro-diplomacy in Guatemala.

This chapter examines Robert Parker's anticlimactic exploratory drilling on Texaco's prized Guatemalan concession, alongside his institutional role in the Reagan administration's highest energy policymaking circles. Guatemalan oil was finally put to the test in the late 1970s and early 1980s, but it failed to meet the industry's heightened expectations. Parker's operation became the benchmark metric for Guatemala's hydrocarbon successes, and ultimate failures, in Washington, and thus this chapter examines the climax of Guatemala's hydrocarbon potential. Given Parker's standing within the industry, his company's withdrawal from Guatemala can be observed as a catalyst for the decline in sensationalism and optimism over Guatemala's hydrocarbon future. Moreover, Washington's interest in Guatemalan oil seemingly waned with Parker's departure; this chapter argues that, given Parker's proximity to Reagan, the extent to which Guatemalan oil occupied space within the White House's broader national interest in Guatemala was relative to Parker's Guatemalan operations.

Texaco made substantial and precarious investments in its Guatemalan venture. This chapter considers Texaco's assumption of financial risk and their attempts to reduce their exposure by applying for Overseas Private Investment Corporation (OPIC) insurance in 1980-1981.

Investment programs like OPIC were subject to the human rights eligibility criteria of Section

Universe: Hayek, Friedman, and the Birth of Neoliberal Politics (Princeton, NJ: Princeton University Press, 2012), 263-272, esp. 265.

² Parker, interviewed by Erling; United States Department of Energy, Office of Public Affairs, DOE News, 'DOE Establishes Energy Policy Task Force as Advisory Group to Secretary Edwards (F-81-020)', Washington, D.C., 19 February 1981, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box 21, Stack B, Row 135, Compartment 5, Shelves 6-7, Folder: Energy - NEP III, 1981 (National Energy Policy Plan), February 1980-February 1981.

502(b) of the Foreign Assistance Act, and just as the GOG was not eligible to receive U.S. military and economic assistance due the country's poor human rights performance, so too were American investments in Guatemala excluded from OPIC participation. As the OPIC program had the potential to boost investment and GOG revenue, but carried the burden of eligibility akin to other forms of U.S. foreign assistance, it is helpful to view Guatemala's and Texaco's OPIC eligibility and participation in the same vein that one would view eligibility and participation in other forms of U.S. foreign assistance. This chapter explores catalytic effects that Texaco's OPIC application had on both bilateral relations and U.S. investment legislation. Mindful of the international interest in Guatemala's hydrocarbon future, Texaco's inability to obtain OPIC coverage was one of several motivational forces behind the Reagan administration's efforts to rebrand the GOG as improving human rights conditions (when they most certainly were not). The White House and conservative factions in Washington wished to promote American hydrocarbon investment in, and to keep Soviet investment out, of what was considered to be the hemisphere's next hydrocarbon exporting powerhouse. With Parker as Reagan's energy guru, the administration overhauled the OPIC program's eligibility criteria in 1981, which led to a substantial increase in hydrocarbon operations' participation in OPIC programs in Reagan's first term. This chapter considers the motivations for Texaco's OPIC bid, namely the company's fear of arbitrary and/or unanticipated impositions made by the GOG, and similar to those experienced and addressed by Basic Resources the previous year. Based on these observations, this chapter contends that specific elements within OPIC's expanded eligibility criteria were tailored to address these types of scenarios; had human rights issues not excluded Guatemalan investments from OPIC participation, the expanded eligibility criteria would have covered any losses Texaco incurred in such a manner. In the spirit of 'retiring the puppets' and transcending the unidirectional patron-client inter-American paradigm,³ the modifications to OPIC outlined in this chapter offer a glimpse into the reciprocal nature of generally asymmetrical north-south economic relationships. These examples demonstrate that Guatemalan oil occupied considerable space in U.S. national interest in the early 1980s.

Lastly, this chapter examines U.S.-Guatemalan relations and Reagan's alleged pivot towards human rights that took place in the final months of 1981. Reagan's early hawkish disposition

³ For the shift from the patron-client paradigm, see Max Paul Friedman, 'Retiring the Puppets, Bringing Latin America Back In: Recent Scholarship on United States-Latin American Relations', *Diplomatic History* 27, no. 5 (November 2003), 622-624.

and his Guatemalan initiatives were unsurprisingly marred by friction with, and obstructed by, rights-minded congressional factions mindful of Guatemala's worsening human rights crisis. Rather than yield to the human rights community and pursue Guatemalan and foreign policies mindful of human rights, the Reagan administration attempted to redefine human rights and steer relevant discourse in such a way that supported the administration's pre-existing foreign policy initiatives—only then did Reagan purportedly pursue human rights. The Reagan administration centred its new (alleged) commitment to human rights around democracy promotion, but examining diplomacy from this period reveals that the White House remained fixated on anticommunism and true to the Kirkpatrick Doctrine—Reagan was less concerned with improving the human rights situation on the ground, and more concerned with improving the optics surrounding Guatemala's human rights crisis, so as to restore aid to the GOG, which in turn would enhance the regime's ability to conduct its counterinsurgency crusade. Reagan's limited commitment to democracy promotion was exposed during Guatemala's leadership transitions of 1982, which are outlined in this chapter.

Bilateral Diplomacy: U.S. Human Rights Policy and the Lucas Regime

Governor Ronald Reagan campaigned for the U.S. presidency on a platform critical of Carter's humanitarianism. His campaign absorbed the prevailing foreign policy currents in conservative and neoconservative circles. Reagan's campaign rhetoric and early foreign policy discourse invoked the Kirkpatrick Doctrine and embraced the call to arms from Committee of Santa Fe. Reagan projected hawkish Cold War revivalism in simplified Manichean Cold War terms. The campaign discourse rejected human rights as idealistic and naïve, and called for restored American military primacy and warmer relations with rights-abusing anticommunist regimes.⁴ The State Department Transition Team, which included the likes of future GOG legal counsel Richard Stone, insisted that human rights would not

⁴ Greg Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism* (New York: Metropolitan/Henry Holden and Co., 2006), 66-86, 112, esp. 79; Patrick William Kelly, *Sovereign Emergencies: Latin America and the Making of Global Human Rights* (Cambridge: Cambridge University Press, 2018), 268. For Kirkpatrick, see Jeane Kirkpatrick, 'Dictatorships and Double Standards', *Commentary* 68, no. 5 (November 1979): 34-45; Jeane J. Kirkpatrick, 'Establishing a Viable Human Rights Policy', *World Affairs*, 143 (1981), 323-334. See also: Kirk Tyvela, *The Dictator Dilemma: The United States and Paraguay in the Cold War* (Pittsburgh, PA: University of Pittsburgh Press, 2019), 151-152; American Association for the International Commission of Jurists (ICJ), *Human Rights and U.S. Foreign Policy: The First Decade, 1973-1983* (Washington, DC: Library of Congress, 1984), 31-33. For the Committee of Santa Fe, see Committee of Santa Fe, *A New Inter-American Policy for the Eighties* (Washington, DC: Council for Inter-American Security, 1980).

interfere with American security interests. True to the promise, the administration pursued a neo-Dullesist rights policy once in office.⁵

Reagan sought to mend fences with anticommunist right-wing regimes early on. Partnering with despots was more an American tradition than a post-Vietnam neoconservative innovation, as every Cold War administration tolerated, if not courted, its share of anticommunist rights abusers.⁶ Reagan's preferred despots were long-established American allies who, with the exception of Somoza, rode out the Carter years more or less unscathed. Backchannel and Lone Ranger diplomacy from conservative groups and actors like Congressman Charlie Wilson (D-TX) in Nicaragua, Henry Kissinger, and the waves of unsanctioned conservative American delegations to Latin America contributed to the feeling among the hemisphere's pariahs that they still had Washington's blessing.⁷

⁵ ICJ, *Human Rights and U.S. Foreign Policy*, 31.

⁶ Dulles said in 1955, 'Do nothing to offend the dictators, they are the only people we can depend on'. See Beatrice Bishop Berle and Travis Beal Jacobs (eds), *Navigating the Rapids, 1918-1971: From the Papers of Adolf A. Berle* (New York: Harcourt Brace Jovanovich, 1973), 654. Berle acquired this quote from former Ambassador to Costa Rica, Robert F. Woodward. See also: Piero Gleijeses, *Shattered Hope: The Guatemalan Revolution and the United States, 1944-1954* (Princeton, NJ: Princeton University Press, 1992), 236; Tyvela, *The Dictator Dilemma*, 6. David Schmitz's examines Washington's financial and military support to right-wing dictators, and U.S. preference for the stability their regimes provided over the democratic aspirations they suppressed, over two volumes, concluding that 'racist assumptions, the desire for stability, fear of revolution, and the Cold War trumped the promotion of freedom and human rights that the United States claimed it was protecting'. See David Schmitz, *Thank God They're On Our Side: The United States and Right Wing Dictatorships, 1921-1965* (Chapel Hill, NC: University of North Carolina Press, 1999); David Schmitz, *The United States and Right Wing Dictatorships, 1965-1989* (Cambridge: Cambridge University Press, 2006), quoted material on 241.

⁷ Per James M. Lindsay, 'Lone Ranger diplomacy' occurs when 'individual members of Congress conduct their own foreign policy' (as opposed to two other forms of external congressional diplomacy, 'invited participation, and routine contacts with foreign governments'). It is not a stretch to extend the term beyond the confines of sitting congresspersons. See James M. Lindsay, *Congress and the Politics of U.S. Foreign Policy* (Baltimore, MD: Johns Hopkins University Press, 1994), 119-139, quoted material on 120. See also Rasmus Sinding Søndergaard, *Reagan, Congress, and Human Rights: Contesting Morality in US Foreign Policy* (Cambridge: Cambridge University Press, 2020), 33, 117, 258-259, 265. Many former clandestine intelligence officers decommissioned by Carter kept doing what they'd been doing in the shadows. For clandestine operatives and Singlaub, see Peter Dale Scott, 'Contragate: Reagan, Foreign Money, and the Contra Deal', *Crime and Social Justice 27/28 Contragate and Counterterrorism: A Global Perspective* (1987), 110-148; Grandin, *Empire's Workshop*, 109. For Kissinger's diplomacy, which led many in the Argentina junta to assume that American objections to human rights violations 'were largely perfunctory, a temporary outburst of moral fervor reflecting pressure from a few misguided human rights zealots in the Congress and non-governmental organizations', and that 'Argentina would be protected for the duration of its "dirty war" by friends in the U.S. executive and Congress and/or the Pentagon', see United States Department of State, Bureau of Intelligence and Research, 'Evolution of U.S. Human Rights Policy in Argentina, September 11, 1978', 11 September 1978, Document 13, *National Security Archive*, Electronic Briefing Book no. 73, Part II: Argentine Military Believed U.S. Gave Go-Ahead for Dirty War, published 21 August 2002, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB73/780911.pdf>, (accessed 2 May 2020); United States Embassy, Argentina, Cable, AmEmbassy Buenos Aires to SecState WashDC, 27 June 1978, 'Henry Kissinger Visit to Argentina, June 27, 1978', Document 12, *National Security Archive*, Electronic Briefing Book No. 73, Part II: Argentine Military Believed U.S. Gave Go-Ahead for Dirty War, published 21 August 2002, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB73/780627.pdf>, (accessed 12 December 2020).

Reagan's record of disregard for Latin American sovereignty and self-determination, and his preference for right-wing anticommunist regimes, were reaffirmations of earlier normative Cold War conduct. This is especially so regarding human rights. Kirkpatrick, Santa Fe, and other anticommunist conservative voices may have been catalysts for revival, but the formula was the original U.S. Cold War human rights doctrine: to confront the spread of communism and/or to pursue anticommunist initiatives abroad was, purportedly, to pursue humanitarian aims, even when said efforts adversely impacted human rights conditions. Political scientist David Forsythe observes Washington's early Cold War rejection, if not inversion, of internationally recognised human rights, and the adoption of an American centred pseudo-rights framework he refers to as 'Dullesism' after early Cold Warrior and Secretary of State John Foster Dulles. Forsythe identified Cold War policymakers at the time as having been under a 'moralistic preoccupation with Soviet-led communism', having 'solidified the notion that by contesting the USSR one was contributing to human rights'.⁸ Human suffering at the hands of anticommunist allies could be written off as collateral damage in a greater Manichean struggle—the foundation of American innocence.⁹ Some scholars have argued that Reagan responded to rights-minded congressional factions' obstructions to the administration's early policy initiatives by conforming to the human rights regime,¹⁰ but a closer look reveals that the Reagan administration's relationship with human rights was more strategic and manipulative. Anticommunism became the centrepiece of Reagan's human rights agenda, although it was carefully branded as democracy promotion. Washington's standards for equitable democracy and quality of the electoral process in the 1980s, however, were abysmally low, as they had been throughout the Cold War.¹¹

⁸ David P. Forsythe, 'Human Rights in U.S. Foreign Policy: Retrospect and Prospect', *Political Science Quarterly* 105, no. 3 (Autumn 1990), 437-439, 441-447, quoted material on 437-438.

⁹ For an assessment of American innocence, see James L. Fredericks and Andrew J. Bacevich, 'American Innocence: Niebuhr & the Ironies of History', *Commonweal*, 9 January 2014, <https://www.commonwealmagazine.org/american-innocence>, (accessed 15 September 2020). For early commentary on innocence, see Reinhold Niebuhr 1952 *The Irony of American History* (Chicago, IL: University of Chicago Press, Reprinted, 2010); Roberto Sirvent and Danny Haiphong, *American Exceptionalism and American Innocence: A People's History of Fake News—From the Revolutionary War to the War on Terror* (New York: Sykhorse, 2019).

¹⁰ Søndergaard, *Reagan, Congress, and Human Rights*, 80.

¹¹ Still in the midst of a civil war, Guatemala in 1986 was considered a political 'accomplishment' according to Jeane Kirkpatrick. The victims and survivors may have thought otherwise. See Jeane Kirkpatrick, 'New Revisionists', *Washington Post*, 14 July 1986. For comments on America's low standards for democracy, see Thomas Carothers, 'The Reagan Years: The 1980s', in: A. F. Lowenthal (ed.) *Exporting Democracy: The United States and Latin America - Themes and Issues* (Baltimore, MD: Johns Hopkins University Press, 1991), 90-122, especially 114-118; Abraham F. Lowenthal, 'The United States and Latin American Democracy: Learning from History', in: A. F. Lowenthal (ed.) *Exporting Democracy: The United States and Latin America - Themes and Issues* (Baltimore, MD: Johns Hopkins University Press, 1991), 243-265; Laurence Whitehead 'The Imposition

The Global South and socialist camp identified human rights much differently than the West and, in particular, the United States. The world's former colonies identified political rights as the right to state self-determination, heightened by postwar decolonization; economic rights were identified as economic securities, and reversals of the inequities and asymmetries of the colonial era.¹² While a majority of Latin American countries had obtained their independence long prior, the inequities and asymmetries of neocolonialism and imperialism, American or otherwise, carried the same mantra.¹³ At the start of the Cold War, an alternative American-centred rights framework was projected with the help of the International Commission of Jurists (ICJ), an organization of elite New York lawyers linked to the Council on Foreign Relations and funded by the fledgling CIA that was assembled to counter international rights interpretations and provide a humanitarian cover for U.S. policy.¹⁴ Regarding economic rights, the ICJ framework praised market freedoms. Religious freedoms otherwise curtailed in the socialist camp were emphasized by the ICJ model. In a manner consistent with American individualism, political rights and self-determination were framed individualistically: peak self-determination took place through participatory democracy, as opposed to state self-determination. Conversely, the ICJ framework identified planned economies as oppressive, and emphasised religious oppression in the communist sphere. When paired with exceptionalism, innocence, and Manichean public diplomacy on foreign

of Democracy', in: A. F. Lowenthal (ed.) *Exporting Democracy: The United States and Latin America - Themes and Issues* (Baltimore, MD: Johns Hopkins University Press, 1991), 216-242. For democracy promotion, anticommunism and the Kirkpatrick as Reagan's human rights policy, see Forsythe, 'Human Rights in U.S. Foreign Policy', 437-439, 441-447; ICJ, *Human Rights and U.S. Foreign Policy*, 42-44, 47-49; Søndergaard, *Reagan, Congress, and Human Rights*, 47-55, passim; Jesús Velasco, *Neoconservatives in U.S. Foreign Policy under Ronald Reagan and George W. Bush: Voices behind the Throne* (Baltimore, MD: Johns Hopkins University Press, 2010), 86-110.

¹² Rosemary Foot, 'The Cold War and human rights', in: M. P. Leffler and O. A. Westad (eds) *The Cambridge History of the Cold War, Volume III: Endings*, (Cambridge: Cambridge University Press, 2010), 445-465; Forsythe, 'Human Rights in U.S. Foreign Policy', 435-454; Akira Iriye and Petra Goedde, 'Introduction: Human Rights as History', in *The Human Rights Revolution: An International History*, ed. Akira Iriye, Petra Goedde, and William I. Hitchcock (Oxford: Oxford University Press, 2012), 6-12; Barbara Keys and Roland Burke, 'Human Rights', in: R. H. Immerman and P. Goedde (eds) *The Oxford Handbook of the Cold War* (Oxford: Oxford University Press, 2013), 486-502; Devin O. Pendas, 'Toward a New Politics? On the Recent Historiography of Human Rights', *Contemporary European History* 21, no. 1 (February 2012), 104-105.

¹³ Greg Grandin, 'Off the Beach: The United States, Latin America, and the Cold War', in: J-C. Agnew and R. Rosenweig (eds) *A Companion to Post-1945 America* (New York: Blackwell, 2002), 426-445; Greg Grandin, *The Last Colonial Massacre: Latin American in the Cold War* (Chicago, IL: University of Chicago Press, 2004), xi-xv, 1-17.

¹⁴ In 1967 it was revealed that the ICJ was funded by the CIA, at which time the ICJ distanced itself from the relationship. In the absence of CIA funding, the ICJ was supported by the Ford Foundation under McGeorge Bundy's leadership. See Yvez Deselay and Bryant G. Garth, *The Internationalization of Palace Wars: Lawyers, Economists, and the Contest to Transform Latin American States* (Chicago, IL: University of Chicago Press, 2002), 61-66.

policy issues, this American-centred rights framework provided a moral right-of-way to disregard the sovereignty and self-determination of states, and to impose reforms as Washington deemed fit. This was, purportedly, in the name of democracy promotion and human rights. The framework's uplifting rhetoric and sense of cultural superiority was colonial in nature—it characterised the U.S. as the global 'citadel of human freedom', and left-leaning states as captives within the Soviet sphere.¹⁵ Obstructing the sovereignty and self-determination of left-leaning states to impose Western-oriented reforms was purportedly an act of liberation carried out in their own best interests, thanks to Washington's paternal and benevolent assistance. With the exception of the Carter administration and the sway of human rights-minded members of Congress in the 1970s, such was, and is, the paradoxical pathology at the core of U.S. human rights policy, especially so in the 1980s.

The Reagan administration's early rejection of human rights took aim at domestic American rights institutions. Reagan muted part of the dialogue on foreign assistance by disbanding the Inter-Agency Committee, whose role had been 'to consider human rights factors in foreign economic policy'.¹⁶ Reagan did the most damage to the Bureau of Human Rights and Humanitarian Affairs, which was established in 1977 to provide the executive with annual reports and to ensure 'that human rights concerns were brought into all aspects of U.S. foreign policy'.¹⁷ Just as Reagan vowed to dismantle the Department of Energy, so too did Reagan attempt to dismantle the Bureau of Human Rights. The Bureau's Assistant Secretary of State position sat vacant for months 'amid mounting rumors [it] would be either discarded or left to wither on the State Department vine'.¹⁸ Much to Reagan's chagrin, however, both the Department of Energy and the Bureau of Human Rights proved too popular to dissolve. In the same manner the administration sabotaged energy and environmental bureaucracy,¹⁹ Reagan appointed hawkish neoconservative Trojan Horses to the Bureau of Human Rights.

¹⁵ United States Senate, 'Senate Joint Resolution III, Public Law 86-90, July 17, 1959', <https://www.govinfo.gov/content/pkg/STATUTE-73/pdf/STATUTE-73-Pg212.pdf#page=1>, (accessed 22 August 2022).

¹⁶ He then pushed to restore aid to Argentina, Chile, Guatemala, and Uruguay. See ICJ, *Human Rights and U.S. Foreign Policy*, 33-45.

¹⁷ Sikkink, *Mixed Signals*, 69-70.

¹⁸ ICJ, *Human Rights and U.S. Foreign Policy*, 34.

¹⁹ Reagan appointed James Watt to head the Secretary of the Interior, and Watt 'ran roughshod' over environmentalists in support of expanded domestic coal and oil production. Watt was required to resign in 1983. Parker, interviewed by Erling, quoted material on 19. For additional information on Watt and Reagan, see Richard J. Ellis, *Presidential Lightning Rods: The Politics of Blame Avoidance* (Lawrence, KS: University of Kansas Press, 2021), 33-47. For the Energy Policy Task Force, see Cass Peterson, 'New York Assemblyman, a Vietnam Amputee, Selected for VA', *Washington Post*, 20 February 1981.

Reagan nominated Ernest Lefever, whose human rights position echoed Reagan and Kirkpatrick's, to run the Bureau.²⁰ Congressman Jim Leach (R-IA) of the Subcommittee on Human Rights and International Organisations called Lefever's nomination 'an abandonment not only of the methodology but of the substance of American human rights concern'.²¹ Lefever's nomination was met with heavy criticism within the Senate, and it was withdrawn in June 1981, after which time the position again stood vacant.

The summer of Lefever's rejection has been observed as a critical juncture in Reagan's human rights policy, marking a transition from 'rejection to reform'.²² Lefever's rejection was a sobering loss for the Reagan administration, but it did not drive the administration to yield or compromise with rights-minded factions. Instead, Lefever's rejection prompted a tactical pivot towards human rights, although there was nothing humanitarian, altruistic, or human rights-related about the administration's new supposed human rights commitment. The Reagan team had hit a wall in Congress, and they recognised that national interest and hyperbolic projections of national security could not sell hawkish foreign policy objectives in Congress or to a Vietnam-weary American public. Perception was identified as the problem, and the administration identified human rights advocates as primary obstacles. To evade or defeat the obstacles, the administration needed to gain control over human rights discourse. Rather than dismissing human rights publicly, the administration chose to champion human rights as they simultaneously re-defined them; the administration did not begin to pursue human rights until the White House defined them in such a way that they promoted pre-existing hawkish policy initiatives. The White House recognised that anticommunism still held bipartisan stock in Congress, and thus sought to revive the classic American Dullesist foreign policy framework that conflated the pursuit of U.S. national interest and anticommunism with the pursuit of human rights and upholding global freedom—the first part was the quiet part. This was a difficult pitch on its own, but the administration teased out a narrow, flexible, and complementary conservative human rights framework over the next few months that centred on familiar anticommunist Cold War dimensions. The new framework maintained that the Soviet Union was the global imperialist aggressor, and not the

²⁰ Søndergaard, *Reagan, Congress, and Human Rights*, 59-64; Velasco, *Neoconservatives*, 86-110.

²¹ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 34-35.

²² Rasmus Sinding Søndergaard is generous in contending that the administration 'changed its approach to human rights from rejection to reform, constructing a conservative human rights policy that fit its overarching foreign policy strategy'. Perhaps 'reform' is appropriate in the most literal and unbiased sense, in that the administration did seek to make changes in human rights policy so as to improve it *to their advantage*. See Søndergaard, *Reagan, Congress, and Human Rights*, 80.

beneficiaries of asymmetrical economic relationships with multiple interventions, occupations, and war crimes under their belts.²³ This was bait-and-switch; the administration did not, by any means, seek to incorporate internationally recognised human rights into U.S. foreign policy, nor did the White House performatively seek to prioritise human rights pursuits over security objectives. The framework allowed the administration to double down on opposition towards left-wing governments and to praise right-wing regimes and factions, especially those actively in conflict with leftist insurgencies, political movements, and sitting governments, all under the auspices of promoting human rights and freedom. With limited success, the administration marketed and/or rebranded the same pre-existing security-driven Central American policies as pro-democratic human rights pursuits for the duration of Reagan's tenure.²⁴

The State Department Policy Planning Staff, headed by Paul Wolfowitz, issued a July 1981 paper that identified Congressional rights advocates as obstacles to foreign policy initiatives. The paper outlined a 'realistic human rights policy' that rejected social and economic rights (as recognised by the Global South), reaffirmed Cold War bipolarity, American primacy and the Kirkpatrick Doctrine, and called for an empowered Bureau of Human Rights to manipulate human rights discourse in the administration's favour.²⁵ Secretary of State Alexander Haig primed the Trilateral Commission shortly after Lefever's rejection, insisting that an 'even-handed' approach to human rights would be 'the major focus of our foreign policy'.²⁶ Even-handedness in action came to mean offsetting the pervasive criticism of, and observations of human rights violations carried out by, Reagan's right-wing allies, by attacking the human rights record of the global left, often with unsubstantiated reporting or in conflict with numerous human rights reports from international rights organisations, and based on Washington's new definition of human rights.²⁷ Dullesism was being restored.

²³ Grandin, *Empire's Workshop*, 79-85; Søndergaard, *Reagan, Congress, and Human Rights*, 47-82.

²⁴ See Eldon Kenworthy, *America/Américas: Myth in the Making of U.S. Policy Toward Latin America* (University Park, PA: Pennsylvania State University Press, 1995); Søndergaard, *Reagan, Congress, and Human Rights*, 1-82.

²⁵ Søndergaard, *Reagan, Congress, and Human Rights*, 65-72. One of the first to come around on the need to strategically incorporate human rights was NSC staffer Carnes Lord, who recommended rejecting social and economic rights, and recognising a narrow and flexible rights definition centred on civil rights and legal protections.

²⁶ Under Secretary of State Walter Stoessel assured a Foreign Affairs Subcommittee that this policy would be 'even-handed', as did an Elliott Abrams in a 27 October 1981 memorandum that circulated at the highest levels. ICJ, *Human Rights and U.S. Foreign Policy*, 35-37; Søndergaard, *Reagan, Congress, and Human Rights*, 65-68.

²⁷ ICJ, *Human Rights and U.S. Foreign Policy*, 35-37; Søndergaard, *Reagan, Congress, and Human Rights*, 65-68.

Building on Wolfowitz's prescriptions, then-insignificant staffer Elliott Abrams produced a memorandum in October 1981 that snowballed into formal U.S. human rights policy. Known as 'the Abrams memo', the document was published in the *New York Times* and gained traction as the administration's optimal alternative to Carter's human rights agenda. The document lamented that Congress was cognisant of the administration's lack of coherent or 'consistent' human rights policy, which, per Abrams, 'threaten[ed] to disrupt important policy initiatives'.²⁸ Congress, per Abrams, was the obstacle, and perception was the solution. Abrams insisted that the administration's 'human rights policy must be at the center of our response', and that '[o]verall foreign policy, based on a strong human rights policy, will be perceived as a positive force for freedom and decency'.²⁹ History reveals that the emphasis was on perception. With regard to rights-abusing regimes, Abrams suggested conceding to rights-minded factions:

A human rights policy means...hard choices which may adversely affect certain bilateral relations... [W]e will have to speak honestly about our friends' human rights violations and justify any decisions wherein other considerations (economic, military, etc.) are determinative. There is no escaping this without destroying credibility of our policy, or otherwise we would simply be coddling friends and criticizing foes.³⁰

Guatemala in the 1980s should have clearly qualified for such 'hard choices', but Abrams framed human rights in East-West Cold War dimensions, and the hierarchy of values he identified was topped by anticommunism. Abrams insisted that the U.S. needed 'a military response to the Soviets and to reassure our friends and allies' with 'an ideological response'; he expressed further a 'desire to demonstrate, by acting to defend liberty and identifying its enemies, that the difference between East and West is a crucial policy distinction of our times'.³¹ Subtly, the administration created the moral loophole that enabled continued support for anticommunist rights abusers consistent with the Kirkpatrick Doctrine. The document

²⁸ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 37; Elliot Abrams, 'Excerpts from State Department Memo on Human Rights', *New York Times*, 05 November 1981. See also: Barbara Crossette, 'Strong U.S. Human Rights Policy Urged in Memo Approved by Haig', *New York Times*, 05 November 1981; Søndergaard, *Reagan, Congress, and Human Rights*, 69-71.

²⁹ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 37; Abrams, 'Memo on Human Rights', *New York Times*, 05 November 1981. See also: Crossette, 'Strong U.S. Human Rights Policy'; Søndergaard, *Reagan, Congress, and Human Rights*, 69-71.

³⁰ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 37; 'Abrams, 'Memo on Human Rights'. See also Crossette, 'Strong U.S. Human Rights Policy'; Søndergaard, *Reagan, Congress, and Human Rights*, 69-71.

³¹ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 37; 'Abrams, 'Memo on Human Rights'. See also Crossette, 'Strong U.S. Human Rights Policy'; Søndergaard, *Reagan, Congress, and Human Rights*, 69-71.

identified an optics dilemma, and recommended reframing security initiatives as human rights issues; Abrams echoed the familiar Dullesist narrative: to fight communism was the primary way to promote human rights. The document's emphasis on perception, bipolarity, security, and right-wing allegiances, however, foreshadowed events to come. The memorandum catapulted Abrams' career; he quickly became the face of Reagan's human rights agenda, and he was nominated and approved to head the Bureau of Human Rights in November 1981.³²

The memorandum, and Abrams' subsequent nomination, has been generously considered by some scholars to be a turning point in the administration's commitment to human rights.³³ If there was a rights revolution or 'turnaround' in the administration,³⁴ however, it was semantic—the administration only pursued human rights under a working definition of human rights that they crafted to rationalise the anti-communist foreign policy initiatives. Anti-communism was conflated with democracy promotion, however insincere and/or inconsistent, to rationalise short-term collateral damage, and Reagan's human rights policy held steadfast to anti-communism and the Kirkpatrick Doctrine.³⁵

With Abrams at the helm, the Bureau produced the Reagan administration's first annual human rights report for 1981 in February 1982. Even-handedness predictably manifested in hostility towards the left. In assessing global policy, the document upheld bipolarity and took an aggressive defence of Latin American policy:

[T]he U.S. has taken the lead in opposing...the double standard applied to human rights violations...[T]he United States was particularly concerned that Latin American countries supportive of the West were being singled out for condemnation while equal or greater violations of human rights in Eastern Europe, the Soviet Union and Cuba went virtually unnoticed... We hope to move further in the coming year towards encouraging greater impartiality in evaluating human rights conditions in Latin America.³⁶

³² Don Oberdorfer, 'Panel Approves Abrams, Sees "Commitment" to Human Rights', *Washington Post*, 18 November 1981.

³³ Søndergaard, *Reagan, Congress, and Human Rights*, 69-71, 80.

³⁴ The 'turnaround' was coined by Tamar Jacoby, who argued that Reagan's human rights policy was successful once it purportedly began emulating the Carter administration's human rights policy. Tamar Jacoby, 'The Reagan Turnaround on Human Rights', *Foreign Affairs* 64, no. 5 (Summer 1986), 1066-1086.

³⁵ Forsythe, 'Human Rights in U.S. Foreign Policy', 437-439, 441-447; ICJ, *Human Rights and U.S. Foreign Policy*, 42-44, 47-49; Søndergaard, *Reagan, Congress, and Human Rights*, 47-55, passim; Velasco, *Neoconservatives*, 86-110.

³⁶ United States Department of State, Bureau of Human Rights and Humanitarian Affairs, *Country Reports on Human Rights Practices for 1981: Report Submitted to the Committee on Foreign Relations U.S. Senate and Committee on Foreign Affairs U.S. House of Representatives by the Department of State, February 1982*, 3,

Outlining future U.S. policy, the report claimed that ‘[a] consistent and serious policy for human rights in the world must counter the U.S.S.R....and bring about the Soviet bloc’s human rights violations to the attention of the world.’³⁷ The Bureau backed away from ‘hard choices’ with U.S. allies, noting that ‘policy is guided primarily by the criterion of effectiveness, choosing the response that is most likely to improve human rights’.³⁸ The criterion consistently manifested in the Kirkpatrick Doctrine and enabled the Reagan administration to rationalise aiding rights abusers under the auspices of quiet motivational diplomacy—this is precisely the approach the administration took with Guatemala. The Lawyers Committee for International Human Rights noted ‘strong political biases...which seem to reflect efforts to further various political objectives of the administration’.³⁹ The document’s comprehensiveness was appreciated by the international human rights community, but many remained sceptical that the administration would act on its findings across the political spectrum.⁴⁰ The Report’s contents on global rights conditions received mixed reviews, but it was criticised for inaccuracy in strategically important areas, especially Latin America.⁴¹

Reagan’s open application of the Kirkpatrick Doctrine in Guatemalan policy, and the legislative opposition it attracted, were a major part of the congressional wall the administration hit over human rights issues. The severity of counterinsurgency methods and human suffering in the Guatemalan civil war were irredeemable to international human rights organisations and rights-minded members of Congress. Reagan and the State Department had allied with Lucas, albeit at a distance, but in spite of abundant political violence. In accordance with the prescriptions of U.S. conservative groups that visited Guatemala during Reagan’s campaign, American envoys and diplomats in Guatemala identified congressional opposition as a shared hardship and obstacle that Reagan, the State Department, and the GOG had to navigate collectively.⁴² Due to ongoing human rights violations in Guatemala,

published by the *National Security Archive*, https://nsarchive.gwu.edu/sites/default/files/pdf/country-reports-department-of-state_feb-2-1981-guyana-pp-450-458.pdf, (accessed 16 July 2023).

³⁷ *Ibid.*, 9.

³⁸ *Ibid.*, 11.

³⁹ Lawyers Committee for International Human Rights, ‘An Evaluation of the State Department’s Country Reports on Human Rights Practices for 1981’, 28 April 1982. Also quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 39.

⁴⁰ ICJ, *Human Rights and U.S. Foreign Policy*, 39.

⁴¹ ICJ, *Human Rights and U.S. Foreign Policy*, 38-39.

⁴² Council on Hemispheric Affairs, Press Release, Thursday 17 July 1980, ‘Anticipated Reagan Policy Toward Latin America Would Force Re-Emergence of Congress as Chief Regional Policy Maker if Republican

however, Congress was steadfast in its opposition to any aid that exceeded the basic human needs criteria of 502(b),⁴³ and the administration was cautious not to push for substantial packages that might garner country-specific legislation that would further restrict Guatemala's eligibility for assistance. Lucas remained steadfast in carrying out his counterinsurgency campaign without the oversight or contingencies that accompanied U.S. assistance, which made Washington's decision not to push for large packages easier.⁴⁴ This was a far cry from the 'hard choices' suggested in the Abrams memo—this was the 'criterion of effectiveness', the Kirkpatrick Doctrine. The presence of Guatemalan oil, and the security value affixed to it, enhanced the zero sum, East-West dimensions of the situation. If the Reagan administration had transitioned from rejecting human rights to a period of human rights reform,⁴⁵ the reform was geared towards optics and perception management, doubling down on Cold War Dullesism to rebrand security-centred and generally interventionist foreign policy under the auspices of humanitarian rights promotion.

Congressional opposition aside, U.S. assistance still made its way to Guatemala in many forms. The Guatemalan military government retained contracts with several U.S. suppliers of military goods that were not terminated under the Carter administration, and the military still received collaborative third-party military assistance from Israel, Taiwan, Argentina and others.⁴⁶ International lending institutions where Washington held influential primacy

Candidate Elected: *Complete Inadequacy of 1930's Mentality Would Soon Become Apparent*, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Council on Hemispheric Affairs Press Conference, Questions and Answers, 30 October 1980, 'Controversial Reagan Campaign Links with Guatemalan Government and Private Sector Leaders', Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Allan Nairn, 'Controversial Reagan Campaign Links with Guatemalan Government and Private Sector Leaders', *Council on Hemispheric Affairs*, Research Memorandum, 30 October 1980, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Allan Nairn, 'Guatemala: The Region's Blue Chip Investment, Thanks to a Special Relationship Between the Ruling Elite and Multinationals', *Multinational Monitor* 2, no. 5 (May 1981), <https://www.multinationalmonitor.org/hyper/issues/1981/05/nairn.html>, (accessed 20 February 2021); Allan Nairn, 'Reagan Administration's Links to Guatemala's Terrorist Government', *Covert Action Quarterly* (Summer 1989), <http://www.hartford-hwp.com/archives/47/160.html>, (accessed 20 February 2021); Jenny Pearce, *Under the Eagle: U.S. Intervention in Central America and the Caribbean* (London: Latin American Bureau, 2nd ed. 1982), 170-181; Scott, 'Reagan, Foreign Money, and the Contra Deal', 111-112, 116-126, 135-136.

⁴³ Tanya Broder and Bernard D. Lambek, 'Military Aid to Guatemala: The Failure of Human Rights Legislation', *Yale Journal of International Law* 13, no. 1 (1988), 111-145.

⁴⁴ White House Situation Room, AmEmbassy Guatemala to SecState Wash DC, Subject: Meeting with President Lucas, Ref: Guatemala 1438, 11 March 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5].

⁴⁵ Søndergaard, *Reagan, Congress, and Human Rights*, 80.

⁴⁶ For an 'official' tally of aid received United States Government Accountability Office (GAO), *Military Sales: The United States Continuing Munition Supply Relationship with Guatemala*, (Washington, D.C.: GAO, January

continued, more or less, to bankroll Lucas' development initiatives, a considerable amount of which was misappropriated. An undetermined amount of humanitarian assistance for rural development projects received and implemented by the military GOG ended up in some form of military or quasi-military application.⁴⁷ The GOG received a not insignificant amount of capital during Reagan's first year in office, but it was nowhere near the desired figures nor the capital afforded to the proximal Salvadoran conflict—a conflict that the Reagan administration identified as an extension of Carter's nation-building efforts despite having pursued an altogether more brutal approach in practice.⁴⁸ It was not until the final months of Lucas' tenure leading up to the fraudulent 1982 elections that the Lucas regime's preference for sovereignty yielded to financial desperation—the Guatemalan President and his cabinet began to stress common ground and appeared willing to collaborate on the optics of the situation in early 1982.⁴⁹

Great Expectations but Much Ado About Nothing: Robert Parker and Texaco in Guatemala

Guatemala's hydrocarbon sector in the late 1970s and early 1980s can be characterised as a period of great expectations, with exploratory work and investment peaking between 1978

1986), herein cited as USGAO, *Military Sales*. For third party arms diplomacy, see Bishara Bahbah, *Israel and Latin America: The Military Connection* (London, UK: Palgrave MacMillan, 1986), 63, 71, 85-92, 144-148, 160-166, 184; Jane Hunter, *Israeli Foreign Policy: South Africa and Central America* (Boston: South End Press, 1987), 4, 13-14, 26, 52-53, 95-135, 151; Milton Jamail and Margo Gutierrez, *It's No Secret: Israel's Military Involvement in Central America* (Belmont, MA: Association of Arab-American University Graduates, 1986), *passim*; Aaron S. Klieman, *Israel's Global Reach: Arms Sales as Diplomacy* (New York: Pergamon-Brassey's, 1985), 42, 133-136, 169, 174; Stewart Reiser, *The Israeli Arms Industry: Foreign Policy, Arms Transfers, and Military Doctrine of a Small State*, 1st ed. (New York: Holmes & Meier, 1989), 211. See also: Grandin, *Empire's Workshop*, 113-115; Scott, 'Reagan, Foreign Money, and the Contra Deal', 110-148.

⁴⁷ USGAO, *Military Sales*. Various reports on the matter from the Inter-Hemispheric Education Resource Centre were published; see Tom Barry, *Guatemala: The Politics of Counterinsurgency* (Albuquerque, NM: Inter-Hemispheric Education Resource Center, 1986), 1-96; Tom Barry and Deb Preusch, *The Central American Fact Book* (New York: Grove Press, 1986), 224-250; Tom Barry and Deb Preusch, *The Soft War: The Uses & Abuses of U.S. Economic Aid in Central America* (New York: Grove Press, 1988), 107-138; Tom Barry, Beth Wood, and Deb Preusch, *Dollars & Dictators: A Guide to Central America* (Albuquerque, NM: The Resource Center, 1982), 3-110, 117-139. For comments on corruption, see Graham Hancock, *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*, (New York: Atlantic Monthly Press, 1989), 150-151, 172-175.

⁴⁸ Grandin, *Empire's Workshop*, 108. For a thorough examination of the Salvadoran conflict and the waves of assistance provided, see Teresa Whitfield, *Paying the Price: Ignacio Ellacuria and the Murdered Jesuits of El Salvador* (Philadelphia, PA: Temple University Press, 1994).

⁴⁹ For example, see White House Situation Room, Cable, AmEmbassy Guatemala to SecState WashDC, Subject: Guatemalan Post-Election Issues, 17 March 1982, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5]; herein cited as AmEmbassy to SecState, 17 March 1982; United States Department of State, Memorandum, L. Paul Bremer III to William P. Clark, The White House, Subject: President Reagan's Reply to Guatemalan President Lucas' Letters, 25 February 1982, Ronald Reagan Presidential Library, Box: Executive Secretariat, NSC: Head of State File: Records, 1981-1989, Box 14, Folder: Guatemala: President Lucas (8200683).

and 1982.⁵⁰ The investment requirements and precarious conditions for reimbursement outlined in 96-75 presented a barrier to entry for small oil companies,⁵¹ but these terms were more an unfortunate obstacle than a deterrent for medium and large-sized oil companies, which in turn formed consortiums and parcelled their concessions. A joint venture between Texaco and Amoco acquired a 487,000-acre concession just over 100 miles from Mexico's 'prolific' Reforma and Chac fields in Guatemala's remote Petén department,⁵² the initial successes and eventual failures of which defined the rise and fall of Guatemala's hydrocarbon potential for the international oil industry.

American wildcatter Robert Parker Sr. was a preeminent international figure in twentieth-century oil exploration. His company, Oklahoma-based Parker Drilling Co., was a technological trailblazer in the industry, and they became the most advanced exploratory drilling operation in the world over the latter half of the twentieth-century. Founded in 1934 in Louisiana by G. C. Parker, the company established its headquarters in Tulsa, Oklahoma, which had been the American oil industry's informal headquarters at the time, and the company quickly evolved from a struggling domestic enterprise into an international operation. Robert Parker acquired the company from his father in 1954, and under Robert's leadership the company rapidly expanded in unprecedented technological directions over the next half century. Parker Drilling Co. went public in 1969 and eventually relocated their

⁵⁰ Several figures represent the climax of activity at this time. Exploration activity peaked between 1978 and 1982; exploitation peaked in 1983. Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24, no. 47 (1999), 57-91; Luis Solano, *Guatemala petróleo y minería en las entrañas del poder* (Guatemala City: Inforpress Centroamericana, 2005), 43-76; United States Central Intelligence Agency, Petroleum Resources Branch. 'Memorandum. Guatemala: Assessment of Petroleum Potential. GI M 85-10258', 11 October 1985', 5-10, *Central Intelligence Agency Digital Reading Room*, <https://www.cia.gov/readingroom/document/cia-rdp85t01058r000405250001-0>, <https://www.cia.gov/readingroom/docs/CIA-RDP85T01058R000405250001-0.pdf>, (accessed 4 May 2021); World Bank, Hilda Harnack, *Republic of Guatemala: Preliminary Scoping Report of the Reconciliation of Mining and Hydrocarbon Sector Payments and Revenues* (Washington, DC: World Bank, 2011), <http://documents.worldbank.org/curated/en/820231468035449957/pdf/728170WP00PUBL0ENGLISH0110920final.pdf>, (accessed 19 February 2021).

⁵¹ See U.S. Congressman Charlie Wilson's concerns over barriers to entry for small and medium sized U.S. oil companies in Guatemala when making quid pro quo negotiations with the GOG that involved liberalising hydrocarbon legislation in exchange for aid restoration in July 1982. United States Embassy, Guatemala, Confidential Cable, AmEmbassy Guatemala to RUEHC/SecState WashDC, 27 July 1982, 'A Visit to Guatemala of Congressman Charlie Wilson', Document 4, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455353-Document-04-Visit-to-Guatemala-of-Congressman>, (accessed July 6 2018).

⁵² 'U.S. companies find oil in Guatemala', *UPI*, *UPI Archives*, 10 April 1981, available at: <https://www.upi.com/Archives/1981/04/10/US-companies-find-oil-in-Guatemala/5564355726800/>, (accessed 20 July 2018). Quoted material ('prolific') attributed to Texaco's President for Latin America and West Africa, Robert Bischoff. See also Warren Hodge, 'Texaco in Guatemala: A Low Key "Eureka"', *New York Times*, 08 May 1981.

headquarters from Tulsa to Houston, Texas, along with the rest of the oil industry. The company developed proprietary technologies throughout the latter half of the twentieth-century that enabled them to explore both previously unattainable depths and inaccessible locations, due to environmental and logistical constraints. In turn, private oil companies and state-led oil operations pursued Parker's technological prowess, and the company operated on both sides of the Cold War, often in areas of security value and conflict. Drilling in as many as forty-eight countries at a given time, Robert Parker navigated political and transnational power throughout his tenure.⁵³

Parker Drilling Co.'s innovative services were coveted throughout the world. They carried out work for major oil companies, including British Petroleum, Exxon, Shell, and Texaco. The company was also contracted by state-led ventures in the Soviet Union, China, Peru, and Venezuela, and they conducted security-based work for the U.S. government.⁵⁴ Specialising in land-based drilling, Parker built massive rigs with accordingly proportioned hydraulic pumps capable of drilling to what was then an unprecedented 20,000 feet.⁵⁵ The firm's technological abilities were tapped by the U.S. Atomic Energy Commission, at first to provide and operate drone rigs for atomic testing exercises at Amchitka in the Aleutian Islands, and then to drill at the Nevada Test Site outside Las Vegas when atomic testing was moved underground.⁵⁶ In addition, Parker developed cold weather drilling technologies in the 1970s and 1980s that put the firm at the forefront of arctic exploration; when arctic transportation became an issue, Parker purchased a portion of Alaska Airlines so as to transport equipment to Alaska's North Slope.⁵⁷ Given the firm's logistical reach, Parker

⁵³ Robert Parker Sr. was a personal friend to Dick Cheney, he worked directly with Reagan and his cabinet, and engaged with heads of state and Wall Street financiers with regular success. Parker Drilling Co. would later bring former CIA director and then-future Secretary of Defense Robert Gates onto its board of directors. Robert Parker Sr. remained chairman and CEO until his retirement in 2006, at which time his son, Robert Parker Jr., assumed leadership. See Parker, interviewed by Erling. See also Parker Drilling Company, 'United States Securities and Exchange Commission, Schedule 14-A: Robert Gates', 21 March 2002, https://investors.parkerdrilling.com/all-sec-filings/content/0000950129-02-001407/h95035def14a.txt?TB_iframe=true&height=auto&width=auto&preload=false, (accessed 1 September 2023).

⁵⁴ After Peru's 1964 expropriation of Exxon's operations within their borders, the leftist Peruvian government pursued and obtained Parker's operational expertise (with Exxon's blessing). Parker remained in Peru for nearly thirty years. See Parker, interviewed by Erling. For expropriations, see H. J. Maidenburg, 'Peru will repay seized companies', *New York Times*, 20 February 1974; Noel Maurer, 'Working Paper 11-097: Much Ado About Nothing: Expropriation and Compensation in Peru and Venezuela, 1968-1975', *Harvard Business School* (2011), 1-17.

⁵⁵ Parker, interviewed by Erling. Parker's 20,000' was unprecedented at the time, but drilling technology would be able to reach twice that depth by the twenty-first century.

⁵⁶ Ibid.

⁵⁷ Ibid.

conducted damage control for flaming wells in the Canadian arctic and China's Tarim Basin, after which the Chinese retained Parker's services for various Great Wall Drilling Co. activities. Over the course of these activities Parker mingled with Chairman Mao Zedong.⁵⁸ The company's cold weather technologies also enabled them to operate in previously inaccessible parts of the Soviet Union, which they did under the subsidiary Top Hands Arctic. Years later, Parker built and operated the world's most powerful land drill in Russia's Chayvo fields, and set the record for the longest extended-reach operation at seven miles into the ocean.⁵⁹ The company, it seemed, was immune to the Cold War and operated on all sides of the geopolitical spectrum.

After decades of untapped speculation, Parker Drilling Co. put one of Guatemala's prized concessions to the test when they conducted exploratory work on Texaco's Petén concession in the early 1980s. Texaco pursued Parker Drilling Co.'s exploratory drilling services for their portion of the concession because of Parker's logistical prowess and global preeminence as the world's remote drilling specialist. Accessing remote destinations suspected of containing oil had been historically hindered by geographic challenges and insufficient road networks, but Parker had developed and produced approximately thirty Transportable-by-Anything (TBA) 2,000 Helihost rigs that could be transported to such remote destinations by helicopter and assembled in the field.⁶⁰ These TBA rigs were needed to access Texaco's Guatemalan venture. Parker's reputation and commitment added to the enormous international optimism over Guatemala's hydrocarbon potential. with a 'low key "Eureka"' discovery early into 1981.⁶¹

⁵⁸ Ibid.

⁵⁹ Parker, interviewed by Erling. Parker's 230' Yastreb rig operated for Exxon Mobil in Russia's Chayvo fields into the twenty-first century. It was deemed the world's most powerful land drill, and set a record for the longest extended-reach operation, going 7 miles into the ocean. See Kristen Hays, 'Exxon Mobil breaks record with well off Russian island', *Houston Chronicle*, 07 February 2008.

⁶⁰ Hodge, 'Low Key "Eureka"'; Parker, interviewed by Erling. Parker's TBA rigs were made of steel. Some competing firms developed aluminum rigs that could be moved by helicopter, but they lacked structural integrity and failed in the field. As such, Parker's was the first functional rig that was transportable by helicopter. This information was received during a 1 January 2020 telephone conversation between the author and Parker Drilling Co.'s project manager in the Western Hemisphere, and eventual project manager in Guatemala, Ken Ledet. Herein cited as Conversation with Ledet, 1 January 2020.

⁶¹ Correspondence with Ledet; Hodge, 'Low Key "Eureka"'. See also: Amigos del País, 'Guatemala Newsletter' (Guatemala City: Guatemala, August 198), Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [4].

the Petén concession to create an airfield. One of Parker's TBA rigs was then brought by boat to Puerto Barrios and flown to the newly created airfield on Lockheed C-130 Hercules cargo planes.⁶⁷ The remote and 'pioneer undertaking' required 192 flights and a long-winded road construction project that greatly exceeded the GOG's initial \$12.6 million investment mandate for Texaco.⁶⁸ Rigs were transported and assembled, trailer style 'port-o-camps' were established for workers, and exploration was underway at Texaco's Xan field by the spring of 1981.⁶⁹

The startup was not without controversy. Although Texaco had invested heavily into the logistics, it appears they may have cheated on local labour. Anthropologist and progressive journalist Nancy Peckenham conducted fieldwork in Guatemala from January to June 1979, where and when she observed the mobilisation of Texaco's Guatemalan employees in the FTN. Employees organised in response to the purported harassment from Texaco management, and because Texaco's \$2 daily wage fell well short of the legal national wage of \$5.50 per day.⁷⁰ Ledet reports the company used rig workers made up of 'Guatemalans from Guatemala City', trained on site by a Parker Drilling Co. team who then returned to the U.S. once the Guatemalan teams were up and running. The Guatemalan crews were flown in from Guatemala City for two-week rotations, living in a port-o-camp community of approximately seventy workers.⁷¹ In an interview before his death in 2020, Ledet could not recall at what rate these Guatemalan workers were paid.⁷² Peckenham's observations on Texaco's exploitative practices in 1979-1980 coincide with the period when and where Texaco and Parker Drilling Co. were setting up operations, but it is not known whether these conditions carried over to Parker's stage of the operation. Had Parker Drilling Co. been directly complicit in exploitative labour practices in Guatemala, it would be of some significance given Robert Parker Sr.'s official role in the Reagan administration's energy policymaking circle.

⁶⁷ Conversation with Ledet, 1 January 2020.

⁶⁸ Warren Hoge describes the venture as a 'pioneering undertaking' due to the remoteness. Hodge, 'Low Key "Eureka"'. See also: 'U.S. companies find oil in Guatemala', *UPI, UPI Archives*, 10 April 1981, available at: <https://www.upi.com/Archives/1981/04/10/US-companies-find-oil-in-Guatemala/5564355726800/>, (accessed 20 July 2018).

⁶⁹ Hodge, 'Low Key "Eureka"'; 'U.S. oil companies find oil in Guatemala'. Ledet describes the temporary and transportable camps as 'port-o-camps'. See Conversation with Ledet, 1 January 2020.

⁷⁰ The harassing manager mentioned is identified one 'Mr. Koller'. See Nancy Peckenham, 'Land Settlement in the Petén', *Latin American Perspectives* 7 (no. 2 - 3, Spring/Summer 1980), 169, 175.

⁷¹ Conversation with Ledet, 1 January 2020; Hodge, 'Low Key "Eureka"'.

⁷² Conversation with Ledet, 1 January 2020.

Parker Drilling Co.'s initial exploratory work on Texaco's Petén concession was promising. The first Petén well, Xan-1, found heavy crude at about 7,500' in April 1981. The discovery generated a sensational response in the press and public circles, sustaining the hypothesis that Guatemalan reserves were geologically akin to Mexico's and that Guatemala was en route to becoming a global oil powerhouse. Warren Hodge of the *New York Times* referred to the discovery as a 'low key "Eureka"'.⁷³ Ledet capped the well and began exploratory work elsewhere on Texaco's Guatemalan holdings.⁷⁴ Following Xan-1's initial success, the Parker team produced a series of 'dry holes'. Disappointment officially set in the following year as Parker's role in Texaco's project concluded. Parker Drilling Co. had withdrawn from Guatemala by 1983, although Texaco stayed on until mid-decade.⁷⁵

Parker and Texaco's failure, coupled with other operations' unsuccessful ventures in Guatemala at the time, deflated the international optimism over Guatemala's hydrocarbon future. The CIA estimated that about \$750 million was invested in pursuit of Guatemalan oil between 1978 and 1984, but lamented that 'the failure to find significant deposits had...depressed oil company interest in Guatemala's potential'.⁷⁶ Interest in Guatemalan oil did not fade entirely, but the investment landscape shifted unfavourably. The logistical challenges to Guatemala's reserves persisted, and stabilising international oil prices restored Guatemalan oil's high commercial viability threshold. This was partially offset by the liberalisation of Guatemala's hydrocarbon legislation in 1983, which made investment more palatable to smaller and medium-sized oil companies. US intelligence documents from the 1980s upheld speculation that Guatemalan reserves were bountiful, but never to the extent that occurred in the 1970s and early 1980s. Oil companies continued to express interest and explore Guatemala's northern regions over the next few years, but with markedly less intensity. The Xan fields changed hands and ultimately yielded a small but steady flow, replacing Rubelsanto as Guatemala's primary production area over the course of the 1980s. Xan produces over 90 percent of Guatemala's petroleum at present, which isn't much, as Guatemala remains a net importer of oil.⁷⁷

⁷³ Hodge, 'Low Key "Eureka"'.
⁷⁴ Conversation with Ledet, 1 January 2020; Hodge, 'Low Key "Eureka"'; 'U.S. oil companies find oil in Guatemala'.

⁷⁵ Conversation with Ledet, 1 January 2020.

⁷⁶ CIA, 'Petroleum Potential', 5-9.

⁷⁷ United Nations Conference on Trade and Development (UNCTAD), 'Investment Policy Review: Guatemala', (New York: United Nations, 2011), 4-5, http://unctad.org/en/Docs/diaepcb201009_en.pdf, (accessed 29

A Matter of Risk: Texaco, OPIC, and Human Rights

Texaco sought to limit its exposure on their \$135 million Petén investment by applying for OPIC insurance on 18 December 1980.⁷⁸ The OPIC program was designed to promote American investments in friendly developing and/or low-income nations by providing insurance coverage for losses associated with political conflict.⁷⁹ The program identified four criteria of political risk: currency inconvertibility, expropriation, interference with operations, and ‘war, revolution, and insurrection’.⁸⁰ By the mid-1970s, OPIC drew criticism from progressive factions in Congress that labelled the program a welfare scheme for large corporations and a drain on domestic American employment opportunities. Congressman (and future Senator) Tom Harkin (D-Iowa) lamented that ten corporations absorbed 41 percent of all OPIC payouts between 1974 until 1976, including Getty Oil and Standard Oil of Indiana.⁸¹ Congressional contempt notwithstanding, OPIC was extended in 1977, and therein expanding coverage for mineral and energy initiatives as early as the exploration phase and on through production.⁸²

Texaco’s OPIC application was neither approved nor denied—the application idled until it was withdrawn the following year.⁸³ During that time, however, the application had larger domestic and bilateral political implications, stoking disdain for Guatemala’s nationalistic hydrocarbon legislation, and contributing towards Reagan’s OPIC eligibility expansion

November 2021). The Xan fields have been operated by the French firm Parengo since 2001, who now hold 98 percent of Guatemalan oil concessions. Rubelsanto, Chinaja, and Guatemala’s other production areas are operated by Empresa Petrolera del Itsmo (EPI), a subsidiary of MQuest International Inc., headquartered in Houston, Texas. See World Bank, ‘Scoping Report’; Pablo Velasco, ‘The Mineral Industry of Guatemala’, in *United States Geological Survey, Minerals Yearbook* (1994), 343-45.

⁷⁸ Overseas Private Investment Corporation (OPIC), ‘Response for FOIA Request 2016-00050: Overseas Private Investment Corporation (OPIC) Index of Numbered Board Resolutions, 2017’, 23 August 2017, https://www.governmentattic.org/26docs/OPICnumBdResolutions_2017.pdf, (accessed 18 August 2023). Multinational Monitor’s Global Newswatch identified the investment at \$135 million. See Global Newswatch, ‘Guatemala: Texaco Drops Request for OPIC Cover’, *Multinational Monitor* 3, no. 2 (February 1982), <https://multinationalmonitor.org/hyper/issues/1982/02/guatemala.html>, (accessed 8 August 2023), herein cited as GN, ‘Texaco Drops Request’.

⁷⁹ Barry and Preusch, *Central American Fact Book*, 44-51; Hasan Zakariya, ‘Political risk insurance in petroleum investment’, in: Nick Beredjick and Thomas Wälde (eds), *Petroleum Investment Policies in Developing Countries* (London: Graham and Trotman, 1988), 211.

⁸⁰ Zakariya, ‘Political risk insurance’, 211-212.

⁸¹ ‘Overseas Private Investment’, in *CQ Almanac 1977*, 33rd ed. (Washington, DC: Congressional Quarterly, 1978), 390-92.

⁸² Zakariya, ‘Political risk insurance’, 215.

⁸³ GN, ‘Texaco Drops Request’.

overhaul. Further, the application intersected with critical events in bilateral diplomacy, including clandestine arms diplomacy, and the administration's attempts to restore foreign assistance to the GOG in light of Guatemala's abysmal human rights conditions.

Just as Guatemala's human rights performance rendered them ineligible for U.S. military and economic assistance, so too were investments made by U.S. firms ineligible for OPIC coverage in Guatemala.⁸⁴ Neither the GOG nor the business community in Guatemala were disapproving of death squad violence at the time,⁸⁵ and the negative press and the revelations of rights advocacy organisations rendered Guatemala's rehabilitation unlikely.⁸⁶ It seems improbable, if not unimaginable, that a major oil company like Texaco did not fully comprehend OPIC's eligibility framework when they applied for coverage in Guatemala. What happened in 1980 that prompted Texaco to apply for a federal insurance program that their Guatemalan venture was ineligible for? It seems likely that the incoming oil-friendly Reagan administration instilled confidence that some form of accommodation could be reached for these and similar circumstances, and perhaps Parker's overlapping roles exacerbated said confidence. Reagan made known on the campaign trail that he sought to implement the Kirkpatrick Doctrine and normalise relations with right-wing regimes like the

⁸⁴ United States Department of State, Bureau of Human Rights and Humanitarian Affairs, Confidential Memorandum, Stephen Palmer to Elliot Abrams, 20 November 1981, 'Your Meeting with Ambassador Chapin, Monday, November 23, 1981 at 3:00 p.m. [Includes Attachments]', Document ID 1679121140, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, https://www.proquest.com/dnsa_gu/docview/1679121140/A2C331775AB24668PQ/21?accountid=13460, <https://www.proquest.com/government-official-publications/your-meeting-with-ambassador-chapin-monday/docview/1679121140/se-2?accountid=13460>, (accessed 4 May 2022), herein cited as Palmer to Abrams, 20 November 1981. See also: 'GN, 'Texaco Drops Request'; Charles F. Lipman, 'Overseas Private Investment Corporation: Current Authority and Programs', *North Carolina Journal of International Law* 5, no. 3 (Summer 1980), 337-362, esp. 343. For Abram's appointment date, see Oberdorfer, 'Panel Approves Abrams'; United States Department of State, 'Elliot Abrams (1948-)', <https://history.state.gov/departmenthistory/people/abrams-elliott>, (accessed 2 June 2023).

⁸⁵ Allan Nairn, 'Controversial Reagan Campaign Links with Guatemalan Government and Private Sector Leaders', *Council on Hemispheric Affairs*, Research Memorandum, 30 October 1980, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1]; Allan Nairn, 'Guatemala: The Region's Blue Chip Investment, Thanks to a Special Relationship Between the Ruling Elite and Multinationals', *Multinational Monitor* 2, no. 5 (May 1981), <https://www.multinationalmonitor.org/hyper/issues/1981/05/nairn.html>, (accessed 20 February 2021); Allan Nairn, 'Reagan Administration's Links to Guatemala's Terrorist Government', *Covert Action Quarterly* (Summer 1989), <http://www.hartford-hwp.com/archives/47/160.html>, (accessed 20 February 2021); Pearce, *Under the Eagle*, 170-181.

⁸⁶ For poor human rights conditions in Guatemala, see Amnesty International, *Amnesty International Report 1981* (London, Amnesty International Publications, 1981), 148-156; Amnesty International, *Guatemala: A Government Program of Political Murder* (London: Amnesty International Publications, 1981); Archdiocese of Guatemala, Human Rights Office (ODHAG), *Guatemala, Never Again! Recovery of Historical Memory Project (REMHI) - The Official Report of the Human Rights Office of the Archdiocese of Guatemala* (Maryknoll, N.Y: Orbis Books, 1999), 211-216, herein cited as *REMHI*.

GOG, and he followed through on his initial rejection of human rights once in office, having disbanded the Inter-Agency Committee and neglected, and then appointed loyalists to, the Bureau of Human Rights.⁸⁷ The State Department opportunistically tried throughout Reagan's first term to portray Guatemalan leadership as making or having made human rights 'improvements' so as to normalise aid relations, and the administration went on to arrange for Guatemala to receive clandestine, and eventually overt, forms of military and economic assistance, in spite of ongoing human rights violations.⁸⁸ If Texaco assumed that the incoming Reagan administration would seek to restore Guatemala's eligibility for OPIC, they were right. Texaco's OPIC application occurred less than one month before Reagan's inauguration, and it seems less likely that the major oil company failed to understand the terms of OPIC eligibility, and more likely that Texaco wished to try its luck with the incoming oil-and-dictator-friendly administration.

Texaco's motivations for OPIC coverage reveal much about regional affairs, bilateral relations and the Guatemalan investment climate. The terms of Guatemala's 1975 hydrocarbon legislation (96-75) did not guarantee reimbursement for ventures that failed to locate oil, but Texaco's 1980 application for OPIC coverage should not be misinterpreted as a lack of confidence in Guatemala's hydrocarbon potential. Hasan Zakariya, a former United Nations and OPEC petroleum law specialist, identifies two forms of petroleum investment risk: geologic and political; the confidence and optimism in Guatemala's hydrocarbon potential was sincere, rendering Texaco's risk anything but geologic.⁸⁹ The hypothetical need to seek reimbursement for expenses incurred in an unsuccessful yield appeared low risk when Texaco filed for coverage, as is evidenced by the pervasive industry and international

⁸⁷ The administration then pushed to restore aid to Argentina, Chile, Guatemala, and Uruguay. See American Association for the ICJ, *Human Rights and U.S. Foreign Policy*, 33-35. For Lefever's nomination hearings, see United States Senate, 'Nomination of Ernest W. Lefever', Hearings, Senate Committee on Foreign Relations, 97th Congress, 1st sess., 18-19 May and 4- 5 June 1981 (Washington, D.C.: GPO, 1981). For Lefever's appointment in the context of the administration's human rights commitments, or lack thereof, see ICJ, *Human Rights and U.S. Foreign Policy*, 33; Forsythe, 'Human Rights in U.S. Foreign Policy', 441-443. For Lefever's and Abrams' nominations in context, see Søndergaard, *Reagan, Congress, and Human Rights*, 47-82, esp. 59-64.

⁸⁸ ICJ, *Human Rights and U.S. Foreign Policy*, 22; USGAO, *Military Sales*, 2, 4, 35. See also: Broder and Lambek, 'Military Aid to Guatemala', 124-127. An active example of the State Department promoting the 'improvements' narrative can be observed in the testimony of Stephen Bosworth and Melvin Levitsky before a subcommittee hearing on an Inter-American Development Bank Loan to Guatemala in August 1982, which examined thoroughly in chapter five. See United States House of Representatives, *Inter-American Development Bank Loan to Guatemala: Hearing before the Subcommittee on International Development Institutions and Finance of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Ninety-Seventh Congress, Second Session. Thursday, August 5, 1982. Serial No. 97-80*, (Washington, D.C.: U.S. Government Printing Office, 1982).

⁸⁹ Zakariya, 'Political risk insurance', 205-209.

confidence and mounting investments in Guatemalan hydrocarbons at the time of Texaco's application.⁹⁰ That Texaco procured the most advanced and coveted exploratory firm in the world—Parker Drilling Co.—to explore their Petén concession is evidence alone of Texaco's optimism and commitment, let alone that they had to pay Parker up front. Moreover, even if Guatemala had been eligible for OPIC coverage, failing to find oil would not have fallen under OPIC's provisions, as the program was only designed to cover losses associated with political conflict.⁹¹ Solutions to a hypothetical dilemma in which Texaco and Parker failed to find oil would have required posthumous modifications to 96-75 that mediated geologic risk by establishing the GOG's reimbursement commitments. These modifications were made at the behest of U.S. actors over the course of Reagan's first term, but they were not made to accommodate Texaco's request. Texaco's losses, and those of other firms, were performative examples of risk that corporations and, intrinsically, Washington, wished to reduce for future oil investors. There is a third risk that Zakariya does not account for, and that is the risk of market conditions relative to commercial viability. Guatemala's logistically challenging reserves could be explored and extracted profitably only when oil prices were high, but the commercial viability of Guatemalan oil rose if and when oil prices stabilised. Guatemala's hydrocarbon legislation was structured in such a way that oil companies assumed such risk by adhering to strict timetables for drilling. They were forbidden from idling on concessions until market winds shifted once again in their favour. What was unreasonable to the international oil community was smart business for Guatemalans, provided interest in Guatemalan oil sustained its intensity.⁹²

⁹⁰ For optimism among the industry and transnational investment community, see Conversation with Ledet, 1 January 2020; Hodge, 'Low Key "Eureka"'; David G. Santry, 'Guatemalan oil fuels a stock runup', *Business Week*, 28 May 1979, hand-cut news clipping attached to correspondence from P. Fred Fox to Sir James Goldsmith, *Sir James Goldsmith Digital Archive*, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Guatemala_oil_fuels_stock_runup-24_05_1979.jpg (accessed 21 April 2021); Treaster, 'Guatemala Drills for Big Find'; 'Staff Working Paper No. 289: Petroleum and Gas in non-OPEC Developing Countries: 1976-1985', April 1978, 1-10, <https://documents1.worldbank.org/curated/en/610701468765884277/pdf/multi0page.pdf> (accessed 29 November 2021). For optimism at the state level, which continued into the mid-1980s, see CIA, 'Assessment of Petroleum Potential'.

⁹¹ For an assessment of OPIC coverage at the time, as debated in the House of Representatives, see United States House of Representatives, *Review of Activities of the Overseas Private Investment Corporation: Hearings before the Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs, House of Representatives, Ninety-Sixth Congress, 17 July 1979 and 07 February 1980, Serial No. 80-19424* (Washington, D.C.: U.S. Government Printing Office, 1980), passim, esp. 45-47 for oil, political conflict, and expropriation. Herein cited as U.S. House of Representatives, *Review of Activities of the Overseas Private Investment Corporation*. See also: Barry and Preusch, *Central American Fact Book*, 44-51; Lipman, 'Current Authority and Programs', 343. For eligibility criteria at the end of the Reagan administration, see Zakariya, 'Political risk insurance', 213-216.

⁹² For comments on commercial viability, see World Bank, 'non-OPEC', 1, 3, 10, 26.

The fears behind Texaco's pursuit of OPIC coverage were, in fact, associated with political conflict, and risk came from both sides of the Guatemalan civil war and the broader Central American theatre. The prospect of a leftist insurgent victory was considered plausible in some circles in 1980-1981, compounded with growing fears that the Salvadoran conflict could spill over into Guatemala in favour of the left.⁹³ An insurgent victory (or a democratically elected leftist government) carried the possibility for nationalisation and/or expropriation, which was one of the very scenarios for which the OPIC program was designed.⁹⁴ The most likely 'political risk' scenario originated within Guatemala's nationalistic Lucas García administration. In the vein of military developmentalism taking place elsewhere in Latin America, Lucas continued the GOG's commitment to large-scale infrastructure and development initiatives, a substantial number of which came to be associated with massacres, dislocation, repression and other human rights violations. At the same time that Parker was preparing to explore Texaco's Petén concession, Vernon Walters was negotiating to remove the restrictions placed on Basic Resources' operations by the Lucas administration.⁹⁵ By limiting Basic's output volume, the GOG was limiting the pace at which Basic could recoup expenses and begin to profit; pace was especially critical, as the window in which inflated market prices kept Guatemalan oil commercially viable was as precarious as the Guatemalan political landscape. Walters managed to attain favourable conditions on Basic's behalf,⁹⁶ although the experience exposed the risks associated with Guatemalan oil. They were indeed political, but at the time of Texaco's application they were not reimbursable under OPIC statutes.

⁹³ United States Central Intelligence Agency, Intelligence Assessment, 'Guatemala: Prospects for Political Moderation, An Intelligence Assessment', 1 August 1983, Document 15, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455364-Document-15-Guatemala-Prospects-for-Political>, (accessed 5 August 2020); United States Directorate of Intelligence, 'Guatemala: Prospects for Political Moderation, An Intelligence Assessment', August 1983, Ronald Reagan Presidential Library, Oliver L. North Files, Box 62, Stack B, Row 154, Compartment 1, Shelf 6, Folder: Guatemala - Oliver L. North, NSC Staff (3 of 3).

⁹⁴ Barry and Preusch, *Central American Fact Book*, 44-51.

⁹⁵ Vernon Walters, 'Vernon Walters, Landon Lecture, November 11, 1988', Landon Lecture Series on Public Issues, Kansas State University, 11 November 1988, <https://www.k-state.edu/landon/speakers/vernon-walters/transcript.html>, (accessed 20 April 2021). See also: Black, *Garrison Guatemala*, 117-118, 149; Global Newswatch, 'Basic Resources: Guatemala's Largest Oil Driller Defends Military Rule', *Multinational Monitor* 3, no. 2 (February 1982), <https://www.multinationalmonitor.org/hyper/issues/1982/02/guatemala-oil.html>, (accessed 3 November 2022); Solano, *Guatemala petróleo y minería*, 57-63.

⁹⁶ 'Guatemala: New agreement likely to boost oil production', *Latin News*, *Latin News Archive: Caribbean and Central America*, 19 September 1980, <https://www.latinnews.com/search.html?id=80&archive=10942>, (accessed 11 September 2023); Solano, *Guatemala petróleo y minería*, 57-63.

With Robert Parker at his side, the Reagan administration was oil-friendly on domestic and international fronts. The administration continued his predecessors' pursuit of non-OPEC petroleum opportunities abroad.⁹⁷ To those ends, Amigos del País began branding Guatemala as an ideal OPEC alternative in their company newsletter, which made its way to influential circles in Washington and the international financial community.⁹⁸ Reagan and Parker bolstered U.S. hydrocarbon investment in international markets by expanding OPIC eligibility for both participating nations and reimbursement criteria when the program was renewed in 1981.⁹⁹ According to OPIC's Reagan-appointed director, Craig Nalen, the OPIC program was regarded as 'one of Washington's best-kept secrets',¹⁰⁰ but the oil industry took advantage of the expanded eligibility criteria and about 25 percent of OPIC coverage was committed solely to petroleum ventures by 1983.¹⁰¹

Sections within OPIC's 1981 eligibility criteria expansion address the nature of Texaco's motivations for and compensation needs within the OPIC program. Moving forward, the OPIC reimbursement scheme was capped at 90 percent or \$100 million, and it covered 'tangible equipment, intangible drilling costs and overhead costs'.¹⁰² The program did not, however, extend to 'interest on exploration funds or investments which fail to produce commercial quantities of oil or gas'.¹⁰³ The OPIC criteria for 'war, revolution, and insurrection' was expanded to include 'acts of civil strife, terrorism and sabotage';¹⁰⁴ the

⁹⁷ Jarovslovsky, 'A Look at Reagan's Energy Policy'; Katz, 'US Energy Policy'; Martin, 'Reagan Aide Optimistic'; Parker, Bamberger, and Abbasi, *The Unfolding of the Reagan Energy Program*, 15-17; Reagan, 'Statement on Signing Executive Order 12287'. For continuity, see Council Foreign Relations, 'Oil Dependence and U.S. Foreign Policy, 1850-2022'. For energy policy in the broader economic context, see Jones, *Masters of the Universe*, 263-272.

⁹⁸ Amigos del País, 'Guatemala Newsletter'.

⁹⁹ United States Congress, *Public Law 96-75, Overseas Private Investment Corporation Amendments Act of 1981*, <https://www.congress.gov/bill/97th-congress/house-bill/3136/text>, (accessed 2 September 2023). Herein cited as *Public Law 96-75*; United States General Accounting Office, *Report to the Chairman, Foreign Relations Committee, United States Senate: The Overseas Private Investment Corporation: Its Role in Development and Trade*, United States General Accounting Office, 27 February 1981, <https://www.gao.gov/assets/id-81-21.pdf>, (accessed 15 June 2023), herein cited as USGAO, *Overseas Private Investment Corporation*. See also Clyde H. Farnsworth, 'Easing a Company's Risk Overseas', *New York Times*, 25 April 1982.

¹⁰⁰ Nalen himself had ties to the oil industry, having served as an executive with gasoline additive manufacturer STP Corporation. Farnsworth, 'Easing a Company's Risk Overseas'.

¹⁰¹ Quoted in Zakariya, 'Political risk insurance', 215. See also *Public Law 96-75*; USGAO, *The Overseas Private Investment Corporation*.

¹⁰² Zakariya, 'Political risk insurance', 215. See also: *Public Law 96-75*; USGAO, *The Overseas Private Investment Corporation*.

¹⁰³ Zakariya, 'Political risk insurance', 215. See also: *Public Law 96-75*; USGAO, *The Overseas Private Investment Corporation*.

¹⁰⁴ Zakariya, 'Political risk insurance', 212. See also: *Public Law 96-75*; USGAO, *The Overseas Private Investment Corporation*; U.S. House of Representatives, *Review of Activities of the Overseas Private Investment Corporation*.

‘civil strife’ extension covered ‘more limited forms of violence against U.S. business property’,¹⁰⁵ enabling companies to seek reimbursement for claims of lesser value, like broken windows, as opposed to buildings, vehicles, equipment and operations in and of themselves.¹⁰⁶ In addition, and specifically congruent with Texaco’s underlying motivations, OPIC’s expropriation criteria was expanded to include not only nationalisation and confiscation, but also ‘*creeping expropriation*’, which was defined as ‘a set of actions whose cumulative effect is to deprive investors of their fundamental rights in their investments’.¹⁰⁷ Had Basic Resources been an American company, and had Guatemalan investments been eligible for the OPIC program,¹⁰⁸ any losses Basic incurred due to the output restrictions placed on their wells by the GOG would have been appropriate for OPIC compensation as a form of ‘*creeping expropriation*’, especially given the arbitrary nature of Lucas’ imposition and the precarity of commercial viability in relation to market prices.¹⁰⁹ Texaco’s motivations for seeking OPIC coverage were rooted in Basic’s output dilemma—had Lucas or the GOG placed similar output restrictions on Texaco’s hypothetical yields, and had Guatemala’s human rights performance not obstructed eligibility, then Texaco’s risk would be greatly minimised, as would the risk of future and potential investors. It is not known if, and perhaps not even likely that, the addition of ‘*creeping expropriation*’ coverage was made specifically to accommodate Texaco per se. It is more likely, especially given Robert Parker’s agency in the creation and implementation of the administration’s early energy policies, that Texaco’s concerns highlighted specific deficits in the OPIC program that were addressed in OPIC’s 1981 expansion. Texaco’s needs were especially proximal because of the Parker connection.

Guatemala remained ineligible for OPIC eligibility due to human rights concerns, and the financial risk associated with Guatemalan hydrocarbon investment endured. Nearly one year after Texaco’s OPIC application in December 1980, the Bureau of Human Rights and Humanitarian Affairs advised OPIC against insuring the Guatemalan venture on 19 November 1981. Per the Bureau, Guatemala’s human rights record disqualified the project under articles 116(e) and 239(i) of the Foreign Assistance Act, and in the spirit of article

¹⁰⁵ Barry and Preusch, *Central American Fact Book*, 50.

¹⁰⁶ *Public Law 96-75*; USGAO, *The Overseas Private Investment Corporation...27 February 1981*; U.S. House of Representatives, *Review of Activities of the Overseas Private Investment Corporation*. See also Barry and Preusch, *Central American Fact Book*, 50.

¹⁰⁷ Zakariya, ‘Political risk insurance’, 212.

¹⁰⁸ U.S. House of Representatives, *Review of Activities of the Overseas Private Investment Corporation*; See also Barry and Preusch, *Central American Fact Book*, 44-51; Lipman, ‘Current Authority and Programs’, 343; Zakariya, ‘Political risk insurance’, 213-215.

¹⁰⁹ Zakariya, ‘Political risk insurance’, 212.

502(b). The Bureau, however, did not have the authority to reject the application, but only to recommend its denial based on existing statutes.¹¹⁰ In his research on hydrocarbon investment and political risk insurance, Hasan Zakariya acknowledged that OPIC ‘generally follows the advice of the State Department, with which it has a semi-official relationship’.¹¹¹ In this case, however, no immediate action was taken based on the Bureau’s recommendation, and the application continued to idle.

Just five days after the Bureau of Human Rights’ recommendation to reject Texaco’s OPIC bid, Elliot Abrams was appointed the Bureau’s Assistant Secretary of State on 23 November 1981.¹¹² The Bureau had been in precarious straits that year. The agency’s Assistant Secretary of State position had sat vacant for months and rumours circulated that the Bureau’s neglect was a tactical play to corrode it from the interior.¹¹³ Not so, however, and the Reagan administration seemed inclined towards Wolfowitz’s plan for the Bureau, namely to see the institution work in support of the administration’s agenda by contorting human rights reports and discourse. Under Abrams’ leadership, the Bureau’s function transformed from promoting human rights in policy, to assisting the administration’s foreign policy agenda, by navigating the optics of human rights violations carried out by right-wing allies, and by driving the American right’s new conservative human rights policy. Said policy was Manichean

¹¹⁰;GN, ‘Texaco Drops Request’; Palmer to Abrams, 20 November 1981. Section 502(b) of the Foreign Assistance Act dictates that ‘no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights’, wherein ‘security assistance’ was expanded to include ‘police, domestic intelligence, or similar law enforcement forces’, unless the President presents evidence of ‘extraordinary circumstances... warranting provision of such assistance’ to Congress. See United States House of Representatives, *Foreign Assistance Act of 1961, Public Law 87-195, September 4, 1961, Amended Through P.L. 116-6, February 15, 2019, 175-176*, available by USAID: <https://www.usaid.gov/sites/default/files/documents/1868/faa.pdf>, (accessed 3 November 2021). Human rights criteria existed as a recommendation to the executive that was often ignored until the Harkin Amendment to the Foreign Assistance Act mandated its enforcement in 1975. See United States House of Representatives, *U.S. Code Annotated, Title 22, Sections 2151n and 2304* (St. Paul, MN: West Publishing Co., 1990), in ‘1975 and 1978 Human Rights and Foreign Aid, The Congress of the United States’, in: R. H. Holden and E. Zolov (eds) *Latin America and the United States: A Documentary History* (Oxford: Oxford University Press), 281-283. Additional provisions in legislation appear in the International Financial Institutions Act (IFIA), the Arms Export Control Act of 1976, and others, prohibiting assistance to states known to be gross and consistent human rights violators, establishing criteria for the resumption of aid under this distinction, and requiring American members of multilateral institutions to vote against packages for states complicit in human rights abuses. See Amalia Bertoli, et al., ‘Human Rights... In the Soul of Our Foreign Policy’, *North American Congress on Latin America (NACLA)*, 25 September 2007, <https://nacla.org/article/human-rights-in-soul-our-foreign-policy>, (accessed 8 July 2021); Broder and Lambek, ‘Military Aid to Guatemala’, 111-114, 122-131; Lars Schoultz, *Human Rights and United States Policy Towards Latin America* (Princeton, NJ: Princeton University Press, 1981), 281-300; Kathryn Sikkink, *Mixed Signals: U.S. Human Rights Policy and Latin America* (Ithaca, NY: Cornell University Press, 2004), 69-70.

¹¹¹ Zakariya, ‘Political risk insurance’, 212-213.

¹¹² Oberdorfer, ‘Panel Approves Abrams’; U.S. Department of State, ‘Elliot Abrams (1948-)’.

¹¹³ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 34.

Dullesism-revived, rebranding American security-centred foreign policy initiatives as democracy-promoting human rights initiatives. The administration's consistent efforts to send material and fiscal support to rights-abusing anticommunist allies stayed true to the Kirkpatrick doctrine, rationalised as quiet carrot-stick motivational diplomacy in a broader fight against communism and supported by nefariously skewed reporting from Abrams and the Bureau.¹¹⁴

Elliot Abrams hit the ground running as head of the Bureau of Human Rights. On the same day of his appointment, Abrams met with the U.S. Ambassador to Guatemala, Frederic Chapin. Their meeting centred on the state of bilateral relations and desires to improve them, and the obstacles posed by Guatemala's ongoing human rights violations. The obstacles had less to do with improving human rights conditions and easing Guatemalan suffering, and more to do with the perception problem they posed at home.¹¹⁵ Such was the 'realistic human rights policy' proposed by Wolfowitz, which had called for the Bureau of Human Rights to manipulate human rights discourse to complement the administration's policy goals.¹¹⁶

Guatemalan oil was also on the agenda in the meeting between Abrams and Chapin. Abrams was briefed on Vernon Walters' public and private engagements, and of his progress with Lucas.¹¹⁷ The Bureau's new head took inventory of the intimacies of clandestine arms diplomacy taking place in Guatemala, and the complex relations and interests surrounding Guatemalan hydrocarbon development.¹¹⁸ Positive, and ideally collaborative, relations with the GOG were part of the Reagan administration's broader initiatives for Central American theatre, and Washington's support for Guatemalan development, or abstention from obstructing Guatemalan development at the very least, was essential to mending fences with Lucas, along with reductions in human rights critiques.¹¹⁹ The State Department prompted

¹¹⁴ Abrams, 'Memo on Human Rights'; ICJ, *Human Rights and U.S. Foreign Policy*, 37. See also: Crossette, 'Strong U.S. Human Rights Policy'. For a summary of Abrams and the conservative human rights policy, see Søndergaard, *Reagan, Congress, and Human Rights*, 69-71; Velasco, *Neoconservatives*, 86-110. For 'Dullesism', see Forsythe, 'Human Rights in U.S. Foreign Policy', 437-439, 441-447.

¹¹⁵ Palmer to Abrams, 20 November 1981.

¹¹⁶ Søndergaard, *Reagan, Congress, and Human Rights*, 65-72.

¹¹⁷ Palmer to Abrams, 20 November 1981.

¹¹⁸ Ibid.

¹¹⁹ Nairn, 'Controversial Reagan Campaign'; Nairn, 'Reagan Administration's Links to Guatemala's Terrorist Government'; Nairn, 'The Region's Blue Chip Investment'; U.S. Embassy, Argentina, 'My Talk with President Videla [Document no. 011311]'; U.S. Embassy, Argentina, 'My Talk with President Videla [Document no. 011312]'; U.S. Embassy, Argentina, 'My Talk with President-Elect Viola [Document 001335]'; U.S. Embassy, Argentina, 'My Talk with President-Elect Viola [Document 001336]'; U.S. Department of State, 'Talking Points for General Walters'; United States Secretary of State, Memorandum, SecState WashDC to AmEmbassy

Abrams to inquire about Chapin's assessment of Lucas' reactions to both the Bureau's recommendation to deny Texaco's OPIC bid, and Washington's abstention on a World Bank vote to secure additional funding for the GOG's Chixoy Dam project.¹²⁰ U.S. delegates would have been obligated to vote 'no' on World Bank funds in accordance with relative 502(b) criteria within the Foreign Assistance Act and the International Financial Institutions Act,¹²¹ so Washington's abstention was, ostensibly, a harm-reduction gesture of goodwill. The Bureau's recommendation to deny Texaco's OPIC bid, however, had potentially adverse ramifications, especially given Lucas' notoriously erratic disposition, and his obsession with energy and development projects.¹²² After the Abrams-Chapin meeting, no action was taken on the OPIC application by either the Bureau of Human Rights or OPIC itself. Texaco's OPIC bid was never formally denied—it idled until it was withdrawn by the company in December 1981.¹²³

There are three plausible explanations for Texaco's withdrawal, none of which are mutually exclusive. First, it is possible that Texaco was coming to the realisation that their Petén investment was not going to yield commercially viable oil. Ken Ledet recalled that the Parker team found only 'dry holes' after their 'low key "eureka"' discovery in early 1981, prior to pulling out of Guatemala in 1982-3.¹²⁴ If no oil was to be found, there would be nothing of value to dispute with the GOG or seek compensatory claims for in the first place. Parker was paid the handsome sum of \$18,000 per day for services rendered regardless of the outcome, and Texaco bore the brunt of Parker Drilling Co.'s disappointing yields.¹²⁵ Reimbursement for exploration costs was not guaranteed within Guatemala's hydrocarbon legislation at the time (96-75),¹²⁶ an unfortunate scenario for investors as Guatemala's hydrocarbon sector

Guatemala, Subject: Initiative on Guatemala Update, Encrypted date: 080119Z April 1981, Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [3 of 5]; AmEmbassy to SecState, 17 March 1982; White House Situation Room, AmEmbassy Guatemala to SecState Wash DC, Subject: Meeting with President Lucas, Ref: Guatemala 1438, 11 March 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5].

¹²⁰ Palmer to Abrams, 20 November 1981. See also: GN, 'Texaco Drops Request'.

¹²¹ U.S. House of Representatives, '1975 and 1978 Human Rights and Foreign Aid'.

¹²² Kading, 'The Guatemalan Military and the Economics of *La Violencia*', 62-74.

¹²³ GN, 'Texaco Drops Request'.

¹²⁴ Ledet recalled pulling out in 1982, the company's withdrawal appears to have lingered into 1983, and Texaco persisted beyond Parker's departure. Conversation with Ledet, 1 January 2020; Hodge, 'Low Key "Eureka"'; Global Newswatch, 'Texaco Ups Investment in Guatemala', *Multinational Monitor* 3, no. 9 (September 1982), <https://www.multinationalmonitor.org/hyper/issues/1982/09/texaco.html>, (accessed 11 September 2023).

¹²⁵ Conversation with Ledet, 1 January 2020.

¹²⁶ Hodge, 'Low Key "Eureka"'; Kading, 'The Economics of *la Violencia*', 66; Treaster, 'Guatemala Drills for Big Find'; World Bank, 'Scoping Report'.

increasingly failed to live up to its potential in the 1980s. Nor were Texaco's exploration expenses claimable within the OPIC program's eligibility criteria—they were simply commercial losses, the cost of doing business when risk fails to yield favourable results.¹²⁷

Another likely scenario behind Texaco's OPIC application withdrawal is that Texaco considered Guatemala's ineligibility for OPIC as an inevitable consequence of the ongoing human rights crisis in that country. Guatemalan state terror was rampant and expanding to the countryside in 1981, and rights-minded Democrats persisted in their outspoken criticism of the Lucas regime's humanitarian record. While the Bureau's recommendation to reject Texaco's OPIC application was not binding, representatives from Congressman Harkin's office insisted publicly that the application would be denied because of human rights conditions in Guatemala.¹²⁸ Voices on the American right and affiliated with the Reagan administration expressed a similar message, and they projected a renewed conservative commitment to human rights. Some members of the press were convinced the administration was committed to reform,¹²⁹ and human rights institutions were reportedly sceptical but open minded.¹³⁰ Elliot Abrams' appointment may not have been altogether reassuring; the publicised 'Abrams memo' recognised that poor human rights conditions prevented the administration from implementing its foreign policy initiatives abroad, but the document nonetheless called for a balanced conservative human rights paradigm that was open to criticising Washington's allies. Abrams argued that the administration's human rights commitment must make 'hard choices which may adversely affect certain bilateral relations', and that Washington would 'have to speak honestly about our friends' human rights violations and justify any decisions wherein other considerations (economic, military, etc.) are determinative'.¹³¹ The Reagan administration's insincerity on such matters—their lack of commitment to human rights, and their manipulative efforts to contort human rights discourse to conform to Dullesism—was observed by human rights activists and watchdogs, and more broadly within the international community over the course of the next eighteen months; the

¹²⁷ *Public Law 96-75*; USGAO, *The Overseas Private Investment Corporation*. See also: Barry and Preusch, *Central American Fact Book*, 44-51; Lipman, 'Current Authority and Programs', 343. For eligibility criteria at the end of the Reagan administration, see Zakariya, 'Political risk insurance', 213-216.

¹²⁸ GN, 'Texaco Drops Request'.

¹²⁹ Oberdorfer, 'Panel Approves Abrams'.

¹³⁰ The Bureau's first Human Rights Report in 1981 (for FY1980) was lauded for its comprehensiveness by the human rights community, but many were sceptical and noted bias. See ICJ, *Human Rights and U.S. Foreign Policy*, 39; Lawyers Committee for International Human Rights, 'An Evaluation'

¹³¹ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 37; 'Abrams, 'Memo on Human Rights'. See also Crossette, 'Strong U.S. Human Rights Policy'; Søndergaard, *Reagan, Congress, and Human Rights*, 69-71.

Bureau's shamelessly biased and inaccurate human rights reporting stoked criticism annually with the release of its human rights report.¹³² Few at the time could have predicted the extent to which the State Department would concertededly seek to reform and manipulate not only the GOG's human rights image and subsequent eligibility status for U.S. assistance,¹³³ nor could they have foreseen the manipulative transformation of human rights semantics and discourse at large to support the administration's foreign policy agenda. It is not unlikely that Texaco presumed Guatemala's OPIC ineligibility was inevitable and forthcoming, especially given the administration's human rights call to arms and Abrams' professed commitment to unbiased human rights pursuits.

An additional possibility for Texaco's OPIC application withdrawal is that it came at the request of the State Department or someone closely affiliated with the Reagan administration. Abrams and Parker made for able and appropriate conduits. If the application's rejection was imminent because of human rights conditions at that time, it stands to reason that the State Department would prefer a harm-reduction scenario in which the fledgling relationship with Lucas was not jeopardized by the rejection.¹³⁴ Texaco's withdrawal would have made for the least harmful scenario, for if Washington was required to deny the application due to human rights conditions, the denial would risk political backlash from nationalist factions in Guatemala.

Contradictions in the Energy-Security Nexus

While Parker Drilling Co. was getting started on Texaco's sensationalised Petén concession, Ronald Reagan campaigned for, won, awaited, and assumed the U.S. presidency. Reagan's energy platform on the campaign trail preached the doctrine of deregulation, calling to replace the Carter administration's conservation-centred energy policies with market-based reform.¹³⁵ Reagan ambitiously promoted increased domestic energy production in coal, nuclear, and oil, and energy officials entertained the possibility of reaching energy

¹³² ICJ, *Human Rights and U.S. Foreign Policy*, 39-42; Lawyers Committee for International Human Rights, 'An Evaluation'.

¹³³ For example, see the testimony of Stephen Bosworth and Mevlin Levitsky projecting the administration's official position that Ríos had made human rights improvements in Guatemala, during the GOG's escalating state terror that was later determined to be genocide. U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

¹³⁴ Palmer to Abrams, 20 November 1981.

¹³⁵ Martin, 'Reagan Aide Optimistic'; Parker, Bamberger, and Abbasi, *The Unfolding of the Reagan Energy Program*, 15-17; Reagan, 'Statement on Signing Executive Order 12287'; Jones, *Masters of the Universe*, 265.

independence by mid-decade. These plans included expanded oil access and drilling opportunities on public lands. Notwithstanding, American interest in foreign oil was not deterred, and the President continued in his predecessors' footsteps in pursuing non-OPEC petroleum sources in the wake of the oil crises.¹³⁶

Reagan needed to eliminate or neutralise obstacles in order to accomplish his energy objectives, and he targeted the Department of Energy (DOE) for dissolution on the campaign trail.¹³⁷ Once in office, Reagan sought to neutralise, if not cripple, an Environmental Protection Agency (EPA) that he identified as a stronghold for environmental radicalism.¹³⁸ Moreover, Reagan sought to reverse the function of the national Energy Policy Task Force, from an agency that upheld sustainable energy initiatives to an agency that enabled and promoted energy production. Much in the same way that Reagan was attempting to disarm U.S. human rights institutions at the time by appointing security-focused loyalists to diplomatic and administrative posts,¹³⁹ so too did the President stock environmental bureaucracies with industry insiders—would-be deregulators—so as to deliberately corrode these institutions from within.¹⁴⁰

Reagan appointed James Watt as Secretary of the Interior in 1981. Prior to Watt's appointment, he had a lengthy and intermittent career in environmentally-related public service, serving the interests of business and private property more so than the environment. At Reagan's request, Watt 'ran roughshod over environmentalists',¹⁴¹ promoting near-

¹³⁶ Asia's Energy Needs'; Edwards, 'The World Energy Situation and Its Implications for National Security'; Jarovslovsky, 'A Look at Reagan's Energy Policy'; Katz, 'US Energy Policy'; Martin, 'Reagan Aide Optimistic'; Parker, interviewed by Erling; Parker, Bamberger, and Abbasi, *The Unfolding of the Reagan Energy Program*, 15-17.

¹³⁷ For Reagan's attempts to dissolve the Department of Energy, see Jim Mietus, Jim Mietus to unknown recipient', Note, 26 March 1981, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box 21, Stack B, Row 135, Compartment 5, Shelves 6-7, Folder: Energy - NEPP III, 1981 (National Energy Policy Plan), March 1981. See also, Milton R. Copulos, 'Why Reagan Should Keep His Word and Shut Down the D.O.E.', *The Heritage Foundation Background*, no. 258, 30 March 1983. Scholars must exercise caution when abbreviating the Department of Energy as the 'DOE'/'D.O.E.' when discussing Reagan's interest in dissolving it, as Reagan also called to abolish the Department of Education! See Fred M. Hechinger, 'The Reagan Effect; the Department that Would Not Die', *New York Times*, 14 November 1982.

¹³⁸ The contempt and fear from environmentalists at the time was, of course, mutual. See Constance Holden, 'The Reagan Years: Environmentalists Tremble', *Science* 210, no. 4473 (28 November 1980), 988-991.

¹³⁹ Grandin, *Empire's Workshop*, 66-70; William M. LeoGrande, *Our Own Backyard: the United States in Central America, 1977-1992* (Chapel Hill: University of North Carolina Press, 1998), 54-56, 72-75, 197-199; Sikkink, *Mixed Signals*, 148-149.

¹⁴⁰ Reagan, 'Statement on Signing Executive Order 12287'. See also: Parker, Bamberger, and Abbasi, *The Unfolding of the Reagan Energy Program*, 15-17; Martin, 'Reagan Aide Optimistic'.

¹⁴¹ Quote attributed to Robert Parker Sr., in Parker, interviewed by Erling.

indiscriminate domestic drilling on public lands and carrying out Reagan's instructions to the word.¹⁴² Just as Reagan's attempts to disregard human rights and implement the Kirkpatrick Doctrine abroad were obstructed by domestic opposition, so too did domestic opposition to Reagan's environmental policies become obstructive, and calls for Watt's opposition came not only from environmentalists, but newspapers of record like the *Los Angeles Times*.¹⁴³ The press reported that Watt resigned in 1983 on his own accord in response to public backlash, and that Reagan 'reluctantly' accepted his resignation.¹⁴⁴ Robert Parker Sr., however, disclosed years later that it was Reagan who apologetically requested Watt's resignation—Parker claims to have been in the room when it happened.¹⁴⁵ Watt appears to have taken the fall for Reagan's early domestic energy initiatives.¹⁴⁶

The Reagan administration stocked cabinet positions with loyalists, and there was no better candidate for hydrocarbon policy insights than Robert Parker Sr. Given Parker's unparalleled global expertise in oil, Reagan personally requested Parker join the administration in Washington as the Secretary of Energy. Stipulations of Parker's potential employment was that he would have to sell Parker Drilling Co., and that he would not be able to place the company in trust. Parker did not wish to part ways with his operation, and so he declined Reagan's initial offer.¹⁴⁷ Reagan persisted, enticing Parker to assist his administration's second choice for Secretary of Energy, James Edwards, via weekly visits to Washington. Reagan swiftly appointed Robert Parker Sr. chair of the administration's Energy Policy Task Force by February 1981, a convenient loophole as the position placed Parker in the highest echelons of security and policy formation, but the post did not require Parker to part with his company.¹⁴⁸ Parker was also included in the National Petroleum Council (NPC), an advisory committee to the Secretary of Energy comprised of oilmen, one-third of whom hailed from Texas.¹⁴⁹ Through his roles in Washington, Parker participated in high-clearance cabinet

¹⁴² Richard J. Ellis, *Presidential Lightning Rods: The Politics of Blame Avoidance* (Lawrence, KS: University of Kansas Press, 2021), 33-47; Bill Prochnau and Valarie Thomas, 'The Watt Controversy', *Washington Post*, 30 June 1981, <https://www.washingtonpost.com/archive/politics/1981/06/30/the-watt-controversy/d591699b-3bc2-46d2-9059-fb5d2513c3da/>, (accessed 2 September 2022).

¹⁴³ Prochnau and Thomas, 'The Watt Controversy'.

¹⁴⁴ Steven R. Weisman, 'Watt quotes post; President accepts with "reluctance"', *New York Times*, 10 October 1983.

¹⁴⁵ Parker, interviewed by Erling.

¹⁴⁶ Ellis, *Presidential Lightning Rods*, 33-47.

¹⁴⁷ Parker, interviewed by Erling.

¹⁴⁸ Parker, interviewed by Erling.

¹⁴⁹ United States Department of Energy, Department of Energy News, 'New Members Named to National Petroleum Council', U.S. Department of Energy, Office of Public Affairs, Washington, D.C., 29 April 1982,

meetings and held the president's ear on all things oil-related. Through Parker, Reagan had a finger on the pulse of Guatemalan oil— from the pervasive optimism over Guatemala's hydrocarbon future when Reagan took office, through Parker's dry holes that followed in 1981, to Parker's withdrawal in 1982/3, and the precarity of corporate compensation and reimbursement throughout the ordeal.¹⁵⁰

One of Parker's functions as Energy Policy Task Force Chair was to assist in Reagan's objective to revitalise domestic oil production. Independent oil producers 'contributed heavily to Republican campaigns in 1980', and they expected their champions, present administration included, to return the favour.¹⁵¹ True to his word, Reagan removed domestic price controls on oil in January 1981, much to the delight of U.S. oilmen.¹⁵² Whether gratitude or repaying the favour, the administration received \$270,000 from oilmen through a series of private fundraisers to redecorate the White House that were held during Reagan's first 120 days in office. The top two unidentified donors were from Texas and Oklahoma.¹⁵³

Robert Parker was given the task of procuring financial backing from New York-based lenders for domestic oil companies in need of capital, and he successfully facilitated amicable funding opportunities early on.¹⁵⁴ Domestic drilling hit a lull in 1982, and Reagan's willingness to subject independent American oil companies to a windfall profits tax that year caused an uproar within the domestic American industry and among their representatives, including Democratic Congressman Charles 'Charlie' Wilson of Texas.¹⁵⁵ Independent oil

Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box H23, Stack B, Row 135, Compartment 5, Shelves 6-7, Folder: Energy-National Petroleum Council.

¹⁵⁰ Parker, interviewed by Erling.

¹⁵¹ White House Memorandum, Elizabeth H. Dole, 'Meeting File - 7/8/8: Meeting with Independent Oil Producers', 9 July 1981, Ronald Reagan Presidential Library, Elizabeth Dole Files, Series I, Subseries File, Box 118, Stack B, Row 144, Compartment 10, Shelf 7, Folder: Meeting w/Oil Leaders 7-9-1981.

¹⁵² Reagan, 'Statement on Signing Executive Order 12287'. See also: Parker, Bamberger, and Abbasi, *The Unfolding of the Reagan Energy Program*, 15-17; Martin, 'Reagan Aide Optimistic About U.S. Oil Potential'.

¹⁵³ Associated Press, "Reagan Aide Sought Funds From Oilmen," *New York Times*, March 26, 1981.

¹⁵⁴ Parker, interviewed by Erling.

¹⁵⁵ Associated Press (AP), 'Proposed Crude Tax 'Laughable'', *Reporter News*, 8 May 1982; Richard Fly, 'Cutback on oil tax break foiled', *Dallas Times Herald*, 23 July 1982; Jim Landers, 'Tax Appeal: Oil state lawmakers urge Reagan not to try to revive windfall levy', *Dallas Morning News*, 10 November 1982, Found in Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982 Continued; Kathy Lewis, 'Hance, 12 other Texans ask Reagan not to appeal windfall profits tax ruling', *Houston Post*, 11 November 1982, in Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982 Continued; 'Reagan Urged to Let Windfall Profits Tax Die', *Valley Morning Star*, 10 November 1982, Found in Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982 Continued; Cindy Skrzycki, 'Hance, others ask Reagan to let oil-profits tax die', *Star-Telegram*, 10 November 1982, Found in Charles

companies forced to look for opportunities outside the United States could be comforted by new oil-friendly OPIC incentives. Mexican oil was a state-led venture and thus off-limits to foreign investment, making Guatemala the closest southerly destination for U.S. oil companies looking abroad for alternative opportunities. The May 1979 issue of *Smart Money* described Guatemala's oil potential along the Mexican border as 'the closest thing to a pure play on the Mexican oil fields'.¹⁵⁶

Parker's Energy Policy Task Force was the central hub of Reagan's early energy policy formation. The Task Force consisted of twenty-one participants under Parker, many of whom were corporate energy executives. Members included Conoco chairman Ralph Bailey, American Petroleum Institute President Charles DiBona, Independent Petroleum Association of America President C. John Miller, Shell President John F. Bookout, and Standard Oil of California President Harold J. Haynes. In these roles, Parker and his colleagues were not required to relinquish their seemingly conflicting investment interests—quite the contrary, their industry perspectives and influence were embraced, at least at the administrative level.¹⁵⁷ Environmental activists and consumer groups took issue with the Task Force's industry-centred composition, and both the House Energy and Commerce Subcommittee and the General Accounting Office found the Task Force's lack of diversity in violation of the Federal Advisory Committee Act, calling on James Edwards to restructure the Task Force by mid-March 1981.¹⁵⁸ The damage, however, had already been done; the Energy Department Organization Act required the President to produce a biannual energy policy plan, and Reagan's Task Force left its mark on the administration's energy disposition with the rollout of National Energy Plan III (NEP III) in May of 1981.¹⁵⁹

National Energy Plan III called for the reversal of prior energy policies and for a renewed commitment to market-based reforms. Whereas preceding administrations pursued conservation, reductions in foreign consumption, and energy independence, NEP III

Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982 Continued.

¹⁵⁶ Santry, 'Guatemalan oil fuels a stock runup'.

¹⁵⁷ Martin, 'Reagan Aide Optimistic About U.S. Oil Potential'; Peterson, 'New York Assemblyman'.

¹⁵⁸ Edward Roby, 'A new National Energy Plan expected to depart from...', *UPI: UPI Archives*, 11 June 1981, <https://www.upi.com/Archives/1981/06/11/A-new-National-Energy-Plan-expected-to-depart-from/8664361080000/ph>, (accessed 13 May 2022); Ed Roby, 'Committee demands Energy Task Force reorganization', *UPI: UPI Archives*, 09 May 1981, <https://www.upi.com/Archives/1981/05/09/Committee-demands-Energy-Task-Force-reorganization/1351358228800/>, (accessed 13 May 2022).

¹⁵⁹ The Carter administration had produced National energy Plans I and II. Roby, 'A new National Energy Plan'.

prescribed increased domestic production and decreased regulation. A significant philosophical departure from state intervention towards a market-centred approach and state inaction, NEP III called for abstention from energy planning, even in emergency situations, placing the nation's energy future in the hands of market forces.¹⁶⁰ Any reductions in foreign oil imports would be the consequence of increased domestic production, but not the result of deliberate state-level planning. The market would purportedly decide, or so the rhetoric went.

The Energy Policy Task Force's National Energy Plan III, and Reagan's professed free market absolutism, had a philosophically incompatible and contradictory relationship with foreign policy and U.S. national security. The Plan sought to conceptually divorce energy from national security, and to relegate energy as strictly a market issue free of government intervention. Such divestment, however, was philosophically inconsistent with the prevailing U.S. security paradigm since the dawn of the Cold War, as well as national strategies to break free from America's dependence on foreign oil. Such a potential divestment threatened the intrinsic relationship between the United States government and the oil industry, and it would have left the American military, which ran on foreign oil and other critical resources, quite vulnerable.¹⁶¹ Luckily for the aforementioned affected parties, free market doctrine was fluid and so ripe with contradiction that it was ostensibly meaningless—market freedoms may have been at the heart of both the Reagan administration's economic and foreign policy rhetoric and the very definition of democracy to which Reagan subscribed, but neither Reagan (nor his successors or predecessors) had qualms about state interventionism, be it economic or military, to promote favourable economic conditions.¹⁶² Welcomed market interventions and distortions in the foreign policy sphere included the imposition of favourable business climates through liberalisations, structural adjustments, coercion and leverage, regime change, economic and development aid, and corporate welfare programs

¹⁶⁰ Parker, Bamberger, and Abbasi, *The Unfolding of the Reagan Energy Program*, 1-17; Martin, 'Reagan Aide Optimistic'.

¹⁶¹ Edwards, 'The World Energy Situation and Its Implications for National Security'; United States Institute for Defense Analyses, Program Analysis Division, Dr. Wendy Gramm, 'Memorandum for the Record, Subject: Strategic and Critical Materials for Defense Needs - Executive Summary', 15 October, 1981, Arlington, VA, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series II: Natural Resources, Subseries B: Strategic Minerals, Box H72, Stack B, Row 135, Compartment 6, Shelf 6-7.

¹⁶² For comments on the prevailing interpretations of democracy in the Reagan camp, see Carothers, 'The Reagan Years: The 1980s', 90-122. For Reagan's version of democracy in practice, see 'Unclassified: Central America/Mexico – Overview, 16, May 1983', Ronald Reagan Presidential Library Digital Library Collections, Morton Blackwell Files, Box 54, Central America – IV Folder (1 of 4), https://www.reaganlibrary.gov/public/digitallibrary/smf/publicliaison/blackwell/box-054/40_047_7009056_054_015_2017.pdf, (accessed 2 July 2022).

like OPIC or the Caribbean Basin Initiative. Moreover, and at the most basic level, the Reagan administration rallied interchangeably between anticommunism and democracy promotion as the moral rationale for U.S. military interventionism, and the White House more or less defined ‘democracy’ as status quo elections and U.S.-oriented markets, the sum of which can be broken down, simply, as interventionism to sustain or impose U.S.-oriented markets. Often the administration used ‘free’ and ‘open’ markets interchangeably; the former was hardly the goal if and when a given state’s self-determined course strayed from U.S. and/or Western orientation, but the latter was the goal—open to foreign, namely U.S., investment.

The security regime in Washington quickly reined in the free market daydreams of the Energy Policy Task Force. Critical resource market hegemony pulled rank as paramount to U.S. security, and, on the domestic front, American politicians acknowledged they would have had a challenging time getting re-elected should they be found guilty of creating further hardships at the pump. The oil crises of the 1970s exposed global vulnerabilities to the OPEC cartel’s potential power, and not only did Washington wish to diversify its oil imports so as to break OPEC dependency, but the U.S. also sought to diversify the imports of other countries within its sphere of influence, a goal more in line with ensuring hegemony and stability than it was altruistic.¹⁶³ Coinciding with the release of NEP III, James Baker of the DOE, speaking, quite literally (as titled) on ‘The World Energy Situation and Its Implications for National Security, Before the Senate Armed Services Committee’ in March 1981, called upon policymakers to ‘give considerable attention to the efforts of oil importing developing countries to reduce their oil imports and encourage supply diversification’, noting that ‘[t]he private sector should take the lead in this effort’ because ‘industry has the necessary technology and capital’, but that Washington would play a role in the process.¹⁶⁴

The Reagan administration’s formal trade policy was even less absolute about market prescriptions, embracing market distortions for the sake of open markets. Reagan’s Trade

¹⁶³ ‘Asia’s Energy Needs’; Edwards; ‘The World Energy Situation and Its Implications for National Security’; National Security Council, Memorandum, Sven Kraemer to National Security Strategy Group, Subject: US Strategy – GOP Platform, 11 February 1982’, Ronald Reagan Presidential Library, Christopher C. Shoemaker Files, RAC Box 2 (Box 1), Stack B, Row 1511, Compartment 8, Shelf 1, Folder: NSSD 1-82 [Review of U.S. National Security] (1 of 2), herein cited as Kraemer to NSC, 11 February 1982; White House Staffing Memorandum, Subject: Energy Information Administration Monthly Executive Report (16 August 1982), 3 September 1982, Ronald Reagan Presidential Library, Elizabeth Dole Files, Series I, Subseries File, Box 25, Stack B, Row 144, Compartment 9, Shelf 2, Folder: Energy 1982 (2 of 2); World Bank, ‘non-OPEC’.

¹⁶⁴ Edwards, ‘The World Energy Situation and Its Implications for National Security’.

Representative and future Secretary of Labor Bill Brock articulated Washington's compromised position in July 1981:

One of the principal requirements of a strong U.S. economy is the maintenance of open markets both at home and abroad... Adoption and implementation of this comprehensive trade policy approach for the 1980s will strengthen U.S. economic performance and our competitiveness in world markets. To fully succeed in this area, we will need to muster a strong national determination, a will to persevere and prevail, and a commitment to rely on competition and free markets. The government can help create an environment conducive to efficient and profitable production.¹⁶⁵

The White House recognised the fundamental, 'close cooperative' nature of the relationship between the government and private energy sector, and noted that private sector advisory committees like the NPC had 'become a fundamental element to [the] trade policy process'.¹⁶⁶ This is not surprising given that the U.S. military ran on imported critical resources, and their procurement was a matter of national security. An October 1981 executive report from the Institute for Defense Analyses informed Reagan and its readers that 'the DoD [was] directly dependent on private industry for most of its requirements for processed materials...and therefore indirectly dependent on stable sources of raw material supply.'¹⁶⁷ In the absence of an American state oil enterprise, the U.S. military—and U.S. national security with it—was dependent on the private sector for the procurement and distribution of critical resources, rendering the health and interests of the private critical resource sector intrinsically linked to U.S. national interest.

The National Security Council was less concerned with open markets than it was critical resource hegemony. When drafting National Security Strategy for 1982, council members recycled much of the 1980 Republican platform that had been 'personally approved' by Reagan at the time.¹⁶⁸ The Security Council identified the need 'to maintain a strong economy and protect our overseas sources of energy and other vital raw materials'.¹⁶⁹ The

¹⁶⁵ William E. Brock, Office of the U. S. Trade Representative, 'Statement on U.S. Trade Policy', Opening Statement of Ambassador William E. Brock, United States Trade Representative, Before a Joint Oversight Hearing of the Senate Committee on Finance and The Senate Committee on Banking, Housing, and Urban Affairs, on U.S. Trade Policy', 08 July 1981, Ronald Reagan Presidential Library, Danny J. Boggs Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box 18, Stack B, Row 135, Compartment 5, Shelf 6, Folder: Energy-Foreign Investment (4 of 8).

¹⁶⁶ Ibid.

¹⁶⁷ Edwards, 'The World Energy Situation and Its Implications for National Security'; U.S. Institute for Defense Analysis, 'Strategic and Critical Materials for Defense Needs'.

¹⁶⁸ Kraemer to NSC, 11 February 1982.

¹⁶⁹ Ibid.

authors cautioned that ‘[t]he entire Western world faces complex and multi-dimensional threats to its access to energy and raw material resources’,¹⁷⁰ and lamented that about half of the domestic petroleum used in the United States was imported. The Council recognised the military required critical resources, including foreign oil, to function, and with it ‘[t]he security of America’s foreign sources of energy and raw material supply [could] no longer be ignored’.¹⁷¹ Their proposal was not particularly laissez faire, as it called for ‘the harmonization of economic policy with...defense and foreign policy’ to reduce ‘reliance on uncertain foreign sources and assur[e] access to foreign energy and raw materials’.¹⁷²

Energy became a central feature in U.S. foreign policy planning, and any illusions that global energy resources should be left to the gods of the marketplace were struggling for legitimacy by 1982. The Security Council lamented that the preceding year’s NEP III was too market-driven, and the Council drafted studies accordingly concerning ‘specific national security and foreign policy concerns’ related to the global energy market, and ‘the potential threats...and ramifications of foreign oil supply disruptions and military actions’ that ‘could raise significant questions as to the appropriate direction of domestic policy’.¹⁷³ Even Democrats asked Reagan to incorporate energy into foreign policy—Senator Henry Jackson (D-WA), who had been a central figure in implementing Carter’s energy legacy, spoke on the Senate floor and called upon Reagan through personal correspondence that year ‘to finally recognize the strategic importance of energy supplies and to start treating technologies and end-products related to them accordingly’.¹⁷⁴

A middle ground between energy and security-centered agendas was tentatively reached when George Schultz replaced Alexander Haig as Secretary of State in July 1982. The Security Council was optimistic that Schultz would incorporate energy concerns into foreign policy given his vocational history. The Reagan administration’s free market energy stance

¹⁷⁰ Ibid.

¹⁷¹ Ibid.

¹⁷² Ibid.

¹⁷³ White House Correspondence, Unknown Sender to Danny J. Boggs, Personal note with attachments, ‘DJB: This is what you asked for earlier this morning. AB gave NM the whole file.’, 20 April 1982, Attached documents: White House Memorandum, Danny J. Boggs to Roger Porter, 30 March 1982; White House Memorandum, Roger B. Porter to Michael O. Wheeler, Subject: Proposed National Security Study Directive, 30 March 1982, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box H23, Stack B, Row 135, Compartment 5, Shelves 6-7, Folder: Energy-National Security Study Directive (NSSD).

¹⁷⁴ Henry M. Jackson, U.S. Senate, to U.S. President Ronald Reagan, Letter, 8 March 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 46, Folder: BE003-11 (Petroleum Industry) (060000-075999). Herein cited as Jackson to Reagan, 8 March 1982.

yielded that summer to a tempered ‘reliance on market forces supplemented by government action when broader Western economic and security concerns are threatened’,¹⁷⁵ which was at first glance a palatable compromise in security circles that identified zero-sum threats where any and all critical resources existed. With Schultz on board, the Reagan administration’s energy disposition would purportedly be ‘determined by weighing two important administration objectives: allowing market forces to work and national security’.¹⁷⁶

Energy was increasingly incorporated into foreign policy creation as Reagan’s Cold War grew hotter. In an East-West context, the administration was proactive in seeking to reduce and/or prevent European reliance on Soviet energy resources throughout the 1980s, and in opposing Soviet pipelines for such purposes, although the pathology of U.S. Cold War aggression was such that policymakers insisted this was a form of defensive containment.¹⁷⁷ In addition, advocates for market hegemony shaped diversification-driven policy, for not only did Washington wish to diversify its oil imports so as to break free from OPEC reliance, but the U.S. also sought to diversify the oil imports of allied developing countries within the U.S. sphere of influence.¹⁷⁸ There was one thumb to be under, and that was Washington’s. The Security Council wished to ensure that energy was enshrined as a security concern across the board, and Council members grumbled at the President’s inconsistency on the subject.¹⁷⁹ The possible threat of oil supply interruptions for the US and its allies continued to impact US foreign and energy policies throughout Reagan’s presidential tenure. The White House Domestic and Economic Policy Councils eventually abandoned the pipe dream of American energy independence, and DOE studies concluded by 1987 that the US would be importing more than half of its oil by the mid-1990s. It was recognized at the time that such circumstances would limit Washington’s foreign policy abilities,¹⁸⁰ but in fact such circumstances came to shape them.

¹⁷⁵ National Security Council, Memorandum, William F. Martin to Robert C. McFarlane, Subject: President’s Views on Domestic and International Energy Issues, 9 July 1982, Ronald Reagan Presidential Library, Norman A. Bailey Files, RAC Box 6, Stack B, Row 15, Compartment 2, Shelf 6, Folder: Energy, July-August 1982.

¹⁷⁶ Ibid.

¹⁷⁷ United States Department of State, Correspondence, Powell A. Moore, Assistant Secretary for Congressional Relations, to Henry M. Jackson, United States Senate, 30 March 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 46, Folder: BE003-11 (Petroleum Industry) (060000-075999).

¹⁷⁸ Edwards, ‘The World Energy Situation and Its Implications for National Security’.

¹⁷⁹ National Security Council, Memorandum, William F. Martin to William P. Clark, Subject: Weekly Report, 1 October 1982, Ronald Reagan Presidential Library, Norman Bailey Files, RAC Box 7, Stack B, Row 151, Compartment 2, Shelf 6, Folder: Oil and Gas Policy September-October 1982.

¹⁸⁰ White House Memorandum, Domestic Policy Council and Economic Policy Council to Ronald Reagan, Subject: Energy Security, 28 April 1987, Ronald Reagan Presidential Library, Dan L. Crippen Files, Office of

Divesting energy from security was incompatible with zero-sum security philosophy, and Cold War strategists maintained that preventing the loss of critical resources from Washington's sphere of influence, and/or the Soviet acquisition of critical resources into theirs, was central to national security.¹⁸¹ Regarding Latin America and the Caribbean, Louis Tambs argued before Congress in 1981 that 'the Caribbean rim and basin [was] a petroleum focal point', not only for the oil itself but for its cross-continental trafficking.¹⁸² Oil from Alaska, and offshore and international sources to the West, made its way to refineries and markets in the Gulf and along the east coast by way of the Panama Canal. Guatemala was especially valuable, not only for its hydrocarbon potential at the time, zero-sum or otherwise, but also because the lesser-known prospect of an alternate cross-isthmus canal, Intermares, had been proposed and lobbied.¹⁸³ Haig, prior to his departure, identified Guatemala as 'the next target on his infamous Soviet "hit list", "because of its size, population and raw materials, oil included"'.¹⁸⁴ In zero sum terms, aiding the GOG's repression of insurgent forces was fundamentally part of containing and rolling back what the administration identified as Soviet-Cuban incursions into the isthmus, and to Haig, 'Central America was simply the latest Soviet challenge'.¹⁸⁵ To these ends, Guatemala's collaborative potential within the Central American theatre motivated the Reagan administration's goodwill towards

the Chief of Staff, Box 5, Stack B, Row 106, Compartment 1, Shelf 6, Folder: Energy Security (2 of 2). Domestic/Energy to Reagan, 28 April 1987.

¹⁸¹ See for example, Frank Aker, 'The Third World War and Central America: U.S. Strategic and Security Considerations in the Caribbean Basin', Paper, Ronald Reagan Presidential Library Digital Library Collections, Box 44, Central America – VI (1 of 3), https://www.reaganlibrary.gov/public/digitallibrary/smf/publicliaison/blackwell/box-055/40_047_7009056_055_007_2017.pdf (accessed 22 June 2022); Louis A. Tambs, 'Guatemala, Central America, and the Caribbean: A Geopolitical Glance', Prepared for the United States House of Representatives Sub-Committee on Inter-American Affairs, 30 July 1981, Signed copy from Tambs to Richard Allen ('To Dick, with best wishes, from Louis'), then forwarded through Sally Sherman to Roger Fontaine on 26 August (To Roger Fontaine, Mr. Allen forwards Professor Tamb's testimony for your info./interest, Sally Sherman'), Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [3], herein cited as Tambs, 'A Geopolitical Glance'.

¹⁸² Tambs, 'A Geopolitical Glance'.

¹⁸³ F. E. Mosier, Standard Oil Company of Ohio (SOHIO), to Fernando Gallo Zelaya, Letter, 5 November 1976, Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [3 of 5]; United States Department of Energy, Secretary of Energy, Memorandum, James B. Edwards to Richard Allen, Special assistant to the President, 9 November 1981, Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [3 of 5]; National Security Council, Memorandum, John E. Treat to Richard V. Allen, Subject: Trans-Guatemala Pipeline: Meeting with Peter Hannaford, 7 April 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [3 of 5].

¹⁸⁴ Black, *Garrison Guatemala*, 149.

¹⁸⁵ William M. LeoGrande, *Our Own Backyard: the United States in Central America, 1977-1992* (Chapel Hill: University of North Carolina Press, 1998), 72-75.

the regime,¹⁸⁶ and hydrocarbon cooperation was important to sustaining positive relations for both nations. In a broader context, should the Guatemalan insurgency have been victorious over, or have greatly destabilised, the Lucas administration—a fleeting prospect early into Reagan’s first years in office, but a prospect nonetheless—then Guatemala’s critical resource wealth, whether abundant or moderate, would have been potentially lost to the Soviet-Cuban sphere. It was not so much the prospect of an insurgent victory over the Guatemalan regime, than it was the possibility of insurgent spillover from the neighbouring Salvadoran conflict into Guatemala, that worried planners in Washington; U.S. intelligence circles assessed that the precarity of the Guatemalan political landscape was more contingent upon the stability of the regime itself than on ability of the guerrillas to overtake them.¹⁸⁷ The increasingly desperate Lucas regime’s lifeline was the forthcoming Guatemalan hydrocarbon revolution,¹⁸⁸ and in the context of the Central American theatre, Guatemalan oil had multidimensional value.

The most historiographically undervalued element of U.S. interest in Central America in the late 1970s and early 1980s is that of Guatemalan oil. In eagerness to reduce the Reagan administration’s regional engagements to hawkish and protean adventurism, scholars have failed to account for the political economy of national interest, namely the sincere optimism and interest in Guatemala’s hydrocarbon potential within the U.S. government.¹⁸⁹ The international sensationalism over Guatemala’s hydrocarbon wealth peaked in the late 1970s and early 1980s, and did not begin to wane until Parker’s withdrawal from Guatemala in

¹⁸⁶ United States Central Intelligence Agency, Secret Analysis, ‘Guatemala: Reluctant Central American Partner’, 23 November 1984, Document ID 1679109836, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, <https://www.proquest.com/docview/1679109836>, <https://www.proquest.com/government-official-publications/guatemala-reluctant-central-american-partner/docview/1679109836/se-2?accountid=13460>, (accessed 2 July 2022); United States Central Intelligence Agency, Directorate of Intelligence, Secret Analysis, ‘Guatemala: Central American Policy and U.S. Relations’, 14 May 1984, Document ID 1679121861, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, <https://www.proquest.com/docview/1679121861>, <https://www.proquest.com/government-official-publications/guatemala-central-american-policy-u-s-relations/docview/1679121861/se-2?accountid=13460>, (accessed 2 July 2022).

¹⁸⁷ CIA, *Prospects for Political Moderation*, 6; U.S. Directorate of Intelligence, *Prospects for Political Moderation*, 6.

¹⁸⁸ Council on Hemispheric Affairs, Press Release, Thursday 4 September 1980, ‘Villigran Resignation Underlines Rising Tide of Human Rights Violations in Guatemala, Now the Hemisphere’s Most Violent Nation, Vice President Cites Violence, Repression in his Withdrawal Letter and at COHA Press Conference’, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1].

¹⁸⁹ Black, *Garrison Guatemala*, 5, 117-118, 149, quoted material on 149. See also: CIA, ‘Assessment of Petroleum Potential’; Hodge, ‘Low Key “Eureka”’; World Bank, ‘non-OPEC’, 3, 10;

1982-3.¹⁹⁰ All signs indicated that Guatemala was on the brink of becoming an oil-exporting powerhouse. This did not take place, but that fate should not detract from the sincerity of the presumption. Guatemala's hydrocarbon future was consequently and categorically a security issue, along with Washington's participation in it, and the Soviet Union's exclusion per zero-sum doctrine. Parker might not have seen it that way, and Reagan might have been reluctant to, but influential voices in the State Department and the Security Council certainly did. It would be an exercise in naivety to presume that Guatemala, purportedly on the brink of becoming a hydrocarbon powerhouse, did not occupy a considerable portion of U.S. national interest at the time, as it had throughout the century.

Washington's Limited Commitment to Democracy in Guatemala

The Reagan administration was in the infant stages of transforming its foreign policy rhetoric from a total rejection of human rights in early 1981, to promoting and supporting democracy by 1982. This was hardly an altruistic pivot to incorporate human rights into foreign policy, but rather a tactical one in which the White House coopted human rights discourse to suit pre-existing policy ambitions. The outlook within American security circles and behind closed doors remained entrenched in the Kirkpatrick Doctrine when it concerned aiding rights-abusing anticommunist regimes, quite literally rehashing the 1980 Republican Party platform on foreign policy issues. The National Security Council was even less eager to embrace the charade, and more than willing to forgo democracy promotion altogether by February 1982. Regarding aid and human rights, the Security Council's Strategy Group insisted that

[t]he principal considerations for aid recipients should be whether or not extending assistance to a nation or group of nations will advance America's interests and objectives. The single-minded attempt to force acceptance of U.S. values and standards of democracy has undermined several friendly nations and made possible the advance of Soviet interests.¹⁹¹

The Strategy Group contended further that '[d]ecisions to provide military assistance should be made on the basis of U.S. foreign policy objectives', because 'assistance to any nation need not imply complete approval of a regime's domestic policy'.¹⁹² Such hardline hawkish Realpolitik failed to account for congressional opposition, as cozying to rights abusers ran the

¹⁹⁰ CIA, 'Assessment of Petroleum Potential'.

¹⁹¹ Kraemer to NSC, 11 February 1982.

¹⁹² Ibid.

risk of triggering country-specific legislation, and, moreover, embracing rights-abusing pariahs like Lucas had the propensity to draw congressional scrutiny towards the Reagan administration's regional ambitions altogether.

The Lucas regime's counterinsurgency measures drew the ire of Congress and international human rights organisations throughout Reagan's first year in office. Despite the administration's olive branches and accompanying requests to improve the optics of the human rights crisis in Guatemala (as opposed to the human rights conditions themselves), Lucas was steadfast both in maintaining the GOG's crusade, and in rejecting Washington's critiques over human rights and any stipulations in that realm. That all changed as the Guatemalan economy fell into dire straits over the winter of 1981-1982, at which time Lucas appeared both vulnerable and malleable when he began exchanging letters directly with Reagan over a period of several months.¹⁹³ Their correspondence reveals that the financially desperate Guatemalan President appeared willing to collaborate on the optics of the human rights crisis in early 1982, but the human rights framework Lucas had warmed to was that of the Reagan White House and not the international human rights community.¹⁹⁴

There was much common ground between the two leaders. Reagan's correspondence to Lucas expressed gratitude for the Guatemalan leader's efforts to suppress the insurgency. Reagan lamented congressional obstacles to normalising relations with the regime, and he provided Lucas with a list of ideas that the GOG could adopt so as to improve the regime's image in Washington.¹⁹⁵ Lucas touted his anticommunist credentials and the regime's accomplishments in suppressing the insurgency, and he complained that his regime had been misunderstood. He also appealed for aid. Lucas professed a commitment not to human rights per se, but to the Reagan administration's human rights framework, which was something Reagan could get behind—democracy (in the form of superficial elections) and capitalism. Lucas concurred with Reagan that 'in the current situation in the world and, particularly, in

¹⁹³ Lucas had also gone begging to the IMF, who extended '\$110 million to stabilize currency reserves' provided Guatemala adopt austerity measures in the form of social expenditure cuts. For the economy in shambles and Lucas' desperation, see Black, *Garrison Guatemala*, 117-119.

¹⁹⁴ White House Situation Room, Cable, AmEmbassy Guatemala to SecState WashDC, Subject: Guatemalan Post-Election Issues, 17 March 1982, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5].

¹⁹⁵ Ronald Reagan to His Excellency General Fernando Romeo Lucas Garcia, President of the Republic of Guatemala, Letter (draft), Undated between most recent correspondence on 13 February 1982 and March 7 elections, Ronald Reagan Presidential Library, Box: Executive Secretariat, NSC: Head of State File: Records, 1981-1989, Box 14, Folder: Guatemala: President Lucas (8200683).

Central America, the exclusion of the Marxist-Leninist influence...must be a primary objective', but he lamented that his efforts were 'undermined by certain provisions adopted by organs of the United States government' that 'impaired the effectiveness of the Guatemalan forces'.¹⁹⁶ Lucas was on board with Reagan's new human rights framework, but human rights provisions in foreign assistance legislation still prevented Reagan from bankrolling Lucas' anticommunist state terror (in the name of democracy).

In the course of their correspondence, Lucas informed Reagan that he had 'initiated a pacification program to encourage insurgents to lay down their arms and to place themselves under the protection of the government'.¹⁹⁷ The pacification program he was referring to was the foundation for the model village scheme that Argentine human rights activist and Nobel laureate Adolfo Pérez Esquivel decried as 'concentration camps' in the Guatemalan countryside.¹⁹⁸ As state-led violence shifted from urban to rural towards the end of Lucas' presidential tenure, the Guatemalan military implemented a series of pacification strategies in the Ixil Triangle that became the template for the military's pacification programs in the coming years, the sum of which amounted to genocide.¹⁹⁹

Lucas' letters to Reagan expressed approval and gratitude over the favourable reporting Guatemala had received from the Bureau of Human Rights under Elliot Abrams' leadership. The Bureau had reported that the GOG made progress towards human rights 'improvements', which was nothing short of fiction. Under Reagan and Abrams' new rights framework, Lucas insisted that Guatemala's 'commitment to human rights [was] absolute and...will not change',

¹⁹⁶ United States Department of State, Executive Secretariat, L. Paul Bremer, III, Executive Secretary, Department of State, to William P. Clark, National Security Council, 15 January 1982, Reference: Correspondence From President Lucas To President Reagan, Subject: Relations with the U.S., Attachment: F. Romeo Lucas G. to His Excellency Ronald Reagan, President of the United States of America, 15 January 1982, Translated by Department of State, Division of Language Services, Ronald Reagan Presidential Library, Box: Executive Secretariat, NSC: Head of State File: Records, 1981-1989, Box 14, Folder: Guatemala: President Lucas (8200683).

¹⁹⁷ Fernando Romeo Lucas Garcia to Ronald Reagan, Translation on Gray and Company letterhead and delivered by Robert Keith Gray, 13 February 1982, Ronald Reagan Presidential Library, Box: Executive Secretariat, NSC: Head of State File: Records, 1981-1989, Box 14, Folder: Guatemala: President Lucas (8200683). Herein cited as Lucas to Reagan, 13 February 1982.

¹⁹⁸ Adolfo Pérez Esquivel, 'Peace and Justice in Central and Latin America', *Ava Helen Pauling Peace Lecture, Oregon State University, Corvallis, OR, 28 October 1987*, 32:00, [video and transcript],

<http://scarc.library.oregonstate.edu/events/1987esquivel/video-esquivel.html> (accessed 18 December 2020).

Also mentioned in Jean-Marie Simon, *Guatemala: Eternal Spring, Eternal Tyranny* (New York: W.W. Norton, 1998), 235; David Stoll, *Between Two Armies in the Ixil Towns of Guatemala* (New York: Colombia University Press, 1993), 156.

¹⁹⁹ Barry and Preusch, *Politics of Counterinsurgency*, 26-31.

and he reminded Reagan that Guatemala was holding upcoming elections.²⁰⁰ The White House valued the regime's anticommunist crusade, but the only redeemable quality the Lucas regime could offer in the way of human rights optics was the prospect of forthcoming elections. The electoral process was, after all, a fundamental piece of Reagan's conservative human rights agenda, but the March 1982 elections were rigged toward Lucas' chosen successor, General Ángel Aníbal Guevara, a scenario Washington was well aware of prior to the election.²⁰¹ Just as Reagan's commitment to human rights was more of the same, so too was Lucas'.

Candidate Guevara would have carried the torch of military leadership and developmentalism into the 1980s. His proposed energy platform was quite similar to Lucas', which is not surprising. Guevara pledged to 'support the development of new industries that [were] related to the energy crisis' and to 'promote the exploitation of crude oil'.²⁰² Guevara planned on sustaining Lucas' push for energy independence by completing the costly hydro projects both planned and in progress, and by promoting 'intensive' hydrocarbon exploration on public lands. Like Lucas, however, Guevara was not willing to completely open Guatemala's hydrocarbon veins to foreign capital, which nationalists within the military were pleased to hear. Guevara vowed to exploit existing oil operations 'in a rational manner', and he insisted that it would be 'irresponsible to make excessive oil extractions that make technically impossible its recuperation from the subsoil, endangering its adequate use for the development of our country'.²⁰³ Keeping with Lucas' vision, Guevara expressed a desire to build refineries and develop a domestic petrochemical sector for independence and export.²⁰⁴ It sounded very much like more of the same, which was precisely what Lucas intended.

²⁰⁰ Lucas to Reagan, 13 February 1982

²⁰¹ U.S. Department of State, Bureau of Intelligence and Research, 'Current Analysis Series, Inter-American Highlights, 25 February 1982', Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [4], herein cited as U.S. State Department, 'Inter-American Highlights, 25 February 1982'; 'Regional Report (full context of report not disclosed), Confidential, 2 February 1982, 3. Guatemala Elections Outlook', Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [5], herein cited as 'Regional Report, 2 February 1982'.

²⁰² General Anibal Guevara Rodriguez, 'The Road to Peace, Well-Being and Progress for All Guatemalans, General Anibal Guevara Rodriguez, Candidate for Presidency of the Republic, Frente Democrático Popular (Democratic Popular Front), Guatemala, October 1982', Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3, Folder: 'Guatemala '82 Elections 2/2 (2 of 2). Herein cited as Guevara, 'Road to Peace'.

²⁰³ Ibid.

²⁰⁴ Ibid.

Election fraud was on the horizon and Washington was well aware. The Embassy, the State Department, and U.S. intelligence circles recognized that the prospect of election fraud went hand in hand with the prospect for unrest and military intervention and further violence.²⁰⁵ Intelligence reports in Washington quoted Lucas as having ‘told his closest advisors that he will resort to fraud in avoiding the transfer of power to two of the opposition candidates’.²⁰⁶ Chapin stressed repeatedly to the Lucas government that election fraud ‘would play into the hands of the Marxist insurgents and make it very difficult to obtain USG Congressional [sic] support for security assistance’.²⁰⁷ Guatemala’s business class was not enchanted by the prospect of further military governance, but they were willing to live with Guevara for stability’s sake.²⁰⁸

The elections came and went as predicted on 7 March 1982. Guevara was declared a victor, and opposition candidates and observers predictably cried fraud. The White House sought to gauge the optics of the situation and queried Ambassador Frederick Chapin as to the extent of the fraud, the quality of the evidence, and of the Ambassador’s opinion as to how other governments would react.²⁰⁹ Observations of fraud came from opposition candidates, and high members of the Guatemalan counterinsurgency apparatus reported through backchannels that the Guatemalan army’s high command collaborated with Guatemalan state telephone company GUATEL to sway the election. GUATEL played a function in processing election results, and purportedly postponed and then falsified results received from rural voting areas so as to project Guevara as the victor. Intelligence gathering suggested that National Opposition Union party candidate Alejandro Moldonado Aguirre was ‘the probable winner’, followed by Movimiento de Liberación Nacional (MLN) party candidate Mario Sandoval Alarcón, and then Guevara trailing third.²¹⁰ This was confirmed by Venezuelan Ambassador

²⁰⁵ U.S. State Department, ‘Inter-American Highlights, 25 February 1982’.

²⁰⁶ U.S. State Department, ‘Inter-American Highlights, 25 February 1982’.

²⁰⁷ United States Secretary of State, Memorandum, Alexander M. Haig, Jr. to the President, Subject: Guatemalan Elections, 13 March 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [4], Also found in Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [4 of 5].

²⁰⁸ U.S. State Department, ‘Inter-American Highlights, 25 February 1982’.

²⁰⁹ White House Situation Room, To AmEmbassy Guatemala, Subject: U.S. Reaction to Guatemala Elections, no date provided, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 Elections.

²¹⁰ The National Opposition Party was a coalition between the National Renovation Party and the Christian Democratic Party. See Executive Secretariat, Bureau of Intelligence and Research, Current Reports, 9 March 1982, 1. Guatemalan Election, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 Elections.

to the Organization of American States (OAS), Hilarion Cardozo, who relayed to American contacts that Maldonado had won with 26 percent of the vote, Sandoval having received 25 percent, and Guevara 24 percent. Cordozo urged Washington on behalf of the Venezuelan government to pick a winner so as to keep the Guatemalan military from intervening.²¹¹ The centrepiece of Reagan's newfound human rights commitment was democracy promotion, but the White House, well aware of the compromised election, nonetheless swiftly moved to celebrate Guevara's fraudulent victory.²¹²

Powerful figures in Guatemala looked to Washington for solidarity in the weeks leading up to the election. Colonel Hector Israel Montalván, Lucas' Chief of Staff 'and probably the second-most powerful man in Guatemala', met with Ambassador Frederick Chapin on 11 March 1982 and claimed that the regime had 'now seen the light and believe[d] that USG support, cooperation, and friendship [were] essential for survival'.²¹³ Chapin expressed concerns over election fraud, not because Washington was unhappy with the results, but because internationally condemned fraud would make it difficult to normalize relations with the regime.²¹⁴ It was less a matter of integrity than it was a matter of optics.

Following widespread allegations of fraud, a junta led by two junior officers and one Efraín Ríos Montt ousted Lucas via golpe on 23 March 1982. The majority of senior officers were unaware the coup was coming, and they neither consented nor supported it at first. Lucas initially intended to resist the coup, and troops were en route to put the small rebellion down, but Lucas was forced to resign in duress—U.S. military intelligence confirmed that Lucas was taken to an underground tunnel where his sister and ninety year-old mother had been taken hostage, 'his sister cradling his mother's head in her lap while a soldier held a rifle to their heads', at which time he abdicated his position.²¹⁵

²¹¹ Natalie [unknown] to Roger [Fontaine], Telephone Message, Re: Phonecall from Jose Lopez, Venezuelan Mission to the OAS, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [4].

²¹² United States Department of State, Memorandum, L. Paul Bremer III to William P. Clark, The White House, Subject: Congratulations from President Reagan to the Winner of the Guatemalan Presidential Election, 15 March 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [3].

²¹³ AmEmbassy to SecState, 17 March 1982.

²¹⁴ Ibid.

²¹⁵ United States Department of Defence, Defense Intelligence Agency, Joint Chiefs of Staff (JCS) Message Center, Secret Cable, 'Possible Coup in Guatemala', Document 25, *National Security Archive*, Electronic Briefing Book no. 32: The Guatemalan Military: What the U.S. Files Reveal, Vol. II, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB32/docs/doc25.pdf>, (accessed 7 December 2021).

Ríos quickly rose to prominence among his peers and in short time became Guatemala's next president. Chapin met with Ríos on 29 March, at which time Ríos assured him that corruption and the human rights crisis would improve, but made clear that the war against the insurgency would continue. To those ends, Chapin briefed Ríos on the obstacles the Reagan administration faced in seeking to restore economic and military assistance to the GOG. The Reagan administration had been 'unable to cooperate with the GOG in the past because of the government's record on human rights and corruption', and, per Chapin, '[t]he image of the GOG internationally needed a great deal of refurbishing'.²¹⁶ Congress, Chapin predicted, would have been weary of backing Guatemalan assistance in the run up to the midterm elections.²¹⁷ Ríos, who had 'expressed desire for massive US economic and military assistance', and who had recognized Guatemala's international pariah status because of the human rights crisis, was nonetheless vague and noncommittal towards human rights reform, optics or in practice.²¹⁸ Chapin 'did not...slam the door' over U.S. assistance, 'but left the possibility open just the tiniest crack', noting that the source of any forthcoming U.S. assistance would not be bilateral, but likely from the International Monetary Fund, the World Bank's International Bank for Reconstruction and Development (IBRD), and the Inter-American Development. He also stressed the significance of private foreign investment.²¹⁹ After having knowingly backed the victor of a rigged Guatemalan election, the democracy-promoting Reagan administration then put its support behind a usurper.²²⁰

Movimiento de Liberación Nacional opposition candidate Mario Sandoval accused Washington of supporting the coup that brought Ríos to power. There was certainly historical precedent for the claim, but Washington was, perhaps surprisingly, not involved. To the contrary, U.S. intelligence suspected Sandoval and MLN opposition leaders of plotting a coup to remove Ríos. Sandoval met with Chapin and aggressively denied the accusations, but Washington, Chapin insisted, would not support a counter-coup by the MLN.²²¹ The

²¹⁶ White House Situation Room, AmEmbassy Guatemala to SecState WashDC, 6 April 1982 (Date encrypted: 301847Z March 1982), Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5].

²¹⁷ Ibid.

²¹⁸ Ibid.

²¹⁹ Ibid.

²²⁰ Ibid.

²²¹ White House Situation Room, Cable, AmEmbassy Guatemala to SecState WashDC, Subject: President Rios Montt/MLN Coup Plotting, Date encrypted: 022243Z July 1982, Date marked: 7 July 1982, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol.

“democracy promoting” Reagan administration was willing to back a fraudulent election and a military coup, but would not support a coup coming from the left. Given the emphasis on electoral democracy in the Reagan administration’s alleged human rights agenda, one might expect Washington to be more concerned with the integrity of Guatemalan leadership transitions, but Washington’s emphasis in the diplomacy surrounding these transitions was entirely centred on anticommunism and optics.

Conclusions

Robert Parker’s concurrent roles in Washington and Guatemala bridged the highest echelon of U.S. energy policymaking and the situation on and in the ground in Guatemala. Reagan lured Parker into public service not solely because of Parker’s Guatemalan venture, but because of his global experience and reach. Guatemala was but a fraction of Parker’s portfolio, but the sensationalism over Guatemala’s hydrocarbon future and the proximity to the Central American theatre certainly enhanced his value in Washington. Parker may likely have been pursued for the post(s) even if he had never set foot in Guatemala, although this should not undercut the optimism over Guatemala’s hydrocarbon future at the time. Guatemala’s hydrocarbon wealth occupied U.S. national interest and influenced the Reagan administration’s policy disposition towards the GOG. Guatemala was indeed a prodigal hydrocarbon prospect, and Parker Drilling Co.’s successes and failures were channelled to the highest echelon of security and policy planning, and they correlate with the administration’s intensity of interest in Guatemalan affairs.

Parker’s Guatemalan operation was the core of Texaco’s ‘considerable’ investment that OPIC would not guarantee.²²² The concerns that warranted Texaco’s application for OPIC coverage were political in nature, rooted in the arbitrary output volume restrictions that were placed on Basic Resources and resolved by Vernon Walters in 1980. The Reagan administration expanded OPIC’s eligibility criteria in several directions in 1981, and the oil industry found these modifications beneficial, which is evidenced by increased hydrocarbon investment

I, 1/20/81-7/31/84 [2 of 5]; National Security Council, Memorandum, Roger W. Fontaine to William P. Clark, Subject: John Trotter Letter on Guatemala, 28 April 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 Elections.

²²² The investment was described by Texaco spokesperson Malcolm Malcolmson as ‘considerable’, having greatly exceeded the \$12.6 million minimum required by the GOG. See Hoge, ‘Low-Key “Eureka”’.

participation during Reagan's first term. The aforementioned 'creeping expropriation' clause was tailored to address a scenario similar to Basic's (had Basic been an American company). It is not known if the OPIC modifications were made to accommodate Texaco exclusively, but Basic's experience and Texaco's concerns nonetheless highlighted what oilmen perceived as a deficit in OPIC coverage that the Reagan administration addressed. Texaco's concerns and the administration's OPIC solutions all lead back to Robert Parker. While scholars too often dwell on the impositional nature of asymmetrical financial relationships, this scenario offers an example of reciprocity towards the metropole in that the pursuit of Guatemalan oil contributed to modifications of U.S. investment institutions.

Industry interest in Guatemalan oil tapered before Reagan's interest in Guatemalan affairs declined by the end of Reagan's first term. Conservatives may contend that the Reagan administration's declining interest correlated with Guatemala's restoration of (superficial) democracy and severely weakened leftist insurgency, leaving little work left for Reagan to accomplish.²²³ Others have observed Reagan's declining interest in Guatemalan affairs coincide with Guatemala's refusal to participate in Washington's clandestine Contra war in Nicaragua.²²⁴ None have factored Guatemala's hydrocarbon sector into their equations, and yet the international optimism over Guatemala's hydrocarbon potential that carried into 1982 was quite strong. Reagan's declining interests in Guatemalan affairs occurred after Guatemalan oil failed to live up to its heightened expectations, as experienced first-hand by Parker. It requires little imagination to conclude that American interest in Guatemalan affairs at large would have declined as it did, had Guatemala's reserves lived up to their heightened, and retrospectively hyperbolic, expectations. Profits and intrinsic state-corporate interests aside, such an assessment is less counterfactual than it is categorical, requiring merely the recognition of critical resources as a tenet of national security, at the very least in zero-sum terms. As such, any assessment of American national interest in Guatemala during Reagan's first term that does not account for Guatemalan oil is insufficient.

²²³ Jeane Kirkpatrick contended in 1986 that 'it is hard to deny the Reagan administration at least some credit for assisting' in Guatemala's transition to democracy. In Jeane Kirkpatrick, 'New Revisionists', *Washington Post*, 14 July 1986. Quite telling is the abysmally poor standards for democratic 'victory' that Kirkpatrick and her peers were willing to accept. Continuity in state-led violence carried out by a superficially elected pro-American capitalist government was apparently good enough.

²²⁴ Jill L. Arak-Zeman, 'An Analysis of the Similarities and Differences of United States Human Rights Policies Under the Carter and Reagan Administrations: The Cases of Guatemala and Chile', PhD Thesis, University of Southern California, 1991, 207-208.

In nearly every tick-able box, energy and U.S. security interests and doctrine were (and are) inherently connected. As such, NEP III's downgrading of energy to a strictly-economic issue was a gesture, if not an illusion. Oil, be it Guatemalan or other, was very much a security issue, as was the wellbeing of the institutions that explored, extracted, processed, and distributed it, and the economic relations with the states whose earth contained it. The possible threat of oil supply interruptions for the U.S. and its allies continued to impact US foreign and energy policies throughout Reagan's tenure. The White House Domestic and Economic Policy Councils abandoned the prospect of American energy independence, and DOE studies concluded in 1987 that the US would be importing more than half of its oil by the mid-1990, and that such circumstances would limit Washington's foreign policy abilities.²²⁵ Far from limitations, history reveals that said circumstances prompted U.S. foreign policy to be more imperialistic, still under the auspices of democracy promotion and human rights.

Guatemala's hydrocarbon potential peaked between 1978 and 1982.²²⁶ Parker's limited success and withdrawal from Guatemala were perhaps the bellwether for the decline. International interest in Guatemalan oil persisted, but the face of said interest shifted in the wake of disappointment. American security circles upheld the value of zero-sum value of Guatemalan oil, but well-funded major oil company interests were supplanted by small and medium-sized outfits, vultures seeking big oil's table scraps. Moving forward, Guatemala's hydrocarbon legislation presented an obstacle to luring these would-be suitors.

On the human rights front, the Reagan administration pivoted 'from rejection to reform' in the final months of 1981,²²⁷ although the pivot was more semantic than performative. American conservatives rallied behind a conservative human rights framework that was carefully designed to support Washington's pre-existing foreign policy initiatives. Examining U.S.-Guatemalan diplomacy from this period that Washington was less concerned with protecting and promoting human rights, than with improving the optics surrounding human rights. Reagan's goal remained the same—to normalise relations with, and restore aid to, the anticommunist regime in Guatemala. The Reagan administration centred its human rights

²²⁵ Domestic/Energy to Reagan, 28 April 1987.

²²⁶ Production peaked in 1983, but optimism and new discoveries were in decline by 1982. Kading, 'The Economics of *La Violencia*', 43-76; CIA, 'Assessment of Petroleum Potential'.

²²⁷ Søndergaard, *Reagan, Congress, and Human Rights*, 80.

platform around democracy promotion, the insincerity of which is evident in the diplomacy surrounding Guatemalan leadership transitions in 1982. Reagan's commitment to human rights, however, was no less fraudulent than Guatemala's elections. The incoming leadership presented the administration with an opportunity to normalise relations with the regime, and to buy loyalty within an escalating Central American theatre.

CHAPTER 4

Charlie Wilson's Other War, Act I

Seven decades of speculation, optimism, and even sensationalism over Guatemala's hydrocarbon potential were finally put to the test in the late 1970s and early 1980s, but the results were ultimately anticlimactic. Parker Drilling Co. found only dry holes after their 'low-key "Eureka"' strike in Texaco's Petén concession;¹ Basic Resources' wells underperformed under French state-oil company Elf Aquitaine's management,² and Basic was looking to shut down operations in 1982. Getty was pulling out by 1982,³ while the consortium of Petrobras, Hispanoil and Elf made lacklustre progress on their parcel as well.⁴ The notion that Guatemala and Mexico drained the same geological pond was failing to materialise at that time; the oil industry and relevant members of the international community still correctly presumed a cache of oil was under Guatemalan soil, but they were also increasingly aware that the quality was not ideal, that logistics were challenging, and that the payout was not as grand as previously anticipated. The era of Guatemala's hyperbolic hydrocarbon potential was in decline as far as the international oil industry was concerned.⁵ Guatemala was no longer being compared to the Alaskan north slope or the 'Kuwait of América'—Guatemala was now just Guatemala.⁶ Worse yet for the GOG's prospects, the

¹ Quote is from Warren Hodge, 'Texaco in Guatemala: A Low Key "Eureka"', *New York Times*, 8 May 1981. Additional information on Parker Drilling Company's success, failure and withdrawal from Guatemala was obtained in a 1 January 2020 telephone conversation between the author and Ken Ledet, who was employed as Parker Drilling Co.'s project manager in the Western Hemisphere, and then project manager specifically in Guatemala. Herein cited as Conversation with Ledet, 1 January 2020.

² Patrick Marnham, 'Vanishing Oil', *The Spectator*, 24 March 1984, *Sir James Goldsmith Digital Archive*, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Vanishing_oil-24_03_1984.jpg (accessed 22 April 2021); Steve Mufson, 'Elf Aquitaine quits oil venture in dispute with Basic Resources', *Wall Street Journal*, 10 July 1984; James B. Stewart and John J. Fialka, 'Guatemala Oil Venture is Testing the Resolve of Canadian Wildcatter', *Wall Street Journal*, 11 July 1985.

³ Global Newswatch. 'Texaco Ups Investment in Guatemala', *Multinational Monitor* 3, no. 9 (September 1982), <https://www.multinationalmonitor.org/hyper/issues/1982/09/texaco.html>, (accessed 11 September 2023).

⁴ Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24 (1999), 74-75.

⁵ United States Central Intelligence Agency, Petroleum Resources Branch, Memorandum, 'Guatemala: Assessment of Petroleum Potential, GI M 85-10258, October 1985', *Central Intelligence Agency Digital Reading Room*, 5-10, <https://www.cia.gov/readingroom/document/cia-rdp85t01058r000405250001-0>, <https://www.cia.gov/readingroom/docs/CIA-RDP85T01058R000405250001-0.pdf>, (accessed 4 May 2021). Herein cited as CIA, 'Petroleum Potential'.

⁶ For the Alaskan reference, see Hodge, 'Low Key "Eureka"'; Beatriz Manz, 'Refugees - Guatemalan Troops Clear Peten for Oil Exploration', *Cultural Survival Quarterly* 5, no. 3 (September/Fall 1981), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/refugees-guatemalan-troops-clear->

window in which Guatemalan oil was commercially viable started to close as oil prices started to stabilize in the early 1980s. Some major oil companies retained limited wait-and-see interests in Guatemala's hydrocarbon landscape over the course of the decade, but by and large Guatemalan reserves became increasingly akin to industry table scraps. As the majors hesitated, the small and medium-sized oil companies that would have been content with the small to medium volume output were deterred by financial and legislative barriers to entry under Guatemala's hydrocarbon legislation (96-75).⁷ The GOG saw the writing on the wall, and it was under these circumstances that 96-75 was identified as an obstacle to further exploration, and targeted for liberalisation.⁸

The relationship between Global South extractivists and civil unrest was so familiar that oil companies active in Guatemala appeared least concerned with the close proximity of the civil war as it transitioned from urban counterinsurgency into a rural warzone in the early 1980s. Guatemalan President Lucas Garcia was deposed by a military golpe in the spring of 1982 following Guatemala's fraudulent elections, and Lucas was replaced by a junta of officers whose platform vowed to eliminate corruption. General Efraín Ríos Montt quickly emerged as the junta's dominant force and assumed the presidency. Ríos proved no less unhinged or erratic than his predecessor, but state terror took on new forms under Ríos' leadership. Lucas had carried out a massive urban counterinsurgency campaign of murder, torture and disappearances that took more lives than any other Guatemalan administration during the thirty-six year civil war. The conflict shifted from urban to rural in the early 1980s,⁹ wherein

[peten-oil-exploration](#), (accessed 2 August 2021); Kuwait reference quoted in Luis Solano, *Guatemala petróleo y minería en las entrañas del poder* (Guatemala City: Inforpress Centroamericana, 2005), 49.

⁷ CIA, 'Petroleum Potential', 5-10.

⁸ Memorandum, Conversation Between Guatemalan Minister of Finance Leonardo Figueroa, Donald C. Templeman (Director, Office of Developing Nations Finance), Norman Bailey (U.S. National Security Council's Director, Planning, and Evaluation), Kathryn Imboden (International Economist, IDN), and Robert Blohm (Guatemalan Desk Officer with the U.S. State Department), 29 April 1982, Ronald Reagan Presidential Library, Norman Bailey Files, RAC Box 1, Stack B, Row 151, Compartment 2, Shelf 4, Folder: Central America/Guatemala. Herein cited as Conversation Between Figueroa, Templeman, Bailey, Imboden, and Blohm, 29 April 1982.

⁹ Americas Watch, *Human Rights in Guatemala: No Neutrals Allowed* (New York: Americas Watch, 1982), 1-100; Archdiocese of Guatemala, Human Rights Office (ODHAG), *Guatemala, Never Again! Recovery of Historical Memory Project (REMHI) - The Official Report of the Human Rights Office of the Archdiocese of Guatemala* (Maryknoll, N.Y: Orbis Books, 1999), 211-241, herein cited as *REMHI*; Tom Barry, *Guatemala: The Politics of Counterinsurgency* (Albuquerque, NM: Inter-Hemispheric Education Resource Center, 1986), 17-40; George Black, *Garrison Guatemala* (New York: Monthly Review Press, 1984), 79-125; Virginia Garrard-Burnett, *Terror in the Land of the Holy Spirit: Guatemala under General Efraín Ríos Montt, 1982-1983* (New York: Oxford University Press, 2010), 55-111; Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads, and U.S. Power* (San Francisco, CA: Westview Press, 1991), 75-154; Jennifer Schirmer, *The Guatemalan Military Project: A Violence Called Democracy* (Philadelphia: University of Pennsylvania Press, 1998), 35-75. For Ríos' first-hand, early expressions of intentions to reform, see an Embassy summary of a

rural Guatemalans experienced ‘the rapid escalation and indiscriminate character of the military violence from 1980 to 1982, directed largely at the Maya population’.¹⁰ Just as Lucas had been a pariah to the international human rights community and rights-minded congressional factions, so too did the Ríos administration’s extreme counterinsurgency campaign draw the ire of international rights activists and advocates in Washington.¹¹ Contemporary observers called it genocide,¹² and indeed the United Nations-backed Commission for Historical Clarification concluded that ‘agents of the state committed acts of genocide against groups of Mayan people’.¹³

This chapter continues to examine bilateral relations and Reagan’s support for the GOG in the context of the Reagan administration’s human rights and foreign assistance policies towards Guatemala, in Central America and at large. Genocidal state terror notwithstanding, the Reagan administration pursued warm relations with Ríos, and sought to provide assistance to the regime overtly and through clandestine measures, ironically and audaciously under the auspices of supporting human rights reform. The administration’s Guatemalan initiatives

conversation between Ríos and Ambassador Chapin: White House Situation Room, Message, AmEmbassy Guatemala to SecState WashDC, 6 April 1982 (encrypted: 301847Z March 1982), Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5], herein cited as AmEmbassy to SecState, 6 April 1982.

¹⁰ Kading, ‘The Economics of *La Violencia*’, 59.

¹¹ For Lucas, see Amnesty International, *Guatemala: A Government Program of Political Murder* (London: Amnesty International Publications, 1981). For Ríos, see Americas Watch, *No Neutrals Allowed*, 1-100; Amnesty International, *Special Briefing: Guatemala: Massive Extrajudicial Executions in Rural Areas Under the Government of General Efraín Ríos Montt* (London: July 1982), herein cited as Amnesty International, *Massive Extrajudicial Executions*. See human rights advocates’ accounts before the 1982 Congressional Subcommittee hearing to determine Guatemala’s eligibility for foreign assistance: United States House of Representatives, *Inter-American Development Bank Loan to Guatemala: Hearing before the Subcommittee on International Development Institutions and Finance of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Ninety-Seventh Congress, Second Session, Thursday, August 5, 1982. Serial No. 97-80*, (Washington, D.C.: U.S. Government Printing Office, 1982), herein cited as U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

¹² Nobel Prize winner Gabriel García Márquez’s 1982 acceptance speech referred to Ríos, ambiguously, as ‘a diabolical dictator who is carrying out, in God’s name, the first Latin American ethnocide of our time’ See Gabriel García Márquez, ‘The Solitude of Latin America’, Nobel Lecture, 8 December 1982, <https://www.nobelprize.org/prizes/literature/1982/marquez/lecture/>, (accessed 02 September 2023). See also: Raymond Bonner, ‘Giving is No Picnic in Guatemala’, *New York Times*, 6 June 1982; Marlise Simons, ‘Guatemalans are Adding a Few New Twists to “Pacification”’, *New York Times*, 12 September 1982. Slightly later, see Michael McClintock, *The American Connection: Volume 2, State Terror and Popular Resistance in Guatemala* (London: Zed Books, 1985), 240-259.

¹³ See Commission for Historical Clarification (CEH), *Guatemala: Memory of Silence, Report of the Commission for Historical Clarification* (February 1999), 38-41. See also: Greg Grandin, ‘The Instruction of Great Catastrophe: Truth Commissions, National History, and State Formation in Argentina, Chile, and Guatemala’, *American Historical Review* 110, no. 1 (February 2005), 46-67; Elizabeth Oglesby and Diane M. Nelson (eds), *Guatemala, the Question of Genocide* (London: Routledge, 2018).

continued to generate friction with rights-minded congressional factions,¹⁴ and, in response, the Reagan administration continued its efforts to steer human rights discourse away from internationally recognised human rights, towards the conservative rights framework that complemented pre-existing foreign policy initiatives—Reagan pursued human rights only after his administration defined them in such a way that they supported his Cold War foreign policy goals.¹⁵ Lucas’ counterinsurgency push created an irredeemable optics situation for the White House as it tried to market the regime to Congress. The coup transition provided Reagan with a narrow window of opportunity to brand Ríos as committed to human rights reform, so as to restore economic and military assistance to the GOG. That window did close rather quickly when rights advocates revealed to the world what U.S. intelligence had already known—that the Ríos regime’s counterinsurgent terror was par or worse than its predecessor’s.¹⁶ At a time of both heightened state-led violence and Reagan’s newfound (purported) commitment to human rights, the Reagan administration doubled down on support for Guatemala. The Lucas regime’s only marketable quality in the way of optics was the hosting of elections, fraudulent as they were, and Reagan’s alleged commitment to Democracy promotion failed its first test(s) in Guatemala when the White House backed the fraudulent victor, General Ángel Aníbal Guevara, and then put its weight behind Ríos the usurper. Though of questionable temperament and mental state, Ríos recognised that the vague prospect of future elections and open (U.S.-oriented) markets ticked the necessary boxes to earn Reagan’s support, and thus dangle these prospects he did as he simultaneously carried out a genocide in the Guatemalan highlands. The Reagan administration’s wilful support for the GOG at this time highlights a chasm between the administration’s altruistic foreign policy discourse on the one hand, and implemented policy on the other; moreover, it challenges the integrity of Reagan’s alleged commitment to human rights and democracy at that time, and casts a dark, permanent shadow over Reagan’s legacy.

¹⁴ See the administration’s efforts to aid the GOG, and Congressional criticism in: U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

¹⁵ For the administration’s conservative human rights framework, see Elliot Abrams, ‘Excerpts from State Department Memo on Human Rights’, *New York Times*, 5 November 1981. For comments on the Reagan administration’s conservative human rights framework, see Greg Grandin, *Empire’s Workshop: Latin America, the United States, and the Rise of the New Imperialism* (New York: Metropolitan/Henry Holden and Co., 2006), 79-85; Rasmus Sinding Søndergaard, *Reagan, Congress, and Human Rights: Contesting Morality in US Foreign Policy* (Cambridge: Cambridge University Press, 2020), 47-82.

¹⁶ Americas Watch, *No Neutrals Allowed*. See also U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

Apart from the prospect of elections, Washington's other key criteria for 'democracy' was open, U.S.-oriented markets, and voices within the Ríos regime indicated that the GOG was keen to liberalise key resource sectors, including hydrocarbons. This chapter examines bilateral petro-diplomacy during Ríos' presidential tenure, wherein Guatemalan oil became entangled in the aid and human rights developments that dominated U.S.-Guatemalan relations at that time. Whereas the preceding chapter presents the climax of Guatemala's hydrocarbon potential, this and the succeeding chapter examine the climax of Guatemalan hydrocarbon legislation after decades of push and pull between Guatemalan resource sovereignty and U.S. economic hegemony. Just as the second chapter observes Vernon Walters' public and hydrocarbon diplomacy with the Lucas regime and identifies therein a climate of quid-pro-quo petro-diplomacy, this chapter exposes high-profile U.S. Congressman Charles 'Charlie' Wilson's (D-TX) diplomacy with the GOG, wherein Wilson and GOG officials made quid pro quo arrangements: Guatemalan hydrocarbon legislation's liberalisation, in exchange for U.S. economic and military assistance, and help with optics in Washington. Wilson's international and inter-congressional diplomacy in the summer and fall of 1982 form the major intersection between oil, aid, and human rights—the quid-pro-quo negotiations took place amidst peaking genocidal violence in the summer of 1982, and upon returning to the U.S., Wilson went to great lengths to support the GOG in the press and on the Hill based on his observations, the integrity of which are called into question herein.

Charlie Wilson's petro-diplomacy is significant for a number of reasons. Petro-imperialism conjures images of major oil companies lobbying major politicians to promote major international policies so as to acquire major caches of oil abroad, but Wilson's petro-diplomacy demonstrates a unique example of intermestic foreign policy and Lone Ranger diplomacy: unaccompanied and possibly unsanctioned imperialism with acute, localised motivations and interests, yet still under an umbrella of national interest and consistent with White House objectives. This chapter identifies the economic conditions faced by the domestic U.S. oil industry in 1981-1982, especially in Texas, and demonstrates that Wilson's interests in and pursuit of Guatemalan hydrocarbon legislation's liberalisation were *neither in the direct service of* the Reagan administration and/or State Department, nor in support of *major* U.S. oil companies, but rather in the interests of small and medium sized oil firms from Wilson's home state of Texas. The duality of such is that supporting local industry and communities took on a shade of mom-and-pop imperialism, but imperialism all the same in this instance, as the promises and stakes were bigger. The Texas oil industry made up a

substantial portion of the domestic American oil sector, and just as Wilson's oil constituents' problems in 1982 were Reagan's problems as well, so too were Wilson's solution-seeking efforts consistent with domestic national security and interest. Moreover, by agreeing and attempting to assist the GOG in obtaining U.S. assistance, Wilson did in fact pursue (what the Reagan administration defined as) U.S. national security interests consistent with the administration's Guatemalan objectives. Moreover, Wilson's efforts to support the GOG in the press and on the Hill (outlined in chapter 5) drew from the congressman's first-hand experiences in Guatemala, and directly aided the Reagan administration's efforts to branding the rights-abusing Ríos regime as committed to human rights, so as to restore U.S. assistance. The sum of these parts contributes perhaps the darkest episode to Wilson's pop-historical legacy as a Cold Warrior with a propensity for Lone Ranger diplomacy, consistently on the wrong side of history, pursuing the economic interests of his constituent industries with devastating humanitarian consequences.

Rebranding Genocide: Ríos, State Terror, and U.S. Human Rights Policy in 1982

Shortly after Guatemala's March 1982 fraudulent elections, a military coup carried out by a junta of officers brought General Efraín Ríos Montt to the Guatemalan presidency.¹⁷ Ríos was a variation of the Latin American Cold War military strongman prototype that American leadership had once adored.¹⁸ A voracious anticommunist, Ríos received counterinsurgency training in the U.S., as did many within Guatemala's officer class. The incoming Guatemalan President could boast of credentials, having been the former director of the Inter-American Defense College in Washington.¹⁹ As such, Ríos offered the Reagan administration ardent ideological anti-communist continuity, which made him a natural ally in the escalating Central American theatre.²⁰ His administration also offered continuity in tenacious

¹⁷ *REMHI*, 226-228; AmEmbassy to SecState, 6 April 1982. See also: Black, *Garrison Guatemala*, 113-135; Garrard-Burnett, *Terror*, 55-57.

¹⁸ The policy preference with right-wing regimes was signified in the Mann Doctrine. See Thomas C. Mann, 'The Experience of the United States in Economic Development: Its relevance for Latin America', *The Department of State Bulletin* 47, no. 1221 (November 1962), 772-776, in R. H. Holden and E. Zolov (eds) *Latin America and the United States: A Documentary History* (Oxford: Oxford University Press, 2nd edition 2011), 238-240. States 'What is the Mann Doctrine?', *New York Times*, 21 March 1964. For Washington's Cold War relationship with right-wing regimes, see David Schmitz, *Thank God They're On Our Side: The United States and Right Wing Dictatorships, 1921-1965* (Chapel Hill, NC: University of North Carolina Press, 1999); David Schmitz, *The United States and Right Wing Dictatorships, 1965-1989* (Cambridge: Cambridge University Press, 2006).

¹⁹ Barry, *Politics of Counterinsurgency*, 18.

²⁰ Garrard-Burnett, *Terror*, 152-158.

counterinsurgency, as the face of the Guatemalan civil war shifted from extreme and largely urban counterinsurgency carried out during Lucas' tenure, to a brutal campaign in the highlands.²¹ Notwithstanding, Ríos had special appeal in Washington at that time—he was potentially marketable to Congress and the American public as a reformer at a time when the Reagan administration was utilising marketing and branding practices for unpopular foreign policy initiatives and leaders.²² The Guatemalan president's outspoken evangelical faith resonated with the evangelical community in the United States, which itself was mobilising in coordinated support for Reagan's foreign policy agenda.²³ The Reagan administration attempted to capitalise on an opportunity to rebrand Guatemala under Ríos' leadership as committed to reform—making human rights 'improvements'—which would in turn allow Reagan to restore aid before rights activists presented sufficient evidence to the contrary.²⁴

The coup junta vowed to end military repression and corruption, and to restore democratic rule, but neither Ríos nor his government were so easily reformed, let alone rebranded, as the Ríos government's first months offered little respite for Guatemalans. Political parties in

²¹ Americas Watch, *No Neutrals Allowed* (New York: Americas Watch, 1982), 1-100; *REMHI*, 211-241. See also: Barry, *Politics of Counterinsurgency*, 17-40; Black, *Garrison Guatemala* 79-125; Garrard-Burnett, *Terror*, 55-111; Jonas, *Battle for Guatemala*, 75-154; Schirmer, *Military Project*, 35-75.

²² For compatibility with American conservatives, see Garrard Burnett, *Terror*, 152-158. Eldon Kenworthy asserts that by mid-decade “public diplomacy” had become administration code for a massive advertising-cum-lobbying campaign to influence Congress both directly and through the U.S. public”; in: Eldon Kenworthy, *America/Américas: Myth in the Making of U.S. Policy Toward Latin America* (University Park, PA: Pennsylvania State University Press, 1995), 86-139, quoted material on 88. For rebranding dictators in the isthmus, see Washington's efforts at reinventing El Salvador's death squad leader and political favourite Roberto D'Aubuisson, who had ordered the killing of Salvadoran Archbishop Oscar Romero. Journalist Mary McGrory claimed the Reagan administration was 'beguiled by 'D'Aubuisson's] anti-communist fanaticism' and 'learn[ed] to love the charismatic killer in the elevator boots'. Quoted in McClintock, *American Connection: Volume 2*, 296-297. See also: Jefferson Morley, 'When Reaganites Backed D'Aubuisson, They Unleashed a Political Assassin: El Salvador: Washington's right was so pleased with the politician's anti-communism it was willing to overlook his abuse of human rights', *Los Angeles Times*, 01 March 1992.

²³ For Ríos' evangelical background, compatibility with the religious right, and the mobilisation of the evangelical right, see Black, *Garrison Guatemala*, 122, 132-133; Garrard-Burnett, *Terror*, 55-84, 152, 158-162; Robert Lawrence, 'Bucks for Butchers: Evangelicals Support Guatemalan Dictatorship', *Covert Action* 18 (Winter 1983), 34-40; Lauren Frances Turek, 'To Support a "Brother in Christ": Evangelical Groups and U.S.-Guatemalan Relations during the Ríos Montt Regime', *Diplomatic History* 39, no. 4 (September 2015), 689-719; For the mobilisation of the religious right, see Grandin, *Empire's Workshop*, 143-155. See also, two special issues of *Covert Action* from that time: 'Special Issue on the Religious Right', *Covert Action* 27 (Spring 1987); 'Special: The CIA and Religion', *Covert Action* 18 (Winter 1983). For direct support on the optics front, see Joseph Anfusio and David Scqepanski, *Efrain Rios Montt: Servant or Dictator? - The Real Story of Guatemala's Controversial Born-again President* (Ventura: Provision House, 1983).

²⁴ For 'improvements', see the testimony of Steven Bosworth and Melvin Levitsky before congressional subcommittee to determine Guatemala's eligibility for foreign assistance: U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*. See also: Black, *Garrison Guatemala*, 154-162; Tanya Broder and Bernard D. Lambek, 'Military Aid to Guatemala: The Failure of Human Rights Legislation', *Yale Journal of International Law* 13, no. 1 (1988), 111-145; Garrard-Burnett, *Terror*, 155-58; Alan Riding, 'U.S. Seeks to Improve Ties with Guatemala', *New York Times*, 21 April 1982.

Guatemala that had condoned the coup for negating the fraudulent elections then called on Ríos to respect human rights and set timetables for new elections, but Ríos agreed only to take their concerns ‘into consideration’.²⁵ Reformers had cause for alarm, as Ríos’ limited commitment to electoral reform was on display during his first weekly national broadcast (*discursos del domingo*, known as ‘sermons’) nearly two months after the coup: ‘Do you know why I am a true political leader? Because I am here without your votes’.²⁶ The regime dangled the prospect of constituent elections while keeping presidential elections a distant prospect, although Ríos would never follow through on the latter.²⁷ Meanwhile, death squad activity and urban terror *appeared* to have declined with the transition in leadership, but the crux of the civil war had shifted to the rural highland landscape that had already been under military siege in suspiciously close relations to state-led development initiatives during the Lucas years.²⁸ The Ríos regime escalated scorched earth terror in the highlands under the

²⁵ United States Department of State, Telegram, Confidential, AmEmbassy Guatemala to SecState WashDC, Subject: Christian Democrats and Movement of National Liberation Present a Plan for Action in a Private Meeting with Junta President Rios Montt, Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3, Folder: Guatemala – Coup.

²⁶ Quoted in Black, *Garrison Guatemala*, 113. Black identifies the quote as being part of a public broadcast on 24 May 1982. It is likely that Black is referring to a transcript or report of the broadcast, as Virginia Garrard-Burnett demonstrates that Rios engaged in weekly broadcasts from 23 March 1982 to 26 December 1982, known as ‘discursos del domingo’, and popularly referred to as ‘sermons’ for the religious nature of the broadcasts. For discursos, see Garrard-Burnett, *Terror*, 58-59.

²⁷ For dangling of forthcoming reforms, see *Guatemala: The Future, Short Term*, Report, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series III: Cable File, RAC Box 18 (Box 13), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Cable File - Guatemala [January 7 - January 15, 1982]; United States Department of State, Confidential, AmEmbassy Guatemala to SecState WashDC, Subject: ‘Meeting with Junta President Rios Montt’, 30 March 1982, Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3, Folder: Guatemala - Coup; AmEmbassy to SecState, 6 April 1982. For ongoing dangling into 1983, see White House Situation Room, SecState WashDC Enders to AmEmbassy Guatemala Ambassador (Chapin), Subject: Case of Missing Aid Related Persons, 24 March 1983 (2302587 March 1983), Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5].

²⁸ For the appearance of decline, see United States Central Intelligence Agency, Intelligence Assessment, ‘Guatemala: Prospects for Political Moderation, An Intelligence Assessment’, 1 August 1983, Document 15 *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455364-Document-15-Guatemala-Prospects-for-Political>, (accessed 5 August 2020, herein cited as CIA, ‘Prospects’; United States Department of State, Bureau of Intelligence and Research, Current Analysis Series, Inter-American Highlights, 13 August 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2]; United States Directorate of Intelligence, ‘Guatemala: Prospects for Political Moderation, An Intelligence Assessment, August 1983’, Ronald Reagan Presidential Library, Oliver L. North Files, Box 62, Stack B, Row 154, Compartment 1, Shelf 6, Folder: Guatemala - Oliver L. North, NSC Staff (3 of 3), herein cited as USDO, ‘Prospects’. For the shifting face of war, see Barry, *Politics of Counterinsurgency*, 17-100, esp. 17-23; Black, *Garrison Guatemala*, 5, 113-154; Garrard-Burnett, *Terror*, 23-111; Jonas, *Battle for Guatemala*, 75-154; *REMHI*, 206-240; Schirmer, *Military Project*, 35-75. For the correlation between violence and development, see Kading, ‘Economics of *La Violencia*’, 57-91. See contemporary accounts: Manz, ‘Refugees’; Nancy Peckenham, ‘Guatemala: Peasants Lose Out in Scramble for Oil Wealth’, *Multinational Monitor* 2, no. 5 (May 1981), <https://multinationalmonitor.org/hyper/issues/1981/05/peckenham.html> (accessed 16 August 2020); Nancy Peckenham, ‘Land Settlement in the Petén’, *Latin American Perspectives* 7, no. 2/3 (1980), 169-177; Gabriel

leadership of U.S.-trained defence minister (and future-president) General Oscar Mejía Víctores; according to U.S. Congressman Clarence Long (D-MD), Mejía ‘did not care about human rights for Guatemalan Indians’, and Long observed the defence minister became so physically uncomfortable and red-faced when he discussed human rights ‘[i]t almost set fire to his collar’.²⁹ Giving agency where it is due, Ríos demonstrated a keen understanding of how to successfully placate security-centered heads in Washington by playing to East-West vulnerabilities. In early exchanges with American diplomats, Ríos ‘made a plea for the U.S. government to help Guatemala and not force it into the arms of Cuba and the Soviet Union’.³⁰ In the same engagement, Ríos instructed his team to invite international human rights organisations to Guatemala so as to observe his government’s commitment and progress.³¹ As of August 1982, however, Amnesty International reported no such invitation.³² Playing to optics-minded diplomats in Washington, Ríos insisted that while the military would still execute guerrillas in the field, there would be reductions in public displays of mutilated corpses.³³ This was, per the Reagan administration, the face of human rights reform in Guatemala.

Not everyone in the State Department had been enamoured with Ríos’ ascension to the presidency, though their opinions did little to shape U.S. policy. Voices within the embassy began to identify Ríos as ‘eccentric’, ‘demagogic’, seemingly manic and psychologically compromised.³⁴ The moral dilemma in supporting Ríos, and the Reagan administration’s indifference, is best evidenced within an exchange between a redacted correspondent from the Embassy in Guatemala, and leadership within the State Department. The dissenting voice cautioned the Reagan administration ‘should not and cannot recognize...the new presidency of Rios Montt’, and ‘should withhold any immediate recognition or aid’, insisting that Ríos would ‘embarrass’ the U.S. for supporting him.³⁵ The redacted author cautioned that

Aguilera Peralta, ‘The Massacre at Panzos and Capitalist Development in Guatemala’, *Monthly Review* 31, no. 7 (December 1979), 13-23.

²⁹ Philip Taubman, ‘U.S. Wary on Coup Implications, Says it Hopes for Democratic Rule’, *New York Times*, 9 August 1983. Also mentioned in: Black, *Garrison Guatemala*, 5.

³⁰ White House Situation Room, Cable, AmEmbassy Guatemala Ambassador (Chapin) to SecState WashDC Asst Sec Enders, Subject: US Support for Junta and Its Reforms, 3 June 1982, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5]. Herein cited as U.S. Embassy, ‘Support for Junta and Its Reforms’.

³¹ *Ibid.*

³² U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

³³ U.S. Embassy, ‘Support for Junta and Its Reforms’.

³⁴ Quoted in Garrard- Burnett, *Terror*, 153.

³⁵ United States Department of State, Dissent Channel, Redacted/AmEmbassy Guatemala to SecState WashDC, 10 June 1982, ‘US Should Condition Recognition of Presidency of Rios Montt, from Guatemala, June 10, 1982,

Washington was ‘dealing with a man who may not be in full possession of his mental faculties’, and who was ‘taking on the image of a despot who believes he rules by divine will’.³⁶ The author accurately predicted that Ríos would ‘cause great harm to his people and the democratic process’, and that he ‘may go as far as to justify indiscriminate killing’. The author emphasised the hypocrisy in supporting ‘heads of state imposed on the citizens of a country by...military powers’.³⁷ Indeed, such a position was inconsistent with the White House’s commitment to democracy promotion at the core of its reinvented human rights policy.

This ambiguously authored cable would warrant little attention or significance if it were not for the response generated by the cable’s recipient, Paul Wolfowitz, who led up the State Department Policy Planning Staff at that time. Wolfowitz’s response outlined the Reagan administration’s attitude towards Ríos, a position that contrasted greatly the spirit of the administration’s newfound (alleged) commitment to human rights. Wolfowitz politely acknowledged the dissenting opinion’s concerns in his reply, but he relayed that the Ríos government, and the administration’s bilateral disposition, would follow the principles of the Kirkpatrick Doctrine. In his response, Wolfowitz identified the victims of GOG-initiated violence as ‘guerillas’, and he summarised the administration’s position for the dissenting staffer:

We are less pessimistic than you are...The most difficult part of any policy that is heavily influenced by human rights considerations is precisely the stage at which we are in Guatemala—the gradual replacement of punishments by rewards as a means of recognizing progress made and of encouraging further progress. Straight-out condemnation and full-scale pressure are alternatives, but only if they work. On the basis of past performance in Guatemala, we do not believe that they will... I agree that we must press for a return to democracy in Guatemala, although the near term outlook may be even less bright than on the human rights front. ...[i]f we are to have any positive effect, it is more likely to be associated with incentives rather than sanctions. I fail to see any reason why, on institutional grounds, we should withdraw from Rios Montt...³⁸

Confidential. Director of Policy Planning Paul Wolfowitz response, July 29, 1982, Confidential.’, Document 23, *National Security Archive*, Electronic Briefing Book no. 620: Department of State’s Dissent Channel Revealed, published 15 March 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4389171-Document-23-US-Should-Condition-Recognition-of>, (accessed 19 June 2020).

³⁶ Ibid.

³⁷ Ibid.

³⁸ United States Department of State, Dissent Channel, Director of Policy Planning Paul Wolfowitz to Redacted, 29 July 1982, ‘US Should Condition Recognition of Presidency of Rios Montt, from Guatemala, June 10, 1982, Confidential. Director of Policy Planning Paul Wolfowitz response, July 29, 1982, Confidential.’, Document 23,

Even the restoration of democracy was doubtful. Wolfowitz further reaffirmed Guatemala's security value and the alleged threat posed by the guerrilla insurgency that he identified as 'forces whose triumph would harm our interests'.³⁹ The exchange between Paul Wolfowitz and the cable's redacted author are evidence of the Reagan administration's willingness to work with a rights-abusing anticommunist Ríos government; the exchange is emblematic of the debate taking place in the United States at the time over human rights in Guatemalan policy, and of inconsistencies within the Reagan administration's alleged human rights commitment in Guatemala and at large.

A May 1982 report from the American Embassy in Guatemala acknowledged 'probable government violence',⁴⁰ which was as far as the Embassy was willing to go towards holding the GOG accountable for their primary role in the violence of 1982. The American Embassy in Guatemala was negligibly pro-government throughout the year, attributing civilian deaths to insurgent forces based on Guatemalan military official accounts and GOG-restricted media, while dismissing conflicting reports from the Guatemalan Human Rights Commission, various human rights groups and clergy. The Embassy's inaccuracy encouraged and enabled the Reagan administration's policy decisions in Guatemala and Central America, and although there was plenty of warning from human rights groups and individuals inside Washington, the administration did not question the integrity of embassy reporting through much of the year.⁴¹ Reports from June 1982 acknowledged an increase in Indian deaths, but

National Security Archive, Electronic Briefing Book no. 620: Department of State's Dissent Channel Revealed, published 15 March 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4389171-Document-23-US-Should-Condition-Recognition-of>, (accessed 19 June 2020).

³⁹ Ibid.

⁴⁰ United States Embassy, Guatemala, 'Violence and Human Rights Report: May 1982', 8 July 1982, Document 01, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemalan Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive.gwu.edu/document/16570-document-01-violence-and-human-rights-report-may>, (accessed 02 August 2023). Herein cited as U.S. Embassy, Guatemala, 'Violence and Human Rights Report: May 1982'.

⁴¹ For poor embassy reporting, objections from rights groups, and disregard, see Americas Watch, *No Neutrals Allowed*, 101-133. For reports incorrectly attributing violence to guerillas in the spring and early summer of 1982, see U.S. Embassy, Guatemala, 'Violence and Human Rights Report: May 1982'; United States Department of State, United States Embassy, Guatemala, 'Document 03: Violence and Human Rights Report: June 1982, July 20, 1982', *National Security Archive*, The Guatemalan Genocide Ruling, Five Years Later, Briefing Book 627, published 10 May 2018, <https://nsarchive.gwu.edu/document/16572-document-03-violence-and-human-rights-report>, (accessed 02 August 2023), herein cited as U.S. Embassy, Human Rights Report: June 1982'. For a cache of documents demonstrating poor Embassy reporting throughout the year, and therein the State Department's embrace of said reporting, see Kate Doyle (ed.), Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, 10 May 2018, *National Security Archive*, <https://nsarchive.gwu.edu/briefing-book/guatemala/2018-05-10/guatemala-genocide-ruling-five-years-later>, (accessed 29 February 2022). For an internal self-assessment that acknowledged these failures, and eventual acknowledgement of GOG violence, see United States Department of State, Correspondence, Charles Fairbanks

attributed none of the violence to the Guatemalan military. Human rights organisations, however, offered an entirely different account of these events, which would be vindicated by the truth commissions of the succeeding decade.⁴² From Ríos' assumption of the presidency in March 1982, through July of that year when Charlie Wilson visited Guatemala, Amnesty International reported over two thousand deaths.⁴³

The White House responded to Amnesty's allegations by challenging the integrity and validity of the source. This is best evidenced by a well-circulated letter produced by Assistant Secretary of State for Inter-American Affairs Thomas Enders that challenged Amnesty's findings for their inconsistencies with both the Embassy's observations and the findings of the state-censored Guatemalan media, which in many instances informed the Embassy. That Amnesty International accurately identified a majority of violence as being initiated by the state was, per the White House, evidence of Amnesty's bias.⁴⁴ Enders' letter, according to Americas Watch, 'played an inordinately—and undeservedly—important role' for having taken 'so confrontational a tone towards a major human rights group's credibility', therein green-lighting the Embassy and the GOG to disregard and/or challenge the findings of human rights organisations on the ground.⁴⁵

Americas Watch took Enders' allegations to task and examined Amnesty's methodology; they concluded that Amnesty's methods for 'gathering and reporting information' in their July 1982 report were 'responsible and conservative'.⁴⁶ Americas Watch further summarised the

to Elliot Abrams and Mel Levitsky, 'Credibility of Embassy Guatemala Human Rights Reporting', 23 November 1982, Document 12, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemalan Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive.gwu.edu/document/16581-document-12-credibility-embassy-guatemala>, (accessed 11 May 2022). For the Embassy's line of self-defence, see Terri Shaw, 'Embassy Sees "Disinformation" on Guatemala', *Washington Post*, 4 December 1982, <https://www.washingtonpost.com/archive/politics/1982/12/04/embassy-sees-disinformation-on-guatemala/59723c99-7ce3-466d-9eb9-c092ee673c16/>, (accessed 2 August 2023). For scholarly assessments, see Kate Doyle (ed.), 'U.S. Policy and the Dictator, General Efraín Ríos Montt – "a man of great personal integrity and commitment"', 10 May 2018, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, <https://nsarchive.gwu.edu/briefing-book/guatemala/2018-05-10/guatemala-genocide-ruling-five-years-later>, (accessed 29 February 2022); Garrard-Burnett, *Terror*, 152-158.

⁴² U.S. Embassy, Human Rights Report: June 1982'.

⁴³ Amnesty International put the figure at 2186. Amnesty International, *Guatemala: The Human Rights Record* (London, 1987), Appendix IV, 161-168. See also: Garrard-Burnett, *Terror*, 163.

⁴⁴ For Enders' letter, see Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, 'Correspondence, To: Ms. Patricia L. Rengel, Director, Washington Office Amnesty International USA, September 15, 1982', in: Americas Watch, *No Neutrals Allowed*, 112-122. See additional comments in: Americas Watch, *No Neutrals Allowed*, 101-125.

⁴⁵ Americas Watch, *No Neutrals Allowed*, 101-133, quoted material on 117.

⁴⁶ Americas Watch, *No Neutrals Allowed*, 101-133, quoted material on 112.

situation as one in which ‘the State Department, like the Guatemalan government, admits no neutrals in the Guatemalan conflict’, adding that through the circular reasoning of the administration’s rationale, ‘the bringer of bad news becomes...part of the enemy, to be publicly discredited if possible’.⁴⁷ Hindsight reveals that, while victory was ideal, the White House strategy that emerged at this time was not to win the argument against the human rights community over conditions in Guatemala per se, but rather to establish and sustain an alternate narrative from which the administration could exercise executive privilege and circumvent rights provisions in foreign assistance legislation.

Far from alleviating repression, the Ríos government declared a ‘war without limits’. Ríos unveiled his National Plan of Security and Development in July. The security component, entitled ‘Victoria 82’, was a continuation of scorched earth terror in the highlands,⁴⁸ elements of which were later identified as genocidal.⁴⁹ Following a concise amnesty period, on 30 June 1982 Ríos initiated ‘the most sweeping [state of siege] in Guatemala’s history’, sanctioning warrantless searches, seizures and detention, granting executive powers over trade union activity, and suspending press freedoms concerning state and/or security-related events.⁵⁰ New legislation created ‘a system of special, clandestine courts and closed trials, empowered to impose the death penalty for a wide range of offenses’.⁵¹

Following the conclusion of Guatemala’s civil war, the Archdiocese of Guatemala’s Recovery of Historical Memory Project (REMHI) amassed and analysed mountains of testimonial

⁴⁷ Americas Watch, *No Neutrals Allowed*, 101-133, quoted material on 117.

⁴⁸ United States Department of Defense, Defense Intelligence Agency, Confidential Report, ‘Information on Operations Plan “Victoria 82”’, 30 July 1982, Document 05, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemalan Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455354-Document-05-Additional-Information-on-Operations>, (accessed 15 September 2021). See also: Barry, *Politics of Counterinsurgency*, 20-23; Garrard-Burnett, *Terror*, 85-111.

⁴⁹ CEH, *Memory of Silence*, 38-41; See also, Grandin, ‘The Instruction of Great Catastrophe’; Oglesby and Nelson, *Question of Genocide*.

⁵⁰ United States Embassy, Guatemala, Confidential Cable, AmEmbassy Guatemala to SecState WashDC, 1 July 1982, ‘US Embassy, Ríos Montt Declares State of Siege’, Document 14, *National Security Archive*, Electronic Briefing Book no. 419: Indicted for Genocide: Guatemala’s Efraín Ríos Montt: U.S. and Guatemalan Documents Trace Dictator’s Rise to Power, published 19 March 2013, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB419/docs/GU00829.pdf>, (accessed 14 September 2023). See also Americas Watch, *No Neutrals Allowed*. New York: 1982, 44-46, 55-99; *Guatemala: Amnesty over, State of Siege Begins*, Declassified Report, 7 July 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2]. Herein cited as *Amnesty over*.

⁵¹ U.S. Embassy, Guatemala, *Ríos Montt Declares State of Siege*. See also: Americas Watch, *No Neutrals Allowed*. New York: 1982, 44-46, 55-99; Garrard-Burnett, *Terror*, 19-23, 85-111.

accounts from victims and perpetrators from this period. The violence was indeed carried out predominantly by state forces and targeted systematically Guatemala's rural Mayan communities. REMHI determined that

Sociopolitical violence in the form of mass destruction of groups and communities was a central feature of the counterinsurgency war in Guatemala, particularly from 1980 to 1983. Most of the victims of massacres occurred under the Ríos Montt regime.⁵²

REMHI identified 422 massacres, and implicated the army's responsibility in 90.52 percent of them; they identified 9,908 individual victims of torture, and 4,291 victims of collective torture within 1,806 reported incidents. Violence was particularly gendered; 90 percent of the torture victims were identified as male, but this statistic is misleading because the pervasive sexual assault carried out by state forces against Guatemalan women is excluded from the data on torture. REMHI concluded that 'rapes were most common during acts of collective violence', and that testimonies identified GOG forces sexually assaulted women in '16 percent of the massacres associated with community destruction'.⁵³ Public and mass rapes were not uncommon, nor were reports of children having been sexually assaulted, and attacks upon pregnant women and unborn children. Family members were forced to witness the public humiliation, sexual assault, torture and murder of other family members, and in some instances required to carry out the acts themselves. Psychological torture is difficult to quantify, yet it was pervasive.⁵⁴

The development component of Ríos' National Plan was a pacification scheme steeped in 'hearts and minds' pathology and propaganda, commonly referred to as the 'Fusiles y Frijoles' program.⁵⁵ The GOG, the Reagan administration, and some observers touted the

⁵² REMHI, 296.

⁵³ Ibid., 296, 299.

⁵⁴ Ibid., 73-81.

⁵⁵ Referred to in U.S. media as 'guns and beans', or a variation of 'bullets and beans'. For confirmation from the Embassy, see United States Embassy, Guatemala, Confidential Cable, AmEmbassy Guatemala to SecState WashDC, 'Guerrilla Activities Increase', 30 April 1982, Document 3, *National Security Archive*, Electronic Briefing Book no. 425, *The Final Battle: Ríos Montt's Counterinsurgency Campaign: U.S. and Guatemalan Documents Describe the Strategy Behind Scorched Earth*, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB425/docs/3-820430%20EMB%20Guerrilla%20Activities%20Increase.pdf>, (accessed 20 December 2020). For contemporary accounts, see Barry, *Politics of Counterinsurgency*, 19-23, Raymond Bonner, 'Guatemala Enlists Religion in Battle', *New York Times*, 18 July 1982; McClintock, *American Connection: Volume 2*, 240-259; Aryeh Neier, 'Extermination in Guatemala', *New York Review*, 2 June 1983, excerpt from *Allowed* 'Creating a Desolation and Calling it Peace', the May 1983 supplement to *Americas Watch*, *No Neutrals Allowed*. For recent scholarship, see Garrard-Burnett, *Terror*, 85-111.

plan as providing security and shelter to embattled highland Indians, ostensibly a humanitarian effort to aid the victims of violence—violence that the Embassy, the State Department, and the GOG attributed to insurgent forces by seemingly circulating the information amongst themselves.⁵⁶ The reality on the ground, however, was that these encampments were a fundamental element of the GOG’s rural genocidal push; refugees and survivors of state-led massacres were coercively corralled into military-controlled encampments, wherein the GOG extended military control over the population and everyday life.⁵⁷ One Guatemalan military official described the coercion, simply: ‘If you are with us, we’ll feed you, if you are not, we’ll kill you’.⁵⁸ Males in the encampments were conscripted into civil defence patrols (Patrullas de Autodefensa Civil, PAC) and expected to engage guerrilla forces with inferior firepower. Occupants in the encampments participated in food-for-work programs that further increased military dependency and control. Washington, the international financial community, and even humanitarian institutions did much to assist the GOG’s military-led rural development initiatives at the time; these programs were fundamental to the GOG’s genocidal National Plan.⁵⁹ To summarise, rural Guatemalans—primarily Mayans in the highlands, were systematically tortured, assaulted and massacred, and then coerced into encampments by threat of death and the prospect of respite from the aforementioned terror, and then conscripted or required to labour for basic food and shelter. The only thing humanitarian or altruistic about the endeavour were the naive intentions of *some* of the international and transnational actors and institutions that materially, financially,

⁵⁶ For observations of respite to the embattled, see David Stoll’s favourable observations: David Stoll, *Between Two Armies in the Ixil Towns of Guatemala* (New York: Colombia University Press, 1993), 156-164. Stoll maintained his disposition in light of the genocide ruling. Marc Drouin, however, suggests that ‘David Stoll failed to understand genocide over twenty years ago when he literally stood over the charred remains of the Ixil communities he studied as a doctoral student’, and cited at present a deficit in ‘Stoll’s own understanding of the “realities of power” in Guatemala as it contributes to the revisionist counter-narrative being promoted by the country’s most recalcitrant powerbrokers and deniers’, concluding that Stoll’s ‘flawed opinion on what does or does not constitute genocide in Guatemala...should not be mistaken for informed scholarship. See Marc Drouin, “The realities of power”: David Stoll and the story of the 1982 Guatemalan genocide’, in: E. Oglesby and Diane M. Nelson (eds) *Guatemala, the Question of Genocide* (London: Routledge, 2018), 169-186. For poor reporting among the State Department, the Embassy and the GOG, see Americas Watch, *No Neutrals Allowed*, 101-133. For examples poor reporting, see United States Department of State, ‘(U) Violence and Human Rights Report: January 1981’; U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*. For an internal self-assessment that acknowledged these failures, see United States Department of State, ‘Credibility of Embassy Guatemala Human Rights Reporting, November 23, 1982’. For scholarly assessments, see Doyle, ‘U.S. Policy and the Dictator, General Efraín Ríos Montt; Garrard-Burnett, *Terror*, 152-158.

⁵⁷ *REMHI*, 45-50, 115-127. See also: Barry, *Politics of Counterinsurgency*, 1-101; Garrard-Burnett, *Terror*, 55-111; McClintock, *American Connection: Volume 2*, 240-259.

⁵⁸ Amnesty International, *Massive Extrajudicial Executions*. Quoted similarly as: ‘If you’re with us, we’ll feed you; If you’re against us, we’ll kill you’. See Lawrence, ‘Bucks for Butchers’, 40.

⁵⁹ *REMHI*, 45-50, 115-127. See also: Barry, *Politics of Counterinsurgency*, 1-101; Garrard-Burnett, *Terror*, 55-111; McClintock, *American Connection: Volume 2*, 240-259.

and directly supported the GOG's efforts under the presumption that they were engaging in humanitarian aid.

The Lucas regime's rampant human rights abuses had rightfully garnered harsh criticism in the international community, which in turn stifled the Reagan administration's efforts to implement the Kirkpatrick Doctrine in Guatemala by restoring economic and military support to the regime. The leadership transition in 1982 offered the Reagan administration a chance for a new beginning for both diplomatic relations and public perception, and therein an opportunity to normalise aid relations with the incoming government. Ríos' counterinsurgency push made this difficult, and thus there was only a narrow window of time in which the Reagan administration could claim that Ríos was a reformer committed to human rights before the truth would come out and human rights advocates made known what the White House was already well aware of—that the Ríos regime was responsible for considerable human rights violations at the time. The American Embassy in Guatemala consistently attributed rural violence to guerrillas and not state forces, and forgiving perspectives have credited the Embassy's inaccurate reporting as a primary cause for the Reagan administration's miscalculations in 1982.⁶⁰ The inaccurate-reporting thesis is problematic, however, and its proponents must reconcile several factors. First, Americas Watch pointed out at the time that inaccurate embassy reporting was methodologically destined to fail for having relied on an insulated narrative of GOG and GOG-monitored sources, and limited processes and standards for verification,⁶¹ while the State Department expended much energy to discredit Amnesty International's conflicting but more thorough investigative efforts.⁶² State Department methodology produced inaccurate results that supported the White House narrative and furthered White House objectives to normalise aid relations, and thus it can be concluded that the Reagan administration claimed an ignorance it had intentionally manufactured. Moreover, and outside the scope of policy rationale, there were internal acknowledgements of the Ríos government's limited human rights commitment and poor human rights performance. Wolfowitz's moral compromise and apparent commitment to the 'criterion of effectiveness' demonstrates that the White House was quite willing to live with a rights-abusing regime if it advanced U.S. policy objectives,⁶³ and core

⁶⁰ Doyle, 'Five Years Later'; Garrard-Burnett, *Terror*, 55-57, 152-162.

⁶¹ Americas Watch, *No Neutrals Allowed*, 101-110.

⁶² Americas Watch, *No Neutrals Allowed*, 101-133; Garrard-Burnett, *Terror*, 153.

⁶³ Wolfowitz, 'Recognition'.

tenets of Reagan's new conservative rights framework were trampled during Ríos' state of siege in such a way that Embassy reporting could not hide them. Ríos informed Chapin that no quarter would be given in the coming counterinsurgency push—no prisoners would be taken, and firing squads would be utilized, all of which would be sanctioned under Guatemalan law. Chapin suggested to Ríos that this course of action would create a public relations nightmare, but he apparently expressed no reservations over the humanitarian nightmare that would ensue.⁶⁴ Chapin's subsequent report to Washington predicted forthcoming rights abuses, and confirmed an 'extremely restrictive' environment of special tribunals, warrantless searches, curfews, media censorship, and the suspension of political parties and activities with no timetable for resolution.⁶⁵ These were rights violations according to Reagan's conservative human rights metrics, and there was nothing inaccurate about Chapin's reporting in that context. The Reagan administration did not mistakenly champion Ríos based on the Embassy's inaccurate reporting; on the contrary, erroneous embassy reporting was an avenue of deceptive perception management to support the administration's efforts to normalise relations with the rights-abusing Guatemalan regime.

The White House had help rebranding Ríos and the administration's regional policy initiatives at large from the evangelical community, which mobilised in support of both the Ríos government and Reagan's hawkish Central American policies in the 1980s. Ríos was born-again Christian and member of a California-based Pentecostal Church of the Word, and his popularity among Reagan's evangelical base became an asset in the administration's efforts to rebrand Ríos and the situation in Guatemala.⁶⁶ Congress and the White House received a steady flow of letters from Ríos' supporters throughout his presidential tenure.⁶⁷ Early into the summer of 1982, during heightened levels of violence from Ríos' scorched earth campaign, prominent members of the evangelical community organised a large event in support of the Ríos regime and the administration's efforts to normalise relations with the GOG. Religious leaders Jerry Falwell and Pat Robertson, along with Secretary of the Interior

⁶⁴ White House Situation Room, Cable, AmEmbassy Guatemala to SecState WashDC, Subject: 'MLN Coup Plotting: Message to President Rios Montt, 19 July 1982, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5].

⁶⁵ *Amnesty over*.

⁶⁶ Gerrard-Burnett, *Terror*, 55-84, 158-162; Lawrence, 'Bucks for Butchers', 34-40. See also: Grandin, *Empire's Workshop* 143-155; 'Special Issue on the Religious Right'; 'Special: The CIA and Religion'.

⁶⁷ See, for example: J. Philip Hogan, Executive Director Assemblies of God Division of Foreign Missions, to Gene Taylor House or Representatives, Letter, 11 January 1983, Ronald Reagan Presidential Library, Alfonso Sapia-Bosch Files, RAC Box 5 (Box 005 (90244) (Box 2), Folder: [Guatemala] (3), herein cited as Hogan to Taylor, 11 January 1983.

James Watt and U.S. Ambassador to the Organization of American States (OAS) Bill Middendorf, sought to develop ‘a Christian relief strategy’ for Guatemala; far more than relief, however, these groups proposed a ‘national campaign’ to promote the Reagan administration’s policy objectives in Guatemala by improving that country’s optics, and those of their genocidal Christian compatriot Ríos. They planned a retreat for interested parties for October 1982, and invitations were extended to religious leaders Billy Graham and Bill Bright, in addition to Robertson and Falwell. Political invitations included Senators Roger Jepsen (R-IA) and Bill Armstrong (R-CO); Congressmen Jack Kemp (R-NY), Marvin Leath (D-TX), and Mickey Edwards (R-OK), in addition to Watt and Middendorf. From the private sector, invitations went out to Texas-based construction magnate and conservative donor Bob Perry, beer mogul Joe Coors, and Nelson ‘Bunker’ Hunt of Texas,⁶⁸ whose family’s financial dealings included precious metals, thoroughbred breeding on a grandiose scale, a philanthropic relationship with the conservative John Birch Society, and oil industry operations in, and in relation to, the state of Texas.⁶⁹ Around that time, Pat Robertson was busy writing the foreword to Joseph Anfuso and David Sczepanski’s 1983 book, *Efraín Ríos Montt: Servant or Dictator? — The Real Story of Guatemala’s Controversial Born-Again President*, wherein Robertson praised Ríos as ‘a man of humility, simplicity, impeccable personal integrity, and a deep faith in Jesus Christ’.⁷⁰ As the Guatemalan military was sexually assaulting women in front of their children, and killing children in front of their parents, and carrying on with similar acts of barbarity in 1982, Robertson boasted that Ríos eliminated Guatemalan death squads and corruption during his presidency.⁷¹ Such was the nature of Christian advocacy for Guatemala.

⁶⁸ Robert M. Pittenger to Edwin Meese III, Letter, August 19, 1982, Ronald Reagan Presidential Library, Digital Library Collections, Morton Blackwell Files Collection, Guatemala Folder, Box 10, https://www.reaganlibrary.gov/public/digitallibrary/snof/publicliaison/blackwell/box-010/40_047_7006969_010_018_2017.pdf, (accessed 26 August 2022); Robert M. Pittenger to Edwin Meese III, Counsellor to the President, Letter, 18 August 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2].

⁶⁹ Associated Press, ‘Oil Baron Nelson Bunker Hunt Dies’, *The Guardian*, 22 October 2014, <https://www.theguardian.com/business/2014/oct/22/oil-baron-nelson-bunker-hunt-dies>, (accessed 26 August 2022), herein cited as AP, ‘Oil Baron’; Robert D. McFadden, ‘Nelson Bunker Hunt, 88, Oil Tycoon with a Texas-Sized Presence, Dies’, *New York Times*, 21 October 2014, <https://www.nytimes.com/2014/10/22/business/nelson-bunker-hunt-texas-tycoon-dies-at-88.html?smid=pl-share>, (accessed 26 August 2022), herein cited as McFadden, ‘Texas-Sized Presence’; ‘Nelson Bunker Hunt’, *John Birch Society*, <https://jbs.org/about-us/nelson-bunker-hunt/>, (accessed 26 August 2022), herein cited as ‘Nelson Bunker Hunt’.

⁷⁰ Anfuso and Sczepanski, *Servant or Dictator?*, ix-x.

⁷¹ *Ibid.*, ix-x.

Christian groups, it turns out, offered much more than verbal and ideological support for the genocidal Ríos government and Reagan's policies therein. Evangelical leaders proactively liaised between the White House and State Department, and public and private Guatemalan interests. Affiliated religious groups that fit the category of private volunteer organisations (PVOs) carried out religious and humanitarian work throughout rural Guatemala. These groups not only provided hands-on assistance in support of the GOG's rural military development initiatives and model villages, which were a structural component of the GOG's initial genocidal campaign.⁷² These PVOs also corroborated Embassy and Reagan administration's assertions that the violence was being carried out by insurgents and not government forces.⁷³ Far from vindication, these observations should be viewed as part of the insulated circulation—the echo chamber—of pro-GOG information. Lastly, the evangelical community optimistically pledged to donate a reported \$1 billion to the Ríos government, the promise of which prompted Ríos to briefly consider rejecting U.S. aid if it came with contingencies or oversight.⁷⁴

Guatemalan state terror was hard to refute in Washington in the summer of 1982, and human rights conditions created a public relations nightmare for the Reagan administration and the GOG that summer. Non-military aid packages were scrutinised by Congress, wherein Reagan's newfound commitment to human rights was called into question.⁷⁵ In the lead up to Ríos' evangelical-sponsored retreat in Washington, the National Security Council prompted the White House to distance itself from Ríos to avoid exacerbating bad press. Alfonso Sapia-Bosch cited recent human rights abuses from the Guatemalan state of siege, specifically tribunal executions and public executions without trials.⁷⁶ The Reagan administration was unable to convince the public, press, and rights-minded members of Congress that the guerrillas were responsible for the atrocities in the highlands that summer. Winning the war

⁷² Barry, *Politics of Counterinsurgency*, 62-69; Tom Barry and Deb Preusch, *The Soft War: The Uses & Abuses of U.S. Economic Aid in Central America* (New York: Grove Press, 1988), 133-137; Garrard-Burnett, *Terror*, 158-162; Lawrence, 'Bucks for Butchers', 34-40; Turek, 'To Support a "Brother in Christ"', 680-719.

⁷³ Hogan to Taylor, 11 January 1983.

⁷⁴ Garrard-Burnett, *Terror*, 161-162; Turek, 'To Support a "Brother in Christ"', 71-72.

⁷⁵ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

⁷⁶ National Security Council, Memorandum, Alfonso Sapia-Bosch to William P. Clark, Subject: Letter to You from Senator Jepsen Suggesting A 'Working Meeting' Between Guatemalan President Rios Montt and President Reagan, 22 September 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2]; Pittenger to Meese, 18 August 1982.

of public opinion was not required—the administration needed only an alternative narrative to justify its Guatemalan policy.

The Many Wars of Charlie Wilson

A colourful public figure, Congressman Charlie Wilson (D-TX) earned notoriety for his extracurricular after-hours lifestyle,⁷⁷ and for his diplomatic legacy as a devout anticommunist Cold Warrior both in Congress and as a ‘Lone Ranger’ diplomat ‘playing Rambo on foreign policy’.⁷⁸ James Lindsay identifies ‘Lone Ranger diplomacy’ as ‘individual members of Congress conduct[ing] their own foreign policy’, and indeed Wilson did so in several of the late Cold War’s proxy theatres and conflict zones.⁷⁹ Many of the Congressman’s interests and motivations for these foreign policy forays proved more economic than political, especially so in Central America, where Wilson supported right-wing governments and subversive factions under the auspices of anticommunism and Cold War security objectives, while he played the roles of liaison and broker between said right-wing governments and American industry interests, specifically those within, or in the interests of, his congressional district and/or the state of Texas. Such was the case in Guatemala, where in 1982 Wilson engaged in quid-pro-quo petro-diplomacy with the GOG. He pursued the liberalisation of Guatemala’s hydrocarbon legislation and related extractive sectors, in exchange for his support in obtaining economic and military assistance, and improved relations in Washington.⁸⁰ Efforts were made, and changes were enacted, the sum of which

⁷⁷ Douglas Martin, ‘Charlie Wilson, Texas Congressman Linked to Foreign Intrigue, Dies at 76’, *New York Times*, 10 February 2010; Barbara Strong, “‘Good Time Charlie’ bewails his image’, *Dallas Morning News*, 12 July 1981; ‘Wilson’s Girlfriend on Playboy Cover’, *Montgomery County Daily Courier*, 7 March 1981. See also: George Crile, *Charlie Wilson’s War: The Extraordinary Story of How the Wildest Man in Congress and a Rogue CIA Agent Changed the History of Our Times* (New York: Grove Press, 2003), and the Hollywood adaptation (2007).

⁷⁸ Tom Kenworthy, ‘Congressman Charlie Wilson, Not Holding His Fire’, *Washington Post*, 20 August 1990, available at: <https://www.washingtonpost.com/archive/lifestyle/1990/08/20/congressman-charlie-wilson-not-holding-his-fire/4597c5fa-1e05-4162-9e4a-e4aefc697f9d/>, (accessed 12 December 2021).

⁷⁹ James Lindsay identifies Lone Ranger diplomacy as one of three categories of external Congressional diplomacy, the others being ‘invited participation, and routine contacts with foreign governments’. See James M. *Congress and the Politics of U.S. Foreign Policy* (Baltimore, MD: Johns Hopkins University Press, 1994), 119-139, quoted material on 120. See also Søndergaard, *Reagan, Congress, and Human Rights*, 33, 117, 258-259, 265.

⁸⁰ United States Embassy, Guatemala, Confidential Cable, AmEmbassy Guatemala to RUEHC/SecState WashDC, 27 July 1982, ‘A Visit to Guatemala of Congressman Charlie Wilson’, Document 4, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455353-Document-04-Visit-to-Guatemala-of-Congressman>, (accessed July 6 2018). Herein cited as U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

reflects poorly on all parties as this particular (successful, and thus far final) push to liberalise Guatemalan hydrocarbon legislation was, and is, especially tragic. Wilson's willingness to collaborate with the genocidal regime and to provide capital, material and public support, is evidence of the profound humanitarian indifference of those who pursued Guatemalan oil. Wilson's Lone Ranger petro-diplomacy was undertaken in support of local constituent industry, which provides a unique example of intermestic, locally driven imperialism; supporting local industry, however, fails to escape the shadow cast by the congressman's support for the genocidal regime. Wilson's relations with the GOG outlined herein contribute perhaps the most tragic narrative to the congressman's already controversial foreign policy legacy.

Charlie Wilson's foreign policy adventurism earned the congressman semi-celebrity status both among his contemporaries and within American historical memory. George Crile's 2003 publication, *Charlie Wilson's War: The Extraordinary Story of How the Wildest Man in Congress and a Rogue CIA Agent Changed the History of Our Times*, documents Wilson's Lone Ranger forays into Pakistan and Afghanistan, spearheading U.S. initiatives in support for the Afghan Mujahideen in the 1970s and 1980. Crile also examines Wilson's after-hours lifestyle of drug use and sexual promiscuity that earned him the nickname 'Good Time Charlie'.⁸¹ Wilson gained official Hollywood accolades, however, when Crile's research was transformed into a feature length Hollywood production in 2007,⁸² and with it Wilson's clandestine Afghan initiatives entered American pop-historical memory as 'Charlie Wilson's War'. Tragically for Afghans and Wilson's legacy, the congressman's supportive liaising and patronage laid the foundation for the Taliban's ascension.⁸³

Prior to Wilson's Afghan forays, the congressman offered steadfast support for Nicaragua's Somoza regime. Rights-minded congressional factions critical of Nicaragua's human rights record fought to restrict U.S. assistance to the country in 1977, but Wilson lobbied effectively

⁸¹ Sapia-Bosch to Clark, 22 September 1982; Pittenger to Meese, 18 August 1982.

⁸² See 'Charlie Wilson's War (2007)', IMDB, <https://www.imdb.com/title/tt0472062/>, (accessed 16 August 2022). For comments on the film's imperialist whitewashing, see Jeremy Kuzmarov, 'Charlie Wilson's War, the Culture of Imperialism and the Distortion of History', *Columbian College of Arts and Sciences History News Network*, <https://historynewsnetwork.org/article/45974>, (accessed 16 August 2022).

⁸³ 'In later years Mr. Wilson insisted that the United States had not made a mistake by supporting the Afghan rebels, among them Osama bin Laden and the Islamists who would form the Taliban regime.' In Martin, 'Foreign Intrigue'.

to have Nicaragua reinstated to the 1978 U.S. Military Assistance Bill's recipient list.⁸⁴ Despite abundant human rights violations carried out by the state, Wilson advocated publicly on Somoza's behalf over the next two years.⁸⁵ Scholars affiliated with the Stephen F. Austin State University (Nacogdoches, TX) and the East Texas Research Centre, home of Charlie Wilson's Congressional Papers, have labelled this relationship 'Charlie Wilson's First War.'⁸⁶ Wilson remained steadfast in his support for anticommunism in Central America, and he supported the Nicaraguan Contra insurgency after Somoza's departure.

Cold War Nicaragua had drawn a healthy share of congressional Lone Ranger diplomats from across the aisle and with varied political objectives, including Congressmen John M. Murphy (D-NY) and Jim Wright (D-TX), Senator Jesse Helms (R-NC), and, of course, Congressman Charlie Wilson. Unlike Wilson's Afghan adventurism which mirrored Reagan's stance toward the Soviet Union, however, Lone Rangers in Nicaragua went against the grain of the Carter administration's objectives; such was the case when Wilson and Murphy directly influenced the trajectory of U.S. policy in Nicaragua in 1979.⁸⁷ President Carter's Assistant Secretary of State for the Bureau of Human Rights and Humanitarian Affairs Patricia Derian recalled that the administration had drafted an ultimatum for Somoza to step down; the plan had leaked to Wilson and Murphy, and as she and Carter's (second) ambassador to Nicaragua, Larry Pezzullo, arrived to present the ultimatum to Somoza, the Nicaraguan leader was flanked by a supportive Wilson and Murphy. The two representatives sat across from Pezzullo and Derian in opposition,⁸⁸ and Derian estimated that their presence derailed Pezzullo's delivery of the

⁸⁴ United States House of Representatives, *House of Representatives Congressional Record of June 23rd, 1977*, United States Government Publishing Office: GovInfo, <https://www.govinfo.gov/content/pkg/GPO-CRECB-1977-pt17/pdf/GPO-CRECB-1977-pt17-1-2.pdf>, (accessed 27 November 2021), herein cited as U.S. House of Representatives, *June 23rd, 1977*. See also: Sherman J. Sadler, 'Charlie Wilson's First War: Challenging Carter's Human Rights Policy through his Support for Anastasio Somoza Debayle, 1977-79' Masters Thesis, Stephen F. Austin State University (2019), 24-25, <https://scholarworks.sfasu.edu/cgi/viewcontent.cgi?article=1298&context=etds>.

⁸⁵ Karen DeYoung, 'Congressman Denounces U.S. Nicaraguan Efforts', *Washington Post*, 07 December 1978, <https://www.washingtonpost.com/archive/politics/1978/12/07/congressman-denounces-us-nicaraguan-efforts/af70344e-38fe-4641-9993-3b5e9042ebb4/>, (accessed 11 September 2023); Karen DeYoung, 'Somoza's Friends in Congress Seen Threatening Aid Bill', *Washington Post*, 26 July 1978, <https://www.washingtonpost.com/archive/politics/1978/07/26/somozas-friends-in-congress-seen-threatening-aid-bill/da44fe50-1edd-4ac2-bad8-b72dac0b41e2/>, (accessed 11 September 2023).

⁸⁶ Sadler, 'Charlie Wilson's First War', 24-25.

⁸⁷ Wright bypassed the Reagan administration in 1987 to broker peace talks between Contras and Sandinista President Daniel Ortega. See Lindsay, *Congress and the Politics of U.S. Foreign Policy*, 120-121. See also Arnson, Cynthia J. *Crossroads: Congress, the President, and Central America, 1976-1993*, 2nd. ed. (University Park, PA: Pennsylvania University Press, 1993), 203-204.

⁸⁸ Several sources account for Murphy's presence at the meeting but fail to account for Wilson. Derian is the senior ranking official to comment, and she noted that Murphy was Somoza's roommate at West Point Military Academy. For Derian's disclosure of Wilson's attendance, see Patricia Derian, interviewed by Charles Stuart

proposal and, subsequently, the plan altogether. Derian described the incident as ‘[d]isgraceful’, and ‘a physical representation of utter corruption’.⁸⁹

Wilson frequently offered public criticism of Carter’s Nicaraguan policy and the administration’s broader human rights agenda, and his support for Somoza was publicly rationalised under the auspices of anticommunist solidarity.⁹⁰ Steeped in Cold War rhetoric consistent with the Kirkpatrick Doctrine and Santa Fe, Wilson decried Carter for having abandoned a loyal anticommunist ally in Nicaragua and Somoza, and cautioned that doing so could foster a climate for communist expansion into Nicaragua.⁹¹ He championed domino theory Cold War hysteries in Central America well into Reagan’s tenure, and included Guatemala in his short list of vulnerable states.⁹²

Wilson identified what he believed were double standards in Carter’s application of human rights policy in Nicaragua. The congressman asserted that Somoza was a convenient target in Washington because Nicaragua lacked oil and other critical resources, whereas the poor human rights records of U.S. allies with strategic resource wealth allegedly drew less criticism.⁹³ Wilson’s criticism would have been most welcomed had it been sincere, but his observations were inconsistent, both in Central America at large and within his own foreign policy conduct. First, presidential and congressional concerns over poor human rights

Kennedy, *Foreign Affairs Oral History Project*, 12 March 1996, 63-67, quoted material on 64, <https://adst.org/wp-content/uploads/2013/12/Derian-Patricia.19961.pdf>, (accessed 13 March 2021). William D. Rodgers recalled Murphy’s presence at the meeting, but made no mention of Wilson at the meeting. See William D. Rodgers, ‘Who’s In Charge of Foreign Policy?’, *New York Times*, 9 September 1979. Referencing Rodgers, James Lindsay also recounts Murphy’s presence in the meeting when providing examples of Lone Ranger diplomacy in Nicaragua; Lindsay surprisingly not reference Wilson’s attendance. See Lindsay, *Congress and the Politics of U.S. Foreign Policy*, 120-121.

⁸⁹ Kennedy, ‘Interview with Patricia Derian’, 63-67, quoted material on p.64. James Lindsay also recounts Murphy’s presence in the meeting when giving examples of Lone Ranger diplomacy, but Lindsay does not account for Wilson’s presence. See Lindsay, *Congress and the Politics of U.S. Foreign Policy*, 121.

⁹⁰ Cold warrior disposition articles.

⁹¹ Anthony Lake, *Somoza Falling: A Case Study of Washington at Work* (Amherst: The University of Massachusetts Press, 1989), 75-76, 205-206; Saddler, ‘Charlie Wilson’s First War’, 14-15, 48-49, 88-89.

⁹² Per Wilson himself, see Charles Wilson, ‘Communism spread must be stopped says Wilson’, *The Free Press* (Diboll, TX), 12 March 1981; Charles Wilson, ‘Time To Draw The Line Against Communism In C. America Says Wilson’, *San Augustine Tribune*, 12 March 1981. For press coverage: Dan Hill, ‘World issues affect East Texas’, *Lufkin Daily News*, 5 September 1982; Associated Press, ‘Rep. Wilson still tough on U.S. foreign policy’, *Beaumont Enterprise*, 16 March 1981; Associated Press, ‘Wilson heats up word war with leftists’, *Lufkin (Texas) News*, 18 March 1981; Richard Fly, ‘Wilson would back military intervention’, *Dallas Times Herald*, 18 March 1981; John Harris, ‘Rep. Wilson gives broad support to Reagan policies’, *Beaumont Enterprise*, 8 March 1981; Barbara Strong, ‘Wilson talks tough about El Salvador’, *Dallas Morning News*, 18 March 1981, *Dallas Morning News*, 18 March 1981, in: Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Media 1973-1985: Newspaper Clippings 1974-1994, Box 4.

⁹³ Harris, ‘Broad support’; Hill, ‘World Issues’; Lake, *Somoza Falling*, 14-15, 48-49, 88-89.

conditions in Guatemala ran concurrent with rising international optimism over Guatemala's hydrocarbon potential during the Carter years, which indicates that Wilson's proposed correlation between resource wealth and curtailed congressional criticism was, at best, not universally applied during Carter's tenure. White House staff responded to Wilson's allegations by providing him with data that demonstrated that Carter was just as or more critical of left-wing governments, but Wilson's mind was not swayed.⁹⁴ Wilson rationalised his Central American diplomacy in tested Cold War political rhetoric, but his Nicaraguan interests were quite economic. Wilson's interests in Guatemala were also economic, and the congressman did, hypocritically, pursue Guatemala's oil in spite of ongoing rights abuses in the years to come.

Charlie Wilson shared many of the incoming Reagan administration's positions with regard to foreign policy, human rights and foreign assistance. The congressman lamented to his constituents that he had 'been waging a small, 1-man battle with the State Department' during the Carter years, noting that he had 'said consistently that we should base our foreign policy on what is in our own national best interests, not on someone's idea of human rights'.⁹⁵ In May 1981, Wilson gave testimony in support of Ernest LaFever's (rejected) nomination to head the Bureau of Human Rights,⁹⁶ thereafter insisting that 'as long as the Human Rights Bureau in State is made up as it is and as long as the policy toward Latin America represents as narrow an ideological view as it does, (by my lights) then I will fight the policy with vigour'.⁹⁷ The congressman also maintained a conservative stance on immigration from Latin American states; Wilson claimed to have been 'against any move to increase [the] immigration quota' under Carter, and that he had 'asked the Immigration and Naturalization

⁹⁴ White House Correspondence, Letter, Henry Owen to Charles Wilson, 4 May 1979, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Foreign Operations 1977-1984: 1977-1980, Box 3, Folder 21.

⁹⁵ Charles Wilson to Guy Airey, Letter, 28 January 1980, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1980, Box 4, Folder 32 (4220) State Department.

⁹⁶ Ernest W. Lefever to Charles Wilson, Letter, 10 June 1981, doc. 29501, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1981, Box 2, Folder 24 (1525) Foreign Operations; Richard Fly, 'Texans defend human rights appointee', *Dallas Times Herald*, 20 May 1981.

⁹⁷ Charles Wilson to 'Dave', Handwritten Note: 'To Dave, From Charlie', the first page of which is on Wilson's U.S. House of Representatives letterhead, no date provided but located in the Correspondence folder for 1981, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1981, Box 2, Folder 24 (1525) Foreign Operations.

Services to step up its enforcement activities'.⁹⁸ To those ends, Wilson favoured penalising U.S. companies with undocumented workers in their employ.⁹⁹

By all accounts, Wilson was hawkishly conservative on foreign policy, especially so in Latin America. The congressman lent full support to the incoming administration's Central American ambitions. Wilson brazenly supported subversive clandestine operations against Somoza's Nicaraguan successors, the Sandinista government. With the spotlight on El Salvador in 1981, Wilson backed Reagan's position; he contended that U.S. participation would not become another Vietnam, and yet he was not opposed to sending U.S. troops to carry out U.S. policy. Wilson publicly framed the regional conflict in familiar Cold War rhetoric: domino theory, he argued, was valid in Central America, and Guatemala and Honduras would fall if the Salvadoran insurgents were successful.¹⁰⁰ Wilson supported Reagan's Foreign Aid Authorization and Appropriations bill for FY1982, and both Reagan and Haig wrote him personally with gratitude;¹⁰¹ even the U.S. Department of Defense thanked Wilson for his ongoing financial support.¹⁰²

The Political Economy of Charlie Wilson

Charlie Wilson rationalised his Central American diplomacy in political rhetoric, but his Lone Ranger diplomacy in Central America was economically motivated. The largest industries in Wilson's congressional district (Texas' 2nd) were timber and oil, and Wilson was an ardent supporter of both.¹⁰³ In the case of the latter, however, the congressman's support for

⁹⁸ Wilson to Airey, 28 January 1980.

⁹⁹ Greg Peak, 'Wilson says tax cuts may increase deficit', *Corrigan Times*, 30 April 1981.

¹⁰⁰ AP, 'Still tough'; AP, 'Word war'; Richard Fly, 'Military intervention'; Harris, 'Broad support'; Wilson, 'Communism spread'; Wilson, 'Draw The Line'. For the same, with Wilson's comments regarding troops in El Salvador, see Barbara Strong, 'Wilson talks'.

¹⁰¹ United States Secretary of State, Letter, Alexander M. Haig, Jr. to Charles Wilson, 16 December 1981, in Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1981; White House Correspondence, Letter, 'Ron' (Ronald Reagan) to Charles Wilson, 14 December 1981, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1981.

¹⁰² United States Secretary of Defense, Letter, Caspar Weinberger to Charles Wilson, 16 December 1981, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1981.

¹⁰³ Marilyn Moritz, 'Wilson explains his strategy on oil tax', unidentified press clipping referenced only as 'News, Lufkin, Texas', 2 September 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982. See also: Charles Wilson to Mr. and Mrs. Jack Brooks, Letter, 22 September 1982, doc 22670, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum.

domestic oil producers warranted an unfavourable attitude towards competing oil imports; through a unique set of circumstances outlined herein, Wilson's support for Texas-based industry manifested in Lone Ranger foreign policy forays into Central America's Cold War theatre to procure access to foreign oil.

Wilson's Nicaraguan policy disposition was publicly rationalised by security-centred discourse, but Wilson's interests were quite economic. Patricia Derian's account of the Wilson-Murphy ultimatum intervention made note of a particular detail in the description of Wilson's support for Somoza, specifically that the congressman was collaborating with 'some lumber barons who had a lot of interest in Nicaragua'.¹⁰⁴ One such baron in question was 'maverick lumber king' Arthur Temple Jr., President of Southern Pine Lumber Company of Texarkana and Diboll.¹⁰⁵ Temple was Wilson's long time 'political patron',¹⁰⁶ and Wilson became close friends with his patron's son, Arthur 'Buddy' Temple III.¹⁰⁷ The Temples were the largest individual landowners in Texas; they were the second largest overall, superseded by only the Texas Pacific Land Trust. The family's timber and millwork company, Temple-Eastex Inc., was in possession of a massive 1.1-million-acre swath of working timberland, deep in Wilson's district in and around Diboll, Texas. The Temples also maintained the largest share of *Time Magazine*, and the company's reach extended into real estate holdings throughout Wilson's district.¹⁰⁸ Wilson earned the nickname 'Timber Charlie Wilson' for his ties to the industry,¹⁰⁹ while others in the media interpreted the relationship as one of subservience, describing Wilson as a 'water carrier for the timber industry'.¹¹⁰ Temple enjoyed a favourable business climate in Somoza's Nicaragua, and the political and insurgent left carried a perceived risk of less-favourable terms at best, or expropriation at worst. With

¹⁰⁴ Kennedy, 'Interview with Patricia Derian', 63-67, quoted material on 64.

¹⁰⁵ Crile, *Charlie Wilson's War*, 28-29, 252, quoted material on 28. See also: Buddy Temple, interviewed by Archie P. McDonald, *Stephen F. Austin State University: Charlie Wilson Oral History Project*, 13 June 2011, <https://www.sfasu.edu/heritagecenter/5385.asp>, (accessed 29 July 2022).

¹⁰⁶ Crile, *Charlie Wilson's War*, 28-29, 252, quoted material on 252.

¹⁰⁷ Temple, interviewed by McDonald.

¹⁰⁸ Steve Blow, 'East Texas family controls empire', *Dallas Morning News*, 14 February 1982. Arthur Temple was voted one of the most powerful men in Texas. See also: Associated Press, 'Timber Baron Temple Wields World Class Clout', *Echo-News* (Alice, TX), 18 November 1982; Charles Richards, 'Temple named as one of most powerful Texan', *Lufkin Daily News*, 18 November 1982; Charles Richards, 'Temple wields power nationwide from East Texas stronghold', *Dallas Morning News*, 28 November 1982.

¹⁰⁹ Crile, *Charlie Wilson's*, 28-29, 252; Community Report, 'House unanimously approves two key highway bill amendments championed by Babin', *Chron.*, 15 November 2015, <https://www.chron.com/neighborhood/eastex/opinion/article/House-unanimously-approves-two-key-highway-bill-9857386.php>, (accessed 5 December 2022).

¹¹⁰ John Spong, 'The Rehabilitation of Charlie Wilson', *Texas Monthly*, June 2004, available at: <https://www.texasmonthly.com/news-politics/the-rehabilitation-of-charlie-wilson/>, (accessed 2 December 2022).

neither shame nor apparent sense of irony, Wilson's economic interests in Nicaragua were very much that country's natural resources, and yet the congressman contradicted his own claims that Nicaragua had drawn human rights criticism in Washington because the country was devoid of coveted resources.¹¹¹ In rationalising his support for Somoza, Wilson did not deny Nicaragua's human rights violations; he instead rationalised them under the auspices of anticommunist rhetoric in a manner befitting Dullesism.¹¹² Wilson soon became the hypocrite on Guatemalan policy, when he pursued hydrocarbon interests and downplayed Guatemalan rights abuses, supporting the GOG as it carried out a genocide.

Wilson's Nicaraguan interests may have centred on timber resources, but the timber industry itself was active in Nicaraguan politics, and American lumbermen in Central America played a critical role in developing the Reagan administration's clandestine networks. Another such 'lumber baron' was North Carolina-based lumberman and arms dealer Nat Hamrick who had a stake in Nicaraguan hardwoods during Somoza's rule. Hamrick maintained close relations with Jesse Helms (R-NC), who, as noted prior, was active in supporting right-wing Central American factions. Hamrick's Nicaraguan operations were not disrupted by the Sandinista government, but the lumberman nonetheless started farming intelligence for the U.S. Defense Intelligence Agency in the 1980s. Hamrick and Helms staffer John Carbaugh were central in connecting would-be Contras with supporters in Washington and representatives from the Argentine military junta, at a time when the junta was already providing military assistance to the Guatemalan counterinsurgency state,¹¹³ and Helms was rallying further support for the GOG.¹¹⁴ American timber was thus active and vested within the nexus of transnational arms diplomacy and the political economy of Latin American Cold War violence.

¹¹¹ Harris, 'Broad support'; Hill, 'World Issues'; Lake, *Somoza Falling*, 14-15, 48-49, 88-89.

¹¹² DeYoung, 'Nicaraguan Efforts'; DeYoung, 'Somoza's Friends'.

¹¹³ Christopher Dickey, 'Argentine Defector Tells of Multinational Plots from Sandinistas' Ouster', *Washington Post*, 02 December 1982; Grandin, *Empire's Workshop*, 113-115; Roy Gutman, *Banana Diplomacy: The Making of American Policy in Nicaragua, 1981-1987* (New York: Simon and Schuster, 1988), passim; Andrew Stead, 'What You Know and Who You Know: Senator Jesse Helms, the Reagan Doctrine, and the Nicaraguan Contras', *49th Parallel* 33 (Winter 2014): 55-93, <https://fortyninthparalleljournal.files.wordpress.com/2014/07/4-steadwinter-what-you-know.pdf>, (accessed 20 September 2023).

¹¹⁴ See Edward J. Walsh, 'Strategic Guatemala: Next Red Plum in the Hemisphere', *National Defense: The Journal of the Defense Preparedness Association*, October 1981, reprinted in: J. L. Fried, et al. (eds), *Guatemala in Rebellion: Unfinished History* (New York: Grove Press, 1983), 302-308.

Charlie Wilson worked closely with the oil and gas industry across Texas, and he was especially supportive of Texas-based oil companies in his district and/or on his donor list.¹¹⁵ Wilson boasted that ‘[e]very action that I have ever taken regarding the petroleum industry has been in close coordination with the Houston and Dallas independent community’,¹¹⁶ but the largest industries in Wilson’s district were timber and oil, and he was an ardent supporter of both.¹¹⁷ In Reagan’s first year in office, the oil industry in Texas produced over \$40 billion U.S. dollars from almost five thousand rigs in operation that year, one billion dollars of which came from Wilson’s district alone.¹¹⁸ The Texas Employment Commission identified 10,253 of Wilson’s constituents earning \$224.1 million in wages in the petroleum industry’s employ in 1981; about 400,000 individuals were employed in the petroleum industry across the State of Texas in 1981, earning a total \$9.5 billion in wages. Texas was also home to sixty-seven refineries, with a 5.1-million-barrel capacity.¹¹⁹ About 700,000 barrels of Guatemalan oil passed through Texas and Louisiana refineries annually at the start of the decade, and the industry anticipated over one million barrels would arrive annually in the 1980s.¹²⁰ Wilson’s support for constituent and Texas-based oil was thus essential, if not obligatory, to his position as their representative.

Congressman Charlie Wilson maintained frequent and open lines of communication with all factions of the oil industry. He was in contact with major oil companies Getty and Exxon in the late 1970s and early 1980s, but the lion’s share of Wilson’s hydrocarbon correspondence at this time was with smaller, Texas-based independent oil and oil-related companies,

¹¹⁵ Kenworthy, ‘Holding His Fire’. Bob Brinkerhoff, for example, wrote Wilson about tax-related issues for independent oil companies in 1982, identifying himself as ‘a supporter of yours for some time – both idealistically and financially’. See Bob Brinkerhoff, President, Brinkerhoff Oil Company to Congressman Charles Wilson, Letter, 7 June 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum.

¹¹⁶ Charles Wilson to John Chalmers, President, West Central Texas Oil & Gas Association, Letter, 28 June 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum.

¹¹⁷ Moritz, ‘Strategy on oil tax’; Wilson to Brooks, 22 September 1982.

¹¹⁸ Bill Abington, President, Texas Mid-Continent Oil & Gas Association to Charles Wilson, Letter with attached reports: *Oil and Gas in the 2nd Congressional District*, *Oil and Gas in Texas*, 22 October 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum. Herein cited as Abington to Wilson, 22 October 1982; Texas Mid-Continent, *Oil and Gas in the 2nd Congressional District*; Texas Mid-Continent, *Oil and Gas in Texas*.

¹¹⁹ Abington to Wilson, 22 October 1982; Texas Mid-Continent, *Oil and Gas in Texas*.

¹²⁰ Amigos del País, ‘Guatemala Newsletter’ (Guatemala City: Guatemala, August 198), Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [4].

industry associations and lobbying groups. The smaller companies in correspondence included Texas Oil and Chemical Co., Medders Oil Company, Originala Petroleum Corp., Brinkerhoff Oil Company, American Petrofina Company of Texas, Union Texas Petroleum, American Petrofina, Inc., Superior Oil, Delta Drilling Company, Sonat Offshore Drilling Inc., Reading & Bates Drilling Co., Standard Energy Corporation, Marathon Manufacturing Company, and Lufkin Industries.¹²¹ In addition, Wilson was engaged with the profoundly wealthy Texas-based Hunt family, from which Nelson Bunker Hunt engaged the GOG in unsanctioned diplomacy.¹²² Perhaps most intimately, Wilson was affiliated with the ENSERCH Corporation, which employed his former staffers with whom he maintained public and private relations. The industry associations and lobbying groups in Wilson's orbit included the American Petroleum Refiners Association, the West Central Texas Oil & Gas Association, the Texas Mid-Continent Oil & Gas Association, the Texas Oil Marketers Association, the Council of Active Independent Oil & Gas Producers, the Association of Drilling Contractors (ADC) and the International Association of Drilling Contractors (IADC), the Independent Petroleum Association of America, the Domestic Petroleum Council, the Consulting Engineers Council of Texas, Inc., the Texas Independent Producers and Royalty Owners Association, the Texas Energy and Natural Resources Advisory Council, Livingston Industries and the publishers at *The Oil Daily*, and possibly more. Relations on the whole were collaborative and cordial; Wilson was kept abreast of the industry's interests, and he was called upon frequently when the industry experienced challenges.¹²³

Wilson maintained a particularly special relationship with the Texas-based ENSERCH Corporation. The corporation's capacities included petroleum exploration and production, natural gas processing, oilfield services including production and drilling, distribution, service and field equipment rental, inspections, testing, and corrosion control, oil-related engineering and construction.¹²⁴ ENSERCH was the fourteenth largest liquid natural gas producer in the U.S.; they could claim 1950 oil wells and 1560 gas wells in the United States alone, with reserves estimates of 62 million barrels of oil and 521 cubic feet of gas over

¹²¹ Correspondence surveyed within the Charles Wilson Congressional Papers' Correspondence Folders and Unprocessed Materials, located at the East Texas Research Center, Stephen F. Austin University.

¹²² AP, 'Oil Baron'; McFadden, 'Texas-Sized Presence'; 'Nelson Bunker Hunt'.

¹²³ Correspondence surveyed within the Charles Wilson Congressional Papers' Correspondence Folders and Unprocessed Materials, located at the East Texas Research Center, Stephen F. Austin University.

¹²⁴ Candice J. Shy, Vice President of Federal Relations, Enserch Corporation, to Charles Wilson, Letter, 11 March 1981, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Invitations 1973-1984, Box 2 Invitations/Accept March 1981, Folder 2. Herein cited as Shy to Wilson, 11 March 1981.

900,000 leased acres. ENSERCH's subsidiaries included Lone Star Energy Company and Pool Company. The latter owned and operated over 380 workover and drilling rigs, and challenged Parker Drilling Company's preeminence as 'the largest rig contractor in the world today',¹²⁵ boasting more offshore rigs than their competitors, with 53 in the Gulf of Mexico and California. ENSERCH also preempted Parker's drilling-depth record with their own in 1974.¹²⁶ Several of Wilson's former staffers worked at ENSERCH in the early 1980s. Wilson's former staffer (and likely former lover) Candace 'Candy' Shy gained employment with ENSERCH as Vice President for Federal Relations.¹²⁷ At Shy's request, Wilson attended and spoke at an ENSERCH-sponsored seminar on 18 March 1981, where she was tasked with briefing him on the company's 'political action committee' initiatives. In a manner most emblematic of the oil industry's relationship with Congress, Wilson's presentation at the conference was titled 'Financing Political Campaigns'.¹²⁸ The rules of engagement could not have been more obvious.

Wilson's loyalty to ENSERCH was tested when he ran into conflict with Secretary Watt in the winter of 1981-1982, over an incident that involved Watt and ENSERCH lobbyist Timothy L. Donohoe. Wilson and Watt were inclined to good relations; Watt was emphatically poised to open public lands to domestic drilling, a position that appealed to Wilson's constituents. In late 1981, however, Watt commented at a speaking event that the American political landscape consisted of 'liberals and Americans'.¹²⁹ Donohoe took offense and wrote to Watt, questioning Watt's choice of words, specifically that Watt's remarks 'could be construed as questioning the patriotism of certain individuals'.¹³⁰ Rather than reply to the letter, Watt's office wrote ENSERCH Chairman William McCord and informed him of Donohoe's insubordination, and Donohoe was terminated in response shortly thereafter. Donahoe, however, had been employed by Wilson's office only fourteen months prior to the start of his position with ENSERCH, and Wilson aided in Donahoe's defense by publicly siding with the former staffer, having made known that he was 'disturbed' by the lobbyist's dismissal.¹³¹ It mattered little, as neither Donahoe nor Watt lasted long in their positions.

¹²⁵ Shy to Wilson, 11 March 1981.

¹²⁶ Ibid.

¹²⁷ UPI, 'Lobbyist for oil company fired for writing letter to James Watt', *The Daily Sentinel*, 27 January 1982.

¹²⁸ Shy to Wilson, 11 March 1981.

¹²⁹ UPI, 'Lobbyist'.

¹³⁰ Quoted in UPI, 'Lobbyist'.

¹³¹ UPI, 'Lobbyist'.

Wilson liaised with the aforementioned Nelson ‘Bunker’ Hunt, whose family fortunes were entrenched in the oil industry in and around the State of Texas.¹³² Bunker Hunt’s father was oil tycoon H.L. Hunt, one of the richest individuals in U.S. history. H. L Hunt built his empire in the East Texas Oil Field, where he founded Hunt Oil and Placid Oil. Two of his children, H. L Hassie Hunt III and Margaret Hunt Hill, assumed ownership of the former, while two additional children, William Herbert Hunt and Ray Lee Hunt, assumed management positions in the company. William Herbert founded Petro-Hunt, Llc. and became proprietor of several related companies, including Hunt Energy and Placid Oil.¹³³ Bunker Hunt’s oil interests were off- and on-shore, spanning from East Texas to Libya and Latin America; the Libyan government nationalised much of Hunt’s Libyan oil holdings in the mid-1970s, but his operations managed offshore exploratory work for state-owned Mexican oil operations.¹³⁴ As noted, Bunker Hunt also collaborated with evangelical leaders and various members of Congress and the private sector to support both the Ríos regime and the Reagan administration’s policies in Guatemala. Much like Abrams and the climate at the State Department over human rights, Hunt’s cohort identified poor optics as the core obstacle to restoring relations with the GOG.¹³⁵

The domestic U.S. oil industry donated, eagerly anticipated, and was initially pleased with, the incoming Reagan administration.¹³⁶ Less than one month after taking office, on 28 January 1981 ‘Reagan ended the system of controls on the price of oil’, which the industry claimed had ‘discouraged...domestic production’ for ‘nearly a decade’.¹³⁷ The

¹³² AP, ‘Oil Baron’; McFadden, ‘Texas-Sized Presence’; ‘Nelson Bunker Hunt’. The Hunt family occupies much real estate in Bryan Burrough’s *The Big Rich: The Rise and Fall of the Greatest Texas Oil Fortunes* (New York, Penguin Press, 2010).

¹³³ See Stanley H. Brown, *H. L. Hunt* (Chicago: Playboy Press, 1976); Burrough, *Big Rich*, passim.

¹³⁴ AP, ‘Oil Baron’; Burrough, *Big Rich*, passim; McFadden, ‘Texas-Sized Presence’; ‘Nelson Bunker Hunt’.

¹³⁵ Pittenger to Meese, 18 August 1982.

¹³⁶ For a particularly substantial donation, see White House Memorandum, Roger B. Porter to Edwin Meese III, Subject: Your Meeting Today with Dennis Bradford, 15 September 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 47, Folder: BE003-11 (Petroleum Industry) (90000-119999). Herein cited as Porter to Meese, 15 September 1982.

¹³⁷ *Package for the Third National Energy Plan*, Staff Working Paper (Draft), 3-02-81’, 2 March 1981, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box 21, Stack B, Row 135, Compartment 5, Shelves 6-7, Folder: Energy - NEPP III, 1981 (National Energy Policy Plan), March 1981; White House Cabinet Meeting Agenda: Economic Policy Group (10:30 a.m.), 22 January 1981, Ronald Reagan Presidential Library, Craig Fuller Files, Series VIII: Karen Hart Material, Box OA 10593 (Box 18), Stack B, Row 105, Compartment 5, Shelves 2-3, Folder: Cabinet Meeting Agendas, 01/21/1981-04/20/1981.

administration's goal was to increase domestic drilling.¹³⁸ Charlie Wilson claimed that he 'consistently and vigorously favored' (and voted for) oil and gas deregulation,¹³⁹ and indeed he proactively supported Reagan's early efforts to decontrol oil and gas at the national level—Wilson claimed that Washington was adopting the 'Texas position' in this regard.¹⁴⁰ Reagan called to remove barriers to domestic production and open access to federal lands and offshore drilling; at the President's request and in compliance with Robert Parker and the Energy Policy Task Force's National Energy Plan III, Secretary Watt 'ran roughshod over environmentalists' in pursuit of expanded domestic drilling, both offshore and on public lands, in addition to coal expansion.¹⁴¹ Public and environmental backlash over Reagan and Watt's initiatives was swift and strong enough to warrant Watt's resignation by 1983,¹⁴² with much turbulence in the interim.

Reagan's implementation of price decontrols was credited with an initial positive impact on the industry, although, after 'a decade of steady declines', domestic oil production had already begun to stabilise in 1980 (before Reagan took office), and this trend did continue into 1981.¹⁴³ The industry reached 'record levels of exploration and development activity'

¹³⁸ Ronald Reagan to Mr. C. John Miller, President, IPAA, Letter 10 July 1981, Ronald Reagan Presidential Library, Elizabeth Dole Files, Series I, Subseries File, Box 118, Stack B, Row 144, Compartment 10, Shelf 7, Folder: Meeting w/Oil Leaders 7-9-1981.

¹³⁹ Charles Wilson to Steele Wright, Letter, 22 September 1980, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1980, Box 3, Folder 10 (3211) Deregulation.

¹⁴⁰ Quoted material in Congressman Charles Wilson, 'Wilson urges immediate decontrol', *Daily Sentinel* (Nacogdoches, TX), 21 January 1981. See also 'Wilson urges immediate decontrol of Oil and Gas Prices', *Fairfield Recorder*, 29 January 1981.

¹⁴¹ Richard Ellis argues that Watt and Reagan's policies and objectives were entwined, and that Watt did Reagan's bidding. See Richard J. Ellis, *Presidential Lightning Rods: The Politics of Blame Avoidance* (Lawrence, KS: University of Kansas Press, 2021), 33-47. For 'roughshod' running, see Robert L. Parker, interviewed by John Erling, *University of Tulsa: Voices of Oklahoma*, 8 April 2009, http://www.voicesofoklahoma.com/wp-content/uploads/2015/04/Parker_Transcript.pdf, (accessed 2 July 2021).

¹⁴² Watt publicly disclosed his resignation in the press, but Parker insists that he was present when Reagan apologetically requested Watt's resignation prior to Watt's public disclosure. See Parker, interviewed by Erling. Officially, Reagan 'reluctantly' accepted Watt's resignation, see Steven R. Weismen, 'Watt quotes post; President accepts with "reluctance"', *New York Times*, 10 October 1983. Watt was so unpopular that donations to environmental groups noticeably increased to counter Watt's initiatives. Some have suggested that Watt resigned over a less-than-cordial public exchange in defence of his leadership and policies, while others observe the exchange as a conveniently superficial and/or symbolic reason for his dismissal, rather than the mounting controversy over the unpopular and destructive environmental policies enacted under Watt's leadership. See Robert Sangeorge, 'Environmentalists: Mixed feelings on Watt Departure', *United Press International*, 10 October 1983, <https://www.upi.com/Archives/1983/10/10/Environmentalists-Mixed-feelings-on-Watt-departure/1061434606400/>, (accessed 2 September 2022). For mounting pressure and controversy, see Bill Prochnau and Valarie Thomas, 'The Watt Controversy', *Washington Post*, 30 June 1981, <https://www.washingtonpost.com/archive/politics/1981/06/30/the-watt-controversy/d591699b-3bc2-46d2-9059-fb5d2513c3da/>, (accessed 2 September 2022).

¹⁴³ United States Department of Energy, J. Erich Evared, *Monthly Executive Report of the Energy Information Administration*, 15 September 1982, Ronald Reagan Presidential Library, Norman Bailey Files, RAC Box 7,

when the number of rotary rigs in operation doubled to 4520 in December 1981, although the final quarter saw activity begin to decline. OPEC crude production was in decline and global oil prices started to stabilise.¹⁴⁴ The decline in imports was appreciated by domestic drilling and many related operations, but the relationship between independent refining operations and domestic producers was less intrinsic, and lagging imports created unease among refiners whose workload consequently decreased. This was especially so in Texas, which was home to sixty-seven active refineries with a 5.1 million bpd capacity.¹⁴⁵ Elsewhere, stabilised oil prices also raised the threshold for Guatemalan oil's commercial viability.¹⁴⁶

The Department of Energy under Reagan's leadership assisted domestic oil companies in their efforts early on. In an attempt to revive drilling activity in abandoned fields, the DOE provided Texas oil companies with a report titled *Smaller Abandoned Texas Oilfields*, the contents of which identified 1,500 Texas fields that had in the past been 'plugged after producing fewer than 250,000 barrels of oil'.¹⁴⁷ The DOE suspected that these fields had not been 'treated with more expensive secondary recovery methods made profitable with decontrol of oil prices'.¹⁴⁸ By providing pertinent data about individual wells and their prior activity, the DOE allowed future operations to pick up where their previous operations had left off.¹⁴⁹ Texas oil companies followed the Department's lead and were indeed prosperous in 1981.

The oil industry in Texas' 2nd Congressional District had a great year in 1981, as did the state at large. The district produced \$1.2 billion in crude oil and natural gas in 1981, as part of \$44 billion statewide production; this figure was comprised of 27.2 million barrels of crude oil valued at \$939.3 million, and 147.8 billion cubic feet of natural gas valued at \$264 million. Wilson's district saw 513 new wells that year, which brought the district's overall number of producing wells to 4,992 as of 1 April 1982, 4,317 of which were oil, and 675 of which were

Stack B, Row 151, Compartment 2, Shelf 6, Folder: Oil and Gas Policy September-October 1982. Herein cited as DOE, *Monthly Executive Report of the Energy Information Administration* (September 1982).

¹⁴⁴ DOE, *Monthly Executive Report of the Energy Information Administration* (September 1982).

¹⁴⁵ Abington to Wilson, 22 October 1982; Texas Mid-Continent, *Oil and Gas in Texas*.

¹⁴⁶ CIA, 'Petroleum Potential', 5-10, esp. 8-9.

¹⁴⁷ 'Energy Dept. Finds a Way to Please Oilmen', *States News Service*, 8 September 1981, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 5 (3220) Oil Industry, Decontrol, Prices, Profits 1982.

¹⁴⁸ *Ibid.*

¹⁴⁹ *Ibid.* The data in the report included the depth at which they stopped, gravity/grade of oil recovered, year abandoned, number of wells in the field per year, and more.

gas. The number of wells drilled statewide reached 24,790 in that year, bringing the overall number of working wells to 226,573 as of 1 April 1982, 183,411 of which were oil, and 43,162 of which were gas.¹⁵⁰

Following a successful year in 1981, the oil industry in the United States was challenged by changes and events in the global energy economy the following year. First, the industry experienced ongoing conservation-minded declines in consumption across the U.S. and oil-consuming industrial world. Consumption in the U.S. dropped for the fourth consecutive year in 1982, to 15.2 million barrels-per-day (mbpd); this figure was 5 percent less than the preceding year, and 19 percent less than record consumption in 1978.¹⁵¹ Gasoline imports declined 11 percent between 1978 and 1981, and net oil imports dropped from 8.6 mbpd in 1977 to 5.3 mbpd in 1980, 270,000 of which were acquired by the federal government for the Strategic Petroleum Reserve.¹⁵² The domestic U.S. oil industry was also adversely impacted by the cost of oil on the global market, the problem being that it was too affordable. Oil from OPEC states was being sold below the agreed-upon \$34 per barrel rate, which led to a glut in the global oil market.¹⁵³ A circumstantial fallout from the oil crises of the 1970s, the National Security Council observed that between 1974 and November 1978, OPEC aspired towards ‘price unity’ by agreeing to peg crude prices at a ‘fixed a single “benchmark” price’.¹⁵⁴ OPEC states discounted their oil and produced gluts in 1975 and 1978, but the Saudis held true to the fixed rate and lost sales. The discounting in 1978 ‘cut so deeply into Saudi sales that the Kingdom ran a fiscal deficit of over \$4 billion’, after which the Saudis, not wanting to be undercut during future gluts, ‘adopted a strategy of price “disunity”’ and started to charge less than their cohorts in 1979.¹⁵⁵ The *Washington Post* observed in March 1982 that ‘refining...margins really [were] going to pieces’.¹⁵⁶ Charles DiBona, President of the American Petroleum Institute, lamented to the administration that industry profits were

¹⁵⁰ Abington to Wilson, 22 October 1982; Texas Mid-Continent, *Oil and Gas in the 2nd Congressional District*; Texas Mid-Continent, *Oil and Gas in Texas*.

¹⁵¹ United States Department of Energy, J. Erich Evared, *Monthly Executive Report of the Energy Information Administration*, 12 January 1983 White House Staffing Memorandum, Monthly Report: Energy Information, 18 January 1983, Document No. 077724CS, Ronald Reagan Presidential Library, Elizabeth Dole Files, Series I, Subseries File, Box 25, Stack B, Row 144, Compartment 9, Shelf 2, Folder: Energy 1982 (2 of 2).

¹⁵² John M. Berry, ‘Drop in Oil Prices May Aid Recovery from Recession’, *Washington Post*, 15 March 1982.

¹⁵³ Hobart Rowen, ‘Oil, Oil Everywhere’, *Washington Post*, 4 March 1982.

¹⁵⁴ National Security Council, Memorandum, Douglas J. Feith to Richard V. Allen, Subject: Topical Ruminations on Petro-Baloney, 28 May 1981, Ronald Reagan Presidential Library, National Security Council, Executive Secretariat, Subject File, Box 81, File Oil (1981).

¹⁵⁵ *Ibid.*

¹⁵⁶ Berry, ‘Drop in Oil Prices’.

‘sharply down’ by the spring of 1982, although they were still slightly higher than comparative industrial sectors.¹⁵⁷ Declining prices drove many domestic oil companies ‘to reduce their exploration and production budgets, while suppliers of a wide range of drilling equipment and services [saw] their booming markets erode’.¹⁵⁸ The number of rigs in operation fell quickly to 1979-levels by midyear, at which time the DOE’s Energy Information Administration concluded that the decline ‘in rig activity may be a cause for concern’.¹⁵⁹ Banks in the U.S. experienced delinquency across the sector; the National Security Council acknowledged that ‘Texas banks appear to be in good shape, but out-of-state banks have made many bad oil and gas loans’, and that ‘[a]n eye should be kept on them’.¹⁶⁰ By mid-1982, the American oil industry was in disarray.

The State of Texas, and Charlie Wilson’s district in particular, felt the full force of these trends, and the industry made their worries known to Wilson through frequent correspondence and lobbying efforts. The International Association of Drilling Contractors informed Wilson that the oil industry in the Gulf Coast was ‘experiencing one of the most sudden and severe economic downturns in our history’, adding that ‘employees laid off by

¹⁵⁷ Charles J. DiBona, President, American Petroleum Institute, to Elizabeth Hanford Dole, Assistant to the President for Public Liaison, Letter, 10 May 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 47, Folder: BE003-11 (Petroleum Industry) (076000-089999), herein cited as DiBona to E. H. Dole, 10 May 1982; Charles J. DiBona, President, American Petroleum Institute, to Edwin Meese, III, Counsellor to the President, White House, Letter, 10 May 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 47, Folder: BE003-11 (Petroleum Industry) (076000-089999), herein cited as DiBona to Meese, 10 May 1982; Charles J. DiBona, President, American Petroleum Institute, to Robert Dole, Chairman, Senate Finance Committee, Letter, 6 May 1982, attached to: Charles J. DiBona, President, American Petroleum Institute, to Edwin Meese, III, Counsellor to the President, White House, Letter, 10 May 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 47, Folder: BE003-11 (Petroleum Industry) (076000-089999), herein cited as DiBona to R. Dole, 6 May 1982.

¹⁵⁸ Berry, ‘Drop in Oil Prices’.

¹⁵⁹ DOE, *Monthly Executive Report of the Energy Information Administration* (September 1982); White House Staffing Memorandum, Subject: Energy Information Administration Monthly Executive Report (16 August 1982), 3 September 1982, Ronald Reagan Presidential Library, Elizabeth Dole Files, Series I, Subseries File, Box 25, Stack B, Row 144, Compartment 9, Shelf 2, Folder: Energy 1982 (2 of 2), herein cited as White House Memo, Energy Information Administration Monthly Executive Report (16 August 1982).

¹⁶⁰ National Security Council, Memorandum, Norman A. Bailey to the Members of the Alternative Energy Group, Subject: Report on Trip to Houston, 03 August 1982, in Ronald Reagan Presidential Library, Norman Bailey Files, RAC Box 7, Stack B, Row 151, Compartment 2, Shelf 6, Folder: Oil and Gas Policy July-August 1982, accessed 10 August 2022. See also White House, Inter-office Correspondence, Chuck Donovan, Presidential Correspondence Office, to Judy Johnson, 13 February 1984, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 47, Folder: BE003-11 (Petroleum Industry) (90000-119999).

producing companies and service companies alike...number[ed] in the tens of thousands'.¹⁶¹ John Chalmers, President of the West Central Texas Oil & Gas Association, informed Wilson that the rig count in Texas fell 30 percent in the first half of 1982.¹⁶² Brinkerhoff Oil complained that they were drilling at two-thirds of the previous year's capacity.¹⁶³ Lufkin Industries, manufacturers of oilfield machinery and pumping equipment in the heart of Wilson's district, was forced to lay off upwards of 1200 people.¹⁶⁴ Wilson's office was inundated with correspondence from the local oil industry seeking help in the spring and summer of 1982.¹⁶⁵

Poor market conditions and layoffs went hand in hand with recurring industry fears of, and perhaps hypersensitivities to, annual threats of increased taxation and/or regulatory reform. One of the early carrots Reagan led the domestic oil industry with was his suggestion that the windfall profits tax be re-evaluated to ensure it did not inhibit domestic oil activity.¹⁶⁶ The windfall tax became a recurring point of friction for independent oil producers as they panicked at, and lobbied against, the annual prospect of paying a tax initiated in 1980 during Carter's tenure. Wilson identified himself as a 'vigorous opponent of the windfall profits

¹⁶¹ Paul L. Kelly, Vice President of Industry and Government Relations, International Association of Drilling Contractors, to Charles Wilson, Letter, 23 November 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Unprocessed Materials.

¹⁶² John Chalmers, President, West Central Texas Oil & Gas Association, to Charles Wilson, Letter, 11 June 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum; Wilson to Chalmers, 28 June 1982.

¹⁶³ Bob Brinkerhoff, President, Brinkerhoff Oil Company, to Charles Wilson, Letter, 7 June 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum. Herein cited as Brinkerhoff to Wilson, 7 June 1982.

¹⁶⁴ The company identified themselves as 'recognized worldwide as the foremost manufacturer of pumping units'. Robert Poland, 'President tells employees: Lufkin Industries has weathered past storms', *The Free Press* (Diboll, TX), 12 August 1982. See also: Mrs. A. J. Lankford to United States Congressman Charles Wilson, Letter, 9 September 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 2, Folder 35 (3200) Energy; Moritz, 'Strategy on oil tax'.

¹⁶⁵ DiBona to E. H. Dole, 10 May 1982; DiBona to Meese, 10 May 1982; DiBona to R. Dole, 10 May 1982; William E. Gilliland, Abilene Chamber of Commerce, President, to Ronald Reagan, Letter, 17 January 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 47, Folder: BE003-11 (Petroleum Industry) (076000-089999), herein cited as Gilliland to Reagan, 17 January 1982; ASA Energy Corp. to Ed Meese, Counselor to the President, Western Union Mailgram, 30 June 1982, Ronald Reagan Presidential Library, White House Office of Records Management, Subject Files: Business-Economics, Box: 47, Folder: BE003-11 (Petroleum Industry) (076000-089999), herein cited as ASA to Meese, 30 June 1982; Porter to Meese, 15 September 1982.

¹⁶⁶ *Package for the Third National Energy Plan*.

tax’,¹⁶⁷ and he sponsored the 1981 bill that provided windfall tax exemptions for independent oil producers. The bill had been opposed by House Democrats, and the Reagan White House was also opposed to exemption in principle, but the oil industry lobbied heavily in the House Ways and Means Committee in the first half of 1981, and Wilson swayed ‘liberal house leadership’ to agree to an exemption.¹⁶⁸ By mid-1982, however, industry profits were down, and federal tax payments had risen from 38 percent to 57 percent, the sum of which allegedly reduced oil and gas exploration budgets by about 20 percent in the final quarter of 1981.¹⁶⁹

Legislation was in the air, and the prospect of taxation and regulation added to the oil industry’s climate of concern as market conditions worsened in 1982. The White House experienced a change of heart on several issues in light of the federal deficit, and weighed the implementation of potential energy-related taxes, including a gasoline tax, an oil import fee, and a general energy tax.¹⁷⁰ Conservationists in Congress and at large confronted Watt’s roughshod-running initiatives, and offshore companies had cause for alarm as Democrats planned to defund multiple domestic offshore drilling operations within the House Appropriations Committee’s bill that funded the Department of the Interior.¹⁷¹ On the taxation end, five congresspersons from northern, non-oil producing states, proposed a 30 percent tax on domestic oil production to pay down the national deficit—the National Crude Oil Profit-Sharing Act. Congressman and House Ways and Means Committee Chair Dan Rostenkowski (D-IL) sought to cut windfall exemptions for independents on any oil discovered after the start of 1980; he proposed reductions for intangible drilling costs and percentage depletion from 30 to 15 percent, and the conversion of exemptions to reduced

¹⁶⁷ Charles Wilson to Michard Foshee, Letter, 23 September 1980, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1980, Box 3, Folder 10 (3211) Deregulation.

¹⁶⁸ Richard Fly, ‘Demos ready to fight for windfall tax break’, *Dallas Times Herald*, 10 July 1981; Richard Fly, ‘Tax cut beneficiaries generous with political contributions’, *Dallas Times Herald*, 13 August 1981; Gayle Reaves, ‘Wilson rounds up southern oil votes’, *Lufkin News*, 22 July 1981; ‘Wilson Sponsors Windfall Profits Tax Relief Bills’, *The Liberty Vindicator*, 7 May 1981; ‘Wilson Sponsors Windfall Profits Tax Relief Bills’, *Augustine Tribune*, 7 May 1981.

¹⁶⁹ DiBona to E. H. Dole, 10 May 1982; DiBona to Meese, 10 May 1982; DiBona to R. Dole, 10 May 1982.

¹⁷⁰ Kathy Lewis, ‘Hance, 12 other Texans ask Reagan not to appeal windfall profits tax ruling’, *Houston Post*, 11 November 1982; Cindy Skrzycki, ‘Hance, others ask Reagan to let oil-profits tax die’, *Star-Telegram*, 10 November 1982. See also: Jim Landers, ‘Tax Appeal: Oil state lawmakers urge Reagan not to try to revive windfall levy’, *Dallas Morning News*, 10 November 1982; ‘Reagan Urged to Let Windfall Profits Tax Die’, *Valley Morning Star*, 10 November 1982.

¹⁷¹ Wilson was opposed to the ban, and he admitted later in the year that he pondered an amendment to reverse the decision, but he idled under the presumption that it had the votes to clear. S. Lawrence Paulson, ‘Committee Backs Ban on Wilderness Drilling’, *Oil Daily*, 3 December 1982. For roughshod, see Parker, interviewed by Erling.

credits over time.¹⁷² Wilson was confident the bill would never make it out of the committee stage,¹⁷³ but it added to the climate of uncertainty among domestic independent oil companies and their related sectors.

The aforementioned proposals, and the poor state of affairs for the industry at large, sent industry representatives and oil-state congresspersons scrambling. Both Reagan and Wilson were flooded with oil industry correspondence voicing discontent. Industry associations at the national level complained to the White House about changes to tax structure proposed in 1982.¹⁷⁴ The American Petroleum Institute noted alarming declines in production, and posited that the threat of additional taxes only exacerbated a pessimistic business climate.¹⁷⁵ The proposed changes to the tax structure would prohibit independent companies from deducting intangible drilling costs associated with deep-well drilling, which the independents insisted were necessary to offset long-term payouts and high-interest rates associated with deep well operations, and thus essential to their survival.¹⁷⁶ A representative of Medders Oil Company seeking Wilson's support identified the independent petroleum sector as 'a beleaguered segment of an essential force in our economy, and moreover, our national security.'¹⁷⁷ Bob Brinkerhoff (Brinkerhoff Oil) wrote in opposition to any tax hardships for independent oil companies, observing considerable declines in activity.¹⁷⁸ The Texas Independent Producers and Royalty Owners Association claimed Texas oil producers were under siege by an excessive tax regime that prompted a 'serious decline' in domestic drilling and industry-related commerce in 1982.¹⁷⁹ ASA Energy Corp. cautioned that the already 'financially troubled independents' would be bought up by major oil companies, eliminating competition and leaving American consumers with oil prices fixed by a major-held monopoly. It was

¹⁷² Associated Press 'Proposed Crude Tax 'Laughable'', *Reporter News*, 8 May 1982; Richard Fly, 'Cutback on oil tax break foiled', *Dallas Times Herald*, 23 July 1982.

¹⁷³ Associated Press, 'Texan scoffs at oil-tax plan to reduce debt', *Dallas Times Herald*, 9 May 1981; Associated Press, 'Wilson scoffs at proposal', *The Huntsville Item*, 9 May 1982.

¹⁷⁴ ASA to Meese, 30 June 1982; Gilliland to Reagan, 17 January 1982.

¹⁷⁵ DiBona to E. H. Dole, 10 May 1982; DiBona to Meese, 10 May 1982; DiBona to R. Dole, 10 May 1982.

¹⁷⁶ ASA to Meese, 30 June 1982; Porter to Meese, 15 September 1982.

¹⁷⁷ Tom B. Medders, Jr., Partner, Medders Oil Company, to Charles Wilson, Letter, 26 April 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum.

¹⁷⁸ Brinkerhoff to Wilson, 7 June 1982.

¹⁷⁹ Harold E. Wright, Texas Independent Producers and Royalty Owners Association, L. Frank Pitts, Texas Independent Producers and Royalty Owners Association, Chairman of the Board, and Rex Fuller, Chairman of National Energy Policy Committee, to Charles Wilson, Correspondence, Western Union Mailgram, 18 August 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Unprocessed Materials/Unmarked File.

framed as a struggle between majors and yeoman oil companies,¹⁸⁰ and not without legitimate concern as many oil companies used their profits from decontrolled prices to buy up smaller companies as opposed to using ‘their oil profits to find more oil, which was one of the principal arguments in the industry’s case for decontrolling the price of crude oil’ in the first place.¹⁸¹

The oil industry was a major part of the Texas economy, and vital to the economic wellbeing of Congressman Charlie Wilson’s 2nd Congressional District. That industry was in disarray by mid-1982, and they made Wilson aware of their conditions and interests. Wilson responded to the crisis on multiple fronts: on the domestic front, he outmanoeuvred both Democratic and Republican parties to secure favourable tax conditions for domestic oil in the late summer and fall of 1982; on the international front, he engaged in Lone Ranger diplomacy with the GOG in July 1982, in pursuit of advantageous conditions for Texas-based oil companies in need of new opportunities. These efforts are outlined in the next sections.

Charlie Wilson’s Lone Ranger Petro-Diplomacy in Guatemala

If Wilson’s forays into Pakistan and Afghanistan made up ‘Charlie Wilson’s War’, and if Wilson’s ardent support for, and economic interests in, Nicaragua’s Somoza comprised his ‘first war’, then Wilson’s petro-diplomacy and support for the rights-abusing GOG in the early 1980s can indeed be described as another of Charlie Wilson’s wars—his ‘other’ war. Just as Wilson’s motivations and interests in Nicaragua proved both political and economic, so too were the congressman’s interests in Guatemalan affairs of a political and economic nature. Wilson toed the line by adhering to security-centred Cold War political rhetoric when rationalising support for the GOG, but his petro-diplomacy in July 1982 was centred on liberalising Guatemala’s hydrocarbon legislation to the advantage of Texas oil companies. In exchange, Wilson offered to assist the Ríos regime with improving relations in Washington and procuring economic and military assistance. It was *quid pro quo*.

The prospects for Guatemalan oil were quite promising when Lucas was ousted, and Washington remained relatively optimistic of Guatemala’s hydrocarbon potential well

¹⁸⁰ ASA to Meese, 30 June 1982.

¹⁸¹ The oil companies insisted it was in their shareholders’ best interests. New York Times Service, ‘Shopping spree of big oil firms worries economists’, *San Antonio Express*, 17 March 1981.

through 1982 and beyond.¹⁸² Regarding the Reagan administration's informed interest in Guatemala's hydrocarbon future, it is not known precisely when Robert Parker's optimism over Guatemala's hydrocarbon potential started to wither—and likely Reagan's optimism by extension, but Texaco stayed on in Guatemala until 1985 despite Parker's 1982-3 departure.¹⁸³ Industry and intelligence circles maintained a favourable opinion of Guatemala's potential through the year and beyond. Oil was in the ground, but its precise location was elusive, and its commercial viability was fleeting as global prices stabilised. U.S. intelligence reports noted that 'evidence of oil ha[d] been discovered in two additional concession areas', but that there was 'little agreement among oil experts as to the extent of the reserves'.¹⁸⁴ Notwithstanding, the *Economist's* Intelligence Unit counted Guatemala alongside Argentina, Brazil, Colombia as having the hemisphere's greatest oil potential by the year's end.¹⁸⁵

Changes in the global energy economy led many inside Guatemala to conclude that hydrocarbon reform was necessary at this time. When international enthusiasm over Guatemala's hydrocarbon potential peaked, larger oil companies had not been deterred by the financial barriers to entry and terms associated with Guatemala's 1975 hydrocarbon legislation, or by the uniquely high commercial viability threshold associated with Guatemalan oil due to the logistical challenges in exploration and exploitation. Higher oil prices offset these cumbersome logistical costs, lowering the threshold for Guatemalan oil's commercial viability. Conditions changed to Guatemala's disadvantage when the global price of oil stabilised in 1982, at which time lower margins raised Guatemalan oil's commercial viability threshold. As the commercial value of Guatemalan oil declined, so too did oil company margins, and business and political leaders in that country expressed a desire to remove financial obstacles and barriers to entry for oil companies considering Guatemala.¹⁸⁶

¹⁸² United States Directorate of Intelligence, 'Guatemala: Development and Insurgency in the Northern Frontier, An Intelligence Assessment', January 1983, Ronald Reagan Presidential Library, Oliver L. North Files, Box 62, Stack B, Row 154, Compartment 1, Shelf 6, Folder: Guatemala - Oliver L. North, NSC Staff (1 of 3). Herein cited as U.S. Directorate of Intelligence, 'Development and Insurgency'.

¹⁸³ Conversation with Ledet, 1 January 2020; Kading, 'Economics of *La Violencia*', 83.

¹⁸⁴ Directorate of Intelligence, 'Development and Insurgency'.

¹⁸⁵ United States Department of State, Bureau of Intelligence and Research, David H. Vance, 'Unclassified: Oil Exploration in Oil-Importing Developing Countries', 3 August, 1983, Ronald Reagan Presidential Library, Norman Bailey Files, RAC Box 7, Stack B, Row 151, Compartment 2, Shelf 6, Folder: Oil and Gas Policy March-October 1983, accessed 10 August 2022.

¹⁸⁶ CIA, 'Petroleum Potential', 6-7; World Bank, Hilda Harnack, *Republic of Guatemala: Preliminary Scoping Report of the Reconciliation of Mining and Hydrocarbon Sector Payments and Revenues* (Washington, DC: World Bank, 2011), 26,

<http://documents.worldbank.org/curated/en/820231468035449957/pdf/728170WP00PUBL0ENGLISH0110920f>

According to Terrance Kading, Guatemala's economic hardships were such that the GOG 'more urgently needed to develop its oil fields than the foreign oil companies needed the fields', and thus 'a less demanding and more pliable attitude had to be taken to attract investment[, and so t]he Guatemalan position had to be altered if it was to attract a large percentage of a shrinking investment pool'.¹⁸⁷ The path to liberalisation, however, was not linear.

With the nationalistic Lucas out of office, the Guatemalan oligarchy looked for the military GOG to reduce its economic interventionism, and voiced their support for liberalisation to an international audience. Members of the oligarchy that had long supported liberalisation made it known in the American press that Guatemala's hydrocarbon sector was, potentially, open for business. Guatemala's preeminent neoliberal voice, Manuel Ayau Cordón had liaised among conservative American delegations during Reagan's candidacy; Ayau identified Guatemalan oil as 'a potentially attractive source of foreign exchange' to the *Washington Post* just two weeks after the junta supplanted Lucas.¹⁸⁸ He cautioned, however, that 'one can only wait to see if needed changes in government production and exploration policies are forthcoming'.¹⁸⁹

The post-Lucas government's inconsistent position on hydrocarbons exacerbated Guatemala's precarious hydrocarbon investment climate and vindicated Ayau's scepticism. Ríos extended a welcomed olive branch of state economic intervention to Guatemala's agricultural elites by redirecting some government assistance to struggling coffee and cotton growers, but the Ríos government's economic ambition was, purportedly, to curb government spending and reduce international debt. The oligarchy was pleased to see Ríos suspend Lucas' debt-funded development initiatives early on, including the Anillo Pereférico Nacional and multiple hydroelectric projects.¹⁹⁰ The Ríos government, however, was not so eager to withdraw the state's role from development initiatives and yield to the private sector in totality, especially regarding oil. One month after the coup, Ríos declared an interest in nationalising

[inal.pdf](#), (accessed 19 February 2021), herein cited as World Bank, *Preliminary Scoping*. See also: Kading, 'Economics of *La Violencia*', 80; Peckenham, 'Land Settlement in the Petén', 173-175.

¹⁸⁷ 'Economics of *La Violencia*', 80.

¹⁸⁸ Manuel F. Ayau, 'After the Coup: Assessing Guatemala's Future', *Wall Street Journal*, 08 April 1982.

¹⁸⁹ *Ibid.*

¹⁹⁰ When Ríos assumed the presidency, '[o]stensibly, the previous debt-financed expansion was ended'. Kading, 'Economics of *La Violencia*', 78-79.

Guatemala's oil industry—a perceived threat that he would repeat on more than one occasion, and then invest considerable energy retracting.¹⁹¹

The prospect of oil nationalisation was ill received outside of nationalistic circles in the military whom Ríos had to oblige, and whom he was likely in sync with regarding Guatemala's resource wealth. In response to the frustrations of oligarchs and oilmen, the fledgling Ríos government swiftly back-pedalled its position on nationalisation, reaffirmed the GOG's commitment to free markets, and began courting foreign investment in Guatemala's hydrocarbon sector with the prospect of 'revising the regulatory regime'.¹⁹² Ríos' Minister of Hydrocarbons, Lt. Colonel Alejandro Contreras, 'proposed a radical change in attitude', calling for the GOG to make oil exploration more palatable to foreign companies 'by reducing the initial costs of concessions, expenditures on infrastructure and the government's share of export sales'.¹⁹³ The new Finance Minister, Leonardo Figueroa, floated the prospect of oil for aid, in an April 1982 meeting with Donald C. Templeman (Finance Director with the Office of Developing Nations), Norman Bailey (National Security Council's Director of Planning and Evaluation), economist Kathryn Imboden, and Robert Blohm (Guatemalan Desk Officer with the U.S. State Department). Figueroa highlighted the indebted GOG's newfound commitment to austerity, tax reform, and debt repayments, and informed the American delegation that 'petroleum legislation would be liberalized to promote exploration', if 'foreign financing [could] be obtained by committing oil production in exchange for...long-term loan[s]'.¹⁹⁴ With the Guatemalan economy in freefall, the Ríos government was desperate enough for a capital injection that they were willing to concede resource sovereignty to get it: aid for oil. Trading aid for oil in this scenario should be considered akin to odious debt, insofar as an unelected (U.S.-backed right-wing) government proposed to Trojan Horse the nation's hydrocarbon legislation and cede resource sovereignty to foreign investors, so as to get economic and military aid to sustain itself and its ongoing civil war, which itself was, more or less, a product of U.S. intervention and economic hegemony. To those ends, and given the structural inequality and undemocratic nature of Guatemalan society at the time, anything decision-making short of a referendum was a product of a cannibalistic class of imperialist collaborators.

¹⁹¹ Kading, 'Economics of *La Violencia*', 78-80.

¹⁹² *Ibid.*, 79-81

¹⁹³ *Ibid.*, 80.

¹⁹⁴ Conversation Between Figueroa, Templeman, Bailey, Imboden, and Blohm, 29 April 1982.

When Ríos emerged as the sole leader of the junta in June 1982, he ‘assumed full dictatorial powers to address the deepening economic crisis and complete the establishment of a military presence across the FTN’.¹⁹⁵ Going into the summer of 1982, Ríos championed Guatemala’s potential energy future as a self-sufficient hydrocarbon exporter. The prospect of nationalisation was purportedly off the table, although Ríos’ prior flirtations with nationalisation created a climate of hesitancy in some investment circles that endured throughout his brief presidency. The deterring effects on foreign investment are perhaps immeasurable, but visible in the regime’s backstepping efforts. Expanded military activity and control over rural oil-rich areas appeared an extension of Lucas’ state-led development projects, but the Ríos government reassured the oligarchy and international community of GOG’s openness to foreign investment; all while juggling discontent from nationalist factions within the Guatemalan military.¹⁹⁶

The prospect of Guatemalan hydrocarbon legislation’s liberalisation was well received in Washington. The Reagan administration was committed to increasing domestic oil production and reducing oil imports on the whole, but Reagan also oversaw a pivot towards non-OPEC oil sources. This strategy began to focus on Latin American oil by early 1982,¹⁹⁷ although the administration had much earlier identified and preached economic and security value in Guatemalan oil, as was noted in chapter two. In the first quarter of 1982, however, the prospect of liberalised Guatemalan oil offered a potential solution to Wilson and Reagan’s

¹⁹⁵ Kading, ‘Economics of *La Violencia*’, 78.

¹⁹⁶ Kading, ‘Economics of *La Violencia*’, 78-83.

¹⁹⁷ ‘Asia’s Energy Needs and U.S. Energy Policy’, The Wilson Center, U.S.-East Asia Energy Security Seminar Paper, 16 November 1982, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box 18, Stack B, Row 135, Compartment 5, Shelf 6, Folder: Energy-Foreign; James B. Edwards, ‘Statement of Honorable James B. Edwards, Secretary, U.S. Department of Energy, on the World Energy Situation and Its Implications for National Security, Before the Senate Armed Services Committee, March 13, 1981’, Ronald Reagan Presidential Library, Danny J. Box Files 1981-1983, Series 01: Energy, Subseries A: Subject File, Box H31, Stack B, Row 135, Compartment 6, Shelf 1, Folder: Energy - Policy (3 of 17); National Security Council, Memorandum, Norman A. Bailey to William P. Clark, Subject Secretary Edwards’ Trip to Caracas with Attached Cables, 17 February 1982, in Ronald Reagan Presidential Library, Norman A. Bailey Files, RAC Box 6, Stack B, Row 15, Compartment 2, Shelf 6, Folder: Oil and Gas Policy, January-February 1982; Louis A. Tambs, ‘Guatemala, Central America, and the Caribbean: A Geopolitical Glance’, Prepared for the United States House of Representatives Sub-Committee on Inter-American Affairs, 30 July 1981, Signed copy from Tambs to Richard Allen (‘To Dick, with best wishes, from Louis’), then forwarded through Sally Sherman to Roger Fontaine on 26 August (To Roger Fontaine, Mr. Allen forwards Professor Tamb’s testimony for your info./interest, Sally Sherman’), Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [3]; White House Memo, Energy Information Administration Monthly Executive Report (16 August 1982).

domestic oil troubles; perhaps not a total solution, but one that could offset the challenges faced by independent American oil companies. Struggling refiners in the U.S. stood to benefit from any increase in oil activity, Guatemalan or otherwise; Guatemala lacked the ability to refine its own oil, and thus it was transported to refineries in the U.S., whereafter refined oil products for Guatemalan consumption had to be imported back from the U.S.¹⁹⁸ More significantly, small and medium-sized independent American oil companies could pursue Guatemalan oil if the GOG modified its hydrocarbon legislation in such a way that reduced or eliminated financial barriers to entry, and offered clarity regarding reimbursement and favourable profit-sharing terms. For U.S. oil companies looking abroad, especially to non-OPEC developing countries, Guatemala was the closest possible opportunity, situated just beyond Mexico's thriving and restricted oil activity.¹⁹⁹

Following proper channels to meet the GOG's requests for financial support had become a challenge by 1982. On the American end of legislative obstacles, Guatemala's human rights record rendered the GOG ineligible for most avenues of financial and material assistance that required congressional approval. Congressional opposition opposed not just military aid, but economic and development packages were scrutinised in accordance with section 502B of the Foreign Assistance Act, and similar provisions in foreign assistance legislation in the spirit of 502B. Congress would only approve humanitarian packages aimed at meeting the basic human needs of recipient states.²⁰⁰ Reagan, however, would not be deterred in Central America. Up to 60 percent of U.S. military assistance allocated to neighbouring El Salvador between 1981 and 1983 was not approved by Congress, but rather misappropriated by Reagan from specific discretionary funds outside of congressional purview.²⁰¹ A similar degree of executive discretion and duplicity was applied to aiding the GOG in 1982.

¹⁹⁸ Amigos del País, 'Guatemala Newsletter'; Directorate of Intelligence, 'Development and Insurgency'; United States Department of State, Juanita Adams (ed.), *Background Notes: Guatemala* (Washington, D.C.: United States Department of State, Bureau of Public Affairs, Office of Public Communication, Editorial Division, U.S. Government Printing Office, December 1984), 6, Ronald Reagan Presidential Library, David Addington Files, Box 16, Stack B, Row 130, Compartment 3, Shelf 2, File: Background Notes—Guatemala; World Bank, 'Staff Working Paper No. 289: Petroleum and Gas in non-OPEC Developing Countries: 1976-1985', April 1978, 9-10, <https://documents1.worldbank.org/curated/en/610701468765884277/pdf/multi0page.pdf> (accessed 29 November 2021).

¹⁹⁹ Mexican oil was nationalised and off-limits to the majority of foreign oil companies, making Guatemala the next southerly destination and a possible 'fair play' on Mexican oil. David G. Santry, 'Guatemalan oil fuels a stock runup', *Business Week*, 28 May 1979; Joseph B. Treaster, 'Guatemala Drills for Big Find', *New York Times*, 25 January 1976.

²⁰⁰ Broder and Lambek, 'Military Aid to Guatemala', 111-145.

²⁰¹ John H. Coatsworth, *Central America and the United States: The Clients and the Colossus* (New York: Twayne, 1994), 163-169, 191-192, esp. 167. Per Coatsworth, 'Reagan evaded congressional limits and conditions through use of unilateral executive authority'.

When it came to anticommunist rights-abusing Latin American allies, the Reagan administration as early as 1981 decided that it would ‘no longer...abstain or vote against loans from international development banks’ in which the United States held influential primacy.²⁰² The Banco de Guatemala received \$35 million from the Central American Monetary Stabilization Fund to strengthen the Central Bank’s international monetary reserves, and \$110 million from the IMF for balance of payments support. Under the basic human needs criteria outlined in 502B, the Inter-American Development Bank (IADB) provided the Central American Bank of Economic Integration (CABEI) with \$32 million for the partial construction of a Central American electrical grid; CABEI in turn disbursed sub-loans to the appropriate electrical institutions in each state, including \$10.4 million for Guatemala’s National Institute for Electrification (INDE).²⁰³ The Guatemalan military had maintained a hand in these institutions, but the GOG’s rural pacification programs brought them formally under military control.²⁰⁴ The Chixoy Dam project received an additional \$70 million from the IDB,²⁰⁵ and the GOG received \$20 million from that institution to fight parasitic diseases in cattle, and \$22.5 million from ODB for potable water and sanitation projects.²⁰⁶ Certain packages proposed that year, however, were rejected at the subcommittee level for failing to meet 502B’s ‘basic human needs’ criteria,²⁰⁷ and the investment climate in Guatemala was further burdened by the ineligibility of U.S. companies active in Guatemala to participate in OPIC and similar programs, under said human rights provisions. A human rights-reformed Guatemala would have been eligible for unscrutinised U.S. and international lending, economic, development, and military assistance.²⁰⁸ Assistant Secretary of State for

²⁰² John M. Goshko, ‘U.S. Ends Opposition to Loans to Repressive Latin Regimes’, *Washington Post*, 9 July 1981, excerpt cut out in Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1981, Box 7, Folder 18 (4300) Foreign Countries.

²⁰³ United States Embassy, Guatemala, ‘Quarterly Economic Report: Guatemala, July-November 1981’, Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3, Folder: Guatemala: Economy. Herein cited as U.S. Embassy, ‘Economic Report: Guatemala’.

²⁰⁴ Barry, *Politics of Counterinsurgency*, 26-28

²⁰⁵ U.S. Embassy, ‘Economic Report: Guatemala’.

²⁰⁶ U.S. Embassy, ‘Economic Report: Guatemala’.

²⁰⁷ Broder and Lambek, ‘Military Aid to Guatemala’, 111-145.

²⁰⁸ For an assessment of OPIC coverage at the time, as debated in the House of Representatives, see United States House of Representatives, *Review of Activities of the Overseas Private Investment Corporation: Hearings before the Subcommittee on International Economic Policy and Trade, Committee on Foreign Affairs, House of Representatives, Ninety-Sixth Congress, 17 July 1979 and 07 February 1980, Serial No. 80-19424* (Washington, D.C.: U.S. Government Printing Office, 1980), passim, esp. 45-47 for oil, political conflict, and expropriation. See also: United States General Accounting Office. *Report to the Chairman, Foreign Relations Committee, United States Senate: The Overseas Private Investment Corporation: Its Role in Development and Trade*, United States General Accounting Office, 27 February 1981, <https://www.gao.gov/assets/id-81-21.pdf>,

Inter-American Affairs Thomas Enders instructed the American embassy in Guatemala to embrace the new regime cautiously to avoid opposition on the Hill and raising GOG expectation[s]'; Enders identified the Reagan administration's initial gestures of goodwill would

concentrate on the economic measures—lifting our opposition to an IDB rural telephone loan, signaling our willingness to endorse OPIC insurance for Texaco, moving forward on an AID housing investment guarantee loan in range of \$10 million and an \$850,000 AID grant for the Guatemalan private sector.²⁰⁹

OPIC insurance was back on the menu. To normalise relations, and to improve Guatemala's business climate with related financial programs, either Ríos needed to make human rights improvements, or he and the White House needed to make it look that way. The former did not occur, and neither were successful in the latter, although not without trying.

The Ríos government's human rights performance was indeed an obstacle for U.S. assistance. Human rights violations carried out by the Guatemalan military escalated in the weeks leading up to Charlie Wilson's Guatemalan visit, and it was hardly a secret. A CIA Intelligence report for the isthmus from June 1982 informed, or, more sceptically, coincided with, the Reagan administration's position that Ríos reduced government corruption and made human rights 'improvements'.²¹⁰ In contrast, a Department of Defense report issued that same month acknowledged the start of Ríos' Victoria 82 'Frijoles y Fusiles' ('Bullets and Beans') offensive, and informed that Ríos reportedly instructed his officers 'to take special care that innocent civilians would not be killed; however, if such unfortunate acts did take place, he did not want to read about them in the newspapers'.²¹¹ The further away from the White House, the more accurate the reporting: Amnesty International reported an estimated

(accessed 15 June 2023). For OPIC structure and eligibility, see Tom Barry and Deb Preusch, *The Central American Fact Book* (New York: Grove Press, 1986), 44-51; Zakariya, Hasan. 'Political risk insurance in petroleum investment', in: Nick Beredjick and Thomas Wälde (eds), *Petroleum Investment Policies in Developing Countries* (London: Graham and Trotman, 1988), 205-223.

²⁰⁹ U.S. Embassy, 'Support for Junta and Its Reforms'.

²¹⁰ United States Central Intelligence Agency, Special National Intelligence Estimate, 'Short Term Prospects for Central America', 12 July 1982, Document 02, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemalan Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455351-Document-02-Short-Term-Prospects-for-Central>, (accessed 5 May 2021).

²¹¹ United States Department of Defense, Defense Intelligence Agency, Confidential Report, 'Information on Operations Plan "Victoria 82"', 30 July 1982, Document 05, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemalan Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu/dc.html?doc=4455354-Document-05-Additional-Information-on-Operations>, (accessed 15 September 2021).

two-thousand-plus deaths by mid-1982.²¹² On 17 July, about 350 residents of Finca San Francisco in Nenton, Huehuetenango were massacred. On 18 July, thirteen villages were attacked in Rabinal, Baja Verapaz, wherein soldiers proceeded to ‘rape young women and shoot, burn or bludgeon 268 people to death’.²¹³ Texas Congressman Charlie Wilson visited Guatemala five days later.²¹⁴

Charlie Wilson visited Guatemala from 23-26 July 1982. According to the U.S. Embassy in Guatemala, Wilson visited at the GOG’s invitation,²¹⁵ although there is no invitation or similar record to be found in the Charlie Wilson Congressional Papers’ Correspondence folders for that time. If the Embassy is correct, then it is unsurprising that the Ríos government pursued Wilson, for the congressman ticked all the right boxes. Wilson was a hawkish anticommunist with an affinity for Central American right-wing regimes, and he maintained a track record of procuring support for human rights abusers.²¹⁶ He was already familiar with soft power avenues for indirect, backchannel military funding in Guatemala, having visited on USAID business during the Lucas years and developed a familiar relationship with duplicitous PVOs like CARE.²¹⁷ Wilson also represented the Texas oil industry, and many of the struggling enterprises from Texas were a potential match for Guatemala’s oil reserves, but only if the terms of Guatemala’s hydrocarbon legislation were modified. To these ends, Wilson arrived in the company of two unidentified extractive industry representatives from Texas. The Embassy acknowledged that ‘one purpose of the trip was to establish contact with [the] GOG for the business visitors’.²¹⁸ Wilson’s ‘stated purpose’ to the Guatemalan press ‘was to get to know the needs of Guatemala first hand as well as to look into ways of improving economic cooperation, particularly regarding petroleum’.²¹⁹ The congressman’s meetings with Ríos and his cabinet focused on three issues:

²¹² Amnesty International, *Massive Extrajudicial Executions*.

²¹³ Amnesty International, *Guatemala: The Human Rights Record*, 56-65; Schirmer, *Military Project*, 55. For a several categorical breakdowns of massacres, see *REMHI*, 302-311.

²¹⁴ U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

²¹⁵ *Ibid.*

²¹⁶ Crile, *Charlie Wilson's War*; Sadler, ‘Charlie Wilson's First War’.

²¹⁷ CARE was ‘[t]he largest PVO operating in Guatemala’ at the time, and it was very active distributing PL480 Title II food to military run development initiatives and food-for-work programs in the FTN and Playa Grande. See Barry, *Politics of Counterinsurgency*, 67. Wilson boasted of his time in Guatemala and relationship with CARE before a congressional subcommittee hearing to determine Guatemala’s eligibility for U.S. assistance in summer of 1982, shortly after his visit. This is examined in chapter five. See U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

²¹⁸ U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

²¹⁹ *Ibid.*

oil, aid, and human rights. The visit does not appear to have been sanctioned by the White House, although Reagan stood to gain from any headway Wilson made in those areas.

The meeting between Ríos and Wilson was amicable. When the topic of human rights conditions was raised, Ríos doubled down on the need for additional military assistance, but offered no commitments towards human rights improvements. Instead, Ríos defended Guatemala's human rights record by placing them in abstract cultural and historical contexts. Per the Embassy, Ríos characterised Guatemala as 'an aboriginal country steeped in 2000 years of poverty, ignorance, and disease, whose political system...cannot possibly parallel the U.S. or Europe',²²⁰ and thus could not be held to the same human rights standards. Ríos defended the regime's record as one of necessity, insisting that the 'war was illegal and prevented the rule of law', and that the GOG was required to 'meet force with force'.²²¹ To these ends, Ríos carefully calibrated his approach to the Americans' steadfast (deliberate or unintentional) misinterpretation of the civil war's atrocities as being perpetuated by insurgent aggression. Per the Embassy, 'Wilson left the meeting...somewhat perplexed by the singlemindedness and contrasts that coexist in Ríos' personality'.²²² There was enough single-mindedness to go around, however; in an exchange emblematic of bilateral and inter-American Cold War relations at large, Ríos identified 'hunger' as 'the basis for the insurgency', whereas Wilson insisted it was Cuba.²²³ After observing Ríos' 'heartfelt plea' to justify the GOG's conduct, and subsequent human rights violations, Wilson's integrity falls under suspicion for having either concluded, or duplicitously promoted the notion, that Ríos was committed to human rights improvements.

The 26 July meeting between Wilson, his oil industry cohorts, and members of Ríos' cabinet was more substantive. Participants 'got into a concrete exchange on ways to improve relations'.²²⁴ The dialogue centred on Guatemala's current and prospective eligibility for U.S. military sales and assistance, and economic and development assistance/programs from U.S. and international lending institutions. Participants also proposed mutually beneficial petroleum opportunities, and considered ways to improve Guatemala's international optics.

²²⁰ Ibid.

²²¹ Ibid.

²²² Ibid.

²²³ Ibid.

²²⁴ Ibid.

On the business end, Wilson committed ‘to help set up meetings with Texas businessmen, starting with oilmen, to publicise investment opportunities in Guatemala’. He ‘advised focused meetings with particular industries from Texas, beginning with petroleum’, and he ‘suggested that professionals working with the oil industry, such as geologists, be included’.²²⁵ According to the Embassy, ‘Wilson and Hydrocarbons Secretary Contreras were in agreement on the need to improve the petroleum law, particularly to attract medium and small exploration companies’ to Guatemala. There was no shortage of desperate oil companies of that stature in Texas in 1982, but Guatemalan hydrocarbon legislation’s (96-75) financial barriers to entry were a deterrent to independents, small and medium-sized companies.²²⁶ Indeed, just days prior to the meeting Economic Minister Julio Matheu Dúchez primed the Guatemalan military, which harboured both economic nationalists and opportunists, by identifying a need to modify petroleum policy at the Guatemalan Military Studies Centre (CEM).²²⁷ With Wilson in attendance, Contreras and Matheu identified OPIC eligibility as an incentive to promote exploration activity. Matheu added that he ‘had very positive meetings with OPIC in recent months’.²²⁸ Contreras indicated that the GOG planned to replace its existing hydrocarbon legislation by September with something more accommodating, and he suggested that month as an optimal time for Wilson to arrange the meetings. Wilson asked the cabinet to provide a list of sectors, public or private, that the GOG would consider opening up to foreign capital, and he again offered to facilitate meetings with key investors. Cabinet members expressed an eagerness to comply.²²⁹

The meeting sought to address Guatemala’s optics and pariah status in the international community. Guatemala was ineligible for a multitude of economic, development and finance programs due to human rights conditions, and while the conditions were not improving, the perceptions of those conditions were malleable. Matheu inquired about ‘how to improve communication with Guatemala’s friends in the U.S.’ Wilson recommended ‘hiring carefully-chosen professional representation in Washington[,] and increasing economic ties’ by ‘attracting oil investment from several states’.²³⁰ It was sound advice. Regarding optics,

²²⁵ Ibid.

²²⁶ Ibid.

²²⁷ Julio Matheu Dúchez, Excerpts from speeches on ‘Economy Recovery’ at the Guatemalan Military Studies Center (CEM), 15, 16, and 20 July 1982, in: Foreign Broadcast Information Service, Latin America Report No. 2559, 23 August 1982, 70-77, <https://apps.dtic.mil/sti/tr/pdf/ADA353384.pdf>, accessed 17 August 2023.

²²⁸ U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

²²⁹ Ibid.

²³⁰ Ibid.

well-connected public relations firms had been rebranding pariahs and butchers throughout Latin America for American consumption, at the Reagan administration's (clandestine) behest.²³¹ Regarding oil investments, Wilson's presence in Guatemala on behalf of Texas oil is a testament to the intermestic nature of U.S. foreign policy on its own, but diverse oil investment from U.S. companies across several states could ensure a vested interest and support from those states' congressional representatives—perhaps enough to sway a floor vote on financial assistance to Guatemala. If Wilson believed his own rhetoric that Somoza's Nicaragua had been targeted by Congress because that country lacked oil, then Guatemala must have seemed an easy candidate for improved relations.

On the matter of U.S. financial assistance and Guatemala's (in)eligibility, Wilson touted his influence in Washington. The Embassy observed that Wilson 'portrayed himself as the one member of the Foreign Operations Subcommittee of the House Appropriations Committee who is favorably disposed in general [sic] both to economic and military assistance abroad, and therefore a key figure in the legislative process'.²³² Per the Embassy, Wilson 'undertook a number of commitments with GOG officials', having 'told his hosts that he would work hard for both passage of the CBI legislation before the August recess' and to authorise the sale of requested helicopter parts, 'a "reasonable" level of military training and assistance, and [sic] improved communication with the U.S. private sector'. Wilson confirmed to Embassy officers that getting helicopter parts and communications equipment was 'a top priority'.²³³ If Wilson could channel money to Somoza on his political deathbed and for the clandestine Afghan mujahideen, Wilson would likely be able to channel money to Guatemala; the GOG was well aware of this, which is precisely why they invited him. The extractive representatives from Texas then gave a presentation to the cabinet after Wilson concluded his agenda.²³⁴

Wilson expressed obligatory concerns over human rights conditions in his meetings with cabinet officials. To assuage Washington's and the congressman's concerns on the matter, and

²³¹ See, for example: Kenworthy, *America/Américas*. passim; McClintock, *American Connection, Volume Two*, 296-297; Jefferson Morley, 'When Reaganites Backed D'Aubuisson, They Unleashed a Political Assassin: El Salvador: Washington's right was so pleased with the politician's anti-communism it was willing to overlook his abuse of human rights', *Los Angeles Times*, 1 March 1992; Peter Dale Scott, 'Reagan, Foreign Money, and the Contra Deal', *Crime and Social Justice 27/28, Contragate and Counter Terrorism: A Global Perspective* (1987), 110-148.

²³² U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

²³³ Ibid.

²³⁴ Ibid.

to provide Wilson with first hand evidence (or Potemkin village) of human rights improvements, the GOG arranged for Wilson to tour areas where known violence had occurred earlier in the year. Wilson's 24 July 1982 helicopter tour gives the impression of carefully choreographed pageantry. Wilson was transported by military helicopter to locations on the GOG's itinerary, specifically Joyabaj and Santa Cruz de El Quiché.²³⁵ The area had seen considerable violence already in 1982; in January, three hundred people were massacred in San Bartolo Jacaltenango, nineteen women and children were burned alive in Cantón Chiticun, San Pedro Jocopilas, and three teenaged girls were raped and killed by GOG soldiers in Cantón San Pablo, San Pedro Jocopilas. In March, state forces killed two hundred people in Zacualpa.²³⁶ Quite specific to Wilson's target destination, one hundred and fifty people were murdered at Joyabaj in April 1982, and over seventy-five were murdered at Santa Cruz de El Quiché in March and April.²³⁷ These areas had not seen violence in months leading up to Wilson's visit due to Ríos' brief amnesty, and were likely selected for this reason. The Embassy did not indicate whether or not Wilson met with civilians on the ground, but the authenticity of any civilian encounters would be highly suspect, as is the general integrity of the tour altogether given that state-led terror was peaking simultaneously with the GOG's claims that it had subsided. Instead of civilian encounters, coerced or otherwise, Wilson conversed with Guatemalan 'troop commanders' on the ground, and he observed a presentation by Guatemalan military representatives on winning the 'hearts and minds' of rural Guatemalans,²³⁸ which was consistent with the National Plan's development rhetoric. The rhetoric should have sounded familiar to American audiences, given the Guatemalan military's extensive counterinsurgency training at U.S. institutions like the Special Warfare School at Fort Bragg, the School of the Americas, Ríos' alma mater the Inter-American Defense College, and counterinsurgency seminars held in Panama.²³⁹ To a Cold Warrior like Wilson, helicopter tours with 'hearts and minds' discourse rang familiar; the mantra was emblematic of U.S. repression, atrocities, and failure in Vietnam. Its incorporation into Guatemalan counterinsurgency policy is evidence of U.S. military doctrine's influence on Guatemalan (and Latin American) officers trained in the U.S. One can speculate as to whether or not Wilson bought into the 'hearts and minds' pageantry provided by the GOG, and whether or not he believed the Ríos regime was making human rights

²³⁵ Ibid.

²³⁶ *REMHI*, 237-238.

²³⁷ Doyle (ed.), 'U.S. Policy'; *REMHI*, 237-238.

²³⁸ U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

²³⁹ Barry, *Politics of Counterinsurgency*, 18; Garrard-Burnett, *Terror*, 152-158.

improvements and committed to reform. One can easily conclude, however, that said pageantry provided Wilson with some degree of credibility to defend Guatemala's human rights record moving forward, sincerely or duplicitously. The congressman's credibility was held in great esteem by his Democratic colleagues, in spite of his record.²⁴⁰

Wilson disclosed his objectives to the Guatemalan press on two occasions during the visit. The congressman expressed his desire for 'first hand' knowledge of Guatemala's needs, and he cited a desire to strengthen economic cooperation with that country, 'particularly regarding petroleum'.²⁴¹ Indeed, he gained first-hand knowledge of Guatemala, in the form of a rubber stamp helicopter tour of rural post-combat zones, which afforded Wilson some degree of credibility when speaking of human rights conditions in that country. Wilson was either oblivious to the state of affairs in Guatemala, or so committed to duplicity as not to break character, that he commended the GOG for alleged human rights 'improvements' to an audience of Guatemalan journalists that were operating under restrictions due to the state of siege.²⁴² Wilson optimistically informed the press that 'the possibility of [restored] military sales [was] very good'. The Embassy reported back to the State Department that Wilson's visit received straightforward [press] coverage as a positive development in bilateral relations'; they observed 'one leading daily headlin[ed] the petroleum connection, and the other improved relations'.²⁴³ Given the press restrictions under the GOG's state of siege, there were few other angles to pursue. In the immediate aftermath of Wilson's visit, two scorched earth massacres were carried out by the military in El Quiche.²⁴⁴

It is not known if Wilson's visit was sanctioned by, coordinated with, or collaboratively carried out with the Reagan White House. Shared motives abound, but research carried out at the Ronald Reagan Presidential Library and the East Texas Research Center where the Charles Wilson Congressional Papers are housed did not produce definitive evidence to prove the White House colluded with Wilson or sanctioned Wilson's visit to Guatemala, his pursuit of Guatemalan hydrocarbon reform, his efforts to restore aid to the GOG, and/or his outspoken support of the GOG in the press and before Congress that echoed the administration's line that Ríos was a reformer. On Cold Warrior principles alone, Wilson was

²⁴⁰ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

²⁴¹ U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

²⁴² Ibid.

²⁴³ Ibid.

²⁴⁴ Ibid.

likely to toe the party line with whatever anticommunist regime held power in Guatemala, and here he and Reagan were natural allies. Even regarding Guatemalan oil, the Reagan administration and the intelligence community certainly recognised that improved American access to Guatemalan oil was strategically advantageous, and both Reagan and Wilson stood to gain from placating the domestic American oil industry's pitchforks and torches in 1982. There is no smoking archival gun to identify collusion, but there is abundant evidence to raise suspicion. Nearly every relevant Central American policy folder in the Reagan Library holds documents adorned with redacted lines, if not entire pages, that leave the window open, but this on its own is standard operating procedure for foreign policy archives. There is, however, a peculiar document in the Wilson Papers that suggests Reagan and Wilson colluded on something significant in August 1982: within the section titled Photographs 1972-1995, subsection 1972-1988, there is a file titled 'White House' (Box 1, Folder 66) that contains but one item—a lone photo of a full meeting in the White House Cabinet Room, wherein Wilson is seated across from Reagan; there is a description written in pencil on the physical folder that reads 'Ronald Reagan August 1982'.²⁴⁵ What makes this photograph suspicious is the fact that the Ronald Reagan Presidential Library has no record of Wilson having visited the White House in August 1982. In fact, Wilson is only recorded as having visited the White House for Christmas parties in 1982 and 1984, and for an award ceremony in 1988.²⁴⁶ It is possible that the file from the Wilson archive that contained the photograph is mislabeled, and it is possible that Wilson's participation in the meeting was not recorded by human error, but a not unreasonable conclusion is that the meeting, or Wilson's attendance at the meeting, was classified. This suspicious photo, and the fact that Wilson and the State Department's talking points on Guatemala were in sync following the visit, do not constitute collusion or collaboration, but they do make dismissing the prospect of, at the very least, mutual cognisance, irresponsible.

Conclusions

²⁴⁵ 'White House (Ronald Reagan August 1982)', Photograph, Meeting in the White House Cabinet Room with Ronald Reagan, Charles Wilson, and many more in attendance, Washington D.C., August 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Photographs 1972-1995, Subsection 1972-1988, Box 1, Folder 66: White House. See Appendix F for the photo.

²⁴⁶ The author inquired (email) with the Ronald Reagan Presidential Library on 19 August 2022 as to any records of Wilson's attendance at the White House in or around August 1982. The response from archival staff on 26 August 2022 was that apart from a visit in 1988, 'nothing is really showing up'. The author followed up by email on 16 October 2023 to confirm, and archival staff reported that Wilson's only documented visits at the White House were for Christmas parties in 1982 and 1984, and for a Kennedy Center Honors reception in 1988.

This chapter lays out U.S.-Guatemalan petro-diplomacy leading up to the liberalisation of Guatemala's hydrocarbon legislation in 1983, wherein Guatemalan oil became entangled in the aid and human rights dynamics that dominated bilateral relations at that time. This episode is one of many throughout the century in which U.S. actors pursued Guatemalan hydrocarbon legislation's liberalisation, although the nature of this episode is quite different and significant for a host of reasons. First, the pursuit of Guatemalan oil in preceding decades was an optimistically speculative venture in pursuit of untapped potential, whereas by 1982 Guatemalan oil had been put to the test with lacklustre results amid unfavourable transitions in the global energy market, the sum of which rendered the landscape of hydrocarbon suitors much humbler in stature. To those ends, American petro-diplomacy in this episode is less monolithic, and particularly localised and intermestic, when compared to past American efforts to see Guatemala's hydrocarbon legislation liberalised. Next, this episode of petro-diplomacy is deserving of special attention because U.S. actors were willing to support the most egregious human rights abusers in the hemisphere as they conducted a genocide. Lastly, this episode of petro-diplomacy is especially unique in that it led to Guatemalan hydrocarbon legislation's liberalisation in 1983, after which the pendulum has not swung back in the other direction since,²⁴⁷ the sum of which renders this particular episode the climax of the decades long push and pull between Guatemalan resource sovereignty and U.S. economic hegemony that played out over hydrocarbon law.

A hydrocarbon conspiracy is not afoot. The Reagan administration and Cold Warriors in the U.S. wanted to normalise aid relations with the anticommunist GOG, and both the Guatemalan business class and factions with GOG wanted to liberalise Guatemalan hydrocarbon legislation and open up to foreign investment. The Reagan administration likely would have charted this course on Cold War security principles alone, whether or not oil was involved. The prospect of liberalising Guatemala's hydrocarbon sector in 1982-1983 may have sweetened the deal for the White House, but it was hardly the bargaining chip that it had been nearly fifty years prior when Guatemalan President Juan José Arevalo upheld resource sovereignty against Washington's aggressive aid-for-oil petro-diplomacy.²⁴⁸ The prospect of liberalisation in 1982-1983 did offer incentives at the state level, particularly the oil-state level, and here Charlie Wilson's Lone Ranger petro-diplomacy offers an example of

²⁴⁷ World Bank, *Preliminary Scoping*, 26-43.

²⁴⁸ Juan José Arévalo Bermejo, *Guatemala, la democracia y el imperio* (Guatemala: Editorial Nueva Era, 1994), 61-63.

intermestic foreign policy. The White House may have sought to normalise aid relations, but so did Wilson, although the congressman had a different set of interests, priorities and objectives than the White House, along with a different range of responsibilities, limitations, and options at his disposal. That oil companies in Wilson's constituency did not fill the investment void in Guatemala does not negate the fact that Wilson attempted to procure favourable legislative and financial access to Guatemalan oil for said companies, or that he did, in fact, honour his quid pro quo commitment to the GOG through public and congressional displays of support as outlined in Chapter 5. Through these actions, Guatemalan oil became especially entangled in the aid and human rights dynamics that dominated bilateral relations.

As success and investment in Guatemalan oil declined by mid-decade, intelligence circles within the United States remained concerned with, and optimistic over, Guatemala's hydrocarbon potential.²⁴⁹ Whereas the oil industry had been responsible for generating the international optimism and subsequent U.S. national interest in Guatemalan oil, U.S. security and intelligence circles maintained fixated on Guatemala's hydrocarbon wealth and potential well after it was revealed that Guatemala was not the world's next major oil producing powerhouse.²⁵⁰ This phenomenon is easily explained by variations in the relative value of Guatemalan oil to the profit-seeking industry versus the security-minded establishment in Washington. The value of Guatemalan oil, in terms of U.S. national security and interest, was determined more by its mere presence in the ground, than by its commercial viability and profitability. Industry interests were subject to market conditions and could be fleeting; the nationalistic elements in the GOG were acutely aware of this, and the barriers to entry and strict timetables for production outlined by Guatemala's 1975 hydrocarbon legislation had been a seemingly sensible way to ensure consistent activity in spite of decreased oil company profits, preventing fair-weather corporate practice of parking equipment on their concessions and resuming activity as market conditions optimised. Along the energy-security spectrum, the zero-sum objectives of security-driven forces in Washington were to prevent Soviet-Cuban access to key resources like Guatemalan oil, especially so as 'top officials' at the time considered an insurgent victory in El Salvador possible, and its subsequent hypothetical

²⁴⁹ CIA, 'Petroleum Potential'.

²⁵⁰ For optimism and the Alaskan reference, see Hodge, 'Low Key "Eureka"'; Manz, 'Refugees'. Kuwait reference quoted in Solano, *Guatemala petróleo y minería*, 49. For ongoing interest, see CIA, 'Petroleum Potential'.

‘spill’ into Guatemala likely.²⁵¹ The White House was pleased to ensure and sustain U.S. companies’ favourable access to Guatemalan oil, due to the inherent economic benefits of said access and the political/lobbying power of those who benefited from it, but the security scene was least concerned with Guatemalan oil’s profitability.

Security interests aside, Guatemalan oil occupied space in American national interest, even as large oil operations experienced limited success. Many political and economic forces in Guatemala identified liberalisation as a means to adapt to global market changes, fading potential and local hydrocarbon realities at that time: removing barriers would seduce smaller companies for smaller ventures on less demanding terms. The 1982 downturn in certain sectors of the U.S. domestic oil industry created mutually beneficial opportunities for Guatemala’s hydrocarbon sector and the flailing U.S. oil companies at that time. Charlie Wilson became a liaison, and a fundamental antagonist in the process of Guatemalan hydrocarbon liberalisation; he represented these smaller companies and ventures, and he recommended a set of less demanding terms. It is not surprising that Guatemalan advocates for liberalisation invited Wilson; an ardent anticommunist Cold Warrior like Vernon Walters, but with influential access to the purse strings of U.S. foreign assistance, Wilson’s liberalisation pitch had the capacity to offset Guatemalan nationalists’ objections. National interest hardly needs to canvas the nation; Wilson’s interests may have been local in origin, but his constituents vote, network, lobby, and make campaign donations, and in turn Wilson extended his constituent interests very much to the international level.

Hydrocarbon relations fall well under the umbrella of imperialism, but it is essential to acknowledge the GOG’s agency, and to avoid top-down or patron-client presumptions about bilateral relations and petro-diplomacy in this instance. Unlike Washington’s attempts to squeeze the GOG to modify Guatemalan hydrocarbon legislation in the opening decades of the twentieth-century and during Guatemala’s democratic spring, American actors did not squeeze so hard for liberalisation during Reagan’s tenure. They did not have to, as Guatemala’s collaborative business class was eager to open the gates to foreign investment—it was the Ríos government that proposed aid for oil prior to Wilson’s visit, and Wilson appears to have visited Guatemala at the GOG’s invitation. Sovereignty-minded nationalists within the Guatemalan military had been less amenable to liberalization, but the Guatemalan

²⁵¹ CIA, ‘Prospects’; USDOJ, ‘Prospects’.

economy was in ruin, counterinsurgency wars and genocidal terror required funds that the military was desperate for, and energy investment and revenue was much needed. The American end of quid pro quo—the prospect of economic and military assistance carried by the staunchest of Cold Warriors—pacified the nationalist holdouts. The efforts to liberalise Guatemalan hydrocarbon legislation can categorically be considered acts of sovereign economic and political self-determination on behalf of the GOG, but neither the goals nor outcomes were particularly democratic on the Guatemalan end—liberalisation was pursued in the interests of a wealthy and corrupt minority, and tolerated by cash-strapped military nationalists carrying out a genocide whose ideological commitment to anticommunism ticked the right boxes with the Reagan administration. Guatemala was already home to the starkest contrast of economic inequality in the hemisphere,²⁵² and just as Lucas-era development projects had a devastating impact on the rural countryside, so too did hydrocarbon liberalisation and future energy development activity have an adverse impact on rural Guatemala and its inhabitants.²⁵³ Oligarchs, and desperate and illegitimate regimes, have often been the gatekeepers for imperialist forces and captains of asymmetric economic models that benefit the few, and the sovereign decisions of unelected military governments and collaborative ruling classes are more odious than democratic, and very much fall under the umbrella of imperialism, agency notwithstanding.²⁵⁴

Wilson should be viewed as both an antagonist in the liberalisation process, and as an agent of intermestic imperialism. Wilson's Guatemalan visit may not have been sanctioned by the White House, but his pursuits were congruent with White House objectives; the tangible evidence that suggests that Wilson's visit to Guatemala and support for the GOG on the hill and in the press were in concert with the White House is circumstantial. Notwithstanding, Wilson pursued economic and legislative changes in a foreign nation, and these changes were designed to benefit U.S. industry (and foreign collaborators) and a handful of Guatemalans, and potentially exacerbate human suffering in the process; in exchange, Wilson also offered support in obtaining increased U.S. financial assistance. Given Wilson's record of Lone Ranger diplomacy, and of procuring arms and foreign assistance for right-wing regimes, the

²⁵² Gini Index was measured at 85.05/100 in 1979, with some areas as high as 93.58/100. Black, *Garrison Guatemala*, 3-4.

²⁵³ See Virgilio Reyes, 'Oil extraction and territorial disputes in the Maya Biosphere Reserve', in J. A. McNeish, A. Borchgrevink, and O. Logan (eds) *Contested Powers: The Politics of Energy and Development in Latin America* (London: Zed Books, 2015), 40-65.

²⁵⁴ Eduardo Galeano, *Open Veins of Latin America: Five Centuries of the Pillage of a Continent*, trans. C. Belfrage (New York: Monthly Review Press, 1971), 115-116.

congressman did not need the White House's blessing for the gesture to be possible or meaningful. On the contrary, Wilson's Lone Ranger diplomacy arguably had the capacity to be more effective than an official White House envoy limited to overt channels for the procurement of economic and military support. After the fledgling Ríos government failed to seduce the Reagan administration to commit to quid pro quo oil for aid, the GOG invited Wilson; his invitation alone speaks to the GOG's confidence in his abilities. Given the barbarity of GOG state terror taking place at the time, support for the genocidal regime casts a long, dark shadow on both Wilson and Reagan's legacies.

CHAPTER 5

Charlie Wilson's Other War, Act II

Decades of push and pull between Guatemalan resource sovereignty and foreign oil interests concluded when the financially desperate GOG liberalised Guatemala's hydrocarbon legislation in 1983. The legislative pendulum is yet to swing in the other protectionist direction, which renders this episode the de facto climax of Guatemalan hydrocarbon legislation. The path to liberalisation was anticlimactic from an investment perspective, since there were fewer enthusiastic suitors by 1983. The optimism over Guatemala's potential was withering as Basic Resources and larger oil companies experienced lacklustre results, and Guatemala's commercial viability threshold started returning to its elevated status in response to disadvantageously shifting conditions in the global energy market. The GOG did not move quick enough to meet the needs of Wilson's constituents, whose acute financial crisis was averted thanks to the congressman's political maneuvering outlined herein, and Guatemalan oil retained more value to security-minded circles in Washington as a zero-sum resource commodity than it did as a private sector profit-making venture by 1983. Reagan's interests in Guatemalan affairs declined for a host of reasons, but as national interest goes, Reagan did not waver until after the oil rush was over. The climax of Guatemalan hydrocarbon legislation may have been anticlimactic, but the human rights and foreign assistance dimensions that intersected petro-diplomacy at this time were significant.

Charlie Wilson's domestic and international political and petro-diplomacy in the summer and fall of 1982 form a critical intersection between oil, aid, and human rights issues at the time. The congressman's quid-pro-quo negotiations with the GOG took place in Guatemala amidst peaking genocidal violence. Wilson returned to the United States and swiftly expressed his support for the GOG in the press and on the Hill, and he buttressed his disposition by citing his first-hand observations from the field. The Ríos regime was, per Wilson, committed to reform, a narrative that conveniently echoed the State Department's official position. Wilson's accounts from his Guatemalan visit failed to bolster his credibility enough to move the meter with rights-minded congressional opposition, but the hearing had bigger implications for U.S. human rights and Guatemalan policy.

Shortly after returning to the U.S., Wilson appeared before a congressional subcommittee hearing to determine Guatemala's eligibility for an Inter-American Development Bank (IADB/IDB) package intended for Guatemala and backed by the Reagan administration. The \$18 million IADB package was supposed to improve rural Guatemalan telecommunications, but because of the human rights crisis in Guatemala, human rights provisions in foreign assistance legislation limited Guatemala's eligibility to packages that met only basic human needs. This chapter analyses the 1982 congressional subcommittee hearing over Guatemala's eligibility for the IADB telecommunications package, wherein the Reagan administration's policy toward the Ríos regime clashed with congressional opposition and human rights advocates. The hearing is identified as a watershed moment in the trajectories of U.S. foreign assistance legislation, and Reagan's Guatemalan and human rights policies. Charlie Wilson testified alongside State Department officials of human rights 'improvements' in Guatemala, and of the Ríos government's commitment to reform. This was an unequivocally false assertion, inconsistent with human rights organisations' findings and victim testimonies presented at the hearing. The integrity of Wilson's observations was called into question during the hearing, and analysis of Wilson's visit presented in this chapter vindicates congressional concerns. Wilson played his part by echoing the administration's 'improvements' mantra, a duplicitous application of the Kirkpatrick Doctrine wherein the State Department sought to capitalise on transitions in Guatemalan leadership to restore aid under the auspices of human rights improvements, in the window of time before international human rights organisations could prove that human rights conditions had actually worsened. Human rights improvements would have been welcomed in Washington, although not if they diminished the GOG's anticommunist commitment; American diplomacy was consistent in expressing that optics were Washington's preeminent human rights concern in Guatemala, not the rights themselves. Guatemalan optics were difficult to salvage, but the Reagan administration needed only to forge an alternate narrative to counter that of the human rights community, to then rationalise the White House's efforts to restore aid to the GOG. Elliot Abrams and the co-opted Bureau of Human Rights provided the biased and false data to support the administration's claims, while the State Department actively discredited the methods and conclusions of human rights organisations.

The subcommittee was not convinced the Ríos regime was on the right path, but Reagan disregarded their conclusion. The Administration circumvented human rights provisions in foreign assistance legislation and exercised executive discretionary authority—Reagan's

determination that human rights ‘improvements’ had taken place (in the midst of a genocide, and with abundant evidence of ongoing rights abuses) was sufficient to move forward with the package. The Reagan administration had taken liberties in defining human rights in such a way that their new rights framework accommodated pre-existing conservative foreign policy goals, and here the administration extended similar interpretive liberties to determine if Guatemala was eligible for U.S. assistance. The legislative fallout from these events was significant, as Reagan’s decision to move forward on the package contributed towards a procession of legislative changes, a push and pull between executive discretion and congressional authority when determining eligibility for foreign assistance legislation based on human rights criteria. Reagan won the war of executive discretion, and the administration’s disregard for 502B in Central America was a critical moment in the slow passive death of 502B.

Congress raised suspicions that non-military funds like the IADB package would be misappropriated for military use. Careful analysis of the anatomy of soft power in Guatemala at that time vindicates these suspicions. This chapter evaluates the history of, and intrinsic relationship between, Guatemalan telecommunications, intelligence, counterinsurgency and state terror, and contends that the IADB package, like other forms of soft power aid at the time, was categorically, and likely directly, misappropriated for military application. This misuse of non-military assistance is evidence that U.S. and U.S.-backed financial and material support for the GOG was quantifiably greater than generally credited, and the boldness and potential fallout for supporting the genocidal regime supports this project’s broader assertion that the Reagan administration’s interests in Guatemalan affairs were not insignificant.

Promises Kept: Charlie Wilson’s Support for Guatemala

Charlie Wilson started to fulfill his end of the bargain as he set out to clear the GOG’s name immediately after returning from Guatemala. He defended the GOG in the press, on television and in Congress, but his hydrocarbon pursuits in Guatemala failed to make the pages of U.S. news outlets. Wilson’s public disposition towards Guatemala and the Central American Cold War theatre remained themed with Cold War anticommunist security-centred discourse. The photo of Wilson and Reagan in August 1982 is not a smoking gun per se, but Wilson’s commentary echoed the Reagan administration’s attitude and talking points about

the Ríos government on all fronts, which suggests that the Wilson and the White House collaborated to some extent in the summer of 1982.

Wilson issued public support for the GOG in the immediate wake of his visit. He voiced bold, inaccurate and inconsistent statements about the Guatemalan conflict to the American press, and he used his time in Guatemala to bolster the credibility for his support. In a syndicated column that Wilson regularly authored, the congressman claimed that there was ‘no doubt that the Indians in Guatemalan villages prefer their government’s army to the guerillas’,¹ but these allegations were false, and highly suspicious for several reasons. The Archdiocese of Guatemala’s Historical Memory Project, *Guatemala, Never Again!*, determined that about 93 percent of violence in the Guatemalan civil war was initiated by the state;² many rural Guatemalans supported or joined the insurgency, and many more were terrified of the state, so Wilson’s observations of alleged support for the GOG originated from either a coincidental, coerced, or carefully choreographed minority opinion of rural Guatemalans, or from Wilson’s imagination. By Wilson’s own admission, he only visited areas under government control in a military helicopter, so any civilian encounter would have been highly biased and/or likely coerced. The congressman certainly did not engage civilians in hiding, refugees, and/or those who had taken up arms against the state, so the pool of opinions available to Wilson was askew. Wilson would have been well aware of this inherent bias and deliberate naivety, but he remained steadfast in the authenticity of his encounters.³

More significantly, and outside the purview of coercion and bias, it is possible that Wilson fabricated part of his story and did not meet with any villagers at all. The U.S. Embassy in Guatemala reported only that Wilson met with representatives from the Guatemalan military on his helicopter tour, and there was no mention of Wilson having engaged civilians, let alone

¹ Congressman Charles Wilson, ‘Wilson Reports: Guatemalan Indians Prefer Army to Guerrillas* Wilson Says’, *Groveton News*, 12 August 1982. This is one of several columns Wilson authored in local papers, but this particular article is written in third person about Wilson while still claiming to be by authored by Wilson. Herein cited as Wilson, ‘Guatemalan Indians Prefer Army’.

² Archdiocese of Guatemala, Human Rights Office (ODHAG), *Guatemala, Never Again! Recovery of Historical Memory Project (REMHI) - The Official Report of the Human Rights Office of the Archdiocese of Guatemala* (Maryknoll, N.Y: Orbis Books, 1999), xvi, . Herein cited as *REMHI*.

³ United States House of Representatives, *Inter-American Development Bank Loan to Guatemala: Hearing before the Subcommittee on International Development Institutions and Finance of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Ninety-Seventh Congress, Second Session. Thursday, August 5, 1982. Serial No. 97-80*, (Washington, D.C.: U.S. Government Printing Office, 1982). Herein cited as U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

civilians that favoured the GOG.⁴ Had Washington's quest for evidence of human rights improvements and popular support for the Ríos government been vindicated by civilian interviews during Wilson's visit, it seems unlikely that the Embassy would have omitted that information from their report, which casts a shadow of doubt on Wilson's claims of having met with rural Guatemalan villagers at all. Adding to the suspicion, the congressman's claims of villager support, and the implication that he obtained this information first hand, appeared in a syndicated column that Wilson himself authored regularly in first person; the particular piece that contained these claims was suspiciously written in third person *about* Wilson and his visit, while nonetheless marked as having been authored by him.⁵ Wilson did, however, make the claim, verbatim, before a congressional subcommittee just days prior,⁶ which suggests that the third-person article was written in Wilson's absence and/or at his request, presumably by an imperceptive staffer.

Texas-based industries were likely grateful for Wilson's efforts in Guatemala. Wilson's individual constituents, however, held a different opinion of the GOG, and they expressed their discontent with their congressman's outspoken portrayal of the regime. This is evidenced throughout correspondence to Wilson's office at this time. One individual, a former Peace Corps volunteer in Guatemala, held a more accurate take on the cause of the Guatemalan insurgency, and objected to Wilson's support for the GOG:

The foundation of the Socialist-Marxist-Communist (call it whatever you like) Revolution is based on the disproportionate distribution of wealth and land, and the social injustices directed toward the indigenous Mayan culture. It is easy to understand why there is so much support for the current insurrection among the less-privileged, hungry, landless peasants. These political problems in Guatemala will continue until there is some honest effort towards fair land-reform and social justice toward the indigenous population (60% of the entire population). US military aid for the military regime now in control will only perpetuate the status-quo and cause a dramatic increase in the shameless bloodshed that has been accepted as a daily occurrence in parts of Guatemala. I would not want

⁴ United States Embassy, Guatemala, Confidential Cable, AmEmbassy Guatemala to RUEHC/SecState WashDC, 27 July 1982, 'A Visit to Guatemala of Congressman Charlie Wilson', Document 4, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive2.gwu.edu//dc.html?doc=4455353-Document-04-Visit-to-Guatemala-of-Congressman>, (accessed July 6 2018). Herein cited as U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

⁵ Wilson, 'Guatemalan Indians'.

⁶ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

that on my conscience if I were to favor military aid to totalitarian Latin American dictatorships.⁷

Wilson's response read, 'With reference to your comments on International Affairs, specifically...Guatemala, we do not entirely agree on these issues'; he did not elaborate further.⁸

Wilson was a featured guest on celebrity pundit Phil Donahue's 'The Last Word' news program not long after. The congressman voiced support for the Ríos regime under the auspices of simplified, security-centred Cold War rationale.⁹ The American public was not enamoured by Wilson's take on Guatemala, which is evidenced by correspondence following his appearance on the show. One constituent in particular called Wilson 'a Himmler[,] a fool [and] a butcher'.¹⁰ Wilson personally responded to many constituent letters found throughout the Charlie Wilson Congressional Papers' Correspondence files, but there is no record of a response to this letter in the files for that year.

Wilson's public support for the genocidal GOG endured the Ríos government's brief tenure, steeped in East-West security-centred rhetoric. A reasonable conclusion, given the opposition to Wilson's support for the GOG as voiced by his constituents, is that Wilson's foreign policy initiatives in Central America were guided more by the interests of the industries he represented, and the state of the economy in his District and Texas at large, than by the opinions of individual voters in his district. Wilson's Cold Warrior discourse provided the rationale, the sincerity of which is also suspect. Had Wilson been gravely concerned about the insurgent threat in Guatemala, the subject would have been discussed in detail during his visit. Instead, his visit centred on business and optics: oil, aid, and human rights. Wilson's Guatemalan petro-diplomacy is emblematic of his irreverent legacy of Lone Ranger diplomacy, and of intermestic foreign policy, uniquely so with an oil state like Texas.

⁷ Carl W. Schattenberg to Congressman Wilson, Letter, 18 August 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 6, Folder 5.

⁸ Charles Wilson to Carl W. Schattenberg, Letter, 27 September 1982, Doc no. 36224, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 6, Folder 5 (6910) Misc.

⁹ 'Wilson on show', *Lufkin News*, 3 December 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982 Continued.

¹⁰ John Sutcliffe-Hetman to Rep Charles Wilson, Correspondence, Western Union Telegram, 4 December 1982, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982 Continued.

Whether immoral, amoral and/or pragmatic, such was the political economy of Charlie Wilson.

Wilson maintained a favourable disposition towards the GOG in the media, and he kept his word by trying to free up avenues of U.S. financial and material assistance for the GOG. Wilson visited Guatemala during heightened genocidal violence, but within days of his return he testified to the GOG's commitment to human rights before a congressional subcommittee. The subcommittee had convened to address Guatemala's eligibility to receive U.S. assistance due to the state of human rights conditions in that country.¹¹ The U.S. assistance in question was a \$18 million Reagan-backed IADB package allegedly for rural telecommunications development, although the funds were inevitably entangled with, if not intended for, various levels of military application. That Cold Warrior Charlie Wilson ostensibly rubber-stamped the Guatemalan genocide for Congress—for \$18 million, and then brazenly defended his position, makes for perhaps the darkest Lone Ranger episode of Wilson's Cold Warrior diplomatic legacy.

Guatemalan Human Rights Conditions on Trial: The Inter-American Development Bank Telecommunication Package

Of the Reagan Administration's many avenues of economic and military assistance intended for Guatemala, the White House backed an \$18 million assistance package to (allegedly) improve Guatemala's rural telecommunication network. The GOG was ineligible to receive these and most additional funds due to poor human rights conditions in that country, supported by ongoing international reports of human rights violations carried out by state forces. Section 502B of the Foreign Assistance Act of 1961 (FAA) dictates that 'no security assistance may be provided to any country the government of which engages in a consistent pattern of gross violations of internationally recognized human rights'; therein 'security assistance' was expanded to include 'police, domestic intelligence, or similar law enforcement forces'.¹² An exception clause empowered the executive to override 502B should the President 'present evidence of extraordinary circumstances...warranting provision

¹¹ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*.

¹² United States House of Representatives, *Foreign Assistance Act of 1961, Public Law 87-195, September 4, 1961, Amended Through P.L. 116-6, February 15, 2019*, 175-176, available by USAID, <https://www.usaid.gov/sites/default/files/documents/1868/faa.pdf>, (accessed 3 November 2021).

of such assistance' to Congress.¹³ A procession of legislation in this vein applied human rights conditions to military, development, and multilateral aid through the Foreign Assistance Acts of 1973 and 1974, the International Development Act of 1975, the International Security Assistance Act of 1975, the 1975 and 1976 Harkin Amendments to the Foreign Aid Bill, and the International Financial Institutions Act (IFIA) and Harkin-Badillo Amendment of 1977. Further, direct transfer of arms was prohibited under the Arms Export Control Act of 1976, and was extended to include policing assistance with the Export Administration Act of 1979. These legislative measures prohibited foreign assistance to states known to be gross and consistent human rights violators, they established criteria for the resumption of aid under this distinction, and they required American members of multilateral institutions to vote against packages for states complicit in human rights abuses. Discretionary executive exemptions within these measures, however, could be exercised under the auspices of national security, humanitarian duress, and 'extraordinary circumstances', pending congressional approval.¹⁴ Within the Foreign Assistance Act of 1961, Section 506 allows executive exemption in the case of 'an unforeseen emergency' in which a country requires military assistance that 'cannot be met under the authority of...any other law'; Section 614 allows the President to 'authorize assistance, or make sales, extend credit and issue guarantees, ...without regard to any other provision of law, if he determines and reports to the Congress that "to do so is important to the security interests of the United States", provided that he first "consult with, and... provide a written policy justification" to designated committees'.¹⁵ In instances where states were known to be violating human rights, but had not been given the distinction of gross human rights violators by the President or Congress, the ability to provide or prohibit aid was at the discretion of the executive, whose decision was based on reporting provided by the Bureau of Human Rights.¹⁶

¹³ U.S. House of Representatives, *Foreign Assistance Act of 1961, P.L. 87-195*, 175-176.

¹⁴ 'Human Rights... In the Soul of Our Foreign Policy', *North American Congress on Latin America (NACLA)*, 25 September 2007, <https://nacla.org/article/human-rights-in-soul-our-foreign-policy>, (accessed 8 July 2021); Tanya Broder and Bernard D. Lambek, 'Military Aid to Guatemala: The Failure of Human Rights Legislation', *Yale Journal of International Law* 13, no. 1 (1988), 111-114, 122-131; Lars Schoultz, *Human Rights and United States Policy Towards Latin America* (Princeton, NJ: Princeton University Press, 1981), 281-300; Kathryn Sikkink, *Mixed Signals: U.S. Human Rights Policy and Latin America* (Ithaca, NY: Cornell University Press, 2004), 69-70; Jesús Velasco, *Neoconservatives in U.S. Foreign Policy under Ronald Reagan and George W. Bush: Voices behind the Throne* (Baltimore, MD: Johns Hopkins University Press, 2010), 94-103.

¹⁵ Quoted in Broder and Lambek, 'Military Aid to Guatemala', 125-126 n.78.

¹⁶ Broder and Lambek, 'Military Aid to Guatemala', 123-124.

With Elliot Abrams at the helm, the Bureau of Human Rights was no longer working to ensure ‘that human rights concerns were brought into all aspects of U.S. foreign policy’ as it had been designed to do.¹⁷ Instead, the Bureau served to support the Administration’s foreign policy initiatives in areas where human rights conditions presented obstacles. Abram’s direction manifested itself in human rights testimony and reports that supported the Administration’s position throughout the hemisphere and especially with regard to Guatemala. Needless to say, there were inconsistencies and vast differences between Abrams’ observations and the findings of international human rights organisations.¹⁸

The IADB package in question was not presented as a form of military assistance, nor was it flagged or debated under the criteria for gross human rights violators under the direct purview of 502B per se. The package was instead evaluated under the framework of Section 701 of the IFIA, which required the American Executive Director of the IADB (and any American representative to non-domestic lending institutions to which Washington held influential primacy) to veto projects for known human rights violators. The exception to the rule required the assistance in question to be approved by Congress for meeting ‘basic human needs’ consistent with 502B in the recipient state.¹⁹ When it came to right-wing, rights-abusing Latin American anticommunist allies, the Reagan Administration decided in 1981 that it would neither reject nor abstain from voting on loan packages from international financial institutions in which the United States held influential primacy, thereby escalating Washington’s approach from passive to active approval.²⁰ Congress felt differently on the matter, and this particular IADB telecommunications package was flagged by the Committee on Banking, Finance and Urban Affairs’ Subcommittee on International Development Institutions and Finance due to Guatemala’s ongoing human rights violations, and therein the package’s failure to meet ‘basic human needs’ criteria. The events surrounding the package became the site of a critical standoff between congressional and executive authority over human rights and foreign assistance.

¹⁷ Sikkink, *Mixed Signals*, 69-70.

¹⁸ American Association for the International Commission of Jurists (ICJ), *Human Rights and U.S. Foreign Policy: The First Decade, 1973-1983* (Washington, DC: Library of Congress, 1984), 41-42.

¹⁹ Davis Shelton, ‘The Social Consequences of “Development” Aid in Guatemala’, *Cultural Survival Quarterly* 7, no. 1 (March 1983), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/social-consequences-development-aid-guatemala>, (accessed 15 August 2020).

²⁰ John M. Goshko, ‘U.S. Ends Opposition to Loans to Repressive Latin Regimes’, *Washington Post*, 9 July 1981, excerpt in Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1981, Box 7, Folder 18 (4300) Foreign Countries.

The IADB telecommunications package first appeared before Congress in December 1981. Deputy Assistant Secretary for Economic and Business Affairs Ernest B. Johnston Jr. presented the proposal to the House Committee on Banking, Finance, and Urban Affairs' Subcommittee on International Development Institutions and Finance. Johnston acknowledged existing legislative barriers in providing aid to states known to be human rights violators, but he noted that the package had been evaluated by the Interagency Working Group on Human Rights, which had determined that the package met basic human needs criteria per 701. The integrity of the Working Group, however, should be called into question; in addition to participants from the Departments of the Treasury, Labor, Commerce, Agriculture, and Defense, its membership consisted of a prominent cast of multilateral institutions whose records fall short of humanitarian altruism (which, in the case of 701, *are* the criteria), including the IADB, the Export-Import Bank, the World Bank, OPIC, and USAID, the latter having been instrumental in the development of Guatemala's counterinsurgency state and intelligence apparatus.²¹

The stated goal of the initial package was to establish public telephone networks extending to rural cooperatives and small manufacturing sites across 17 Guatemalan departments. Johnston claimed these actions would aid in the integration of rural indigenous Guatemalans in the national economy, which was allegedly 'a vital part of [the IADB's] overall rural development strategy for Guatemala'.²² Further, Johnston framed the package in the context of two additional proposals approved by both the working group and the subcommittee under the provisions of 701, including a package for livestock health to prevent food-borne diseases, and funding for a water-sewer project. While these two proposals had clear public health benefits and were approved by Congress in November 1981 for addressing Guatemalans' basic human needs,²³ the telecommunications package had no such humanitarian benefit; it appears as if the package was bundled with the others for legitimacy. The subcommittee raised objections to the IADB telecommunications package over both its

²¹ Ernest B. Johnston, Jr., 'Development Bank Lending to Guatemala: Statement before the Subcommittee on International Development Institutions and Finance of the House Committee on Banking, Finance, and Urban Affairs on December 8, 1981', *Department of State Bulletin* 82, no. 2060 (March 1982), 41-42. The *Department of State Bulletin* was published by the Office of Public Communication within the Bureau of Public Affairs. Johnston was then the Deputy Assistant Secretary for Economic and Business Affairs, but would eventually hold the post of Deputy Assistant Secretary of State.

²² *Ibid.*, 41-42.

²³ Johnston, 'Development Bank Lending to Guatemala', 41.

inability to address basic human needs, and ongoing human rights violations in Guatemala. The package was consequently withdrawn in December 1981.²⁴

When Ríos emerged from the junta that succeeded Lucas in the spring of 1982, the Reagan Administration looked to capitalise on the new regime and push the package through. The White House sought to circumvent relevant human rights provisions in foreign assistance legislation under an interpretation of executive discretion that insisted that states needed only to demonstrate that they had made improvements toward upholding human rights to be eligible for assistance.²⁵ The Bureau of Human Rights under Elliot Abrams unsurprisingly vouched for said improvements in support of the Administration's position, as they were all on the same team and shared the same objectives. There is perhaps no more blatant example of the Bureau of Human Rights having transitioned from working to promote human rights in U.S. foreign policy, to working to support White House objectives that had been hindered by human rights violations and related congressional obstructions.

The package was resubmitted, and flagged and brought before the subcommittee a second time in August 1982 at the request of the Committee's Chairman, Jerry Patterson (D-CA). Deputy Assistant Secretary of State for Inter-American Affairs Stephen Bosworth and Deputy Assistant Secretary of State for Human Rights and Humanitarian Affairs Melvyn Levitsky defended the Administration's position during the hearings. Congressman Charlie Wilson appeared in support of the Administration and the GOG. Individuals and international human rights organisations also spoke of the state-led violence taking place, but proponents of the Administration's position left the hearing prior to opposing testimonies. The Administration's approach at the hearing was twofold. The State Department first contended that the package did, in fact, meet Guatemalans' 'basic human needs', based on the Reagan Administration's new and conveniently expanded conceptualisation of 'basic human needs' criteria. Bosworth and Levitsky also argued that human rights provisions in foreign assistance legislation, and therein 701 basic human needs criteria, were not applicable, because Guatemala had not been formally designated a gross violator of human rights. The White House insisted that their assessment that the Ríos regime had made human rights improvements would suffice for the resumption of aid. The State Department insisted 'that the Rios Montt government's human

²⁴ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, 1-2. See also: Broder and Lambek, 'Military Aid to Guatemala', 125 n.76; Shelton, 'Social Consequences'.

²⁵ Broder and Lambek, 'Military Aid to Guatemala', 125.

rights record [was] good enough that the United States [could] legally support...loans to Guatemala whether or not they qualify as basic human needs'.²⁶ This was consistent with the Administration's decision to move forward with IFI loans, but packaged with a strategic human rights angle that was strategically incorrect.

The first part of the hearing centred on the package's inability to meet basic human needs. Jerry Patterson opened the hearing by summarising conflicting accounts of Ríos, for having been 'compared to both Jesus Christ and Pol Pot'.²⁷ Patterson then raised the point that the IADB telecommunications package had failed to meet basic human needs criteria already.²⁸ The Reagan Administration, however, was taking executive liberties—Bosworth informed the subcommittee that the Administration expanded its interpretation of 701 to include economic development initiatives. Patterson, however, reaffirmed the existing definition of 701 basic human needs criteria, and in the same breath he expressed scepticism that the Guatemalan military was in control of telecommunications and not the 'peasants out in the hinterlands'.²⁹

Patterson was pulling the right thread, although had he known the full scope of the relationship between Guatemalan telecommunications and counterinsurgency then the package would have been rejected on the grounds that it was, in fact, intended for various levels of military application. Guatemalan telecommunications should have been an immediate red flag for informed, rights-minded members of Congress. The structural integration of telecommunications and the Guatemalan military was no secret to the U.S. intelligence community. The Guatemalan Telecommunications Company (GUATEL) itself had recently been identified by U.S. intelligence as having played a central role in corrupting the March 1982 election results, but the roots extended historically much deeper.³⁰ Telecommunications were central to the Guatemalan counterinsurgency state's intelligence apparatus, and public telephone service had always operated under the umbrella of, and in collaboration with, the Guatemalan counterinsurgency state, and with the financial support and technical leadership of the U.S. military, USAID and the IADB. The origins of this

²⁶ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, 2.

²⁷ *Ibid.*, 2.

²⁸ *Ibid.*, 2.

²⁹ *Ibid.*, 18-23, quoted material on 22.

³⁰ United States Department of State, Bureau of Intelligence and Research, Executive Secretariat, Report, *1. Guatemalan Election*, 9 March 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 Elections. Herein cited as Executive Secretariat, *1. Guatemalan Election*.

relationship are found in the post-Arbenz formation of the Guatemalan counterinsurgency state, wherein Guatemala's 1954 National Security Doctrine echoed Washington's Cold War anticommunist stance, and the state defined its existence as a force to obliterate Marxism with the enactment of the Preventative Penal Law against Communism (Decree 59) alongside the creation of the Committee for National Defense against Communism (Decree 023), which was replaced with the creation of the Directorate General of National Security (Decree 553) in 1956 to oversee the National Police, with Security, Judicial, Juridical, and Administrative Departments at its disposal. The Directorate held a mandate to investigate and pursue suspected political criminals, and it sanctioned intelligence surveillance operations.³¹ The World Bank and USAID began operating in concert with the highest levels of Guatemalan government almost immediately after the Arbenz coup,³² and, in collaboration with US military advisors, USAID's Technical and Public Safety Offices (OPS) and its International Cooperation Administration (which later became the IADB), were instrumental in the creation of joint military operation centres and provided military and technical equipment, extensive training and organisational initiatives centred on counterinsurgency.³³ Herein telecommunications intelligence was utilized by multiple military and police divisions within the Guatemalan counterinsurgency apparatus to coordinate thousands of assassinations, abductions, disappearances, instances of torture, and murders of civilians and suspected insurgents.³⁴

The institution at the centre of Guatemalan telecommunications intelligence was El Archivo, the Intelligence Division of the Presidential General Staff (Estado Mayor Presidencial, EMP), whose development and operational function within the Guatemalan counterinsurgency state was linked to US military and multilateral institutions from its inception. Originally named La Regional after the office from which it first operated, Archivo's origins can be traced to the Peralta government's (1963-1966) intelligence restructuring initiatives with the guiding hand of American advisors from the U.S. Military

³¹ Archivo Histórico de la Policía Nacional (AHPN), *From Silence to Memory: Revelations of the AHPN* (Eugene, OR: University of Oregon Libraries, 2013), 106-107, <https://scholarsbank.uoregon.edu/xmlui/handle/1794/12928>, (accessed 3 February 2021).

³² Susanne Jonas, *The Battle for Guatemala: Rebels, Death Squads, and U.S. Power* (San Francisco, CA: Westview Press, 1991), 57-64.

³³ AHPN, *From Silence to Memory*, 107-119.

³⁴ REMHI, 105-114, 198-199, 211; Greg Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism* (New York: Metropolitan/Henry Holt, 2006), 109-110; Jonas, *The Battle for Guatemala*, 57-58, 69-71, 115-123; Jennifer Schirmer, *The Guatemalan Military Project: A Violence Called Democracy* (Philadelphia, PA: University of Pennsylvania Press, 1998), 157.

Assistance Program, the OPS program, especially OPS advisor John Longan.³⁵ Peralta is credited with having absorbed U.S. security doctrine and moving forward under the presupposition ‘that to reach certain ends it is correct for governments to resort to terrorism’.³⁶ In 1964 the Presidential Intelligence Agency was established at the National Palace, which included the Regional Telecommunications Center (Centro Regional de Telecomunicaciones, CRT) connecting the National Police, Treasury Guard, Detective Corps, Government Ministry, and Military Communications Center.³⁷ The systemic integration was overseen by OPS Communications Advisor Alfred W. Naurocki. OPS advisors observed that the CRT ‘appears in a box at the head of all other military and civil elements of the security system’.³⁸

The CRT became known as La Regional, and it came to encompass the Government Telecommunications Office (Oficina Gubernamental Telecomunicaciones) and Regional Telecommunications Police (Policía Regional de Telecomunicaciones). With Washington’s assistance, La Regional ‘was outfitted with highly sophisticated equipment for monitoring telecommunications and images...and electronic espionage’.³⁹ La Regional established a communications network with US Southern Command in the Panama Canal Zone, along with several other countries in the region.⁴⁰ The Méndez Montenegro government (1966-1970) renamed the Presidential Intelligence Agency as the National Security Service (Servicio de Seguridad Nacional De Guatemala), relocating the office to the Presidential Guard Annex in the National Palace compound. The National Security Service was placed under the direction

³⁵ Jill L. Arak-Zeman, ‘An Analysis of the Similarities and Differences of United States Human Rights Policies Under the Carter and Reagan Administrations: The Cases of Guatemala and Chile’, PhD Thesis, University of Southern California, 1991, 107-109; AHPN, *From Silence to Memory*, 107-119; Jonas, *Battle for Guatemala*, 57-64. See also: United States Agency for International Development, Secret Cable, John Longan to Byron Eagle, 4 January 1966, ‘U.S. Counter-Terror Assistance to Guatemalan Security Forces’, 4 January 1996, Document 1, *National Security Archive*, Electronic Briefing Book no. 32: The Guatemalan Military: What the U.S. Files Reveal, Vol. II, <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB32/docs/doc01.pdf>, (accessed 7 December 2021).

³⁶ Arak-Zeman, ‘Similarities and Differences’, 107-108.

³⁷ AHPN, *From Silence to Memory*, 107-119; Schirmer, *Guatemalan Military Project*, 157.

³⁸ Arak-Zeman, ‘Similarities and Differences’, 109-110. For Naurocki, see also: United States Department of State, Bureau of Inter-American Affairs, Bureau for Latin America, Secret Report, ‘U.S. Internal Security Programs in Latin America [Volume II: Guatemala]’, 30 November 1966, Document ID 1679094245, *National Security Archives*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, <https://www.proquest.com/docview/1679094245/645E6A5EDF514E2EPO/1?accountid=13460>, <https://www.proquest.com/government-official-publications/u-s-internal-security-programs-latin-america/docview/1679094245/sc-2?accountid=13460>, (accessed 2 October 2023).

³⁹ *REMHI*, 108.

⁴⁰ *REMHI*, 198-199.

of the Defense Ministry and Army General Staff, which allowed La Regional to operate with relative autonomy.⁴¹ In the latter half of the 1960s, La Regional was complicit in the formation of death squads and paramilitary groups, thousands of killings and forced disappearances.⁴² In the early 1970s, the Arana government (1970-1974) frequently utilised La Regional to coordinate targeted assassinations in urban sectors. This increased markedly during the Lucas regime's counterinsurgency push, wherein Lucas established the EMP in his efforts to control the intelligence community.⁴³ Lucas' efforts were quite effective, but they were far from subtle. Urban counterinsurgency ballooned, as did the bad international press that it garnered. GUATEL was implicated by U.S. intelligence for having carried out Lucas' dirty work in the fraudulent March 1982 elections, for having deliberately postponed and later falsified results received from rural voting areas that would have likely voted for alternative candidates.⁴⁴ The fallout from the obvious election fraud prompted the golpe that brought Ríos to power.

Ríos's National Plan for Security and Development (Plan Nacional de Seguridad y Desarrollo) centralised Guatemala's intelligence apparatus, wherein La Regional was renamed the General Archives and Supporting Services of the Presidential General Staff (Archivos Generales y Servicios Apoyados del Estado Mayor Presidencial, AGSAEMP). The agency came to be called El Archivo, and it was brought into the fold of the military intelligence hierarchy. To improve the agency, Ríos looked to rekindle intelligence relations with the United States, and he sought better equipment and training from Guatemala's allies, notably Israel and Argentina, the latter having filled a void in counterinsurgency support when relations with the Carter White House soured.⁴⁵ Ríos also placed GUATEL under the command of the Defense Ministry. Archivo maintained a clandestine department operating at GUATEL offices, and therein GUATEL developed sophisticated wire-tapping capabilities.⁴⁶ EMP's technical section, Inteligencia Técnica, carried out telephone surveillance operations,⁴⁷ while Archivo collaborated on telephone espionage operations with LA-2, the Army Intelligence Directorate (D-2) division of the National Defense Staff (Estado Mayor de la Defensa Nacional, EMDN); this agency's technological apparatus was also developed with

⁴¹ Schirmer, *Guatemalan Military Project*, 157-158.

⁴² *REMHI*, 108; Schirmer, *Guatemalan Military Project*, 158.

⁴³ Schirmer, *Guatemalan Military Project*, 158-164.

⁴⁴ Executive Secretariat, *I. Guatemalan Election*.

⁴⁵ Schirmer, *Guatemalan Military Project*, 153, 158-169, 173-175.

⁴⁶ *REMHI*, 105-108, 112.

⁴⁷ Schirmer, *The Guatemalan Military Project*, 173-175.

U.S. assistance in the 1960s, and its legacy ‘figures prominently in the worst incidents of violence[...] replete with disappearances, murders, abductions, and torture’.⁴⁸ Abductions and assassinations from these collaborations have been confirmed.⁴⁹ Not surprisingly, Ríos gave ‘carte blanche to Archivos to deal with [the] insurgency’ in October 1982.⁵⁰

Both GUATEL and the National Institute of Electrification (Instituto Nacional de Electrificación, INDE) were superficially demilitarised in 1984 and staffed with civilians. This effort was intended to make these institutions eligible for international investment, which was likely to fatten the pig for the neoliberal chopping block of privatisation. Military officers, however, retained strategic positions,⁵¹ and wire-tapping sophistication increased notably during the Cerezo government’s (1986-1991) lesser-known dirty war.⁵² Any divestment between counterinsurgency intelligence and telecommunications was largely superficial.

Washington had long been aware of the counterinsurgency monster it had created in the Guatemalan counterinsurgency state. As noted in Chapter 2, the State Department’s Director of Intelligence and Research produced a report that accounted for the GOG’s aggressive clandestine counter-insurgency that included civilian ‘kidnappings, torture, and summary executions’,⁵³ and Viron Vaky characterised Guatemala’s counterinsurgency as nothing short of terrorism in 1968.⁵⁴ The U.S. embassy in Guatemala consistently supported its counterinsurgency tactics and vouched for the ‘orthodox’, ‘professional [and] legal’ nature of

⁴⁸ *REMHI*, 105-108, 112.

⁴⁹ *REMHI*, 105-108, 112.

⁵⁰ United States Central Intelligence Agency, Secret Cable, Redacted, ‘Ríos Montt Gives Carte Blanche to Archivos to Deal with Insurgency’, February 1983, Document 18, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc18.pdf>, (accessed 7 June 2023). See additional comments: Kate Doyle and Carlos Osorio (eds), Electronic Briefing Book No. 11: U.S. Policy in Guatemala, 1966-1996, *National Security Archive*, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/>, (accessed 7 June 2023).

⁵¹ Schirmer, *The Guatemalan Military Project*, 168.

⁵² *REMHI*, 112.

⁵³ United States Department of State, Secret Intelligence Note, Thomas L. Hughes to Secretary of State, 23 October 1967, ‘Guatemala: A Counter-Insurgency Running Wild?’, Document 4, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc04.pdf>, (accessed 12 January 2022).

⁵⁴ United States Department of State, Secret Memorandum, Oliver to Viron Vaky, 29 March 1968, ‘Guatemala and Counter-terror’, Document 5, *National Security Archive*, Electronic Briefing Book no. 11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc05.pdf>, (accessed 12 January 2022).

their practice.⁵⁵ The rights-minded congressional climate of the 1970s led to the OPS program's termination in 1974,⁵⁶ but American support for the GOG endured in multiple forms.

Patterson was correct to question the Guatemalan military government's control over and potential misappropriation of IADB telecommunications funds, but his observations identified barely the tip of the structural iceberg. Urban counterinsurgency aside, the rural application of telecommunications funds was, like most non-military material and economic assistance, destined to be absorbed by the military, to be administered by or in collaboration with the military, to carry out military-approved initiatives which themselves entwined development and counterinsurgency objectives. Such was the structure of the Guatemalan state and rural Guatemalan development initiatives, which were encapsulated through the diligent efforts of contemporary grassroots activist researchers and journalists. Tom Barry and Deb Preusch of the Inter-Hemispheric Education Resource Center engaged displaced Guatemalans, members of the Guatemalan military, workers from NGOs, PVOs, additional aid workers and more; they canvassed an assortment of local press and activists, and observed U.S. and multilateral assistance programs unfold in the field. The Resource Center's 1986 report, *Guatemala: The Politics of Counterinsurgency*, documented cases in which U.S. dollars and materials, NGOs, and PVOs had been used for ongoing Guatemalan military operations. Nearly all the aid headed to Guatemala at this time was going to the highlands, where the military had barbarically massacred villages and corralled survivors into military-run encampments that took the form of model villages akin to Washington's failed pacification efforts in Vietnam.⁵⁷

⁵⁵ United States Department of State, Secret Cable, 'Fascell Sub-Committee Hearings on Guatemala Public Safety Program' 2 September 1971, Document 7, *National Security Archive*, Electronic Briefing Book no.11: U.S. Policy in Guatemala 1966-1996, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB11/docs/doc07.pdf>, (accessed 10 January 2022).

⁵⁶ AHPN, *From Silence to Memory*, xix. For an account of emerging human rights initiatives in Congress, see Sikkink, *Mixed Signals*, 48-76.

⁵⁷ The report, if one can acquire it, is a nostalgic piece of grassroots activism. All of 101 pages, with adverts for various activists slideshows, 'tape' shows, and booklets of a similar nature. Tom Barry, *Guatemala: The Politics of Counterinsurgency* (Albuquerque, NM: Inter-Hemispheric Education Resource Center, 1986). The report was built on previous research in the region carried out by Barry, Deb Preusch and Beth Wood. See Tom Barry, Beth Wood, and Deb Preusch, *Dollars & Dictators: A Guide to Central America* (Albuquerque, NM: The Resource Center, 1982). The report's findings were expanded on and echoed in subsequent publications. See Tom Barry and Deb Preusch, *The Central American Fact Book* (1986); Tom Barry and Deb Preusch, *The Soft War: The Uses & Abuses of U.S. Economic Aid in Central America* (1988). See also Rachel Garst & Tom Barry, *Feeding the Crisis: U.S. Food Aid and Farm Policy in Central America* (Lincoln, NE: University of Nebraska Press, 1990); Robert G. Williams, *Export Agriculture and the Crisis in Central America* (Chapel Hill, NC: University of North Carolina Press, 1986).

The model village stage of Guatemala's counterinsurgency initiative was marketed by the GOG and its supporters in Washington as a humanitarian effort to ease the suffering of displaced Guatemalans and bring them into the fold of Guatemalan society, but it was anything but a civilian project. The 1981 Guatemalan military document 'Operation Ixil: Plan for Civil Affairs' identified 'a range of pacification techniques for use in the Ixil Triangle', and '[a]ll subsequent pacification programs in Guatemala [were] drawn from this document'.⁵⁸ The Operation's first phase began with securing the area militarily to eliminate subversives (manifested in Rios' scorched earth genocide in 1982), to implement an 'ideological campaign', and to establish (conscripted) civil defence patrols. The second phase called for the introduction of pacification programs to reassert government control through rural development, vocational programs, education that emphasised 'ideological war and patriotic struggle', 'and model villages for refugees and suspected guerrilla sympathizers'.⁵⁹ The Operation included a 'Campaign of Psychological Action', which entailed an 'intense, profound, and well planned psychological campaign to capture the mentality of the [locals]'.⁶⁰ The Plan's core goal was the 'landinizacion' of rural indigenous Guatemalans—a coerced and engineered cultural transformation, which, when accompanied by the Guatemalan military's indiscriminate association and targeting of Indians as subversives, made the compelling case for genocide.⁶¹

Congressman Patterson's suspicions were prophetic because Ixil-modelled Inter-Institutional Coordination Committees (IICCs) had by 1983 'formed a network used by the military to coordinate operations of all government ministries responsible for some aspect of rural development', and 'allowed the army to exercise control over all governmental and non-governmental development work in the conflict areas'.⁶² Charlie Wilson, the State Department, and the occasional journalist and reactionary scholar, spoke favourably of these

⁵⁸ Barry, *Politics of Counterinsurgency*, 26-31.

⁵⁹ *Ibid.*, 26-31.

⁶⁰ *Ibid.*, 26-31.

⁶¹ Barry, *Politics of Counterinsurgency*, 26-31. For genocide, see Commission for Historical Clarification (CEH), *Guatemala: Memory of Silence, Report of the Commission for Historical Clarification* (February 1999), 38-41; Greg Grandin, 'The Instruction of Great Catastrophe: Truth Commissions, National History, and State Formation in Argentina, Chile, and Guatemala', *American Historical Review* 110, no. 1 (February 2005), 46-67.

⁶² Barry, *Politics of Counterinsurgency*, 26-31

military-run encampments for providing safety, opportunities and, at the very least, respite,⁶³ but rights-minded observers were critical. Photojournalist Jeane-Marie Simon documented rural Guatemala at this time, and she described the encampments as ‘models for nothing except confinement and misery’.⁶⁴ Argentine human rights activist and Nobel laureate Adolfo Pérez Esquivel condemned model villages as ‘concentration camps’,⁶⁵ a statement that is more factual than hyperbole given the origins and evolution of the Guatemalan pacification strategy. The IADB telecommunication package that appeared before the subcommittee would have trickled down through the corrupt military GOG network on its way to GUATEL and INDE,⁶⁶ to bankroll the telecommunication needs of rural development initiatives and military-run villages that were a fundamental part of the GOG’s genocidal plan. Rural Guatemalan civilians were targets of genocidal violence, and should they take advantage of new telephone services, they would have been subjected to the aforementioned counterinsurgency surveillance.

In his testimony before the subcommittee, Stephen Bosworth conceded the past, but not the present. He indicated that the Reagan Administration was ‘unable to work with [the Lucas] regime[,] whose actions were in our view as abhorrent as they were counterproductive’.⁶⁷ To these ends, Patterson inquired why the Administration was willing to extend the same package to the Lucas regime in December 1981. In response, Bosworth identified the package as both olive-branch diplomacy and as meeting basic human needs, the latter rationale having already been nixed by Patterson. Bosworth pointed to the State Department’s report that the Ríos regime had demonstrated substantial ‘improvements’ in both human rights and diplomatic relations.⁶⁸ Congressman John LaFalce (D-NY) responded by highlighting the pitfalls of relativity when used as a metric for human rights assessments:

⁶³ For Wilson, see U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*; Wilson, ‘Guatemalan Indians Prefer Army’. For positive accounts, see, for example, David Stoll, *Between Two Armies in the Ixil Towns of Guatemala* (New York: Colombia University Press, 1993), 156-164.

⁶⁴ Jean-Marie Simon, *Guatemala: Eternal Spring, Eternal Tyranny* (New York: W.W. Norton, 1998), 235. Also mentioned in Stoll, *Between Two Armies*, 156.

⁶⁵ Adolfo Pérez Esquivel, ‘Peace and Justice in Central and Latin America’, *Ava Helen Pauling Peace Lecture, Oregon State University, Corvallis, OR, 28 October 1987*, 32:00, [video and transcript], <http://scarc.library.oregonstate.edu/events/1987esquivel/video-esquivel.html> (accessed 18 December 2020).

Also mentioned in: Jean-Marie Simon, *Guatemala: Eternal Spring, Eternal Tyranny* (New York: W.W. Norton, 1998), 235; Stoll, *Between Two Armies*, 156.

⁶⁶ For propensity for corruption, see Graham Hancock, *Lords of Poverty: The Power, Prestige, and Corruption of the International Aid Business*, (New York: Atlantic Monthly Press, 1989), 150-151, 172-173, 175.

⁶⁷ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, XXX

⁶⁸ *Ibid.*, 5.

The statutory criteria does not suggest, as it does in other areas of the law, certification of improvement in human rights... It deals with the issue of whether or not there is a pattern of gross violation of human rights. You would have had a terrible situation, yet you could have a less terrible situation but still a situation in violation of human law, thus making the issue of improvement irrelevant under the criteria established by law.⁶⁹

LaFalce pressed Bosworth on the prematurity of the administration's assessment; LaFalce led Bosworth to acknowledge the administration's decision to move forward based on its interpretation of improved human rights conditions had occurred two months prior to the hearing, and just three months after the post-Lucas junta came to power. Bosworth revealed the specific verbiage with which the Administration rationalised its observation, specifically that the Ríos government did not demonstrate a 'consistent pattern of gross violations of human rights'.⁷⁰ Indeed, in the narrow scope of two months, it is quite difficult to both establish and/or disprove any pattern of consistency either way, making the earliest stages of the new regime the most opportunistic for the White House.

LaFalce made an observation during the exchange about the fundamental nature of aid to the GOG that deserves consideration. He pointed out that the GOG was in fact a military government, that it retained the same military hierarchy whether headed by Ríos or Lucas, and that the military and GOG were ostensibly one entity. LaFalce's intent was to illustrate continuity in the organisational structure that carried out human rights abuses under Lucas. Perhaps a more significant feature of his observation was the assertion that Guatemala was operating as a military government, which is something Patterson had also alluded to earlier in the proceedings. These points were not refuted by either Bosworth or Levitsky.⁷¹ Such an observation poses a broader theoretical question as to whether or not any and all aid issued directly to the military GOG, or any military government, was/is de facto military aid, and this is especially relevant given the hybridity of the GOG's pacification program and the military developmentalist nature of the regimes at large.

Levitsky indicated during his testimony that the information from which the State Department based its human rights assessment came from the U.S. Embassy in Guatemala, from newspapers, from the GOG, and from human rights groups. Mary Rose Oakar (D-OH)

⁶⁹ Ibid., 24-25.

⁷⁰ Ibid., 24-27. Reiterated from original statement on 5, 6-7. Italics added for emphasis.

⁷¹ Ibid., 22, 25.

pushed Levitsky to disclose that the Guatemalan press, one of the State Department's sources, was having its political and military content censored by the GOG. When Oakar pressed him on the most recent scathing Amnesty International human rights report, Levitsky indicated that the report was dated from the Lucas Regime. Levitsky noted, as Bosworth had, that Ríos had invited human rights groups to conduct observations in Guatemala, including Amnesty International, but Levitsky inadvertently disclosed that no human rights investigations had been conducted since Ríos assumed the presidency. Levitsky's assertion intended to strike at the relevancy of Amnesty's report to the previous regime, but in doing so he weakened the Administration's current position—if no human rights investigations had taken place in Guatemala in that time frame, then none existed that could have theoretically supported the Administration's assertion that Ríos had made improvements. Unfortunately, Levitsky's inadvertent disclosure was neglected in the hearing.⁷² First-hand accounts and testimony could be dismissed as biased, exceptions, or falsehoods, but eventual reports would document the regime's atrocities and challenge the State Department's assertions, which rendered timing and promptness critical elements to implementing the Administration's 'improvements' strategy.

Congressman Charlie Wilson spoke at the hearing, and he offered a number of prepared and inadvertent disclosures. Not only had Wilson visited Guatemala with extractive industry representatives during the previous month and engaged in *quid pro quo* petro-diplomacy,⁷³ but he had also been to Guatemala on IADB-related business with then-Treasury Secretary W. Michael Blumenthal in 1977⁷⁴. Wilson spoke favourably of the Guatemalan military's commitment to human rights and winning the hearts and minds of Guatemalans. He told the subcommittee that he had reached these conclusions after he participated in a helicopter tour in which he claimed to have met with NGO workers, military officials, and villagers.⁷⁵ It should be noted that the Embassy report of Wilson's visit did not indicate the congressman

⁷² Ibid., 18-20, 27-29, 35-36.

⁷³ U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982. Wilson was making efforts to fund the mujahideen in Afghanistan at this time as well.

⁷⁴ Marian A. Czarnecki, Inter-American Development Bank, to Charles Wilson, Letter, 17 June 1977, Included attachments: cutout of a captioned photo of Wilson, Guatemalan president Kjell Laugerud and members of the Inter-American Development Bank, published by Guatemalan news outlet *Diario de Centro America*, dated 10 June 1977, Charles Wilson Congressional Papers, Papers, East Texas Research Center, Stephen F. Austin University, Photographs 1972-1995, Subsection 1972-1988, Folder 38 Inter-American Development Bank Meeting, Guatemala.

⁷⁵ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, 29-35.

met with anyone outside the military.⁷⁶ Oakar and Patterson questioned the legitimacy of Wilson's helicopter tour, and Patterson prompted Wilson to acknowledge that the areas he visited were controlled by the military GOG, but Wilson remained insistent that his experience was not choreographed and that his alleged and undocumented encounters with civilians and NGO workers were authentic. Wilson insisted that the villagers he purportedly met with were not coerced, based only on his personal ability to discern the truth, which he supported with an historically damning point of reference:

[Y]ou know, Mr. Chairman, you can tell the difference. ...I was in Beirut 5 weeks ago. And in talking to the Moslem, to the Lebanese Moslems, there was no question about their enthusiasm for the Israeli presence.⁷⁷

On the matter of authenticity, Wilson urged his colleagues to go to Guatemala to witness for themselves, because, per Wilson, U.S. Embassy officials were unable to travel into combat zones to fully experience the alleged support for government forces.⁷⁸ Ironically, the embassy was still attributing most of the violence to the guerrillas, using information received by the GOG and from restricted reporting from the Guatemalan media; to these ends, Wilson inadvertently discredited the U.S. Embassy's reporting for their dependence on biased GOG sources. Notwithstanding, Wilson was consistent with the Administration's line that human rights improvements were taking place in Guatemala, a conclusion that had been supported by Embassy reports.⁷⁹

The hearings were structured so that Bosworth's and Levitsky's testimonies preceded those by members of the human rights and medical communities, but neither were required for further questioning thereafter. Ann Blyberg, Chairman of Amnesty International U.S.A.'s Board of Directors, testified that Ríos had, in fact, not invited the agency to conduct observations in Guatemala. She confirmed ongoing media censorship in Guatemala, and she described continuity in state repression in gruesome detail. Blyberg raised concerns about the

⁷⁶ U.S. Embassy, Guatemala, to Secretary of State, 27 July 1982.

⁷⁷ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, 31. Israel's invasion of Lebanon earlier in the year (and eventual U.S. intervention) exacerbated regional conflict and solicited ongoing resistance and friction for decades. See United States Department of State, Office of the Historian, 'Milestones: 1981-1988, The Reagan Administration and Lebanon, 1981-1984', <https://history.state.gov/milestones/1981-1988/lebanon>, (accessed 19 June 2021). That Wilson chose this parallel is, generously, indicative of hawkish naivety and poor judgement, but more likely indicative of his propensity for dishonesty.

⁷⁸ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, 29-35

⁷⁹ *Ibid.*, 29-35.

telecommunications package being applied to the GOG's Department of Technical Investigations.⁸⁰ Additional members of the human rights and medical communities gave testimony to the climate of violence and repression, while multiple written statements and reports were submitted to that effect and included in the subcommittee's published summary.⁸¹ The subcommittee reaffirmed its opposition to the IADB telecommunications package after the hearing, but that did not stop Reagan.⁸²

Reagan's Guatemalan Policy: Aid, Human Rights, and the Slow Death of 502B

The debate over the IADB telecommunications package occurred at a significant juncture in the Reagan Administration's Guatemalan, foreign assistance and human rights policies. The Administration disregarded the subcommittee's decision on the IADB package and circumvented human rights legislation to expedite assistance to the GOG, which triggered a landslide of legislation governing the disbursement of U.S. and IFI dollars to human rights abusers in the succeeding years. The White House informed the House Banking Committee that moving forward the Administration would vote for, or not impede the approval of, 'nonbasic loans' to Guatemala—IFI funds that were outside congressional reach. Six IADB and World Bank loans to Guatemala were approved within a six-month period, beginning with the telecommunications package in December 1982. In that same month, the United Nations sponsored and passed a Resolution expressing 'grave concern' over Guatemala's human rights situation.⁸³

Of the tens of millions of U.S. and multilateral U.S.-backed dollars provided to the GOG and GUATEL from the mid-1970s into the mid-1980s for telecommunication projects, the only funding committed for rural projects was the \$18 million IADB loan, which comprised 7 percent of all outside funds committed to telecommunication development. The other 93 percent of telecommunications funding went to telecommunications technology, international access integration, materials and various urban infrastructure. The IADB funds were supposedly to be put towards the installation of eight thousand exchange lines in rural

⁸⁰ Ibid, 39-45. Amnesty International later submitted a report to the subcommittee that detailed the escalation of violence under Ríos, see pages 46-76.

⁸¹ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, 46-188.

⁸² Victoria Sanford, *Buried Secrets: Truth and Human Rights in Guatemala* (New York: Palgrave MacMillan, 2003), 165.

⁸³ Sanford, *Buried Secrets*, 165.

communities, although the function of many such rural communities was part and parcel with the GOG's rural genocidal push, namely the development poles and model village program. It is not immediately clear how much of the telecommunications funding that the GOG received was diverted to counterinsurgency, but even the World Bank identified the GOG's telecommunication initiatives as 'overly optimistic' on paper;⁸⁴ it would be an exercise in naivety to presume that none of the telecommunication funding contributed at the very least systemically to Guatemalan state terror. The majority of financial and material assistance that Guatemala received, humanitarian or otherwise, went to the development projects in highland conflict zones, all of which were under some degree of military control.⁸⁵ International food aid administered by NGOs fed the inhabitants of development poles and model villages—tools of cultural eradication fundamental to the Guatemalan genocide.⁸⁶ Some funds even circled back to American companies contracted to carry out Guatemalan projects.⁸⁷

The White House rationalised its Guatemalan policy on multiple fronts. The Administration's circumvention of human rights provisions in foreign assistance legislation maintained that because Guatemala had never been given the formal and binding distinction of being a gross human rights violator, the full purview of 502B was not invoked, and aid packages were thus not limited to or required to meet 701/basic human needs criteria. Congress was correct on the matter—that human rights had been, and continued to be, violated, was not contested, and legal scholars Tanya Broder and Bernard Lambek contend that the purview of 502B could and should have been invoked, as '[t]he legal requirement...stems from the fact that gross violations of human rights persisted in Guatemala, not from the fact that the State Department refused to issue a public condemnation'.⁸⁸ Notwithstanding, the White House proceeded to support the GOG under the auspices of human rights 'improvements' allegedly made by the Ríos government, and that Ríos had not (yet) demonstrated a consistent pattern of gross

⁸⁴ See World Bank, Report, *Report No. 4034-GU: Staff Appraisal Report: Guatemala, Empresa Guatemalteca de Telecomunicaciones (GUATEL), Third Telecommunications Project*, 8 February 1984, 1-28, quoted material on 6, <https://documents1.worldbank.org/curated/en/293461468030644476/pdf/multi-page.pdf>, (accessed 27 May 2023).

⁸⁵ Barry, *Politics of Counterinsurgency*, 26-31.

⁸⁶ CARE was '[t]he largest PVO operating in Guatemala' at the time, and it was very active distributing PL480 Title II food to military run development initiatives and food-for-work programs in the FTN and Playa Grande. The program was also reportedly working in concert with U.S. intelligence. See Barry, *Politics of Counterinsurgency*, 67.

⁸⁷ Amigos del País, 'Guatemala Newsletter' (Guatemala City: Guatemala, August 1981), Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [4].

⁸⁸ Broder and Lambek, 'Military Aid to Guatemala' 124.

human rights violations.⁸⁹ Activists, clergy, journalists, international rights groups, the international community, and survivors insisted otherwise in real time.⁹⁰

The Administration supported its position based on the complementary reporting from the Bureau of Human Rights. By 1982 the Bureau had regressed from its intended role of ensuring that human rights were considered in U.S. foreign policy on President Carter's watch, to manipulating human rights reporting and discourse in support of the Reagan Administration's initiatives to strengthen relations with anticommunist human rights abusers.⁹¹ The Bureau's second annual Report under Elliot Abrams's leadership in 1982 is an emblematic example of this process. International rights groups acknowledged the report's comprehensiveness as they did the previous year, but they identified 'serious distortions or inaccuracies' in Guatemala, along with Argentina, Chile, Colombia, El Salvador, Haiti, and Honduras, and several other anticommunist nations outside the hemisphere.⁹² The Washington Office on Latin America charged, '[t]he administration's foreign policy agenda determines their evaluation of the human rights situation in many countries[,] ...lead[ing] to unsubstantiated assertions and an unevenness of application which is misleading and biased'.⁹³ Inconsistencies between watchdog groups' findings and Bureau reporting had grown chasmic, and nowhere is this better evidenced than with Guatemala. Moreover, what the Bureau had alluded to in the previous year's report regarding 'hard choices' and the 'criterion of effectiveness' with rights-abusing allies had bloomed, as Washington increased assistance to the hemisphere's worst abusers under the guise of motivational diplomacy, evading and circumventing human rights provisions in foreign assistance to do so.⁹⁴ The Report's language confirmed the rationale: 'With friendly governments we prefer to use

⁸⁹ Ibid., 125 n.76, 143.

⁹⁰ U.S. House of Representatives, *Inter-American Development Bank Loan to Guatemala*, 46-188.

⁹¹ Rasmus Sinding Søndergaard, *Reagan, Congress, and Human Rights: Contesting Morality in US Foreign Policy* (Cambridge: Cambridge University Press, 2020), 47-82; Velasco, *Neoconservatives*, 86-110. For an additional, albeit concise, summary of US human rights legislation and policy relevant to Latin America, see Bertoli, et al., 'Human Rights... In the Soul of Our Foreign Policy'.

⁹² Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 41-42.

⁹³ Quoted in ICJ, *Human Rights and U.S. Foreign Policy*, 42.

⁹⁴ 'Worst' is the consensus. Per Americas Watch in 1982, '[f]or the past several years, the Guatemalan military has distinguished itself as one of Latin America's worst human rights violators, in particular regarding the right to life'. In Americas Watch, *Human Rights in Guatemala: No Neutrals Allowed* (New York: Americas Watch, 1982), 10. Former Guatemalan vice president Villigran Kramer resigned in response to Guatemala having become 'the hemisphere's most violent nation'. See Council on Hemispheric Affairs, Press Release, 'Villigran Resignation Underlines Rising Tide of Human Rights Violations in Guatemala, Now the Hemisphere's Most Violent Nation, Vice President Cites Violence, Repression in his Withdrawal Letter and at COHA Press Conference', 4 September 1980, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [1].

diplomacy, not public pronouncements. We seek not to isolate them for their injustices, but to use our influence to effect desirable change'.⁹⁵ The Bureau of Human Rights had endorsed the Kirkpatrick Doctrine.

Reagan expanded executive discretion with his Administration's decision to support the GOG based on alleged human rights improvements, but rights-minded congressional factions were persistent in corralling such privileges in due time. Reagan's congressional opponents passed the Supplemental Appropriations Act of 1984, which amended 701 by removing consistency from the criteria's wording so that eligibility was contingent upon 'a pattern of gross violations of internationally recognized human rights', as opposed to 'gross and consistent'.⁹⁶ The House Committee on Banking, Finance, and Urban Affairs outlined the Amendment's intent,

remind[ing] those charged with executing this law that the law does not make reference to "improvement" and that it is not enough to change the requirement that the United States oppose loans to particular countries because the kind and scope of violations in such countries have changed if a pattern of gross violations continues.⁹⁷

This reassertion of congressional authority was short lived, as the Administration passed the International Security and Development Cooperation Act of 1985 (ISDCA). Section 703 of the ISDCA crippled congressional authority and empowered the executive further by leaving the question of eligibility entirely in the hands of the executive. Moving forward, the State Department would self-certify if and when a given state was human rights-compliant and eligible for U.S. and IFI assistance. Eventually, in June 1986, Secretary of State George Schultz certified that Guatemala met the criteria under 703 (Certification to Authorize Military Assistance and Sales for Guatemala), and Congress allocated \$225 million in military assistance for fiscal years 1986 and 1987. The GOG had, however, been receiving various subtler forms of military assistance all along. Under the ISDA, 703 took precedence over 502B for Guatemala. The certification process for executive discretion under 703 differed from 502B in that the executive was required to submit a human rights report to Congress under 502B, and Congress is not bound by the report's findings or

⁹⁵ United States Department of State, Bureau of Human Rights and Humanitarian Affairs, *Country Reports on Human Rights Practices for 1982: Report Submitted to the Committee on Foreign Relations U.S. Senate and Committee on Foreign Affairs U.S. House of Representatives by the Department of State, February 1983*, 7-8.

⁹⁶ Quoted in Broder and Lambek, 'Military Aid to Guatemala', 133, n123.

⁹⁷ Broder and Lambek, 'Military Aid to Guatemala', 133, n123.

recommendations when determining eligibility, whereas the submission of the report itself was the only criterion required by the executive under 703—the report’s submission *fait accompli* authorised the resumption of aid, and Congress’ only role was, ostensibly, to begrudgingly accept the decision. There existed a procedure by which Congress could challenge executive self-certification under 703, but the process was cumbersome and deterring.⁹⁸ With the ISDA’s passing, the spirit of human rights provisions in foreign assistance legislation fell upon the integrity (or lack thereof) of the executive, the State Department, and the Bureau of Human Rights.

The IADB package and its subsequent legislative back and forth were part of Reagan’s and hawkish conservatives’ broader war on 502B, which ultimately rendered the provision impotent. Numerous attempts to sue the Reagan White House to enforce 502B were dismissed due to justiciability concerns, and not because the recipient states named in said suits were deemed free and clear of gross human rights violations. The executive retained an authoritative monopoly over what constituted a ‘consistent pattern’ of human rights violations, and Congress rarely attempted to invoke 502B after Reagan’s tenure; 502B’s mention in the Congressional Record fell into obscurity over the succeeding twenty-five years. Similar provisions emerged in foreign assistance legislation but were plagued by the similar semantic loopholes. The Leahy Laws, for example, aimed to curb aid to specific foreign military units that committed gross human rights violations while not barring aid to the recipient government on the whole, but what constitutes ‘security assistance’ remains open to interpretation, and censuring specific units does little to address the culture of and propensity towards rights abuses in military organisations abroad.⁹⁹

The Reagan administration proactively looked for any indication of human rights improvements with both the Lucas and Ríos governments, but the prospect of elections seemed to be the only positive selling point. Vernon Walters had been dispatched with an olive branch to obtain from Lucas a hint of goodwill on human rights issues, but state terror persisted. The only marketable angle the pro-GOG White House could play was Lucas’s

⁹⁸ Ibid., 111-114, 132-135.

⁹⁹ John Ramming Chappell, ‘The Rise and Fall of Section 502B’ *Northwestern Journal of Human Rights* 21, no. 1 (Winter 2023), 15-22, <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1250&context=njihr>, (accessed 23 October 2023).

willingness to hold elections,¹⁰⁰ although the State Department was increasingly aware that the outcome would be, and was, manipulated in favour of Lucas's chosen successor.¹⁰¹ The fallout from the obvious fraud prompted the coup that funneled Ríos into the presidency. The Reagan administration sought to capitalise on the brief window in which a consistent pattern of gross human rights violations carried out by the Ríos government was not yet established, for within that window the administration could claim reform. Such a pattern of human rights violations was established by international rights organisations rather quickly,¹⁰² but the Reagan administration actively discredited rights groups' findings and promoted instead an alternate narrative based on deliberately poorly sourced reporting.¹⁰³ With Lucas, Ríos and

¹⁰⁰ Lous A. Tambs, 'Guatemala, Central America, and the Caribbean: A Geopolitical Glance', Prepared for the United States House of Representatives Sub-Committee on Inter-American Affairs, 30 July 1981, Signed copy from Tambs to Richard Allen ('To Dick, with best wishes, from Louis'), then forwarded through Sally Sherman to Roger Fontaine on 26 August (To Roger Fontaine, Mr. Allen forwards Professor Tamb's testimony for your info./interest, Sally Sherman'), 26, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [3]; United States Department of State, Confidential Cable, SecState WashDC to AmEmbassy Guatemala, 28 April 1981, 'Initiative on Guatemala: Talking Points for General Walters', Document ID 1679121031, Document no. 108913, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, https://www.proquest.com/dnsa_gu/docview/1679121031/D2628B126E3D4BEFPO/7?accountid=13460, (accessed 2 August 2022); United States Department of State, Confidential Cable, SecState WashDC to AmEmbassy Guatemala, 5 May 1981, Guidance for Walters Visit to Guatemala', Document ID 1679121254, Document no. 114980, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, <https://www.proquest.com/government-official-publications/press-guidance-walters-visit-guatemala/docview/1679121254/se-2?accountid=13460>, (accessed 2 August 2022).

¹⁰¹ Natalie [unknown] to Roger [Fontaine], Telephone Message, Re: Phonecall from Jose Lopez, Venezuelan Mission to the OAS, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [4]; United States Department of State, Bureau of Intelligence and Research, 'Current Analysis Series, Inter-American Highlights, 25 February 1982', Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [4]; United States Secretary of State, Memorandum, Alexander M. Haig, Jr. to the President, Subject: Guatemalan Elections, 13 March 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [4], Also found in Ronald Reagan Presidential Library, Executive Secretariat, National Security Council Country File: Records, RAC Box 30, Guatemala Vol. I, 1/20/81-7/31/84 [4 of 5]; White House Situation Room, To AmEmbassy Guatemala, Subject: U.S. Reaction to Guatemala Elections, no date provided, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 Elections.

¹⁰² Amnesty International. *Special Briefing: Guatemala: Massive Extrajudicial Executions in Rural Areas Under the Government of General Efraín Ríos Montt* (London: July 1982).

¹⁰³ For efforts to discredit human rights groups' findings, see Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, 'Correspondence, To: Ms. Patricia L. Rengel, Director, Washington Office Amnesty International USA, September 15, 1982', in: Americas Watch, *No Neutrals Allowed*, 112-122. For analysis and examples of efforts to discredit human rights groups and poor human rights reporting from the State Department, the Embassy and the GOG, see Americas Watch, *No Neutrals Allowed*, 101-133. For examples poor reporting, see United States Department of State, Airgram, AmEmbassy Guatemala to Department of State, Subject: (U) Violence and Human Rights Report: January 1981, 21 July 1981, Ronald Reagan Presidential Library, Jacqueline Tillman Files, RAC Box 3, Folder: Guatemala - 8/ Of Interest. For an internal self-assessment that acknowledged these failures, see United States Department of State, Correspondence, Charles Fairbanks to Elliot Abrams and Mel Levitsky, 'Credibility of Embassy Guatemala Human Rights Reporting', 23

successive Guatemalan leadership, the White House never broke character in praising the human rights commitments of those in power in Guatemala, but Washington easily traded up and extolled the same virtues in the incoming leadership, in spite of gross and consistent evidence to the contrary from the international human rights community. The common denominator was the prospect of elections, and democracy was the conceptual centrepiece of the Administration's purported newfound commitment to human rights in 1982. The Reagan White House hid behind the semblance of democracy, however fraudulent the electoral process might have been.¹⁰⁴ On the whole, the White House evaded and circumvented human rights provisions in foreign assistance legislation to provide fiscal and material assistance to the GOG, and the Reagan administration championed the genocidal Guatemalan military government as human rights reformers, at a time in which the administration was itself purportedly committing to human rights. The pot and the kettle.

Towards Liberalisation

Washington lived up to its end of the aid-for-oil bargain, but the GOG was less forthcoming. The Ríos government sponsored the Latin American Organization of Energy (OLADE) conference in the fall of 1982 to attract new hydrocarbon investment and expertise. The conference sustained interest in Guatemalan oil with limited success, as the companies

November 1982, Document 12, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemalan Genocide Ruling, Five Years Later, published 10 May 2018, <https://nsarchive.gwu.edu/document/16581-document-12-credibility-embassy-guatemala>, (accessed 11 May 2022). For scholarly appraisals, see Kate Doyle (ed.), 'U.S. Policy and the Dictator, General Efraín Ríos Montt – "a man of great personal integrity and commitment"', 10 May 2018, *National Security Archive*, Electronic Briefing Book no. 627: The Guatemala Genocide Ruling, Five Years Later, <https://nsarchive.gwu.edu/briefing-book/guatemala/2018-05-10/guatemala-genocide-ruling-five-years-later>, (accessed 29 February 2022); Virginia Garrard-Burnett, *Terror in the Land of the Holy Spirit: Guatemala under General Efraín Ríos Montt, 1982-1983* (New York: Oxford University Press, 2010), 152-158.

¹⁰⁴ For an appraisal of Reagan's limited commitment to democracy in Latin America, see Thomas Carothers, 'The Reagan Years: The 1980s', in: A. F. Lowenthal (ed.) *Exporting Democracy: The United States and Latin America - Themes and Issues* (Baltimore, MD: Johns Hopkins University Press, 1991), 90-122, esp. 114-118; Abraham F. Lowenthal, 'The United States and Latin American Democracy: Learning from History', in: A. F. Lowenthal (ed.) *Exporting Democracy: The United States and Latin America - Themes and Issues* (Baltimore, MD: Johns Hopkins University Press, 1991), 243-265; Laurence Whitehead, 'The Imposition of Democracy', in: A. F. Lowenthal (ed.) *Exporting Democracy: The United States and Latin America - Themes and Issues* (Baltimore, MD: Johns Hopkins University Press, 1991), 216-242. For democracy promotion, anticommunism and the Kirkpatrick as Reagan's human rights policy, see David P. Forsythe, 'Human Rights in U.S. Foreign Policy: Retrospect and Prospect', *Political Science Quarterly* 105, no. 3 (Autumn 1990), 437-439, 441-447; ICJ, *Human Rights and U.S. Foreign Policy*, 42-44, 47-49; Søndergaard, *Reagan, Congress, and Human Rights*, 47-55; Velasco, *Neoconservatives*, 86-110.

already at work in Guatemala produced lacklustre results.¹⁰⁵ Ríos' enthusiasm for liberalisation wavered and the path to liberalisation outlasted his brief presidency.¹⁰⁶

The Ríos government made and maintained connections with important groups in Washington, per both Wilson's advice and common sense. The conservative and Evangelical right in the U.S. worked diligently to promote the Ríos government in 1982. Senator Roger Jepsen (R-IA) and key Christian leadership sought to arrange an October 1982 U.S.-based retreat for the Guatemalan president, and influential U.S. religious and political figures that could be rallied in support.¹⁰⁷ The White House claimed Reagan was unable to attend citing scheduling conflicts, but this was another of the Administration's tactical evasions—human rights violations carried out by the Ríos's government at the time were rather gross and consistent, and increasingly publicly so, and the Reagan White House sought to distance itself from Ríos so as not to draw attention to its continued, quieter, support for the regime.¹⁰⁸ Appalled by reports from international human rights groups, congressional opposition to the Ríos regime became graphic. Wilson's colleague in Texas, Congressman Henry González, decried that 'babies of the peasants in northern Guatemala are having their stomachs ripped out by soldiers' bayonets, bayonets made in the USA', and of the administration's culpability, he added that '[w]e, right now, ...are identified with the rippers'.¹⁰⁹ Given the opposition, the State Department and National Security Council were in agreement that Reagan's 'prestige' would be tarnished by engaging Ríos in Washington, and so the White House chose not to

¹⁰⁵ Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24 (1999), 80.

¹⁰⁶ Kading, 'The Economics of *La Violencia*', 78-81.

¹⁰⁷ White House Correspondence, Memorandum, William P. Clark to Roger W. Jepsen, United States Senate, 4 October 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2]; White House Correspondence, Memorandum, Edwin Meese III to William P. Clark, Jr., Subject: Visit of President Rios Montt of Guatemala, 28 September 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2]; White House Correspondence, Memorandum, Roger W. Jepsen to William P. Clark, National Security Advisor, 17 September 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2].

¹⁰⁸ National Security Council, Memorandum, Alfonso Sapia-Bosch to William P. Clark, Subject: Letter to You from Senator Jepsen Suggesting 'A Working Meeting' Between Guatemalan President Rios Montt and President Reagan, 22 September 1982, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala 1982 [2]. Herein cited as Sapia-Bosch to Clark, 22 September 1982.

¹⁰⁹ United States House of Representatives, Henry B. González, 'The Situation in El Salvador and Central America', House of Representatives Congressional Record, 29 November 1982, 27805-27808, <https://www.govinfo.gov/content/pkg/GPO-CRECB-1982-pt20/pdf/GPO-CRECB-1982-pt20-3-2.pdf>, (accessed 4 August 2023).

participate in the event, citing a fabricated scheduling conflict.¹¹⁰ The retreat was tentatively called off.

Reagan's only face-to-face meeting with Ríos took place in Honduras on 4 December 1982,¹¹¹ in the same month that the IADB telecommunications package was approved, and in the same month that the United Nations passed a Resolution expressing 'grave concern' over human rights conditions in Guatemala.¹¹² Ríos was not eager to attend the meeting in the weeks leading up to the event. Upon receiving the Reagan administration's invitation to the function, intelligence documents report that Ríos was outraged that Reagan had not chosen Guatemala as the location for the summit, and that Reagan did not intend to visit Guatemala at all. The Guatemalan President tantrumed as such to his cabinet, having purportedly 'presented the invitation in a most negative manner and in the most violent nationalistic manner to date', voicing frustrations with Honduras, Costa Rica, and the lack of forthcoming, credible, and/or sufficient U.S. assistance. The reintroduction of IFI and U.S. assistance had not yet begun, and Ríos described recent U.S. capital injections—specifically \$10 million in ESF funds—as 'ridiculous and totally inadequate'. Ríos reportedly declared that 'Guatemala could not live under the U.S. boot', and 'that he would not bow down to President Reagan or anyone else'. His decision to attend the Honduras meeting was not his own—his cabinet ministers voted in favour of attendance, by mixed decision, which is testament to the polarisation within the GOG at the time. A 'furious' Ríos declared, 'Now that you have voted, I will abide by your decision, but I will not accept any conditions and I will not bow down to the U.S. I shall go with total independence and as an honorable Guatemalan who will give nothing away'.¹¹³

¹¹⁰ Sapia-Bosch to Clark, 22 September 1982.

¹¹¹ White House Situation Room, AmEmbassy Guatemala to SecState WashDC, Assistant Secretary Enders, Subject: Draft Memorandum of Conversation – Bilateral Between President Reagan and the President of Guatemala, General Efraín Ríos Montt, 10 December 1982 (encrypted: 061659Z December 1982), Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5], herein cited as Embassy to Enders, 10 December 1982. For Reagan's public summary of the meeting, see Ronald Reagan, 'Remarks in San Pedro Sula, Honduras, Following a Meeting With President Jose Efraín Ríos Montt of Guatemala', 4 December 1982, Transcript, Ronald Reagan Presidential Library, <https://www.reaganlibrary.gov/archives/speech/remarks-san-pedro-sula-honduras-following-meeting-president-jose-efrain-rios-montt>, (accessed 20 August, 2022), herein cited as Reagan, 'Remarks in San Pedro Sula'; White House, Office of the Press Secretary, 'Remarks of the President Following Meeting with President Ríos Montt', La Mesa International Airport, San Pedro Sula, Honduras, 4 December 1982, Ronald Reagan Presidential Library, Oliver L. North Files, Box 62, Stack B, Row 154, Compartment 1, Shelf 6, Folder: Guatemala - Oliver L. North, NSC Staff (1 of 3), herein cited as White House Press Secretary, 'Remarks of the President'.

¹¹² Sanford, *Buried Secrets*, 165.

¹¹³ White House Situation Room, Cable, AmEmbassy Guatemala to Secstate WashDC, Assistant Secretary Enders, Subject: Meeting Between President Reagan and President Ríos Montt, 22 November 1982 (18

The GOG publicly announced on 22 November 1982 that Ríos accepted Reagan's invitation and to the event in Honduras. Ríos proclaimed that he would seek neither economic nor military assistance from the U.S., nor would he entertain preconditioned offers of assistance contingent upon Guatemala's adherence to U.S. criteria.¹¹⁴ Ríos was bound by, and partial to, nationalist factions within the GOG that identified Washington's efforts to curb, corral, coerce or leverage Guatemalan counterinsurgency policy as an infringement on Guatemalan sovereignty; suspicions of American dominance were a reasonable reflex considering the preceding century of U.S. hegemony. Pride and commitment in slaughtering Guatemalan civilians in the name of anticommunism had led the GOG to forgo U.S. assistance during the Lucas and Carter years,¹¹⁵ but Reagan administration diplomacy sought to placate nationalist sensitivities through frequent expressions of anticommunist solidarity and validations of the GOG's counterinsurgency campaign. The White House had sent anticommunist icons like Vernon Walters and popular former U.S. Ambassador Frank Ortiz to reinforce the impression of solidarity, and American diplomats fixatedly lamented the optics of the humanitarian crisis—the Reagan administration identified itself to the GOG as victims of the same congressional opposition.¹¹⁶ Misappropriated, reclassified, and clandestine U.S. military

November 1982), Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5].

¹¹⁴ Ibid.

¹¹⁵ Juan De Onis, 'U.S. Sending Envoy to Guatemala with View to Resuming Arms Aid', *New York Times*, 7 May 1981; Christopher Dickey, 'Haig's Emissary, in Guatemala, Discounts Charges of Rights Abuse', *Washington Post*, 14 May 1981; 'End Run to Guatemala', *New York Times*, 18 May 1981. Lucas chose unbridled counterinsurgency over human rights compliance. See White House Situation Room, AmEmbassy Guatemala to SecState Wash DC, Subject: Meeting with President Lucas, Ref: Guatemala 1438, 11 March 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5]; White House Situation Room, Confidential Cable, AmEmbassy Guatemala to SecState WashDC ('For the Secretary and ARA Amb Enders from Gen Walters'), Subject: Unavailability of President Lucas, 17 June 1981, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [1 of 5].

¹¹⁶ For one of many aforementioned examples of solidarity and optics between Ambassador Chapin and Ríos, see White House Situation Room, AmEmbassy Guatemala to SecState WashDC, 6 April 1982 (Date encrypted: 301847Z March 1982), Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5]. For Walters and Ortiz, see United States Department of State, Confidential Cable, SecState WashDC to AmEmbassy Guatemala, 5 May 1981, 'Press Guidance for Walters Visit to Guatemala', Document ID 1679121254, Document no. 114980, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, <https://www.proquest.com/government-official-publications/press-guidance-walters-visit-guatemala/docview/1679121254/se-2?accountid=13460>, (accessed 2 August 2022); United States Department of State, Memorandum of Conversation, 'Guatemalan Foreign Minister Calls on Deputy Secretary Clark', 8 May 1981, Document ID 1679120237, *National Security Archive*, DNSA: Death Squads, Guerrilla War, Covert Operations, and Genocide: Guatemala and the United States, 1954-1999, https://www.proquest.com/dnsa_gu/docview/1679120237/D98E2E5B394648C2PQ/1?accountid=13460, <https://www.proquest.com/government-official-publications/guatemalan-foreign-minister-calls-on-deputy/docview/1679120237/se-2?accountid=13460>, (accessed 2 August 2022).

assistance and training made its way to the GOG,¹¹⁷ but hardliners within the Guatemalan counterinsurgency machine remained leery. The U.S. Embassy found it ‘interesting...that Guatemala’s inferiority complex and historical nationalism and arrogance [were] so close to the surface.’¹¹⁸ To these ends, the Embassy observed Guatemalan media coverage depicting Rios as ‘not...in a good frame of mind’, wherein his comments on ‘the development of democratic institutions’ sounded ‘condescending’ and ‘rather patronising’.¹¹⁹ The Guatemalan press reported that the GOG was ‘secretly hoping for substantial military and economic aid, even though they will not verbalize these hopes’.¹²⁰

Ríos took a much humbler approach when 4 December came to pass. Reagan told Ríos that he would like to see some form of democracy come to Guatemala, and explained that he wanted to ‘help’ the GOG. Ríos then spoke of sovereignty and nationalism, and then ‘launched into a half hour monologue’ about the Guatemalan conflict, wherein he made assurances that Amnesty International’s scathing human rights allegations were inaccurate, he articulated the structure of pacification and civil defense patrols, and he dismissed the refugee crisis along the Mexican border by claiming that Guatemalans in Mexico were insurgents that were receiving guerrilla training—they were, in fact, refugees of genocide.¹²¹ Ríos then requested rifles and ammunition, prefabricated buildings, and Reagan’s assistance in obtaining loans from international lending institutions where Washington held influential primacy. Later in the meeting Ríos added to the request ‘an unspecified amount of money to counter false communist propaganda around the world’.¹²² Embassy staff observed that Ríos reaffirmed that the GOG would hold elections in the coming year, but the Embassy report specifically noted that Ríos made this affirmation only after having been reminded by his staff to do so. Ríos echoed Charlie Wilson’s talking points from the congressman’s visit six months prior when he informed Reagan that he was drafting a new petroleum law that would

¹¹⁷ United States Government Accountability Office (USGAO), *Military Sales: The United States Continuing Munition Supply Relationship with Guatemala*, (Washington, D.C.: GAO, January 1986).

¹¹⁸ White House Situation Room, AmEmbassy Guatemala, Ambassador [Chapin], to SecState WashDC, Assistant Secretary Enders, Subject: President Reagan’s Meeting with President Rios Montt’, Date encrypted: 231515Z November 1982, Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5].

¹¹⁹ Ibid.

¹²⁰ Ibid.

¹²¹ Embassy to Enders, 10 December 1982.

¹²² Ibid.

please U.S. investors.¹²³ This was enough for Reagan to publicly defend the Guatemalan leader in the press as having received a ‘bum rap’.¹²⁴

Reagan had distanced himself from Ríos due to the bad press garnered by Guatemala’s human rights crisis leading up to the event, but Reagan doubled down on the Ríos government and its alleged commitment to reform when speaking to the press after the meeting. Reagan described Ríos as ‘a man of great personal integrity and commitment’, and thus the White House was ‘committed to support his efforts to restore democracy’.¹²⁵ Per Reagan, Ríos wanted ‘to improve the quality of life for all Guatemalans and to promote social justice’, and Reagan insisted he exhaust all efforts to support Ríos’ ‘progressive efforts’.¹²⁶ Indeed, \$6 million in military assistance made its way to Guatemala within one month of the meeting. The IADB telecommunication package was approved in the same month, and it was the first of six IFI packages approved for GOG over the next six months. Small tokens of clandestine and misappropriated military assistance continued.¹²⁷

The processes of normalising aid relations and liberalising Guatemala’s hydrocarbon sector were not immediate, and Ríos never got around to altering Guatemalan hydrocarbon legislation. The Guatemalan economy was in shambles for a host of reasons in 1982, and Guatemalan oil was increasingly the GOG’s last substantial source of foreign investment.¹²⁸ Ríos was ousted by yet another military coup on 8 August 1983, succeeded by his defence minister, General Óscar Humberto Mejía Víctores. Mejía carried out the Ríos government’s rural counterinsurgency campaign, and after meeting him U.S. Congressman Clarence Long (D-MD) observed Mejía to have been revolted by human rights to the point of physical

¹²³ Ibid.

¹²⁴ For Reagan’s public summary of the Reagan-Ríos meeting, see Reagan, ‘Remarks in San Pedro Sula’. For ‘bum rap’ commentary, see Lou Cannon and Edward Cody, ‘Reagan Praises Guatemalan Military Leader’, *Washington Post*, 5 December 1982, <https://www.washingtonpost.com/archive/politics/1982/12/05/reagan-praises-guatemalan-military-leader/2c0aab2a-d928-4dbc-b120-68f1f93cd936/>, (accessed 2 August 2021).

¹²⁵ Reagan, ‘Remarks in San Pedro Sula’; White House Press Secretary, ‘Remarks of the President’.

¹²⁶ Ibid.

¹²⁷ Sanford, *Buried Secrets*, 165; USGAO, *Military Sales*.

¹²⁸ Julio Duchez Matheau, excerpts from speeches on ‘Economy Recovery’ at the Guatemalan Military Studies Center (CEM), 15, 16, and 20 July 1982, in: Foreign Broadcast Information Service, Latin America Report No. 2559, 23 August 1982, 70-77, <https://apps.dtic.mil/sti/tr/pdf/ADA353384.pdf>, (accessed 17 August 2023); United States Department of State, Juanita Adams (ed.), *Background Notes: Guatemala* (Washington, D.C.: United States Department of State, Bureau of Public Affairs, Office of Public Communication, Editorial Division, U.S. Government Printing Office, December 1984), Ronald Reagan Presidential Library, David Addington Files, Box 16, Stack B, Row 130, Compartment 3, Shelf 2, File: Background Notes—Guatemala. Herein cited as U.S. State Department, *Background Notes*.

discomfort.¹²⁹ Mejía and the coup plotters were keen to see Ríos' religious fanaticism go, but the civil war, with its pacification scheme, model villages and development poles, all carried on, albeit with less shock and awe than the Ríos government's initial rural counterinsurgency push. (That is understandable, as there were only so many villages to terrorize.) The Archdiocese of Guatemala's Recovery of Historical Memory Project determined that 'the coup did not signify a break with the process begun in 1982 but instead represented a less radical approach'.¹³⁰ There was instead a noted rise in urban disappearances and counterinsurgent dirty war tactics under the Mejía government. The number of urban disappeared persons increased by nearly 500 percent in Mejía's first month in office, and U.S. intelligence reports were confident the killings were, as they had always been, carried out primarily by state forces and right-wing death squads.¹³¹ U.S. intelligence circles were made aware months before the coup that the incoming government intended to swiftly commit to the (eventual) restoration of elected civilian government. The prospects of quiet state terror and elections won the Reagan Administration's blessing.¹³²

The continuity of conservative cooperation continued from the campaign trail through Reagan's first term. Richard Stone returned to the fold in 1983. Stone, the former Senator (D-FL) and member of Reagan's transition team, jumped ship in 1981 to work as legal counsel for the GOG, where he played an active role in optics and public relations, arms diplomacy and procuring U.S. support.¹³³ Reagan nominated Stone for Special Representative of the

¹²⁹ Philip Taubman, 'U.S. Wary on Coup Implications, Says it Hopes for Democratic Rule', *New York Times*, 9 August 1983. Also mentioned in: Black, *Garrison Guatemala*, 5.

¹³⁰ *REMHI*, 243.

¹³¹ United States Central Intelligence Agency, Secret Intelligence Report, 'Guatemala: Political Violence', 29 October 1983, Document 01, *National Security Archive*, Electronic Briefing Book no. 15: Guatemalan Death Squad Dossier, published 20 May 1999, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB15/01a-01.htm>, (accessed 8 September 2022). See also: United States Department of State, Secret Report, 'Guatemala's Disappeared: 1977-1986', 28 March 1986, *National Security Archive*, Electronic Briefing Book no. 15: Guatemalan Death Squad Dossier, published 20 May 1999, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB15/08-01.htm>, (accessed 8 September 2022).

¹³² United States Department of Defense, Defense Intelligence Agency, Joint Chiefs of Staff (JCS) Message Center, Secret Cable, 'Possible Coup in Guatemala', Document 25, *National Security Archive*, Electronic Briefing Book no. 32: The Guatemalan Military: What the U.S. Files Reveal, Vol. II, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB32/docs/doc25.pdf>, (accessed 7 December 2021).

¹³³ ICJ, *Human Rights and U.S. Foreign Policy*, 31; 'Looking for Trouble', *Time*, 9 May, 1983, <https://content.time.com/time/subscriber/article/0,33009,923593,00.html>, (accessed 17 August 2022); National Security Council, Memorandum, Roger Fontaine to Richard V. Allen, Subject: Memcon with Richard Stone on Guatemala-Belize Dispute February 16, 1981, 17 February 1981, Ronald Reagan Presidential Library, Roger W. Fontaine Files, Series I: Subject Files, RAC Box 8 (Boxes 8-9), Stack B, Row 152, Compartment 12, Shelf 5, Folder: Guatemala [7], herein cited as Fontaine to Allen, 17 February 1981.

President for Public Diplomacy in Central America in February 1983,¹³⁴ where and when Stone set to work immediately trying to convince the Salvadoran government to expedite elections so as to bolster their democratic credentials among rights-minded public and congressional sceptics.¹³⁵ Stone was appointed to the role of Ambassador at Large and Special Envoy to Central America in May 1983,¹³⁶ where his efforts complemented the work of Ambassador at Large, Vernon Walters, until Walters' promotion to the post of Ambassador to the United Nations in May 1985.¹³⁷ Some in Congress 'were troubled by [Stone's] hard-line ideological views, the same views that endear[ed] him to his Administration supporters, National Security Adviser William Clark and U.N. Ambassador Jeane Kirkpatrick'.¹³⁸ Reagan dismissed congressional concerns that Stone's connection to Lucas would hamper his ability to negotiate with the Salvadoran left, instead framing Stone's past lobbying efforts in a positive light: 'It just adds to the experience he's had down there'.¹³⁹ The 'experience' Reagan referred to was Stone's efforts at reforming Guatemala's image while soliciting aid and arms, in spite of ongoing rights abuses.

Guatemala's hydrocarbon legislation was overhauled one month after Mejía's arrival. Hydrocarbon Law (Decree No. 109-83) of September 1983 and its Regulation (Governmental Agreement 1034-83) of December 1983 removed some of the barriers to entry, and added clarity with specific terms for reimbursement. In particular, the new terms stipulated that exploratory drilling operations could be compensated at 70 percent if the location failed to yield, and at 100 percent if successful. The Guatemalan government agreed to retain only 30 percent ownership of extracted oil, considerably less than the previous 55 percent, although the GOG's retention rate rose with the volume of oil extracted.¹⁴⁰

¹³⁴ White House Press Release, 'Nomination of Richard B. Stone To Be Ambassador at Large, Serving as Special Representative of the President to Central America', 28 April 1983, Ronald Reagan Presidential Library Digital Library Collections, <https://www.reaganlibrary.gov/archives/speech/nomination-richard-b-stone-be-ambassador-large-serving-special-representative>, (accessed 15 October 2022); United States Office of the Historian, 'Richard B. Stone (1928-)', <https://history.state.gov/departmenthistory/people/stone-richard-b>, (accessed 15 October 2022), herein cited as U.S. Office of the Historian, 'Richard B. Stone (1928-)'.
¹³⁵ 'Looking for Trouble'.
¹³⁶ 'Looking for Trouble'; U.S. Office of the Historian, 'Richard B. Stone (1928-)'.
¹³⁷ United States Office of the Historian, Vernon A. Walters (1917-2002), <https://history.state.gov/departmenthistory/people/walters-vernon-a>, (accessed 15 October 2022).
¹³⁸ 'Looking for Trouble'.
¹³⁹ Ibid.
¹⁴⁰ 'The State share of the production is at least 30 percent, which increases according to a sliding scale based on daily production, e.g., 40 percent of the daily production that exceeds 5000 bpd up to 10.000 bpd, up to 70 percent of the production that exceeds 50.000 bpd.' See World Bank, Hilda Harnack. *Republic of Guatemala: Preliminary Scoping Report of the Reconciliation of Mining and Hydrocarbon Sector Payments and Revenues* (Washington, DC: World Bank, 2011), 7-8,

The GOG missed its window to lure Texas-based oil companies in 1982-83. Through sheer political wizardry, Charlie Wilson managed to outmanoeuvre both Democrats and Republicans to avert the Windfall Profits Tax crisis that burdened his constituent oil companies, and those companies were, in turn, less in need of Guatemalan opportunities by the time 109-83 was signed into law. Reagan's 1982 tax bill eventually 'ended up with lavish tax breaks' for royalty owners and independent oil companies, but this was not the Administration's original design—Reagan had no intention of including concessions for special interest groups like oil. The Democrats' alternative tax proposal needed representatives from oil states to support it, and Wilson duplicitously made a deal with House Ways and Means Committee Chair Dan Rostenkowski (D-IL) wherein Wilson would procure support for the bill if it included exemptions for independent oil companies and royalty owners, and included about \$9 billion additional cuts across the industry. Wilson coordinated with oil lobbyist Dick Kline on the matter. Wilson expressed publicly his confidence that the bill would pass, and 'oil lobbyists...had the Reagan Administration "wallowing in apprehension over prospects for its tax bill"'.¹⁴¹ Both efforts were choreographed political theatre, intended to motivate Reagan to 'outbid' the Democrats by including larger oil industry incentives in their proposal so as to win the support of oil state representatives. The bill, revised by co-sponsor Kent Hance (D-TX) at Reagan's insistence, 'nearly doubled the concessions provided in the Democratic alternative bill', which provided the industry with \$12 billion in breaks, and windfall tax exemptions ranging between one-third to 100 percent. *Reader's Digest* called Wilson's duplicity a 'scheme', but the congressman labelled it 'strategy'.¹⁴² Wilson contended that '[i]f the independent drilling segment of the industry had not been given some relief in the tax bill, the layoffs would have been more severe, and certainly more damaging to our district and to our state'.¹⁴³ It was, quite possibly, all in vain: in November 1982, U.S. District Judge Ewing T. Kerr of Cheyenne, Wyoming, invalidated the windfall tax through nothing short of nuance, having identified the tax as

<http://documents.worldbank.org/curated/en/820231468035449957/pdf/728170WP00PUBLOENGLISH0110920final.pdf>, (accessed 19 February 2021), herein cited as World Bank, *Preliminary Scoping Report*.

¹⁴¹ Marilyn Moritz, 'Wilson explains his strategy on oil tax', Unidentified press clipping referenced only as 'News, Lufkin, Texas', 2 September 1982, found in Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Scrapbook Collection, 1982 Continued.

¹⁴² Ibid.

¹⁴³ Charles Wilson to Mr. and Mrs. Jack Brooks, Letter, 22 September 1982, doc 22670, Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Federal Papers 1973-1996, Correspondence 1973-1996: 1982, Box 3, Folder 6 (3220) Petroleum.

‘unconstitutional’ because it was not collected uniformly.¹⁴⁴ Though Charlie Wilson was always eager to support anticommunist right-wing governments and factions, Guatemalan oil, it seems, was Wilson’s economic contingency plan.

Towards the end of Reagan’s first term, foreign investment in Guatemala had ‘dried up in all but the petroleum industry’,¹⁴⁵ which itself was waning. Fariborz Ghadar of the Economist’s Intelligence Unit counted Guatemala alongside Argentina, Brazil, Colombia as having the hemisphere’s greatest oil potential in 1983,¹⁴⁶ but potential was predicated on a number of variables. The CIA concluded that about \$750 million was spent on oil exploration and development in Guatemala between 1978 and 1984,¹⁴⁷ but failure to locate and establish commercially viable wells drained enthusiasm for Guatemala’s prospects.¹⁴⁸ The new oil laws were unable to rekindle that enthusiasm; commercial viability was again in Guatemala’s disfavour as the logistical costs of exploration, reimbursable or otherwise, were hindered by declining global oil prices.¹⁴⁹ Elf’s relative operational costs were about \$7 per barrel at Rubelsanto, and \$12.50 at Caribe in late 1983, which were comparable to the operating costs in the North Sea, which was ‘normally regarded by industry experts as one of the world’s highest cost, oil producing regions’.¹⁵⁰ By mid-decade, the CIA found that ‘production costs in Guatemala rank[ed] among the highest in the world’.¹⁵¹

¹⁴⁴ Kathy Lewis, ‘Hance, 12 other Texans ask Reagan not to appeal windfall profits tax ruling’, *Houston Post*, 11 November 1982; Cindy Skrzycki, ‘Hance, others ask Reagan to let oil-profits tax die’, *Star-Telegram*, 10 November 1982. See also Jim Landers, ‘Tax Appeal: Oil state lawmakers urge Reagan not to try to revive windfall levy’, *Dallas Morning News*, 10 November 1982; ‘Reagan Urged to Let Windfall Profits Tax Die’, *Valley Morning Star*, 10 November 1982. Wilson and his staff were quite proud of his accomplishments here, as cut-outs of the aforementioned articles were kept by staffers and kept in the Scrapbook Collection for 1982 at the Charles Wilson Congressional Papers, East Texas Research Center, Stephen F. Austin University, Nacogdoches, TX.

¹⁴⁵ U.S. State Department, *Background Notes*.

¹⁴⁶ United States Department of State, Bureau of Intelligence and Research, David H. Vance, ‘Unclassified: Oil Exploration in Oil-Importing Developing Countries’, 3 August, 1983, Ronald Reagan Presidential Library, Norman Bailey Files, RAC Box 7, Stack B, Row 151, Compartment 2, Shelf 6, Folder: Oil and Gas Policy March-October 1983, accessed 10 August 2022.

¹⁴⁷ United States Central Intelligence Agency, Petroleum Resources Branch, Memorandum, ‘Guatemala: Assessment of Petroleum Potential. GI M 85-10258’, 11 October 1985, 5-9, *Central Intelligence Agency Digital Reading Room*, <https://www.cia.gov/readingroom/document/cia-rdp85t01058r000405250001-0>, <https://www.cia.gov/readingroom/docs/CIA-RDP85T01058R000405250001-0.pdf>, (accessed 4 May 2021). Herein cited as CIA, ‘Assessment of Petroleum Potential’.

¹⁴⁸ *Ibid.*, 5.

¹⁴⁹ *Ibid.*, 5-9.

¹⁵⁰ *Ibid.*, 6.

¹⁵¹ *Ibid.*, 6-9.

Major oil companies were losing steam by the fall of 1983 when 109-83 was introduced. Drilling activity peaked in 1982, but no major discoveries were made, leaving four consortia active across five areas in 1983.¹⁵² Getty and Amoco terminated their joint efforts when they failed to materialise. After five unsuccessful wells, Getty walked away from its half-million acre parcel under the auspices of yet another primitive wildcatter adage—Getty representative Frank Parisi declared, “A dry hole is a dry hole”, and “[i]f you show no oil after drilling your five best prospects, there’s certainly no incentive to stay”.¹⁵³ Amoco and Exxon attempted to pursue a concession near the Mexican border in the Petén department in 1986, but a dispute with the civilian government of Guatemala saw the venture cancelled.¹⁵⁴

Basic Resources, the staple of Guatemala’s hydrocarbon sector, started eyeing an exit as early as August 1982, but for a different set of reasons.¹⁵⁵ Elf left Guatemala in 1984 after their relationship with Basic Resources rose to the level of international political scandal. The Elf-Basic episode is deserving of mention as it enters the realm of international political conspiracy. John D. Park accused Elf of ‘conspir[ing] to run him out of business by sabotaging his oil rigs’,¹⁵⁶ while Sir James Goldsmith claimed Elf ‘ran up costs, ran down production, and tried to push his small, financially strapped company out of the concession’.¹⁵⁷ Park sued Elf in Houston, Washington, Canada, and Switzerland, where it was finally settled. Elf denied the accusation and settled a ‘protracted arbitration claim’ of \$85 million and a share of future royalties; Park estimated the settlement at about \$130 million.¹⁵⁸ Shared production costs had jumped from \$30 million at the start of their venture to \$90

¹⁵² Ibid., 5

¹⁵³ Global Newswatch, ‘Texaco Ups Investment in Guatemala’, *Multinational Monitor* 3, no. 9 (September 1982), <https://www.multinationalmonitor.org/hyper/issues/1982/09/texaco.html>, (accessed 11 September 2023). Herein cited as GN, ‘Texaco Ups Investment’.

¹⁵⁴ GN, ‘Texaco Ups Investment’; Kading, ‘The Economics of *La Violencia*’, 82-83, and 83 n91

¹⁵⁵ GN, ‘Texaco Ups Investment’.

¹⁵⁶ James B. Stewart and John J. Fialka, Guatemala Oil Venture is Testing the Resolve of Canadian Wildcatter’, *Wall Street Journal*, July 11, 1985, in: http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Guatemalan_oil_venture_is_testing_reserve_of_Canadian_wildcatter-11_07_1985.jpg, (accessed 21 April 2021). See also, Paul Ellman, ‘Goldsmith’s legal battle for £137m’, Scrapbooked article, publication undisclosed, likely *Maclean’s*, in: *Sir James Goldsmith Digital Archive*, 11 March 1984, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Goldsmiths_legal_battle_for_137m-11_03_1984.jpg, (accessed 21 April 2021); Patrick Marnham, ‘Vanishing Oil’, *The Spectator*, 24 March 1984, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Vanishing_oil-24_03_1984.jpg, (accessed 22 April 2021); Steve Mufson, ‘Elf Aquitaine quits oil venture in dispute with Basic Resources’, *Wall Street Journal*, 10 July 1984, http://www.sirjamesgoldsmith.com/wp-content/uploads/2015/01/Elf_quits_oil_venture_in_dispute_with_basic_resources-10_07_1984.jpg, (accessed 21 April 2021).

¹⁵⁷ Mufson, ‘Elf Aquitaine quits’.

¹⁵⁸ Ellman, ‘Goldsmith’s legal battle’; Marnham, ‘Vanishing Oil’; Mufson, ‘Elf Aquitaine quits’; Stewart and Fialka, ‘Testing the Resolve’.

million in one year, and production slowed from 5,700 bpd to 200 bpd. Elf attributed these costs to terrain, but Basic accused Elf of poor equipment maintenance and operational practice.¹⁵⁹ There appears to have been some merit to Basic's allegations in several instances: under Elf's operation, Basic's La Felicidad 1 well was abandoned after an accident involving an intoxicated drill crew leader; at Basic's San Roman 2, 'eight 90-foot sections of drill pipe were accidentally dropped into the hole, permanently hammering a blocked drill bit into the ground' and causing the well to be abandoned; the Rubelsato 101 well was also abandoned after 'a drill and a section of drill pipe became entombed in cement when a valve accidentally opened'.¹⁶⁰ Rigs would go unoperated for weeks at a cost of \$70,000 per day. Of the eight wells attempted by Elf, none reached their target depth, 'a failure rate that experts say is extraordinary'.¹⁶¹ Elf further failed to pay its portion of contractually-bound royalty payments and prohibited Park from subletting his concessions to other interested companies. Goldsmith presumed Elf was engaging in aggressive business practice, and he accused Elf's executives of having contemplated outspending and underproducing Basic into bankruptcy so as to obtain their concession. Elf officials did not deny that such a plan was discussed, but they said it was rejected.¹⁶² Basic claimed Elf pressured them to sell the remainder of their interest in the concession; they further testified that Elf had lobbied the GOG to change its oil laws in such a way that barred foreign companies from holding a concession's majority, but '[u]nder the proposed amendments to the law, Elf's Guatemalan subsidiary wouldn't be considered a foreign oil company'.¹⁶³ Elf reportedly lost \$270 million in Guatemala. Although the Swiss ruling was confidential, sources privy to the decision suggested that 'Elf was found guilty of gross negligence'.¹⁶⁴ Park claimed Elf's 'Guatemalan oil play will go down as one of the greatest oil land plays in the world'.¹⁶⁵

Basic's suspicions of malpractice were entwined in international political scandal. Albin Chalandon, Elf's President and CEO, was terminated from his position with the French

¹⁵⁹ Stewart and Fialka, 'Testing the Resolve'. See also: Ellman, 'Goldsmith's legal battle'; Marnham, 'Vanishing Oil'; Mufson, 'Elf Aquitaine quits'.

¹⁶⁰ Stewart and Fialka, 'Testing the Resolve'.

¹⁶¹ Stewart and Fialka, 'Testing the Resolve'. Ellman reported that '[t]he socialist government in Paris admitted wrong, while technicians in Guatemala claim "the country was uniquely difficult from a geological point of view both to explore and develop."' See Ellman, 'Goldsmith's legal battle'.

¹⁶² Stewart and Fialka, 'Testing the Resolve'.

¹⁶³ Mufson, 'Elf Aquitaine quits'.

¹⁶⁴ Stewart and Fialka, 'Testing the Resolve'. Stewart and Fialka, 'Testing the Resolve'. See also: Ellman, 'Goldsmith's legal battle'; Marnham, 'Vanishing Oil'; Mufson, 'Elf Aquitaine quits'.

¹⁶⁵ Stewart and Fialka, 'Testing the Resolve'.

government on 16 June 1983, a move that ‘mark[ed] the climax of a two year battle over the Socialist Government’s plans to restructure France’s money-losing petrochemicals industry’, according to Paul Lewis of the *New York Times*. Chalandon had served as Minister of Industry and Public Works under Conservative Georges Pompidou’s government, and after starting with Elf in 1978 he became President of the company in 1980, the same year that Elf began operating Basic’s wells.¹⁶⁶ Elf’s 1982 revenues of \$14 billion, a 10 percent gain, were offset by a 3.2 percent decline in profits (about \$461 million). The new Socialist government charged Chalandon with ‘trying to sabotage their plans to build up a large and efficient state-owned industrial sector’.¹⁶⁷ This is far from inconceivable, as sabotaging state institutions was par for the era, as is evidenced by Reagan’s approach to the Bureau of Human Rights and the Department of Energy. If true, Elf’s underperformance had less to do with aggressive business practice and more with deliberate incompetence for political gain. Despite Elf’s initial requests to settle the dispute, ‘Basic Resources’ unwillingness to compromise [was] attributed by company sources to a determination by the deeply conservative Sir James to cause as much political embarrassment as possible to the Mitterrand Government’ of France,¹⁶⁸ despite the fact that it was neoliberal factions within the preceding government that likely sabotaged Elf’s performance, wherein Basic was collateral damage. The biggest losers were the GOG, who were unable to pursue lost damages because the suit was not rendered by verdict, but rather arbitrated in secret.¹⁶⁹

Guatemala is Central America’s only oil producing state, although production is insufficient to meet domestic needs and, consequently, Guatemala remains a net energy importer.¹⁷⁰ The Petén Department’s Xan fields replaced Rubelsanto as the primary producing fields in the 1980s, and they experienced small booms in the 1990s. Xan’s production reached 9.2 million barrels in 1998, but according to the World Bank, ‘the Xan field started to show clear signs of depletion since 2004’.¹⁷¹ At this time Xan produces over 90 percent of Guatemala’s petroleum, operated by the French firm Parengo since 2001, which now holds 98 percent of

¹⁶⁶ Mufson, ‘Elf Aquitaine quits’.

¹⁶⁷ Chalandon was replaced by Michel Pecqueur of the state-run Atomic Energy Commissariat, who remained President until 1989. See Paul Lewis, ‘French Oust Chief of Elf Aquitaine’, *New York Times*, 16 June 1983.

¹⁶⁸ Ellman, ‘Goldsmith’s legal battle’.

¹⁶⁹ Ibid.

¹⁷⁰ United Nations Conference on Trade and Development (UNCTAD). ‘Investment Policy Review: Guatemala’, (New York: United Nations, 2011), 15, http://unctad.org/en/Docs/diaepcb201009_en.pdf, (accessed 29 November 2021). Herein cited as UNCTAD, ‘Investment Policy Review: Guatemala’.

¹⁷¹ World Bank, *Preliminary Scoping Report*, 7. See also UNCTAD, ‘Investment Policy Review: Guatemala’, 15.

Guatemalan oil concessions.¹⁷² Xan currently produces 11,500 barrels of oil per day, which is pumped along a 475 km pipeline to an export terminal in Piedras Negras.¹⁷³ Rubelsanto, Chinaja, and Guatemala's other producing fields are operated by Empresa Petrolera del Istmo (EPI), a subsidiary of MQuest International Inc., which is headquartered in Houston, TX.¹⁷⁴

Conclusions

Building on chapter four, this chapter outlines Guatemalan hydrocarbon legislation's final path to liberalisation, and the ways in which Guatemalan oil became entangled in the aid and human rights dimensions of U.S.-Guatemalan relations at the time. Whereas the fourth chapter examines Charlie Wilson's quid pro quo petro-diplomacy in Guatemala, this chapter demonstrates that Wilson lived up to his end of the agreement, having supported the GOG in the press and on the Hill with questionable integrity. Through political trickery, Wilson averted the windfall profits tax crisis faced by domestic oil in 1982, thereby removing the precarity that prompted Wilson's industry constituents to look abroad. Notwithstanding, Wilson engaged in acts of intermestic imperialism; that Texas-based oil companies did not fill the investment void in Guatemala does not negate the fact that Wilson attempted to procure advantageous access to Guatemalan oil for said companies, or that Wilson did, in fact, honour his end of the bargain. Wilson visited Guatemala during a literal genocide, and then testified before Congress upon his return that the GOG was committed to human rights 'improvements', and he voiced this position in the media as well. This chapter indicates several inconsistencies within Wilson's accounts that call the integrity of his testimony and public diplomacy into question. The sum of Wilson's Guatemalan endeavours—Charlie Wilson's other war—should be considered among the worst within Wilson's troubled foreign policy legacy, already charred by his support for the Afghan *mujahideen* and Nicaragua's Somoza.

Whether coincidental, circumstantial or carefully planned, Wilson's first congressional effort to support the GOG transpired immediately after he returned from Guatemala when he testified during the IADB telecommunications package subcommittee hearing. This chapter

¹⁷² UNCTAD, 'Investment Policy Review: Guatemala', 15-16; United States Geological Survey, Pablo Velasco, 'The Mineral Industry of Guatemala', in *United States Geological Survey, Minerals Yearbook* (1994), 343-45; World Bank, *Preliminary Scoping Report*, 7, 26, 40.

¹⁷³ World Bank, *Preliminary Scoping Report*, 28-29.

¹⁷⁴ *Ibid.*, 7.

demonstrates that the package, and its path to actualisation, was a significant episode in the Reagan Administration's Guatemalan policy, the Administration's aid and human rights policies at large, and with regard to human rights provisions in foreign assistance legislation and the role of executive discretion therein. At a time when Reagan's human rights position purportedly transitioned from 'rejection to reform',¹⁷⁵ the White House sought to provide economic and military assistance to the GOG under the auspices of a neo-Dullesist human rights framework centred on anticommunism and (superficial) democracy promotion. In this particular instance, the Reagan Administration backed a genocidal government committing perhaps the worst rights abuses on the planet, under the auspices of self-generated allegations of human rights improvements. Congress did their job in obstructing the package, and Reagan disregarded the decision and moved forward, which set legislative ripple in motion that can be observed across changes to human rights provisions in foreign assistance legislation in the 1980s, which are part of a larger (and perhaps perpetual) struggle between executive and congressional authority. Reagan's war on 502B led to the provision's slow, ineffective demise, and this episode was a critical part of that initial process. Those who adhere to an internationally recognized human rights framework will find Reagan's legacy marred by this episode; those who align with the Dullesist human rights paradigm will view it as a victory in upholding U.S. national security. They will still have to atone for the body count.

Congress obstructed Reagan's efforts to support the GOG, but clandestine aid and materials made their way to Guatemala by bending the truth. Some military goods were reclassified as civilian goods in Washington to make them eligible for distribution in Guatemala, while other seemingly civilian humanitarian goods and services were repurposed for military applications once inside Guatemala. Human rights observers identified a host of rights violations in Guatemala's development poles and model villages, which were financially and materially supported by American and multilateral aid, the work of PVOs, and various American and allied support initiatives pursuing, allegedly, humanitarian objectives.¹⁷⁶ This chapter uses the IADB telecommunications package as a case study to demonstrate the military application of humanitarian and/or non-military foreign aid in Guatemala, and calls upon future researchers

¹⁷⁵ Søndergaard, *Reagan, Congress, and Human Rights*, 80.

¹⁷⁶ Barry, *Politics of Counterinsurgency*, 17-79; Barry and Preusch, *Soft War*, 107-144.

and contemporary observers to exercise scepticism concerning the duplicitous application of similar humanitarian ventures.

Reagan's interest in Guatemalan affairs declined mid-decade, and U.S. assistance tapered just as Guatemala's eligibility was restored. Reagan's supporters assert that democracy had been reinstated and the Marxist insurgency crippled, eliminating the need for additional assistance.¹⁷⁷ More critical observations suggest that U.S. assistance declined in response to the GOG's refusal to play a larger role in the Nicaraguan Contra war; indeed, while the Reagan Administration was enabling the crack-cocaine epidemic and engaging in labyrinthian clandestine arms diplomacy to back the Nicaraguan contras, the GOG favoured peaceful negotiations.¹⁷⁸ It cannot be dismissed, however, that Reagan's interest in Guatemala did not waver until after Guatemala's oil reserves came up dry, and it would be an exercise in naivety to presume that Reagan's interest in Guatemalan affairs would not have differed had Guatemalan oil lived up to, or closer to, its expectations.

Disinterest notwithstanding, Reagan bound himself to perhaps the worst human rights violations in the hemisphere by aligning with Lucas and Ríos, and despite reductions in rampant state-led violence over succeeding Guatemalan administrations, human rights conditions remained both abysmally poor, and supported by Washington under humanitarian pretexts. Reagan's early experiences pursuing and implementing Guatemalan policy changed the way the White House did business moving forward. The Reagan Administration conformed to human rights discourse, but not human rights per se. Through calculated efforts, the Administration moved the meter on human rights discourse towards a Dullesist framework that supported and rationalised pre-existing foreign policy goals. The White House began to incorporate human rights, like democracy promotion, into foreign policy discourse and public relations, but the substance of the Reagan Administration's policies changed very little. The Mejía government (eventually) held elections, and is credited with implementing the restoration of democracy. The Kirkpatrick Doctrine's hypothesis was

¹⁷⁷ Jeane Kirkpatrick, 'New Revisionists', *Washington Post*, 14 July 1986.

¹⁷⁸ Arak-Zeman, 'Similarities and Differences', 207-208. For U.S. intelligence allowing narcotics to be smuggled into the United States by Nicaraguan expats so as to fund the Contras, see Gary Webb, *Dark Alliance: The CIA, the Contras, and the Crack Cocaine Explosion* (New York: Seven Stories Press, 1998). For funding the Contras, see Theodore Draper, *The Iran-Contra Affairs: A Very Thin Line* (New York: Simon & Schuster, 1991); Jonathan Marshall, Jane Hunter and Peter Dale Scott, *The Iran-Contra Connection: Secret Teams and Covert Operations in the Reagan Era* (New York: Black Rose Books, 1987); Peter Dale Scott, 'Reagan, Foreign Money, and the Contra Deal', *Crime and Social Justice* 27/28, *Contragate and Counter Terrorism: A Global Perspective* (1987), 110-148.

vindicated, insofar as aligning with the right-wing military government coincided with democratic transitions (that may or may not have been inevitable), but what is revealing is the abysmally low standard for ‘democracy’ that Washington was willing to live with.¹⁷⁹

¹⁷⁹ Still in the midst of a civil war, Guatemala in 1986 was considered a political ‘accomplishment’ according to Jeane Kirkpatrick. The victims and survivors may have thought otherwise. See Kirkpatrick, ‘New Revisionists’. For low standards for democracy, see Carothers, ‘The Reagan Years’, 90-122, especially 114-118; Lowenthal, ‘The United States and Latin American Democracy’, 243-265; Whitehead ‘The Imposition of Democracy’, 216-242. For democracy promotion, anticommunism and the Kirkpatrick as Reagan’s human rights policy, see Forsythe, ‘Human Rights in U.S. Foreign Policy’, 437-439, 441-447; ICJ, *Human Rights and U.S. Foreign Policy*, 42-44, 47-49; Søndergaard, *Reagan, Congress, and Human Rights*, 47-55; Velasco, *Neoconservatives*, 86-110.

Conclusions

Guatemala is both an oil producing state and a net importer of oil. The country does not produce much oil at present, nor has it ever. Notwithstanding, Guatemala's hydrocarbon *potential* had captivated the international community's interest long prior to the first discoveries of commercially viable oil in the 1970s, which in turn influenced the trajectory of U.S.-Guatemalan diplomacy and each nation's respective resource policies. Petro-diplomacy between the United States and Guatemala receives infrequent attention from scholars. Oil historians can be forgiven for this oversight, since there was no commercially viable oil to speak of during the first sixty years of petro-diplomacy between the two nations, and a comparatively insignificant industry thereafter. Cold War diplomatic historians already hindered by vocational disdain for political economy were perhaps thrown further off the trail by the absence of a thriving Guatemalan hydrocarbon sector at present, but they should not be let off the hook so easily, as Guatemala's once-coveted hydrocarbon potential was a significant, influential and contentious element of U.S.-Guatemalan relations throughout much of the twentieth-century.

This project presents a coming-of-age story of Guatemalan hydrocarbon development alongside Washington's expanding appetite for oil and the evolving political economy of U.S. national security and national interest in the twentieth-century. The sum of these parts is the only historical account of Guatemalan hydrocarbon development from conception through liberalisation in the English language, and the only expansive account of U.S.-Guatemalan petro-diplomacy in any language to date. For much of the century, bilateral petro-diplomacy was a struggle between Guatemalan resource sovereignty and U.S. economic hegemony to prohibit or promote access to Guatemala's hydrocarbon potential as was governed by Guatemala's hydrocarbon legislation. This is observed throughout the oscillating modifications to Guatemala's hydrocarbon legislation, from periods of protectionism and/or 'nationalistic' legislation enacted by both Guatemala's right or left, albeit at different times and for different reasons, to periods of liberalisation at the behest of the US, international oil, collaborative Guatemalan oligarchs, and eventually members of the military government. Giving agency where it is due, it was Guatemalan elites and desperate and/or impotent military governments that acted as gatekeepers for U.S. petro-imperialism by opening Guatemala's hydrocarbon veins to foreign enterprise. The liberalisation of Guatemalan

hydrocarbon legislation in 1983, however, makes for an atypical and rather anticlimactic conclusion: Guatemalan reserves had finally been tested and produced disappointing results, and thus Guatemala's hydrocarbon potential was in freefall when aid-for-oil negotiations were underway.

Guatemala's hydrocarbon potential has carried more political weight than the oil itself. It is not surprising that Guatemalan hydrocarbon legislation was dictated from Washington in the decades prior to the Second World War, during the period when and where the Guatemalan economy was dominated by American capital and the GOG had ostensibly become a low-level administrative wing of United Fruit. It is surprising, however, that the petro-diplomacy that took place at this time was linked to events in the global political economy of energy, given that commercially viable oil had not yet been discovered in Guatemala. This early evidence of the value afforded to Guatemala's hydrocarbon beckons for a place in historical narratives. There is no mention of Guatemala in Yergin's appraisal of the Red Line Agreement (or anywhere in nearly 800 pages of text), and yet Guatemalan hydrocarbon legislation and petro-diplomacy with the United States were connected, albeit peripherally, to one of the largest transnational petroleum negotiations to date. The GOG had granted reciprocal rights to American oil companies at Washington's request, but these market distortions contradicted Washington's pursuit of Middle Eastern oil on free market principles in the succeeding decade. In response, Washington prompted the GOG to rescind reciprocal rights and enact open door, free market conditions consistent with America's plea for open door access in the Middle East. Irony abounds, insofar as Guatemalan oil concessions had already been acquired by Guatemalan and American investors, so there was nothing available to bid on when the GOG adopted an open door policy to foreign investment. Such was the brazen and manipulative nature of American imperialism in Guatemala and much of the hemisphere at large.

Exertions of resource sovereignty exhibited by the progressive leadership of Guatemala's democratic spring sought to ensure that Guatemalan oil was extracted under conditions that were, in their eyes, in the best interests of the Guatemalan people. It seems a simple, rational goal. As the first chapter articulates, however, such a goal was incompatible with Washington's emerging Cold War national security paradigm wherein the procurement and supply of critical resources was concerned. The first chapter demonstrates how Latin American economic self-determination was considered audacious, even blasphemous, to

Cold War figureheads like George Kennan, and how resource sovereignty was easily conflated with Marxism to hardliners within U.S. intelligence and policymaking circles. American petro-diplomacy at this time ranged from bullying and menacing, to quid pro quo diplomacy. No sooner did soft power U.S. dollars become a staple of Cold War diplomacy than did Washington seek to leverage the GOG with the prospect of capital. When bullying the Arevalo government was unsuccessful, Washington employed quid-pro-quo, aid-for-oil diplomacy, but the Arévalo government resisted temptation. That oil was being saved for Guatemala, to be extracted on Guatemalan terms. Guatemala's hydrocarbon potential, the resource sovereignty that manifested in self-serving hydrocarbon legislation, and the GOG's unwillingness to bend to Washington's solicitations and impositions, were all part of the larger cocktail that motivated the Eisenhower administration to move forward with regime change. In 1954, Washington orchestrated the removal of Guatemala's democratically-elected President Jacobo Árbenz, more or less in the name of democracy. Guatemala's hydrocarbon veins were swiftly re-opened, and remained so for about two decades.

Opinions over Guatemala's hydrocarbon potential ebbed and flowed with sporadic exploratory work carried out in the 1950s and 1960s. International oil companies periodically explored Guatemalan reserves, but Basic Resources carried out the majority of exploratory activity in Guatemala at that time. Many country-specific subsidiary oil companies throughout the world were created by larger parent oil companies or consortiums for the purpose of operating within a given country, but Basic was unique in that the international firm spent the duration of its existence only pursuing Guatemalan oil. Basic drew an eclectic collection of investors, but there was no parent oil company, nor were there country-specific operations elsewhere affiliated with Basic Resources. There was no Basic Resources Peru Ltd., no Basic Resources Exploration Brazil, or anything of that nature—Basic Resources had only Guatemala, and for about twenty years, Guatemala had only Basic Resources. To speak of Guatemalan hydrocarbon exploration and development for many years was to speak of Basic Resources, and vice versa. At this time Basic became entrenched in a labyrinth of Guatemala's oligarchic power and transnational capital with ties to power circles in Washington, especially conservative factions affiliated with the Reagan campaign and eventual Reagan administration. Guatemala's hydrocarbon potential took on new meaning as Basic's years of exploratory work had finally located and produced commercially viable oil, at which time Guatemala became Central America's first nation to export oil.

Establishing the optimism and inflated value of Guatemala's hydrocarbon potential held by U.S. policymakers and the international oil industry in the late 1970s and early 1980s challenges conventional wisdom among historians of the Guatemalan and Central American Cold War theatre regarding the Reagan administration's level of interest in Guatemalan affairs and the administration's hierarchy of interest among nations in the isthmus. Stepping outside the comfort zones of diplomatic historical inquiry, this is indeed one of the project's primary objectives. To appraise American political interest in Guatemalan oil correctly, it must be observed against a backdrop of global, regional, and domestic energy market conditions, including the global oil crises of the 1970s and the subsequent pivot towards non-OPEC sources, and the international oil industry's surging optimism, enthusiasm, and even sensationalism over Guatemala's hydrocarbon potential that began in the mid-1970s and carried the decade. Basic's fledgling wells came on line and injected a sense of impending and inevitable success among potential investors and states looking for non-OPEC alternatives. Thriving hydrocarbon developments in Mexico, especially in southern regions proximal to Guatemala, added to the sensationalism, and international oil companies flocked to Guatemala in pursuit. The optimism over Guatemala's hydrocarbon potential can be confirmed by investment and risk alone, as international oil companies pursued Guatemalan oil in spite of the protectionist terms of hydrocarbon legislation enacted in 1975. This optimism is further evidenced by the plethora of at-times frenzied media reporting, industry and investment reports conducted by transnational lending institutions, U.S. intelligence reports, and the accounts from oilmen active in Guatemala both at the time and in hindsight, all confirming belief that Guatemala was en route towards becoming a major oil exporting nation. These economic trends have been neglected, or in best case scenarios undervalued, in much of the relevant political and diplomatic literature, despite Guatemalan oil having taken on considerable political dimensions.

The Guatemalan regimes of the 1970s partook in the military developmentalism occurring elsewhere in Latin America, and resource sovereignty was once again exerted via nationalistic hydrocarbon legislation in 1975. Much to the chagrin of American conservatives, the Carter Administration distanced itself from the human rights-abusing military governments in Guatemala, and, subsequently, from Guatemalan oil as well. The Administration's energy initiatives centred on environmentalism and reductions in consumption, and the international oil fixations of the Carter White House were in the Middle

East, which is perhaps best evidenced by the Carter Doctrine itself.¹ Petro-diplomacy between the United States and Guatemala at this time took place between oil companies, Guatemala's elites and military government, and American conservative groups working against the grain of Carter's human rights agenda.

The second chapter demonstrates that Vernon Walters was employed by Basic Resources to procure advantageous extraction terms from the Lucas government in a climate of quid pro quo. Whereas Arevalo had been openly offered a cumbersome financial aid package in exchange for hydrocarbon liberalisation over thirty years prior, the quid pro quo of Vernon Walters' petro-diplomacy is subtler and less easily detected. Many within the Guatemalan military establishment were looking forward to the prospect of oil money to fund military developmentalist initiatives and their ongoing civil war, but hardline nationalists were opposed to hydrocarbon liberalisation and wary of American encroachments on their political and economic sovereignty. Some members of the military government did not require persuading, as they had become familiar with the process of lining their pockets through various corrupted externally funded development initiatives, including hydrocarbons; the 'zone of the generals' in the FTN is a perfect example of this relationship.² Sir James Goldsmith's financial empire bankrolled a number of Lucas's development initiatives (and profited by contracting firms within his network to carry out some of those projects). Basic Resources had become enmeshed with the Guatemalan oligarchy and their interests, but the harmony between the Guatemalan business community and the military government had fallen into disrepair, and the goodwill of Goldsmith, a European financier, was not enough to convince the Lucas regime to bend the rules for Basic's bottom line prior to Vernon Walters' arrival. Walters appealed to all parties—a hardline anticommunist icon in Latin America, Vernon Walters was formally affiliated with the Reagan campaign when he lobbied on

¹ For the Carter Doctrine, see United States Office of the Historian, Foreign Relations of the United States, 1977–1980, Volume XVIII, Middle East Region; Arabian Peninsula, 'Document 45: Editorial Note', <https://history.state.gov/historicaldocuments/frus1977-80v18/d45>, (accessed 07 June 2021).

² George Black, *Garrison Guatemala* (London: Monthly Review Press, 1984), 30, 54; Beatriz Manz, 'Refugees - Guatemalan Troops Clear Peten for Oil Exploration', *Cultural Survival Quarterly* 5, no. 3 (September/Fall 1981), <https://www.culturalsurvival.org/publications/cultural-survival-quarterly/refugees-guatemalan-troops-clear-peten-oil-exploration>, (accessed 2 August 2021); Michael McClintock, *The American Connection: Volume 2, State Terror and Popular Resistance in Guatemala* (London: Zed Books, 1985), 135-136; Nancy Peckenham, 'Land Settlement in the Petén', *Latin American Perspectives* 7, no. 2/3 (1980), 175; Nancy Peckenham, 'Guatemala: Peasants Lose Out in Scramble for Oil Wealth', *Multinational Monitor* 2, no. 5 (May 1981), <https://multinationalmonitor.org/hyper/issues/1981/05/peckenham.html> (accessed 16 August 2020); Luis Solano, *Guatemala petróleo y minería en las entrañas del poder* (Guatemala City: Inforpress Centroamericana, 2005), 50-64.

Basic's behalf, at a time when several American conservative groups were sending delegations to establish contacts and mend fences with the GOG and Guatemalan elites, and to establish positive rapport between the Lucas government and the American conservative right. Many of these delegates were affiliated with the Reagan campaign (and later the Reagan presidency) in official capacities, as they primed their Guatemalan hosts with the message that candidate, and later President-elect, Reagan stood in solidarity with the anticommunist GOG. A Reagan administration, they insisted, would reduce criticism of Guatemala's human rights record, normalise relations and restore economic and military assistance. This was precisely what the nationalist holdouts needed to hear, and when Vernon Walters lobbied on Basic's behalf, he was affiliated with this message. Lucas yielded to Basic's requests under these conditions, in a climate of quid pro quo.

To some extent, Walters followed through with his end of the quid pro quo himself. It is not entirely clear at what point Basic Resources' relationship with Walters concluded, but there appears to be some overlap between Walters's affiliation with the company, and with his formal incorporation into the Reagan administration's post-inauguration foreign policy team. As Haig's special emissary and ambassador-at-large, Walters was a fundamental agent in the Reagan administration's early efforts to normalise relations with the Lucas regime. Walters continued the message of solidarity and carried olive branches of military assistance while he fished for any indication of human rights reform to defuse the regime's critics in Washington and to justify aid restoration. Lucas was unwilling to commit, but the Reagan administration was undeterred in its efforts to implement the Kirkpatrick Doctrine in Guatemala and throughout Latin America. Vernon Walters was paramount in the Reagan administration's early efforts to broker clandestine arms diplomacy and assistance to the Lucas regime, having both negotiated third-party arms diplomacy with the Argentine junta, and extended the Reagan administration's olive branch diplomacy. There is no smoking gun to suggest that Walters offered aid for oil verbatim when he lobbied on Basic's behalf, but the petro-diplomacy between Walters and the Lucas government was certainly carried out in a climate of quid pro quo. That Walters himself became the broker for clandestine aid in 1981 is circumstantial only insofar as Walters likely would not have known that he would later be appointed special emissary to Guatemala, and Reagan had not yet won the election when Walters first met with Lucas as an agent of Basic Resources. Notwithstanding, Walters would not have made the Reagan administration's roster for Guatemalan diplomacy had he been unsuccessful as Basic's representative, and in this context Walters' appointment as special

emissary is an example of petro-diplomacy shaping the course of political diplomacy at large. Walters' iconic anticommunist military reputation, and his affiliation with the Reagan campaign and its fence-mending, aid-promising delegations, made him the ideal lobbyist for Basic Resources; his successful role with Basic made him the ideal Guatemalan emissary.

After decades of speculation over Guatemala's hydrocarbon potential, international oil companies finally put Guatemalan oil to the test in the late 1970s and early 1980s. Texaco contracted Robert Parker and Parker Drilling Co., the world's preeminent remote drilling specialist, to drill their prized Guatemalan concession in the Petén department. Multiple oil companies were actively exploring Guatemalan concessions at that time, but the combination of Parker's industry experience, profile, and the particularly bold media enthusiasm over his initial successes rendered Texaco and Parker's Guatemalan venture the bellwether for Guatemalan hydrocarbon potential. The climax, or anti-climax, of Guatemala's hydrocarbon potential was in sync with Parker's early 'eureka' moment and subsequent disappointments, and so while the data suggests that exploratory activity peaked from about 1978-1984, most oil companies appeared to be fulfilling their contractual obligations while eyeing an exit after 1982.³ Given Parker's proximity to the White House, there is an inevitable correlation between Parker's outlook in Guatemala and Reagan's knowledge of and interest in Guatemalan oil. Reagan pursued Parker's services in Washington when Parker Drilling Co. was making what appeared to be successful inroads in the Guatemalan venture, and when optimism over Guatemala's hydrocarbon potential was peaking. It is not known if and to what extent Parker's Guatemalan engagements factored into Reagan's decision to pursue him; Parker was certainly extremely qualified for the post prior to having set foot in Guatemala, and so the choice to bring Parker into the fold could very well have been unrelated to Guatemala. Scholars are yet to pursue the relationship between Reagan and Parker, and there is no cache of archival material to illuminate their close relationship that Parker described first-hand. The likely scenario is that in the wake of debilitating oil crises, Parker's active exploration of sensationalised Central American oilfields that harboured the potential to shift the global hydrocarbon economic landscape was a compelling line item on Parker's already impressive, even over-qualified, curriculum vitae. Exposing Reagan's motive for hiring Parker is not required to establish that through Parker the Reagan administration had its finger on the pulse of Guatemalan hydrocarbon developments at a time

³ Warren Hodge, 'Texaco in Guatemala: A Low Key "Eureka"', *New York Times*, 8 May 1981.

when expectations were peaking (because of Parker), nor is it required to establish the chronology wherein the Reagan Administration's overall political support for the GOG did not wane until after Parker's disappointing withdrawal from Guatemala.

Texaco's decision to hire Parker, and their overall cumbersome investment into Guatemalan exploration, is evidence of risk and optimism in Guatemala's hydrocarbon potential. This is furthered by the fact that Guatemalan hydrocarbon law on the books at that time (96-75) did not guarantee reimbursement for operations that failed to locate oil. To offset additional risk of a political nature, Texaco pursued OPIC insurance coverage for their Guatemalan venture, but Guatemalan operations were ineligible for the program due to human rights conditions in that country. This project identifies how oil, aid, and human rights became enmeshed as Texaco's OPIC application became an issue of concern in bilateral petro-diplomacy and diplomacy at large. Guatemala's OPIC eligibility and participation bore many similarities to, and should be considered in the same vein as, other forms of U.S. and U.S.-backed assistance to the GOG. Both the Reagan Administration and the GOG identified the economic value in OPIC participation, and it became a bargaining chip that the State Department wished to see extended to the GOG in spite of human rights provisions in U.S. foreign assistance legislation. Robert Parker's insights into Texaco's OPIC plight were on hand when the Reagan administration expanded OPIC's eligibility criteria to address political scenarios like those faced by Texaco in Guatemala. The OPIC program's overhaul serves as an example of the reciprocal nature of imperialism, albeit with nuance and abstraction—it is not an example of transference in which a dominant entity absorbs beneficial elements of its prey; to the contrary, the larger modified its own internal institutions so as to enable and/or enhance exploitation of the smaller.

As chair of the Reagan administration's Energy Policy Task Force, Robert Parker was a paramount figure in drafting the Reagan administration's initial energy policies. The Task Force generated Reagan's early free market energy approach in the form of National Energy Plan III (NEPIII), which was praised by the domestic oil industry in 1981. In a stroke of irony, 1981's energy policies contributed to the energy economy conditions in 1982 that drove domestic American operations into a frenzy and led some to consider looking abroad. Parker and Texaco's Guatemalan table scraps, and those of their colleagues of similar corporate stature, became the first southbound option for American oil companies seeking international options the following year. The barriers to entry they faced were the usual

suspects: logistical challenges, and the start-up costs and vague reimbursement scheme associated with 96-75.

During U.S. Congressman Charlie Wilson's (possibly unsanctioned) Lone Ranger petro-diplomacy with the GOG in the summer of 1982, Wilson engaged in overt quid pro quo, aid-for-oil negotiations with the genocidal Ríos government. Petro-imperialism conjures an imaginative of major oil companies wielding influence over Western governments and exploiting past and present-day colonies' resources, but market conditions and motivations behind Wilson's petro-diplomacy make for an atypical, if not inverted, episode of petro-imperialism. Global market conditions at the time of Wilson's Guatemalan visit had begun to shift in such a way that Guatemalan oil was increasingly less commercially viable, reducing the optimism over future Guatemalan oil ventures. Meanwhile, larger oil companies active in Guatemala were producing lacklustre results, which in turn caused a decline in optimism over Guatemala's hydrocarbon potential. A far cry from Exxon, Haliburton, or the many strands of Standard Oil, Wilson represented the interests of Texas-based independent and exponentially smaller exploration outfits, refineries, and rural small-town manufacturers of industry supplies when he pursued Guatemalan hydrocarbon legislation's liberalisation. Moreover, Guatemala was no longer a holy grail of Latin American hydrocarbon prospects, and Wilson was knowingly chasing in Guatemala what was quickly becoming the table scraps of larger industry players. In these contexts, Wilson's intermestic micro-economic imperialism defies the norms of hydrocarbon exploitation where the statures of the payoffs and pursuant parties are concerned. Any Rockwellian nostalgia for Wilson's motivations having been rooted in local economic interests should not obscure the fact that this was still very much imperialism, albeit of an atypical, intermestic, and rather dark nature: Wilson sought to channel financial assistance to a desperate genocidal military government that was eagerly willing to cede its resource sovereignty and the lands violently cleared of indigenous persons to foreign oil companies so as to keep the state terror machine going. An accurate contestation is that Wilson was simply being a good representative by pursuing international options for his constituent industries, but the horrific underbelly of that very true appraisal is that a good representative in a capitalist empire sometimes has to engage in imperialism, to support genocidal regimes, so as to keep his electorate happy and procure future campaign financing. Indeed, Wilson's episode tells us much about the nature of imperialism. Multi-archival research efforts yielded no evidence to definitively conclude that Wilson collaborated with Reagan on Guatemala in the summer of 1982, but there is evidence enough to indicate that

Reagan and Wilson collaborated on something that summer, and the similarities between Wilson's and the State Department's Guatemalan rhetoric were too similar to dismiss. Should the sedentary federal declassification bottleneck begin to improve in the coming years, future research may illuminate the nature of their August 1982 White House meeting and the depth of their collaboration.

It matters not whether Wilson colluded with the Reagan White House, and Wilson's petro-diplomacy is not delegitimised by the unsanctioned nature of the congressman's visit to Guatemala. The fourth chapter articulates how Wilson's Lone Ranger diplomacy had a proven record of effectiveness on a grand international scale—Wilson was very willing and able to follow through on procuring U.S. dollars for the GOG without the blessings of Pennsylvania Avenue, as is evidenced by his Lone Ranger foreign policy efforts in Nicaragua, the Middle East, and Pakistan/Afghanistan—even the Taliban owe a bit of gratitude to Charlie Wilson for their humble beginnings. Such is the nature of American democracy that a powerful representative can and did procure copious funds for rights-abusing anticommunist forces abroad, in spite of human rights provisions in foreign assistance legislation. To these ends, it is most important to recall that Wilson was invited to Guatemala for these very reasons—Wilson was to the GOG a Cold Warrior and human rights sceptic with a record of supporting anticommunist pariah states and factions, with a hand on the purse strings of U.S. foreign assistance, and he was also an oil-state congressperson with constituent industries in need of opportunities. Wilson and the Ríos government were a perfect match with mutually agreeable needs; Wilson did not need to collude with Reagan or to receive formal sanctioning for his visit for the GOG to find him credible, and, conversely, Reagan did not need to collude with Wilson to benefit from Wilson's efforts to improve their mutual interests.

Charlie Wilson carries a Cold War legacy of aiding anticommunist factions and pariahs. Vociferous and outspoken, Wilson had long captivated the attention of the American and international press, but he attained celebrity status with the Hollywood adaptation of George Crile's *Charlie Wilson's War*. For anticommunists and subscribers of Washington's democracy promotion rhetoric, Wilson was a Cold Warrior. From a human rights perspective, however, Wilson was consistently on the wrong side of history—not the messianic American-centred Dullesist human rights framework that rationalises anticommunist hostility (and casualties) under the auspices of democracy promotion and, subsequently human rights, but rather any other rights framework that values the basic physical rights of individuals to safety

over any abstract political ideology. Supporting the future-Taliban and Nicaragua's Somoza are difficult to trump in terms of embracing monsters, but Wilson's emphatic support for the GOG during peak genocidal violence is perhaps the darkest stain on his legacy.

The GOG liberalised its hydrocarbon legislation in 1983, but the path towards liberalisation was not a linear process. Ríos held out for the duration of his short tenure, although he personally assured Reagan that modifications to the law were in the works during their only face-to-face encounter in December 1982. The Mejía government initiated changes to Guatemala's hydrocarbon legislation swiftly after Ríos was ousted, and foreign oil companies found the terms much more favourable. International interest lingered, sputtered, and declined, which can be attributed to the failures of larger oil companies, the technological innovations that revealed that Guatemala did not share the same features as nearby Mexican fields, and to stabilising oil prices that raised the commercial viability threshold for Guatemalan oil. Like a broken record, U.S. intelligence assessments still found Guatemala's hydrocarbon legislation too restrictive, as is evidenced by a CIA intelligence report from 1985.⁴ It seems unlikely that the CIA misunderstood the changes made to hydrocarbon law in 1983, and more likely that Washington simply upheld the position that anything less than unfettered open-veined access to Guatemalan oil (or any oil) was incongruent with American interests and security.

This move toward liberalisation is of particular significance and interest for several reasons. First, the petro-diplomacy outlined in chapters two through five make up the climax to the decades-long struggle between resource sovereignty and external interests outlined in the first chapter. Liberalisation in 1983 was also permanent, at least indefinitely so in the sense that the pendulum between protectionist legislation and liberalisation has ceased to swing back in the direction of Guatemalan resource sovereignty. The move toward liberalisation outlined in chapters four and five is also significant because it was the first and only overhauling of Guatemalan hydrocarbon legislation to take place when there was a tangible hydrocarbon sector to speak of in Guatemala. Both the progressive leadership of Guatemala's 'democratic spring' and the nationalist military developmentalists of the 1970s had exerted resource

⁴ United States Central Intelligence Agency, Petroleum Resources Branch, Memorandum, 'Guatemala: Assessment of Petroleum Potential. GI M 85-10258', 11 October 1985, *Central Intelligence Agency Digital Reading Room*, <https://www.cia.gov/readingroom/document/cia-rdp85t01058r000405250001-0>, <https://www.cia.gov/readingroom/docs/CIA-RDP85T01058R000405250001-0.pdf>, (accessed 4 May 2021).

sovereignty over Guatemala's hydrocarbon potential, but there was no tangible Guatemalan oil industry at that time. Guatemala's hydrocarbon history up until that point was optimism accompanied by a short list of failures and disappointments. Basic Resources' operations were meagre when 96-75 was generated, but they occurred as the world pivoted to non-OPEC sources in the developing world and thus carried much more value. Basic's Rubelsanto and Chinaja activity and the adjacent successes in Mexican oil fields vitalised international optimism in Guatemala's potential, but Guatemalan reserves simply had not yet been tested on a contemporary modern and/or large scale when 96-75 went into effect. The optimism was supported by the best available technology at the time. The value in Guatemalan oil was still the future, although it had transitioned from possible to probable, and for some to near certainty. By 1983, however, the world had an exponentially more accurate, and less optimistic, opinion of Guatemala's hydrocarbon potential, which is perhaps what makes this episode of imperialism stand out as atypically interesting. Guatemala's hydrocarbon future was much humbler when the Ríos government pitched aid for oil to the United States prior to Wilson's visit, and when Wilson and the GOG engaged in quid pro quo diplomacy in the summer of 1982. There was a Guatemalan hydrocarbon sector to speak of, but it was increasingly humbler when changes were negotiated and put into effect the following year. This was not an instance in which major oil companies sought major reserves; this was a congressman from Texas seeking out Guatemalan oil as a contingency 'plan b' for small and medium sized oil companies in his district, and this was an eager and willing collaborative class of oligarchs and military leaders willing to pawn the nation's resource sovereignty for a short-sighted payout. Imperialism comes in many forms.

Charlie Wilson lived up to his end of the bargain upon returning from Guatemala. He praised the GOG in the media using Cold War security discourse, and he supported the Reagan administration's revival of the IADB telecommunications package when he vouched for the Ríos government on the House floor. The IADB package hearing is of multidimensional significance to the Reagan administration's record on human rights, foreign aid, and Guatemalan policy, not only because, at the most basic humanitarian level, the White House invested energy and credibility to support the GOG as it actively committed genocide at a time when Reagan was purportedly committing to human rights, but also because the Reagan administration circumvented human rights provisions in foreign assistance legislation through executive discretionary authority, based on fabricated State Department reporting, which

triggered a landslide of legislation to prevent it from happening again. Each of these warrants consideration.

The Reagan administration entered office with a belligerent disregard for human rights. Reagan's plan to overtly implement the Kirkpatrick Doctrine was tempered by congressional opposition, at which time Reagan purportedly pivoted and began to incorporate human rights into foreign policy. As a case study, this project challenges the assertion that Reagan committed to human rights reform, conservative or otherwise, and demonstrates that the administration adopted human rights discourse while policy remained consistent with the Kirkpatrick Doctrine in practice. The administration manufactured and pursued a rights framework that was Dullesist in nature, which in turn provided the ideological justification to pursue the same anticommunist foreign policy initiatives under the auspices of democracy promotion and human rights. Much like the administration's approach to the Nicaragua contra war, Guatemalan policy was often packaged in pro-democracy rhetoric and oversimplified East-West anticommunism. Guatemalan leadership transitions gave the White House the opportunity to market new regimes as committed to human rights and democratic reform, and Washington supported these claims with fabricated or deliberately negligent accounts of the situation on the ground before the international human rights community could prove otherwise. American diplomats capitalised on any indication of forthcoming elections or potential commitment for human rights reform, sincere or otherwise, so as to justify normalising aid relations. Lucas was stubbornly difficult to market, but Ríos was an opportunity insofar as the leadership transition created a window of time before his variation of state terror became undeniably public. The Ríos government was, according to the White House, committed to eliminating corruption and restoring democracy, in spite of considerable first-hand disclosures, the findings of international human rights organisations, and internal diplomatic insights.

Reagan's position on Guatemala was supported by the Bureau of Human Rights under Elliot Abrams's leadership. This project identifies a decline in the integrity of Bureau of Human Rights reporting and its general function altogether, all of which was by design so as to reinforce the administration's support for rights-abusing pariahs. On the public relations front, the administration's foreign policy initiatives and conservative human rights framework was projected with sophisticated perception management, a permanent campaign offensive harnessing media, marketing and public relations firms, and religious institutions. Reagan's

post-gubernatorial rise and overall brand was guided by public relations firm Deaver and Hannaford, which also worked with pariah states, clandestine forces, and conservative groups seeking to improve their optics and status within the international community. Michael Deaver served as Reagan's Deputy Chief of Staff from 1981-1985 alongside Chief James Baker and Counselor Ed Meese, contributing to perception policy and facilitating clandestine contacts with former clients.⁵ The media was partially subdued by Otto Reich's Office of Public Diplomacy for Latin America and the Caribbean (S/LPD), a product of National Security Decision Directive 77, which established a 'domestic interagency task force designed to generate support for...national security objectives'.⁶ Staffed with psychological warfare experts from the CIA and the Army's Fourth Psychological Operations Group, S/LPD functioned as a disinformation machine in support of Reagan's Latin American initiatives. Pollsters like Stanley Greenberg tapped public opinion variations to determine selective verbiage and content for targeted political marketing, which was projected by firms like Woody Kepner Associates and International Business Communications. Freedom House, Accuracy in Media, and similar NGOs affirmed the message,⁷ while public relations firms like McCann-Erickson rebranded rights-abusing despots for public consumption.⁸ Ad campaigns funded by a labyrinth of conservative dark money shaped public opinion and leveraged election-minded congresspersons into compliance with varied degrees of success.⁹ S/LPD flooded the media with false narratives in major news publications like the *New York Times*, *Washington Post* and *Wall Street Journal*, and journalists found it too time consuming and/or costly to dispute the disinformation on a regular basis. The Office made use of embedded reporters, enabling journalists to engage in agendaed experiential pageantry deemed fieldwork. For journalists inclined to challenge the party line, Reich threatened the funding of National Public Radio programs, and boasted of having reporters sympathetic to

⁵ Jonathan Marshall, Jane Hunter, and Peter Dale Scott, *The Iran-Contra Connection: Secret Teams and Covert Operations in the Reagan Era* (New York: Black Rose Books, 1987), 53-57; Peter Dale Scott, 'Contragate: Reagan, Foreign Money, and the Contra Deal', *Crime and Social Justice* 27/28 *Contragate and Counterterrorism: A Global Perspective* (1987), 110-148.

⁶ United States Department of State, 'Management of Public Diplomacy Relative to National Security (NSC-NSDD-77)', 14 January 1983, published by the *Federation of American Scientists, Intelligence Resource Program*, <https://irp.fas.org/offdocs/nsdd/nsdd-077.htm>, (accessed 15 July 2023).

⁷ Greg Grandin, *Empire's Workshop: Latin America, the United States, and the Rise of the New Imperialism* (New York: Metropolitan/Henry Holden and Co., 2006), 123-134; Eldon Kenworthy, *America/Américas: Myth in the Making of U.S. Policy Toward Latin America* (University Park, PA: Pennsylvania State University Press, 1995), 86-89.

⁸ Michael McClintock, *The American Connection: Volume 1, State Terror and Popular Resistance in El Salvador* (London: Zed Books, 1985), 296-297.

⁹ William Casey of the CIA was active in maintaining clandestine capital flows. Kenworthy, *America/Américas*, 86-139.

Reagan's adversaries reassigned,¹⁰ while Abrams and Tom Enders badgered journalists and groups affiliated with human rights whose research did not align with the State Department's narrative.¹¹ Eldon Kenworthy asserts that '[b]y 1986, "public diplomacy" had become administration code for a massive advertising-cum-lobbying campaign to influence Congress both directly and through the U.S. public'.¹² The S/LPD Office was disbanded in 1987 after policymakers discovered Reich's team violated the 1947 National Security Act's domestic propaganda prohibitions,¹³ but the administration got away with supporting its Latin American policy with publicly funded domestic propaganda for several years.

That the genocidal GOG was hailed as human rights reformers is one of Reagan's darkest mischaracterisations. Stephen Bosworth and Melvin Levitsky attested to this, under oath, at the IADB telecommunications package hearing in 1982. The Bureau of Human Rights report for that year was condemned for its bias in Guatemala and among right-wing allies, and the report indeed reframed the Reagan administration's human rights policy in an East-West anticommunist framework. The administration's ideological rights regime put anticommunist pariahs back on the table, which sustained the core of the Kirkpatrick Doctrine. Any purported commitment to human rights in Guatemala was Dullesist through and through, or simply based on false information. When scholars speak of Reagan's alleged commitment to human rights reform, they often fail to mention that the administration only pursued human rights per se after the White House had begun to define human rights in such a way that complemented pre-existing foreign policy initiatives. If there ever was a rights revolution during Reagan's presidency, it was semantic. Reagan's Guatemalan policy is emblematic of this insincerity.

¹⁰ 'Public Diplomacy and Covert Propaganda: The Declassified Record of Ambassador Otto Juan Reich', *National Security Archive*, Electronic Briefing Book No. 40, published 2 March 2001, <https://nsarchive2.gwu.edu/NSAEBB/NSAEBB40/>; Grandin, *Empire's Workshop*, 123-134, 231. Kenworthy, *America, Américas*, 86-139; Robert Parry and Peter Kornbluh, 'Reagan's Pro-Contra Propaganda Machine', *Washington Post*, 04 September 1988.

¹¹ For Enders attacks on Amnesty International in 1982, see United States Department of State, Letter, Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs, to Patricia L. Rengel, Washington Office Amnesty International USA, Director, 15 September 1982, in: Americas Watch, *Human Rights in Guatemala: No Neutrals Allowed* (New York: Americas Watch, 1982), 112-122. For Abrams' attacks on Americas Watch affiliates, see United States Department of State, Bureau of Human Rights and Humanitarian Affairs, Letter, Elliot Abrams to Robert L. Bernstein, Chairman of the Board and President, Random House, Inc., 23 December 1981; United States Department of State, Bureau of Human Rights and Humanitarian Affairs, Letter, Elliot Abrams to Orville H. Schell, 23 December 1981, Ronald Reagan Presidential Library, Alfonso Sapia-Bosch Files, RAC Box 5 (Box 005 (90244) (Box 2), Folder: [Guatemala] (3).

¹² Kenworthy, *America/Américas*, 88.

¹³ Grandin, *Empire's Workshop*, 123-134, 228-229, 231; Parry and Kornbluh, 'Reagan's Pro-Contra Propaganda Machine'.

The fifth chapter identifies the relationship between telecommunications and counterinsurgent violence, and demonstrates that the IADB telecommunications package, which was originally billed as meeting Guatemalans' basic human needs, was inevitably misappropriated for indirect and/or quasi-military assistance. This case warrants further scrutiny towards all forms of soft power assistance that found its way to the Guatemalan warzone at that time. Diligent activist journalism and scholarship from contemporary activist scholars illustrated the ways in which soft power U.S. dollars and transnational humanitarian assistance was misappropriated and, at times simply incorporated, into military applications in Central America. Research into the political economy of Central American violence peaked prior to New Cold War scholarship's pivot towards the transnational, but scholars are invited to revisit Central America to explore examples in which economic and material humanitarian assistance was repurposed for military applications. In the case of Guatemala, development assistance and financial and material humanitarian assistance supplied elements of the GOG's rural development and pacification regimes, within their broader plan to subdue the highlands and *ladinise* the Mayan population.¹⁴ We now know the sum of these efforts constituted genocide. Humanitarian aid does not sound very humanitarian in this context, but this should condemn humanitarian programs and private volunteer organisations for indirect or unknowing affiliation and/or support for the GOG's programs, although Christian organisations based in the United States with boots on the ground in Guatemala had inherent political agendas to support the Ríos government. To the contrary, the call for future research to expose the darker and duplicitous elements of transnational, but really Global North, humanitarianism in the past is critical because it harvests a greater skillset for identifying such duplicity in the present; the amnesiac embrace of whatever humanitarian rationale affixed to Western-led conflicts is evidence that presentism is endemic, which makes the work all the more important. The harm reduction case made in support of humanitarian programs under these circumstances contends that the victims of political violence should not be left to starve nor be denied basic human needs—of course they should not, but that is not cause to pretend that the assistance does not often both ease and contribute to suffering. After

¹⁴ Ladinisation is a form of internal colonialism that relies on racism and perceptions of cultural superiority. The term derives from "ladino," a regional term that refers to non-Indians. Ladinisation implies the transformation of native peoples, wherein they shed local customs and adopt/assimilate into Ladino norms. It has been framed as a civilising mission in uplifting colonial rhetoric. Ladinisation often takes the form of forced projects and social engineering. See Richard N. Adams, 'Guatemalan Ladinization and History', *The Americas* 50, no. 4 (April 1994), 527-543.

the Guatemalan military massacred villages, raped women and children, smashed babies' heads against rocks, tortured and disfigured villagers and set them on fire individually or in groups, and carried out countless other horrors in the countryside in 1982, the GOG ostensibly then fenced the survivors into military encampments to conscript them and grind them into assimilation, and the GOG got the Global North to subsidise it. Such potential duplicity is something we must come to terms with.

The IADB telecommunications package episode, which circumstantially intersected with Guatemalan oil by way of Charlie Wilson, was a critical moment in the trajectory of Reagan's human rights legacy and, more broadly, U.S. foreign aid policy and the death of 502B. The Reagan administration exerted executive discretionary authority and disregarded Congress to proceed with the package under the auspices of alleged human rights improvements in Guatemala. The administration came to that determination based on internal State Department reporting, which was markedly rampant with bias. This fifth chapter identifies this episode as having triggered a procession of modifications to legislation governing the certification of human rights conditions in known rights-abusing states when determining eligibility for U.S. foreign assistance programs. Rights-minded factions in Congress were unwilling to yield to executive discretion and privilege; congressional oversight was asserted and the executive's ability to manipulatively self-certify a rights-abusing state's eligibility for U.S. assistance was reined in. Executive authority won the day, however, with the formal adoption of the International Security and Development Cooperation Act of 1985 (ISDCA), which required only State Department self-verification. It was through this process that military assistance was formally restored to Guatemala in 1986. Reagan's war on 502B was ultimately victorious, and human rights provisions in foreign assistance legislation never fully recovered.

In the larger picture, Reagan's foreign policy rhetoric and public relations and perception management pathology of rebranding butchers and regimes as reformers has proven to be one of his administration's more effective legacies. Washington simply does not tell the truth about their allies, and Washington avoids atonement under the auspices of exceptionalism, innocence, and the pursuit of U.S. national security interests, however contrived. Human rights provisions in foreign assistance legislation require citizens and representatives to challenge the official narrative, which has become especially precarious in the twenty-first century. Atrocity and outrage propaganda was a powerful tool in selling policy, as is

evidenced by the near uniformity in support of the war in Iraq. As independent journalists and social media platforms bring wartime atrocities to the attention of the world, the White House increasingly finds its ability to uphold official narratives at face value reduced. Redactions are smaller and often go unread, but off-brand information is much more easily shared. What remains to be seen is if Washington will yield when presented with irrefutable inhumanity, whether Washington will stick by its official narratives like it has in the past in spite of evidence to the contrary, or whether Washington will go down the path of censorship. There is unfortunately precedent for the latter two.

On the point of U.S. national interest, the approximate consensus is that the Reagan Administration considered Guatemalan political affairs a lesser priority than the Salvadoran and Nicaraguan conflicts. This project raises important questions about the generally accepted hierarchy of U.S. national interest in Central American affairs, and concludes that Guatemala should not be so easily dismissed. If U.S. financial assistance is used as the metric to quantify and assess the hierarchy of national interest during the Reagan administration, Guatemala certainly falls behind the Salvadoran and Nicaraguan conflicts. The Salvadoran conflict absorbed a sum of over \$6 billion,¹⁵ and Reagan's pet champions, the Nicaraguan contras, received hundreds of millions of dollars in legal and clandestine assistance that, when discovered, stirred much political controversy.¹⁶ The GOG is credited with having received far less, but U.S. assistance nonetheless rose 300 percent during Reagan's first term. Bilateral economic and development aid rose from \$13mn annually at the end of Carter's tenure to \$160 million in 1987. Economic and development assistance in 1981 was comparatively meagre, but economic assistance to the GOG jumped in 1982 and rose sharply over the next three years.¹⁷ The likely reason for this is because Reagan's initial emphasis

¹⁵ When Reagan approached Congress for \$110mn in military aid in 1983, the death toll in El Salvador had reached 30,000. By 1985, aid reached over \$500mn, and by the war's conclusion the US had provided \$6bn in aid, averaging \$1.5 million per day, 'bankroll[ing] the guaranteed failure of any potential for peace'. Teresa Whitfield, *Paying the Price: Ignacio Ellacuria and the Murdered Jesuits of El Salvador* (Philadelphia, PA: Temple University Press, 1994), 81-85, 110, 120-158, quoted material on 133. See also: John A. Booth, Christine J. Wade, and Thomas W. Walker, *Understanding Central America: Global Forces, Rebellion, and Change* (Boulder, CO: Westview Press, 2015), 137-152.

¹⁶ See Daniel K. Inouye and Lee K. Hamilton, *Report of the Congressional Committees Investigating the Iran-contra Affairs (With Minority Views)* (New York: Times Books, 1988); Doyle McManus, 'Contras Amply Funded Despite Congress' Ban: Reportedly Got \$88 Million From 1984 to 1986, Half Coming From Private, Foreign Sources', *Los Angeles Times*, 1 February 1987; Doyle McManus, 'Contras May Have Got \$30 Million From Saudi Arabia', *Los Angeles Times*, 15 January 1987; Gary Webb, *Dark Alliance: The CIA, the Contras, and the Crack Cocaine Explosion* (New York: Seven Stories Press, 1998).

¹⁷ Jill L. Arak-Zeman, 'An Analysis of the Similarities and Differences of United States Human Rights Policies Under the Carter and Reagan Administrations: The Cases of Guatemala and Chile', PhD Thesis, University of Southern California, 1991, 185-227, esp. 186, 212-228; United States Government Accountability Office

was to restore security assistance, but the administration was forced to pivot towards alternative avenues to supply the GOG once security assistance had been obstructed; chapter five illustrates the ways in which much of this assistance received had military and quasi-military applications. When Congress reined in economic assistance to the GOG in 1984 following the kidnapping and execution of three USAID workers, humanitarian aid and PVO activity ramped up to support the GOG's pacification programs. Economic assistance resumed in 1985 at \$98.1 million, and rose continually to the 1988 figure of \$134.9 million. The sum of Guatemalan military assistance is not so meagre when accounting for soft power dollars like telecommunications package, and the other material, humanitarian and development assistance packages that supplied and supported elements of the military government's rural pacification objectives and/or that were part of the GOG's broader plan for the highlands that, performatively, included genocide. In addition, while it is difficult to quantify third-party arms diplomacy and indirect military assistance, it would be remiss to neglect it for the comforts of clean accounting sheets. The GOG received military goods and training from the global arms suppliers operating both with agency and under the umbrella of American hegemony, like Taiwan, Argentina, and Israel.¹⁸ To tally these figures would likely not alter the hierarchy of U.S. dollars received among Central American states and factions at the time (especially if allowing for the duplicitous misappropriation of aid received by these neighbouring states), but it would, and the likelihood of it should, indicate that U.S. interest in, support for, and commitment to Guatemala was not insignificant.

Risk is a recurring theme throughout this project. To re-evaluate the support and assistance given to the GOG not by dollar volume alone, but to also account for the risk and potential political fallout associated with the support and assistance provided, then perhaps the Reagan administration's commitment to the GOG weighs more than previously credited. Both Lucas and Ríos were difficult for the White House to redeem on the Hill, in the press and among U.S. citizens, and Reagan had to tactically distance himself from both while still maintaining a policy of support and denial. The White House identified the human rights crisis in Guatemala as an optics problem more so than it did a human rights problem, and thus

(USGAO), *Military Sales: The United States Continuing Munition Supply Relationship with Guatemala*, (Washington, D.C.: GAO, January 1986).

¹⁸ Arak-Zeman, 'Similarities and Differences', 185-228, esp. 214-228. For USAID workers, see White House Situation Room, Schulz/SecState to Amembassy Guatemala, Subject: Recall of Ambassador, 5 March 1983 (Date encrypted: 100916Z March 1983), Ronald Reagan Presidential Library, Executive Secretariat, NSC: Country File: Records, RAC Box 30, Folder: Guatemala, Vol. I, 1/20/81-7/31/84 [2 of 5].

supplying hard military goods and assistance through clandestine and manipulative measures to the genocidal GOG came with potential fallout. When we account for just how horrific the terror inflicted by the Lucas and Ríos regimes was, and how cognisant circles in Washington were of that horror, and how complicit and/or culpable the White House was in condoning and supporting it, then the political risk assumed by the Reagan White House seems considerable. This is especially so after Reagan purportedly began to pursue human rights and marketed Ríos as a reformer. As the Ríos government's human rights performance became increasingly irredeemable, the White House sustained its disposition while the State Department maintained a strategically healthy distance between Reagan and the regime, not because the White House disavowed the GOG's conduct, but for optics' sake. The Reagan administration recognised and sought to mitigate risk through manipulative public diplomacy, disinformation, and a corrupted Bureau of Human Rights. Reagan got caught evading, circumventing, and disregarding human rights provisions often, and with very little fallout, but the administration would have had no way of knowing in 1981-2 just how much it would be able to get away with and for how long. One Washington lobbyist observed that '[t]here was a deep abhorrence among an overwhelming majority in Congress', and that 'nobody wants to put himself on the line...by asking for weapons for Guatemala—even conservative Congressmen [sic] don't want to get involved.'¹⁹ Supporting the GOG to *any* degree was bold.

An easy and proven method to establish U.S. national interest in Guatemala (or anywhere) is to establish the existence of oil. It is a very crude formula, no pun intended. A picture of an oil well hovering over Guatemalan soil is all that would be required to demonstrate national interest to cynics and critics of U.S. policy. They would not be wrong, for the same can be said for Cold Warrior proponents of zero-sum hegemony, some of whom held key positions in the Reagan administration. For all the free-market rhetoric coming from the White House, energy—especially oil—was a tenet of U.S. national security and national interest during the Reagan White House, and it had been for decades, and Guatemalan oil had been a coveted resource decades before it was pumped from the earth. The first chapter traces the Cold War origins of critical resource procurement as a factor in U.S. national security and national interest, and observes that, in the absence of an American state oil company, there existed an intrinsic relationship between the private hydrocarbon sector and the United States

¹⁹ Quoted in Arak-Zeman, 'Similarities and Differences', 191.

government. Even if oil was not commercially viable, it was a zero-sum Cold War commodity—if even the prospect and potential of oil existed, then there was security value and interest.

There was more than interest in Guatemalan oil in the 1970s—there was sensationalism. Basic Resources' successes at Rubelsanto and Chinaja aligned with adjacent success in Mexico's southern oilfields, and with extreme fluctuations in the global energy market. The global oil crises prompted a pivot towards non-OPEC alternatives, and high oil prices rendered Guatemalan oil commercially viable. Medium and large-sized international oil companies pursued access to Guatemalan oil in spite of the terms within 96-75, which came with considerable risk given the legislation's vague and uncertain terms for reimbursement, and, to a different extent, the unstable and precarious political climate. Investment and exploration surged toward the decade's end, and the industry and U.S. intelligence circles believed, based on the best available technology and (limited but promising) successes at the time, that Guatemala was en route to becoming a hydrocarbon powerhouse in the immediate years to come. When Guatemalan oil was finally put to the test in the late 1970s and early 1980s, the largest oil company on the ground was Texaco, which had itself procured the world's most technologically advanced and capable exploratory operation in the world, Parker Drilling Co., to work their Petén concession. If using investment dollars as a metric to measure industry interest in Guatemalan oil, then interest was substantial, especially so given the risk.

Documents within the Ronald Reagan Presidential Library offer very little insight into the president's personal position on Guatemalan oil, but it would be an exercise in naivety to presume the White House was indifferent towards, or peripherally mindful of, Guatemala's hydrocarbon developments at this time. This project demonstrates that the oil industry, the media, the State Department and U.S. intelligence circles were cognisant and optimistic of Guatemala's seemingly imminent rise to the status of global hydrocarbon powerhouse, and Reagan's connection to Parker is too proximal to dismiss. Reagan pursued Parker to run the Department of Energy during peak international optimism over Guatemala's hydrocarbon potential, as Parker was conducting exploratory drilling on Texaco's Guatemalan concession. This is not to suggest that Reagan chose Parker solely because of his Guatemalan operation, for if Reagan wanted an oil-man to play Trojan Horse with the DOE, Parker was well qualified for the position long before he set foot in Guatemala. In fact, Parker would have had

to part with his company had he taken Reagan up on his offer, which could suggest that the added bonus of Parker's Guatemalan connection was not critical to Reagan. Parker declined to head the DOE because he wished not to part with his company, but Reagan's persistence brought Parker into the fold as chair of the Energy Policy Task Force, and in that position Parker was allowed to retain his company as it drilled in Guatemala. In choosing Parker, Reagan secured a direct line to hydrocarbon developments in Guatemala; that was the outcome whether or not it was Reagan's objective. Guatemala's hydrocarbon future, it was believed, was on the verge of altering the political economy of critical resources in the hemisphere, if not the world, and the White House had a finger on its pulse through Parker. Elsewhere in the policymaking hive, intelligence reports recognised Guatemala's hydrocarbon potential, and Secretary of State Alexander Haig and various conservative members of Congress publicly identified security value in that potential. When the administration was still brazenly rejecting human rights, and Parker and Ken Ledet were still optimistically exploring Texaco's Petén concession, Haig rationalised the Administration's support for the GOG and therein emphasised the security value of Guatemalan oil. It would be an oversight to presume that the administration hyperbolised Guatemala's resource wealth to bolster unpopular security initiatives, because, as shown throughout this project, the optimism in Guatemala's hydrocarbon future exceeded security circles and was very real.

The White House was certainly interested in Guatemalan oil, but it is unclear how much or precisely at what point that interest started to taper. The same can be said for Reagan's interest in Guatemalan affairs on the whole, as measured by declining U.S. assistance over the course of Reagan's tenure. Ironically, U.S. military assistance to Guatemala declined after it was legally and formally restored in 1985-6. One explanation for this decline is that the need for military assistance dissipated; in terms of the State Department's purported objectives, (superficial) democracy was restored to Guatemala (1984-1986), human rights violations were reportedly in decline (or at least they garnered less negative press coverage), and the crippled Guatemalan insurgency negated the acute need for military assistance. There is truth to some of it: elections were held and the insurgency was struggling; human rights violations both persisted and declined, but observers should take into account that the human geography of rural Guatemala was altered by the previous years of extreme violence in such a way that there were simply fewer villages and villagers to massacre.²⁰ Another explanation

²⁰ Arak Zeman, 'Similarities and Differences', 125-126, 138-140.

for the decline in U.S. support for the GOG comes from scholars like Jill Arak-Zeman, who observed before the Guatemalan civil war's conclusion a correlation between the decline in U.S. assistance, and democratically elected Guatemalan President Vinicio Cerezo's refusal to collaborate with Washington's clandestine Nicaraguan contra war.²¹ This correlation holds up, and there is archival evidence to support it,²² but it does not necessarily negate other possibilities—the intensity of Washington's support would not have declined if the guerrillas had not been so weakened at the time, and the White House would not have neglected Guatemala had she bloomed into a major global oil exporter.

There exists another chronological correlation that scholars are yet to make but which cannot be ignored, and that is between Washington's declining commitment to Guatemala and Guatemala's disappointing hydrocarbon performance. It requires little imagination to conclude that U.S. interests in Guatemalan affairs would not have tapered had Guatemalan oil reserves proved bountiful and Guatemala entered the world stage as a major energy exporter, which is what many had predicted. It is almost unthinkable that Washington would not commit military support to suppress a Marxist insurgency in an oil-rich Guatemala, especially so with neighbouring conflicts in the isthmus. Had Guatemala become an oil exporting state, the political economy of critical resources in the Western Hemisphere would have been radically transformed, which in turn would have required considerable strategic recalibration. Guatemala's hydrocarbon potential had not only the Reagan administration's utmost attention, but the world's, at the onset of Reagan's first term, and that potential occupied U.S. national interest until it did not. The correlation holds that Reagan's enthusiasm for the GOG, as measured in U.S. dollars, did not begin to wane until after Guatemala's hydrocarbon sector had fallen short of expectations. The logic that follows is that Guatemala's disappointing hydrocarbon output was one of several economic and security factors that enabled Reagan's interest to decline by mid-decade.

This project offers a rare and original historical account of U.S.-Guatemalan petro-diplomacy, making several contributions to the bodies of scholarship concerning Guatemalan hydrocarbon development, petro-imperialism and the Cold War political economy of critical

²¹ Arak Zeman, 'Similarities and Differences', 125-6, 198-200.

²² See, for example: United States Department of State, Memorandum, Nicholas Platt to Robert C. McFarlane, 18 July 1985, Attachment: Guatemala Talking Points, Meeting with Guatemalan Chief of State Mejia and Foreign Minister Andrade, State Department Briefing Paper, Ronald Reagan Presidential Library, National Security Council, Latin America Affairs Directorate: Records, RAC Box 6, Folder: Guatemala 4/4.

resources and U.S. national security. The project makes further contributions to the avenues of academic inquiry concerning U.S. and Reagan-specific human rights, foreign assistance, and energy policy, Central American policy in the 1980s and the Central American theatre at large. In addition, the project adds another notch to the destructive Cold War legacy of pop-historical icon Charlie Wilson.

For much of the twentieth-century, petro-diplomacy between the United States and Guatemala can be characterised by a push and pull between Guatemalan resource sovereignty and U.S. economic hegemony, the anatomy of which is rooted in national interest, security, grand strategy and ambition. Guatemalan oil and bilateral petro-diplomacy became entangled in the human rights and foreign assistance dimensions of U.S.-Guatemalan relations in the late 1970s and early 1980s. Guatemalan human rights violations would have occurred with or without the presence and possibility of oil in the ground, although that presence and possibility certainly exacerbated rights abuses at times. Reagan would have still sought to aid the GOG, and Guatemala's human rights record and rights-minded members of the U.S. Congress would have still made the administration's efforts challenging. But Guatemalan oil was in the ground, and Americans engaged in quid pro quo petro-diplomacy when they pursued it. They offered and provided aid to the GOG during the most egregious period of heightened violence in the Guatemalan civil war, in which the military GOG was responsible for what many agree to be the worst human rights conditions on the planet at the time. Washington's support for the GOG was justified by duplicitous allegations of human rights improvements at a time when Reagan purportedly committed to human rights reform, but the Administration's neo-Dullesist conservative human rights framework had very little to do with human rights—it was manufactured to prioritise and complement pre-existing Cold War security initiatives. While policymakers and diplomats debated and manipulated the semantics of human rights ideals, rural Guatemalans were subjected to unspeakable horrors. Reading truth commission disclosures and human rights reports, and then adding the words 'in the name of democracy' after each unsettling horror, becomes a sobering exercise in measuring the dissonance and lack of humanity in Reagan's human rights framework. Guatemalan leadership dangled the prospect of forthcoming elections to American officials, and this was democratic enough for the Administration to back the GOG. Behind the scenes, U.S. support for the GOG was self-described as motivational diplomacy and necessary anti-communist solidarity, while international support was humanitarian and development-related in nature; aid of all shapes and sizes, origins and intentions, made its way to the Guatemalan

highlands, where it was put to use on military initiatives at that time. There is a threshold at which point rationalising human suffering with abstract long term political objectives causes us to lose our humanity—that threshold was crossed in Guatemala.

Appendix

Appendix Item A.



United States Central Intelligence Agency, 'The World Factbook: Guatemala – Details: GT-Map: Guatemala map showing major cities as well as parts of surrounding countries and the North Pacific Ocean'. <https://www.cia.gov/the-world-factbook/static/maps/GT-map.jpg>.

Appendix Item B.



United States Central Intelligence Agency, 'The World Factbook: Guatemala – Details: GT-
Locator Map: Central America, bordering the North Pacific Ocean, between El Salvador and
Mexico, and bordering the Gulf of Honduras (Caribbean Sea) between Honduras and Belize'.
<https://www.cia.gov/the-world-factbook/static/locator-maps/GT-locator-map.jpg>.

Appendix Item C.

Location of oil exploration zones, hydro-electric projects, and mining—El Petén and the Franja Transversal del Norte (FTN)



Oil (holder of exploration rights*)	Hydro-electric projects & mining
AA Hispanoil	1. Aguacapa – María Linda
BB Getty Oil	2. Pueblo Viejo
CC For tender	3. Xalalá
D Texaco & Amoco	4. Usumacinta (Mexico & Guatemala)
E Hispanoil & Elf	5. Chulac
F Amoco & Exxon	6. Potential site(s) for six hydro projects: El Arco, Tzacancá, Quixabaj, San Juan, Montecristo, San Luis
G For tender	7. Sumalito (1990–2000 start)
H For tender	8. Potential site(s) for four hydro projects: Matanzas, Polochic, Chicoc, Semuc
I Basic Resources & Elf	9. EXMIBAL (nickel & cobalt mine)
J For tender	
K For tender	
L Texaco & Petrobras (Brazil)**	

* holder of exploration rights until mid-1980s (have since changed).

** Petrobras (Brazil) joint investor in Hispanoil holdings.

Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24 (1999), 62 (Figure 2).

FIGURE 1
Placement of guerrilla organizations and location of towns and municipal districts of major military actions against the civilian (Maya) population (1980–83)

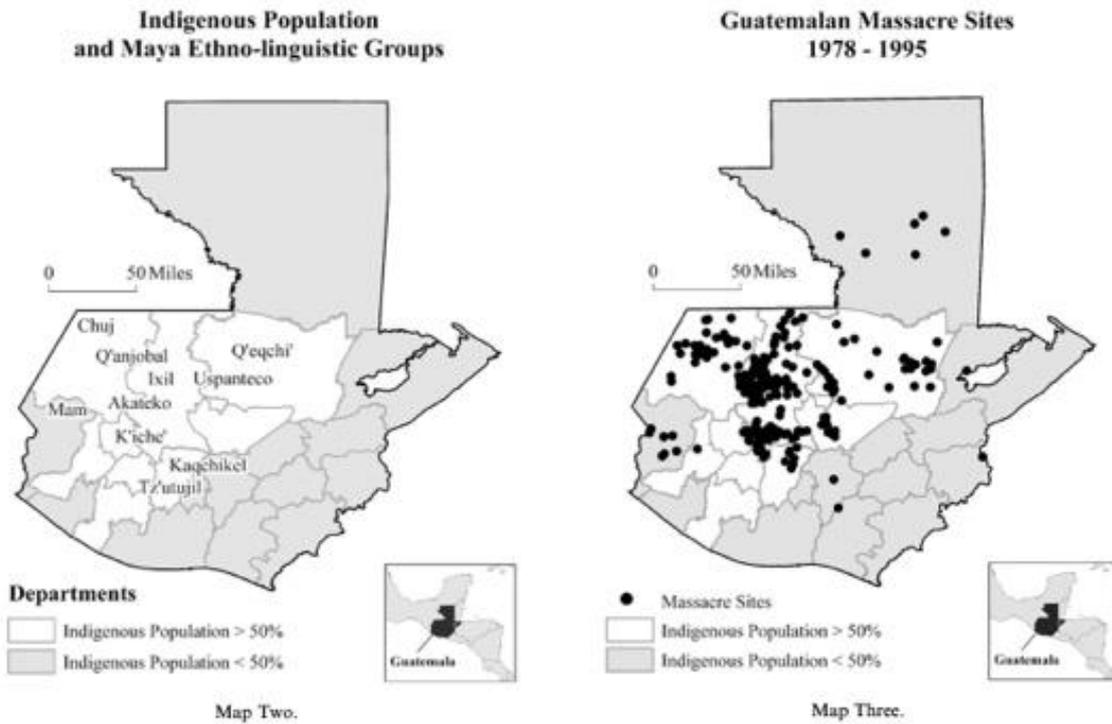


EGP Ejército Guerrillero de los Pobres
ORPA Organización Revolucionaria del Pueblo en Armas
 Guerilla organizations active among the Maya population.

Ixcán lowland region of settlement; northern Huehuetenango and El Quiché
Ixil "Ixil Triangle"; main centres Negaj, Ghajul, San Juan Cotzal

Terrance W. Kading, 'The Guatemalan Military and the Economics of *La Violencia*', *Canadian Journal of Latin American and Caribbean Studies* 24 (1999), 60 (Figure 1).

Appendix Item E.



Michael K. Steinberg, et al, 'Mapping massacres: GIS and state terror in Guatemala', *Geoforum* 30 (2006), 65, Maps 2 and 3, <https://irevolutions.org/wp-content/uploads/2009/08/guatemala-gis.pdf>.

Appendix Item F.



This is a photograph of an untitled photograph. The image shows Charlie Wilson at the White House in a meeting with Reagan and his cabinet. The original image is located in the Photograph Collection of the Charlie Wilson Congressional Papers at Stephen F. Austin University's East Texas Research Center. The folder indicates the meeting transpired in August 1982, however staff at the Ronald Reagan Presidential Library have no record of Wilson visiting the White House at that time.

Untitled Photograph, Charles Wilson Congressional Papers, Photographs 1972-1995, Subsection 1972-1988, Folder 66: 'Ronald Reagan, August 1982'.

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