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Among the alternatives, Mexico City probably offers the best chance of providing oil to Guatemala to carry the country through the January transition in administrations. The US could offer to support additional IMF or World Bank funds for Mexico City sufficient to cover the roughly \$50 million cost of oil imports. In effect, we would ask Mexico to forego the 80% down payment required by the San Jose Accord while offering to replace that money with loans. As with Nicaragua, Mexico City would bear the risk of eventual non-payment by Guatemala. By offering loan support, however, we would defuse Mexico's argument that financial constraints preclude making oil available at this point.



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