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SOUTH AND CENTRAL AMERICA.

CONFIDENTIAL.

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No. 1.

Acting Vice-Consul Easton to the Marquess Curzon of Kedleston.—(Received July 30.)

(No. 19.)

Guatemala, July 9, 1923.

My Lord, I HAVE the honour to transmit herewith to your Lordship copy furnished to me by courtesy of the American Minister of the original of a statement issued by his Excellency in translation to the local press, and defining, with regard to impending revolution in the Republic of Honduras, the attitude of the United States towards Central American Governments in respect of their mode of achieving power.

One newspaper alone commented on this statement in a leading article complaining of it as interference with sovereign rights. The people generally are apathetic, merely regarding it as one more display of the domineering spirit to which they attribute every action of the Americans, who are detested and feared throughout Central America.

> I have, &c. B. J. EASTON.

Enclosure in No. 1.

Statement issued in Translation to the Press of Guatemala.

THERE have been conflicting reports regarding the attitude of the Government of the United States, in view of possible disturbances which it is thought might develop in the Republic of Honduras, in connection with the campaign for the Presidency. Since Guatemala naturally feels an intimate interest in everything pertaining to the situation in the neighbouring republic, Arthur H. Geissler, the American Minister, has authorised the following clarifying statement :--

"The American Legation in Guatemala has been informed by the Depart-" ment of State of the United States that the American Minister in Tegucigalpa, "Honduras, has been instructed to communicate to President Lopez Gutierrez and " to other interested parties in the Republic of Honduras, including Carlos Lagos, " an outline of the attitude of the Government at Washington, substantially as " follows :---

"The Government of the United States regrets reports of impending " revolution in Honduras, and is extremely sorry that efforts to effect, between " opposing candidates for the Presidency, such an agreement as would be likely to " avert disturbances have thus far been fruitless. The Government of the United "States, after having repeatedly, but without avail, counselled such an agree-"ment as would avert revolution and its resultant disruption, desires once " more to emphasise the grave situation in which Honduras will be placed if some " satisfactory settlement is not reached. The economic condition of the country, " which is already very difficult, would naturally be rendered even more precarious. "The credit of Honduras, which is already low, would be further depressed if " revolutionary disturbances occur. The resources and income of that republic " would be greatly diminished and commercial and industrial activity would be " paralysed. Under such circumstances, any Government would find it difficult, if "not impossible, to maintain itself in office. The efforts of the delegates at "the recent Central American Conference held in Washington to bring about " a stable and prosperous condition in all of Central America would be largely " neutralised so far as Honduras is concerned. The Government of the United " States is at all times ready to assist along constructive lines of development. It " is now ready to render all possible and proper assistance in the present crisis. It " is of the firm opinion that improvement in the economic situation in Honduras, " which both countries so ardently desire, can only be brought about on the basis

July 30.

SECTION 1.

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