

May 7, 1986

To: Dick Schifter

Subject: Guatemala: Cereso Administration

Yesterday I spoke for a few minutes at the World Bank with Rene de Leon Schletter, Guatemala's Minister of Development. Rene and I are old friends from the days when he was leader of the Guatemalan Christian Democratic Party. He had hoped to be OGG Foreign Minister. He has been negotiating with the Bank and the IMF.

De Leon said the Cereso Administration was doing quite well, everything considered. The military are not making trouble and have relinquished some of their authority without argument. There is popular unhappiness with the economic situation but thus far Cereso is not being blamed. The guerrillas appear to be less of a threat than before. Human rights performance has clearly improved. Cereso hopes to build a stronger democratic trade union movement. He feels a key task is to show Central America that economic and social progress can be achieved, with democracy. Nicaragua does not yet pose a major foreign policy problem for the OGG.

Rene stressed that the OGG urgently needs more USG economic aid and technical (economic) training, and he was eloquent on how important such help is for both the OGG and the USG. A successful democratic Guatemala would take the wind out of the GRN propaganda in Central America. I promised Rene to pass on his plea for more help. He twice remarked that the OGG does not need military assistance.

George Lister

cc: JH
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2