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TO IMMEDIATE FCO

TELEGRAM NUMBER 713 OF 19 JULY

INFO ROUTINE TEGUCIGALPA, SAN JOSE, BRUSSELS, PARIS, WASHINGTON, ROME

INFO SAVING MEXICO CITY, PANAMA CITY, CARACAS, BOGOTA

VISIT BY PRESIDENT DUARTE TO BONN, 16-17 JULY

SUMMARY

1. CORDIAL ATMOSPHERE DURING THE VISIT REFLECTED LONG-STANDING LINKS BETWEEN THE CDU AND DUARTE'S PDC. DUARTE SOUGHT AND RECEIVED MORAL SUPPORT FOR THE DEMOCRATIC FORCES IN EL SALVADOR AND CENTRAL AMERICA AS A WHOLE. KOHL CONFIRMED THE RESUMPTION OF GERMAN AID FOR EL SALVADOR.

DETAIL

2. DUARTE, ACCOMPANIED BY FOREIGN MINISTER TENORIO, WAS RECEIVED AS AN OLD FRIEND. HE CALLED ON THE PRESIDENT, KOHL, GENSCHER, STRAUSS (IN HIS CAPACITY AS CHAIRMAN OF THE BUNDESRAT), AID MINISTER WARNKE AND EHMKE OF THE SPD. THE FOLLOWING, BASED ON CONVERSATIONS WITH THE OFFICIALS CONCERNED IN THE AUSWAERTIGES AMT, AS WELL AS PRESS REPORTS, MAY BE USEFUL FOR DUARTE'S VISIT TO LONDON.

3. IN HIS TALKS WITH KOHL AND GENSCHER, DUARTE SAID THAT THE DEMOCRATIC REGIME IN EL SALVADOR NEEDED DEMOCRATIC FRIENDS. THE AMERICANS WERE TOO CLOSE AND TOO BIG TO PLAY THE ROLE ALONE. HENCE HIS WISH TO DEVELOP RELATIONS WITH WESTERN EUROPE.

4. DUARTE PRAISED THE EFFORTS OF THE CONTADORA GROUP BUT SAID THAT, SUFFERING INCREASINGLY FROM THE RECESSION THEMSELVES, THEY LACKED THE ECONOMIC STRENGTH TO PERSUADE THE COUNTRIES OF CENTRAL AMERICA TO ADOPT THEIR IDEAS. EUROPEAN SUPPORT FOR CONTADORA HAD SO FAR BEEN "ROMANTIC"; SYMBOLIC SUPPORT, HOWEVER WELL MEANT, WOULD DO NOTHING TO REDUCE THE PROBLEMS OF CENTRAL AMERICA. ECONOMIC DEVELOPMENT WAS THE KEY PRECONDITION FOR POLITICAL STABILITY. HE HOPED THAT THE SEPTEMBER MEETING OF THE EC/CENTRAL AMERICAN/CONTADORA FOREIGN MINISTERS IN SAN JOSE WOULD PRODUCE RESULTS.

5. ON NICARAGUA/EL SALVADOR, DUARTE REPEATED HIS OFFER TO START A DIALOGUE WITH GUERILLA FORCES IN EL SALVADOR PROVIDED THERE WERE "NO WEAPONS AT THE TABLE". HE CRITICISED NICARAGUA'S "INCREASINGLY OPEN" SUPPORT FOR THE GUERILLAS. DESPITE THE EFFORTS OF CONTADORA, NICARAGUA SHOWED NO SIGNS OF RESPONDING TO HIS CALLS FOR RECONCILIATION. ORTEGA'S RIDICULOUS CLAIM RECENTLY THAT THE FRG WAS A US PUPPET WAS AN INDICATION OF THE INCREASING SENSE OF ISOLATION FELT BY THE SANDINISTAS.

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6. IN RESPONSE KOHL AND GENSCHER PLEDGED THEIR FULL SUPPORT FOR DEMOCRACY IN CENTRAL AMERICA AND CONTADORA. THE ELECTION OF DUARTE HAD BEEN A SIGNIFICANT DEVELOPMENT. THEY HOPED THAT IT WOULD CUT THE GROUND FROM UNDERNEATH THE LEFT AND RIGHT-WING EXTREMISTS AND ALLOW THE PEACE NECESSARY FOR SOCIAL AND ECONOMIC DEVELOPMENT. THEY WELCOMED DUARTE'S AIMS OF DIALOGUE, SOCIAL REFORM AND RESPECT FOR HUMAN RIGHTS. KOHL EXPRESSED THE FRG'S READINESS TO HELP EL SALVADOR SOLVE ITS PROBLEMS AND PARTICIPATE IN THE ECONOMIC AND SOCIAL RECONSTRUCTION OF THE COUNTRY THROUGH DEVELOPMENT COOPERATION.

7. IN THIS LAST RESPECT THE GOVERNMENT REAFFIRMED DURING THE VISIT THAT IT WAS REINSTATING ITS AID PROGRAMME FOR EL SALVADOR. A TOTAL OF DM 50.6 MILLION WAS BEING SET ASIDE FOR FINANCIAL AND TECHNICAL COOPERATION, DM 27.6 MILLION OF WHICH RELATED TO EARLIER PLEDGES AND HAD NOT BEEN DISBURSED. THE AID WOULD BE BROKEN DOWN AS FOLLOWS:

DM 30 MILLION	INVESTMENT GOODS, SPARE PARTS, RAW MATERIALS ETC
DM 8 TO 9 MILLION	CREDITS FOR SMALL AGRICULTURAL UNDERTAKINGS
DM 8 TO 9 MILLION	HOUSING
DM 3 MILLION	TECHNICAL COOPERATION ON SLUM CLEARANCE, AGRICULTURAL REFORM ETC.

COMMENT

8. DUARTE HAS PUBLICLY EXPRESSED HIMSELF SATISFIED WITH THE FRUITS OF THE VISIT. HE HAS RECEIVED THE FULL POLITICAL BACKING OF THE FEDERAL GOVERNMENT WHICH, WHEN SCHMIDT WAS CHANCELLOR HAD BEEN MORE FAVOURABLY INCLINED TOWARDS DUARTE'S LEFT WING OPPONENTS. HE HAS ALSO COME AWAY WITH A SIZEABLE AID PROGRAMME. WHILE MORE THAN HALF THE AID IS OLD MONEY AND THE PROGRAMME WILL TAKE SOME TIME TO START UP, THUS SPREADING DISBURSEMENT, IT IS GENEROUS IN FRG TERMS (MORE THAN DOUBLE THAT GOING TO COSTA RICA OR HONDURAS). BUT IT IS CLEAR THAT DUARTE WILL STILL BE LOOKING TO THE SAN JOSE FOREIGN MINISTERS MEETING FOR FURTHER ECONOMIC SUPPORT.

9. IF ANYTHING NEW EMERGES FROM TOMORROW'S COMMUNITY BRIEFING WE WILL TELEGRAPH FURTHER.

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TAYLOR

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