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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: Presidential Correspondence Files
Subseries: Presidential Memcons Files

OA/ID Number: 91108
Folder ID Number: 91108-006

Folder Title:
Presidential Meetings - Memorandum of Conversations 05/03/91 - 06/28/91

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	1	2

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Memcon	Re: Meeting with President Carlos Andres Perez of Venezuela (8 pp.)	5/3/91	(b)(1)	C
02. Memcon	Re: Meeting with Eduard Shevardnadze of the Soviet Union (7 pp.)	5/6/91	(b)(1)	S
03. Memcon	Re: Meeting with President Bush and Prince Bandar, Saudi Ambassador (1 pp.)	5/7/91	(b)(1)	S
04. Memcon	Re: Meeting with President Francesco Cossiga and Prime Minister Giulio Andreotti of Italy (5 pp.)	5/7/91	(b)(1)	C
05. Memcon	Re: Meeting with Shimon Peres of the Israeli Labor Party (1 pp.)	5/8/91	(b)(1)	S
06. Cable	Re: Conversation Between the President and UN Secretary General Perez de Cuellar, 11:35 am May 9 (6 pp.)	5/22/91	(b)(1)	C
07. Memcon	Re: Meeting with Secretary General Javier Perez de Cuellar of the United Nations (6 pp.)	5/9/91	(b)(1)	S
08. Memcon	Re: Luncheon with Secretary General Javier Perez de Cuellar of the United Nations (6 pp.)	5/9/91	(b)(1)	S
09. Memcon	Re: Meeting with Prime Minister Michael Manley of Jamaica (5 pp.)	5/15/91	(b)(1)	C

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Collection:

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Office: Scowcroft, Brent, Files

Series: Presidential Correspondence

Subseries: Presidential Memcons

WHORM Cat.:

File Location: Presidential Meetings - Memorandum of Conversations 05/03/91 - 06/28/91

Pinksheet Number: cap925

OA/ID Number: 91108-006

Date Closed: 1/27/2009

FOIA/Sys Case #: 2009-0275-S

Re-review Case #:

P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
10. Memcon	Re: Meeting with Helmut Kohl, Chancellor of Germany (3 pp.)	5/20/91	(b)(1)	S
11. Memcon	Re: Meeting with President Luis Alberto Lacalle of Uruguay (6 pp.)	5/21/91	(b)(1)	C
12. Memcon	Re: Meeting with Helmut Kohl, Chancellor of Germany (5 pp.)	5/21/91	(b)(1)	S
13. Memcon	Re: Meeting with President Arpad Goncz of Hungary (4 pp.)	5/23/91	(b)(1)	C
14. Memcon	Re: Meeting with Sir Anerood Jugnauth, Prime Minister of Mauritius (2 pp.)	6/5/91	(b)(1)	C
15. Memcon	Re: Meeting with Sir Anerood Jugnauth, Prime Minister of Mauritius (5 pp.)	6/5/91	(b)(1)	C
16. Memcon	Re: Meeting with Sir Anerood Jugnauth, Prime Minister of Mauritius (6 pp.)	6/5/91	(b)(1)	C
18. Memcon	Re: Meeting with Alfredo Cristiani, President of the Republic of El Salvador (7 pp.)	6/12/91	(b)(1)	C
19. Memcon	Re: Meeting with Alfredo Cristiani, President of the Republic of El Salvador (7 pp.)	6/12/91	(b)(1)	C
20. Memcon	Re: Meeting with Fernando Collor de Mello, President of Brazil (6 pp.)	6/18/91	(b)(1)	C

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21. Memcon	Re: Meeting with Gatsha Mangosuthu Buthelezi, Chief Minister of KwaZulu, South Africa (8 pp.)	6/20/91	(b)(1)	C
22. Memcon	Re: Meeting with Reverend Leon Sullivan (2 pp.)	6/20/91	(b)(1)	C
23. Memcon	Re: Meeting with President of the Russian Republic Boris Yeltsin of the USSR (8 pp.)	6/20/91	(b)(1)	S
24. Memcon	Re: Meeting with Sadako Ogata, United Nations High Commissioner for Refugees (UNHCR) (3 pp.)	6/24/91	(b)(1)	C
25. Memcon	Re: Meeting with Manfred Woerner, Secretary-General of NATO (6 pp.)	6/25/91	(b)(1)	S
26. Memcon	Re: Meeting with China's Ambassador Zhu Qizhen (4 pp.)	6/25/91	(b)(1)	S
27. Memcon	Re: Meeting with Bavarian Minister-President Max Streibl of Germany on June 28, 1991 (2 pp.)	6/28/91	(b)(1)	C

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MAY

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Carlos Andres Perez of Venezuela

PARTICIPANTS: The President
James A. Baker, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Bernard W. Aronson, Assistant Secretary of State for Inter-American Affairs
Michael Skol, U.S. Ambassador to Venezuela
William T. Pryce, Senior Director for Latin American and Caribbean Affairs, NSC Staff (Notetaker)
Stephanie van Reigersberg, Interpreter

Carlos Andres Perez, President of Venezuela
Armando Duran, Minister of Foreign Affairs
Beatrice Rangel, Minister of the Secretary of the Presidency
Simon Alberto Consalvi, Venezuelan Ambassador to the U.S.
Sonia Perez, Executive Director for Venezuelan Affairs, Inter-American Bank
Danute Rosales, Interpreter

DECLASSIFIED
PER E.O. 12958,
AS AMENDED

CE 8/21/2009
2000-0429-F

DATE, TIME May 3, 1991, 9:50 - 10:25 a.m. EST
AND PLACE: Oval Office

The President: I am delighted to see you. What's going on that I need to know about? (C)

President Perez: Mr. President, you know much more than I. (C)

The President: I always get good advice from you and always appreciate it. (C)

President Perez: We have a multitude of things to discuss. First I want to talk about Peru. I think Fujimori is making a big effort, but he has tremendous problems. If we do not help him now, he will be overcome by these problems. There are problems of guerrillas, underdevelopment and a possibility of a military coup. If we do not do something to get him out of his crisis now, worse things can happen. This is a matter of money. The Peruvian situation regarding debt to the international financial institutions is very bad. We are trying to see what we

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can do in terms of bridge loans. It is something that will effect Fujimori's future very dramatically. We need to get the cooperation of everybody. (Ø)

The President: We would like to help. We think Fujimori is a pretty good guy. He is certainly an improvement over his predecessor. Does someone want to speak about the situation there now? (Ø)

Assistant Secretary Aronson: We are providing food aid and other developmental aid and we have been working with Peru. We will be able to provide other aid if Peru meets certain criteria which involve human rights and narcotics. If President Fujimori takes the necessary steps, then we can help him. (Ø)

President Perez: Fujimori is going to Canada in about ten days. I will talk with him about this and what he needs to do. (Ø)

Assistant Secretary Aronson: We need to define a little more precisely what needs to be done. We will give you a paper on this. (Ø)

Secretary Baker: Before we leave the subject of Peru, I want to say that about ten years ago Peru lead the charge in repudiating its debt. That is a source of a great deal of its problems today. It shows what happens when you repudiate your debt, rather than try to work it out, roll it over, or make some arrangements to help solve the debt in a positive way. (Ø)

The President: The man there, I understand is an improvement. Is he coming up here? I don't know him, but I gather he may be coming up. (Ø)

Assistant Secretary Aronson: We are talking about it. (Ø)

President Perez: I am glad to hear that you are talking about this. I'm glad to hear about your plans. I am also glad to hear of your plans for going ahead with on trade with Mexico. (Ø)

The President: We are going to win this, but it will be a difficult fight. Our labor unions have come out against it. They are completely prejudiced against Mexico and violently unfair. We are going to take labor on on this. We have good answers for labor and the environment. (Ø)

President Perez: The Latin American labor organizations are positive about free trade, this is the case in Venezuela. (Ø)

The President: If there is a way for labor unions in your country to support the free trade agreement with Mexico, it would be very helpful here. I think it would off-set some of our other criticism if there was positive support within the hemisphere. I do not want to see Mexico treated any different than Canada. We are in good shape in the Senate. We want the Senate to vote first and then give a signal to the House. Anything you could

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say about it here would be helpful. If you feel inclined to mention it, what you say could be picked up and publicized here -- that would be helpful. (Ø)

President Perez: I'll do it. (Ø)

I want to express my joy for what happened in El Salvador. (Ø)

The President: How do you think things stand in El Salvador? (Ø)

President Perez: Now the road is really open. In these things you need to make a beginning. This has now been done. The agreement arrived at in Mexico is a beginning. (Ø)

Assistant Secretary Aronson: Yes, but we must not allow too much time to pass for final agreement. The May 30th deadline should be maintained. (Ø)

President Perez: One thing I have been worried about is the hard-line toughness in the treatment of the Sandinistas. Nevertheless, in calls to them, I have talked about the need for elections in El Salvador. The important thing is for you to talk with the FMLN. (Ø)

We have to give the FMLN some incentive to get them to stop being guerrillas and re-enter the political process. (Ø)

Cristiani has done very, very well. He has been very courageous. We need to help him. We need to recognize that once a cease-fire is reached, that is the end of the guerrillas. That is why they are so terrified by the cease-fire. We need to reassure them. (Ø)

The President: I'm less positive than you are about the attitude of the FMLN. We are prepared to have meetings with Cristiani's concurrence. We don't want to undermine this man. The other main problem is weapons. We have good information on SA-16s. They are lying when they say they don't have them. We are not making this up just to be difficult. We have good evidence. I hope that a cease-fire means an end of the revolutionary activity. If we are right about the weapons, and I believe we have good evidence, what would you say about this? (Ø)

President Perez: I have taken into account what you have told me, but they say it is not true. They say that if the FMLN got them -- they got them from some other source. They say that the SA-16s are not mobile, that they need a platform and would not be useful. They also that there is no way out, even if Europe supports them. They have to have a relationship. FMLN knows it must come to some kind of agreement. When we talked about your talking to the Sandinistas you always said no -- but you were wrong. The FMLN knows they have to negotiate. They have not gone far because they fear to lose their force in El Salvador. You are a protagonist and you should recognize it. (Ø)

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The President: If we had not have been tough in Nicaragua, we would never have had elections. We have had free and fair elections in El Salvador, who are they to say the elections were not free? We want to see them lay down their weapons. I do not think we are being naive. (Ø)

Secretary Baker: The real test is, do we see a resurgence of the offensive before the 30th of May? That will be a true test. If what you say is correct, if they want to negotiate rather than fight, this will be an example. (Ø)

President Perez: I know you can't be sure you can trust them to cooperate. But some risks must be run. They don't have any strength left and we need to make things easy for them. We know these people. If you know these people you know that they have changed from the old leaders. (Ø)

The President: Who are they? (U)

President Perez: The real leaders -- the death of Cardenal [an FMLN commander] was an ambush, but they took it well. They could have reacted strongly -- but they realized that there was no other way out. A bad example in Nicaragua under President Reagan reminds me of the doctor who sees a patient and says that he is very ill and at a large meeting of doctors, he lets the patient die to prove he was right. (Ø)

Secretary Baker: Do you think there will be a military offensive launched by the FMLN prior to May 30th? That will be there real test. (Ø)

President Perez: I do not think so. (Ø)

The President: Tell me, what is the latest on Violeta? We are going to help on the arrears. I know that you have stepped up to the plate. How do you see it? Do you think that the Sandinistas can block the reforms? (Ø)

President Perez: I am optimistic. I don't believe the Sandinistas will block her actions. They have been positive in actions with the trade unions. I think the situation is better than most people think. There is a new problem, but people are acting intelligently. I talked to Bernie Aronson and know what you plan to do. You said you are willing to help more. (Ø)

The President: We are raising our help to \$75 million. (Ø)

President Perez: We are going to make a contribution, but we also need to do something for Peru. We will try to get Colombia to contribute then we can do less. But if Colombia does not contribute, we will do what is needed. (Ø)

The President: She is very outspoken in her praise for you. (Ø)

President Perez: I think you and I both care very much for her. (Ø)

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The President: What about the second question? Are the Sandinistas going to block her reforms? (Ø)

President Perez: No. The Sandinistas have decided to play the democratic game. They tried to confront. Now they will work with the Congress. (Ø)

The President: I don't want to reinforce your ideas about my being super hard-line, but as far as Daniel Ortega is concerned -- when he went to see Saddam -- that confirmed my idea about where he stands. (Ø)

President Perez: I understand. (Ø)

The President: I am pleased to hear of your positive assessment. We want to do what we can to see her succeed. We have a lot at stake. (Ø)

President Perez: I want to do all I can. (Ø)

Now I want to talk about our small Khommeni in the area, Aristide. (Ø)

The President: How is he doing? (Ø)

President Perez: Not bad. At one point there was no electricity in Haiti. We are helping. We want to do what we can. I would like to be able to help with residual fuel oil. We could work a situation where they get the oil at Venezuelan internal prices -- this would be very advantageous. We hope you could agree to this. (Ø)

The President: What has happened to Mrs. Truillot? (Ø)

President Perez: Things are going well. He [Aristide] told me that we should let a week or so go by and all would be well. I have talked with him and told him he had to let her go. (Ø)

The President: I have to give you great credit for getting Mrs. Truillot freed. You said you have talked with Arisitide. We thought that this man is a wild man, but you said "no, we could work with him." (Ø)

President Perez: I said that under the circumstances, he would be okay, and you said "why?" (Ø)

I would like to talk about Suriname. We cannot forget that Holland is key. We have to count on the Netherlands. They need to be involved, but not in a way where it looks like they are returning to colonialism, but in a limited way. Now, I am going to visit Holland and will speak to the Dutch government. We do not want a repetition of what happened before. (Ø)

The President: Bouterse has to have elections on the 25th of May. Is that right? Will he? (Ø)

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President Perez: He will have elections and they will be clean elections for he doesn't care who wins because they are all terrified of him. It is important that the Constitution be changed to remove the armed forces from active civilian government. (Ø)

Assistant Secretary Aronson: We have seen this as a problem much the same as President Perez. Secretary Baker met with the Dutch and we are trying to work positively with the Netherlands. Bouterse and the army are the problems. (Ø)

President Perez: That is certainly true. I want to mention that I give you great credit for the hard work you have done in the Middle East. This is the right line as far as I am concerned. I think it is important. Secretary Baker deserves great credit for his work and we support it. (Ø)

Secretary Baker: Thank you. I started to tell you that you could guess what we are going to call the plan if it works out. (Ø)

The President: Right now it is called the Baker plan. The situation is not really helped by current maneuvering. Israelis keeps putting in new settlements and this gets the parties all upset. We get criticized for talks with the Syrians, but doing this can make progress. Jim had a nine-hour conversation with Assad and I think this is laying the base for positive action. (Ø)

Secretary Baker: It is a little like the guerrillas of the government of El Salvador and the guerrillas of the FMLN. If you can just get people to the table to talk, there is a possibility for making progress. (Ø)

President Perez: I want to say something about Venezuela. We have been talking about world problems and have said nothing about Venezuela. I'll be criticized if I don't mention something about bilateral relations. (Ø)

The President: You don't tell me your problems, I won't tell you mine. (Ø)

President Perez: If I said that it would not be taken well. (Ø)

We have signed a bilateral framework agreement and this is very important and gives a basis to get down to work. Also we need to talk about petroleum. You have your priorities in this area and we have ours. We have an offer from a German company to make a deep conversion refinery for extra-heavy oil. This is a very important proposal. There is also the possibility of investment from Japanese firms. (Ø)

On oil we have talked a great deal. (Ø)

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The President: There are possibilities, but we have real differences on consumer-producer dialogue. We need to be frank. We have a different approach. We can talk about oil again, but I don't want you to think we are wobbly. That is an expression that Mrs. Thatcher used with me at one point. She said during the Middle East situation "now George, don't get wobbly." I'm not sure how that translates into Spanish, but we have firm ideas on free markets. We don't look for cartels or anything like that. (Ø)

President Perez: Governments need to talk. (U)

There must be a free interplay, but the insecurity of markets can be bad. There is a natural monopoly of producers. Oil is not everywhere. Its supply has to be guaranteed. There has to be some sort of a framework. We don't see that a meeting is something to establish prices or regulate production. I think the French will approach you with a draft communique to call for a meeting to discuss the subject. We can't allow oil, which is the benefit to all men, to be subject to such pressures that it fluctuates wildly. We don't want to set up something to control prices. We don't want to have a cartel, but we need some kind of a dialogue. (Ø)

The President: Let me talk about it with my people. I don't want to raise hopes. You talked about a monopoly, that is not what we have in mind. (Ø)

President Perez: Monopoly is in the sense that not any country can produce what it wants. Sixty percent of the oil comes from a few countries. Not just anyone can produce oil. They want not to set prices high to try to ensure more stable production. (Ø)

The President: Thank you for your hard sell. I am going to think about this. (Ø)

President Perez: Gorbachev has problems. People are dealing with the Soviet left. (Ø)

The President: We have problems, but we must work with them. Some say we stick with Gorbachev too much. My idea is that as long as Gorbachev is there, we should deal with him. I do not want to give up on Gorbachev. Yeltzin advocates a lot of things that we stand for. Relations with the Baltics, market economy and other things, but I have worries about him and others say I should worry. We are at a difficult time and it is difficult to know how things will turn out. There is a problem that if he should fail, who will take his place. What will the role of the military be? (Ø)

President Perez: There are difficulties with Gorbachev, but so far as his security, he seems to be okay. We talked about Russia. I am always ready to talk about Cuba. We have an idea that arose. There is going to be a meeting in Mexico called the Iberian Summit which will be including all the countries in the Hemisphere and the Iberian Peninsula. I think this is the last

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time for Fidel to make a step forward. But in order to get him to do something, we have to offer him something. For the Mexican Summit, if we could put an end to the embargo against Cuba, then Fidel in return would announce that he is now open to change. What we need to do is unfreeze what is in Castro's head. He is a Gallego. They are very stubborn people. He still has charisma and some support. He has a fair amount of support. He has No way out. I think we need to give him help, give him something which would really impress Latin America. This will be a help for democracy. (Ø)

The President: That is the question. What he ought to do is to go to a democratic government. He is resisting what all other countries are doing. He is an antiquity. Everyone else is moving towards democracy. We have a great affection for the Cuban people. (Ø)

President Perez: There must be something that will appeal to him. I would be glad to approach him to see what the possibilities are, if that would be helpful. (Ø)

The President: I don't think we should be doing anything to support a dictator. (Ø)

President Perez: Among the Miami Cubans, there is a different idea of what would work. Fidel's position is based on his human condition. In the days just before the inauguration of President Borja of Ecuador, we met at a reception. Castro came at 2:00 a.m. and at a certain moment, an Argentine, asked Fidel what is your perestroika. He replied, "I don't have any. I have been doing it all along." The Soviets have perestroika -- I have been there the whole time. Gorbachev has his perestroika." I interrupted saying that Gorbachev had Brezhnev, but Castro has nothing before him, only Castro. (Ø)

The President: I would like to see free elections in Cuba. But with all the human rights abuses, and others, I don't agree with you that there should be movement towards Castro. If there are things he is willing to do, I don't want to discourage him, but they would have to be significant. (Ø)

Secretary Baker: SA-16s have been in Salvador for a fairly short time. If he has changed his ways, this certainly does not give much confidence to believe it. That is why we are skeptical about Fidel. (Ø)

President Perez: Yes, but if we don't give him some way out, he will never change. (Ø)

Secretary Baker: Yes. But the SA-16s have not been there very long and that tells about the real attitude of Fidel Castro. (Ø)

President Perez: Yes, but in politics, sometimes you have to deal with nuts. (Ø)

-- End of Conversation --

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Eduard Shevardnadze of the
Soviet Union (U)

PARTICIPANTS: The President
James A. Baker, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert Gates, Assistant to the President and
Deputy for National Security Affairs
Ed A. Hewett, Special Assistant to the
President for National Security Affairs,
NSC Staff (Notetaker)
Dennis Ross, Director, Policy Planning Staff,
Department of State
Peter Afanasenko, Interpreter

Eduard Shevardnadze, President, Foreign
Policy Association
Sergey Tarasenko, Official, Foreign Policy
Association
Teymuraz Stepanov, Official, Foreign Policy
Association

DATE, TIME May 6, 1991, 1:40 - 2:25pm
AND PLACE: Oval Office

The President: Welcome. I am most interested to hear how it is
at home. Jim (Baker) will fill me in on your talks. I am glad
you had a chance to meet with the Vice President. (U)

When I think of all the hard work we put in on this relationship,
I am anxious that it stays strong. Some criticize us for staying
too close to Mikhail Gorbachev. We will deal with him with
respect and friendship as long as he is President. (Ø)

Still, we are concerned with some of the directions of change.
(Ø)

Mr. Shevardnadze: Mr. President, first of all President
Gorbachev sends his very warmest greetings. We had extensive
discussions before I left. He values his relationship with you.
(Ø)

I have three points I wish to make:

First, things are really very tough with us. The American public cannot seem neutral to events in the Soviet Union. We have a new relationship, and the whole world has gained as a result. It is a historic achievement. (S) (S)

Second, the level of instability in the Soviet Union is a subject of concern for our people, and for the whole world. The instability is now very serious. (S)

Economic instability. Today I said we missed the boat on the economy. We had tremendous aspirations during those first years. We knew we had to go to the market, introduce price reform, make a radical shift. (S)

But we believed we were not ready. Nobody knew what a market really was. We were late. Now we are in a political conflict, a battle, growing lawlessness. (S)

Nationalities. I told Jim about this one. We didn't do all we should have done. I am not criticizing the President here, but rather myself. We're offering now a Union treaty which six republics do not want to sign. If we had offered this treaty in 1987 or even 1988, all would have signed it. (S)

Again, we were late. We had an idea, but we felt the people were not ready. It seems we miscalculated. (S)

Conservative opposition. We did not take our opposition into account. When we started perestroika and new thinking -- which were revolutionary -- we should have thought of how to create a constructive opposition. But, because we did not think that way, the result was a conservative opposition. You have conservatives here, but they are of a different type than ours. (S)

The President: Here conservative is a good word. (U)

Mr. Shevardnadze: They exist -- in the apparat, the security services, the army and the party. And they are well-organized. (S)

But what of the democratic movement? They have no platform. They consist of people running hither and thither. They have no real structure. (S)

In the recent past Gorbachev signed a joint statement [with the nine republics], which is not trivial. Moreover, for good or ill, we have gotten moving on price reform, which was tough. (S)

Third, most encouraging is that the democrats have begun to move, after all the problems last year stemming from the lack of a platform and of an organizational structure. (S)

The new democratic movement is not directed against the President, but rather as a defense of the President. All he has now is a right wing to lean on. He needs a stable structure on the left which will give him an alternative to the right. (S)

The population is upset now. There are tremendous social frictions stemming from a sense of disappointment. This is a dangerous situation. If we cannot address social problems in the next three to four months people might come out in the streets. They could ask for someone with a strong hand to restore order. (S)

Will this affect the international situation? If we can't stabilize it, then it no doubt will have a strong effect. There will be no need to talk of "new thinking." I am trying to be realistic. I hope reason will prevail. (S)

All of this has an effect on U.S.-Soviet relations. I am concerned, indeed frightened, by the pause in our relations. There are, of course reasons -- the Persian Gulf, for example. We were good partners in the Middle East. Certainly there were times where we had slight disagreements. (S)

The President: Those didn't bother us at all. We understand Mikhail Gorbachev's position. The Soviet Union stayed with us to the end. (S)

Mr. Shevardnadze: I agree. With respect to the pause. As a private person -- no one told me to say this, although I did just talk to President Gorbachev. I am simply here to see old friends -- I am afraid of the pause. We cannot allow the dynamics of this relationship to slide backwards. (S)

Mr. President, no matter what happens in the Soviet Union, U.S.-Soviet relations will determine the political climate until the end of the century. Mikhail Gorbachev is of the same mind. We should not allow a retreat from the agreements we have achieved. No serious barriers remain on CFE; really only a few pieces of equipment. The remaining issues on START seem to be essentially technical. If we can manage to resolve these two, then we ought to have a summit. (S)

If you bear in mind the considerable progress made in the USSR, then you shouldn't delay any longer. A longer pause would lead to doubts (about the U.S.-Soviet relationship), which would not serve either side. (S)

The President: I want a summit. The problem is that we have CFE and START as preconditions. That is the way it has evolved. We also have other differences -- over the Baltics, grain credits, and others -- but these should not stand in the way of a summit. I would like to see the two arms control agreements, and then get on with the Summit. (S)

I'd like to do the summit in a way that strengthens Gorbachev. I wish he could make progress on the economy and the republics. The best thing he could do for the Baltics is to free them. That would bring an enormous benefit in terms of public opinion. This is not a sine qua non. If I went to have a summit today, some groups in the US would be upset. That won't keep me from doing it. (S)

What about economic reform? Can we expect more steps soon? (S)

Mr. Shevardnadze: He already has taken a couple of steps. Unfortunately many were half-measures. Now we're living in this crisis situation. We have 3-4-5 months. If we don't give people basic staple goods then we can expect a crisis from the high prices and empty shelves. We need to get over the next few months. The reforms will continue no matter what. There is no way back. But if the crisis grows worse, dictatorship comes. (S)

The President: Yel'tsin stands mainly for the things we like to see:

- free the Balts
- Cuba
- Afghanistan
- Radical economic reform

So, from what we hear, he shares many of our goals. But why haven't people rallied around that message? Why can't Gorbachev and Yel'tsin get together? Is it personal? Is it that Yel'tsin can't deliver? (S)

Mr. Shevardnadze: It is hard to talk about a man until he becomes #1. I know him relatively well. He is talented, energetic, strong. What will happen later? He's shooting for the top spot. Relations between Yel'tsin and Gorbachev are not simple. The overall situation is that they found the will to begin the dialogue. Many called for this. Look at Gorbachev and Reagan, with the images of the Soviet "evil empire" and the US as a "center for imperialism." Nonetheless we started a dialogue, so why can't Yel'tsin and Gorbachev get together? Confrontation is not in the interest of people. (S)

The President: Would Yel'tsin be strongly opposed to the military and the KGB? (S)

Mr. Shevardnadze: When we talk about the military, it is always in terms of conservative, right-wing forces. I personally know many progressives in the military, especially at middle levels. They have good feelings towards Yel'tsin. There are military officers who support him. (S)

The President: It's hard to sort it all out from here. Indeed there is a tendency to look at the military as a monolith. (S)

Mr. Shevardnadze: When they issue orders they are carried out. But there are different points of view [within the army]. Look, for example, at the issue of military reform. (S)

The President: If you were here in this chair, what would you do to try to preserve and strengthen the US-Soviet relationship? What two or three things would you like to see me do? (S)

Mr. Shevardnadze: I know you wish to support reforms. The most important things are:

First, at a minimum we must try to keep our cooperation at the level we have already achieved by moving ahead on CFE and START. This will lead to demilitarization which helps democratization and reforms. (S)

Demilitarization is the best way to help the Soviet Union. The threat of instability in the Soviet Union is worse than that posed by Saddam Hussein. (S)

The President: So that's number 1. What else? (U)

Mr. Shevardnadze:

Second, if I may be frank: develop economic relations. On a specific matter, you supported us last year on farm credits. I know this has now resurfaced. As a citizen I cannot but ask you to do it again. It is not by accident that I say the next few months are critical. We must let people feel something tangible. I know it is hard, but if it is possible, give the credits. (S)

The President: The law is quite restrictive on credit-worthiness. There may be ways to get around it. Candidly, I'd like to do it, but it could be hard. Jim, is there any way around this? (S)

Secretary Baker: We talked to Eduard about this. (S)

The President: Is there no way to secure the loans? I don't want Mikhail Gorbachev to misunderstand me. I want to do this. There is strong support from our agricultural areas. But credits without market reforms don't solve any problems. (S)

Mr. Shevardnadze: Mr. President, you can't stop the reforms. Even if we can't maintain a single Soviet Union, reform will continue. Russia, Kazakhstan, and other republics are already doing reform. Up to now the greatest fact was the power of the center. No longer. Reforms will go on. (S)

The President: Would any of these credits go to Baltic states? (S)

Mr. Shevardnadze: We can set those conditions. I can tell Mikhail Gorbachev it will only work if we divide up the benefits. (S)

The President: I think it will only work that way. In terms of U.S. politics, if that could be arranged it would be very helpful. (S)

Mr. Shevardnadze: I'll tell Mikhail Gorbachev. I think we can find a solution. The center and the republics have ties. The republics just declared that they want to be independent. It would be foolish to break off every tie. The republics' economies will remain closely tied to each other. Their political relationships may change dramatically. (S)

The President: Did you talk to Jim Baker about Iraq? (S)

Secretary Baker: We talked on Iraq, and on many other aspects of the Middle East situation. (S)

The President: Working together in the Middle East would help a lot. Was there resentment in the Soviet military about the way we conducted the war? (S)

Mr. Shevardnadze: I can't say that all the Soviet military were resentful. There were people who had a stake in the outcome, and they got upset. For those military advisors who sat in Iraq since 1972, this was a fiasco. (S)

The President: We should continue these high-level military-to-military contacts -- Akhromeyev and Crowe were a good thing. Moiseyev seemed an interesting fellow. (S)

Mr. Shevardnadze: It is a good idea. But we have to be demanding with the military. They meet like good fellows, and tell each other all their secrets. But when it comes time to sign on the dotted line, they balk. They like each other, and are very polite. The cooperation with Akhromeyev, which resulted in very good relations, didn't give us much. (S)

The President: Akhromeyev seems to have moved away from the U.S. I've seen some hard-line statements from him. (S)

Mr. Shevardnadze: The SOYUZ group in the Congress has some very reactionary people in it. Akhromeyev is in that group. We have to listen to them. (S)

Secretary Baker: No one pushes any more the way Eduard did when he was in office. (S)

Mr. Shevardnadze: The move from totalitarianism to a government based on laws is tough. SOYUZ and other groups don't allow diverse discussion. (S)

The President: I see I'm behind schedule. It was a joy to have you here. If there is any way we can be of help to you on this trip, please call Jim. I will never forget your personal

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contribution. If you decide to get back into politics you would find lots of support. (S)

Mr. Shevardnadze: I appreciate that. I am grateful to you for all of your cooperation. (U)

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

LIMITED ACCESS

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting between President Bush and Prince
Bandar, Saudi Ambassador (U)

PARTICIPANTS: The President
James A. Baker, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Richard N. Haass, Special Assistant to the
President and Senior Director for Near East
and South Asian Affairs

Prince Bandar bin Sultan

DATE, TIME
AND PLACE: May 7, 1991, 2:00 p.m., Oval Office

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By 40 NARA, Date 7/21/07

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Francesco Cossiga and
Prime Minister Giulio Andreotti of Italy (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
John H. Sununu, Chief of Staff
James F. Dobbins, Acting Assistant Secretary
of State for European and Canadian Affairs
Robert L. Hutchings, Director for European
Political Affairs
Raphael Visconti, Interpreter

Francesco Cossiga, President
Giulio Andreotti, Prime Minister
Rinaldo Petrignani, Ambassador to the U.S.
Sergio Berlinguer, Secretary General of the
Presidency
Umberto Vattani, Diplomatic Advisor to the
Prime Minister
Carla Lonigro, Interpreter

DATE, TIME May 7, 1991, 3:06 - 3:50 p.m.
AND PLACE: The Oval Office

The President: I am delighted to see you. It seems like
yesterday that you were last here, but it was more than a year
ago. (U)

President Cossiga: I recall I met you, Mr. President, many years
ago when you were Vice President. You stopped over in Rome on
your way to Moscow. (U)

The President: ...for one of many funerals. (U)

President Cossiga: I am happy to see you in such good shape. I
already checked on television to see how you were doing. (U)

The President: You are nice to comment on it, but the doctors
are upbeat. My heartbeat is back to normal. (U)

President Cossiga: Mr. President, you have too many
responsibilities. You should stay far away from doctors. (U)

The President: How do you see things? U.S.-Italian relations
are good. In Iraq, the question is how to get out. We do not
want to stay there. (Ø)

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President Cossiga: We have organized a camp to host 20,000 refugees and entrusted operational control to an American commander for protection. I hope that very soon we can reach an agreement to send UN forces so as not to create further problems. Should it be necessary to defend the camp, we are ready. Agreements are already concluded for the location of the camp, which will be a pool of all coalition forces. Both the Italian Government and I agree that the sooner the military component goes away, the better. (Ø)

The President: Tomorrow I will be seeing Perez de Cuellar. He made a statement questioning our legal right to be there. (Ø)

President Cossiga: Italy has contacted your Government and France and Britain. We agreed that legality exists through Resolution 688. (Ø)

Secretary Baker: The question is raised about the sufficiency of 688 to all Iraqi operations north of the 36th parallel and the insertion of foreign forces into that area. (Ø)

President Cossiga: I think we can maintain that 688 allows that. (Ø)

Secretary Baker: The Iraqis, of course, have asserted in New York that there is no authority. (Ø)

The President: I think we will be okay. (U)

President Cossiga: Do you think the UN will be able to get ready in a short time its own force? (Ø)

The President: I hope so. They have been a bit slow. (U)

President Cossiga: It could act as a sort of buffer force between the Kurds and Iraqis. (Ø)

The President: That is the best answer for now. A UN force probably couldn't stand up to Saddam Hussein, but its presence should deter him. (Ø)

President Cossiga: But frankly it would be very difficult for Saddam Hussein to attack UN forces. Normally UN forces exert this power of dissuasion because they represent the UN. (Ø)

The President: May I change the subject? What is your feeling on Yugoslavia? (Ø)

President Cossiga: When we were coming here, I was discussing this with Prime Minister Andreotti. We have very close relations with Yugoslavia. We have always supported the Government of Yugoslavia, also vis-a-vis the EC. We also have to recognize that Yugoslavia always acted as a very effective buffer between us and the then Warsaw Pact. The Federal Government, as Prime Minister Andreotti can confirm, was always very loyal toward

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Italy. They have suffered the impact of the fall of Communism, though their form was rather special. There are so many diversities -- economic, ethnic, religious, historical, and cultural. In the abstract one can see that Slovenia and Croatia have political systems and cultures more alike to ours, but this should not be the only factor we consider. We believe it necessary while respecting human rights to try to maintain unity. (Ø)

The President: Do you think there is a chance for outside mediation? (Ø)

Prime Minister Andreotti: Perhaps it might be useful if you directly made a step vis-a-vis Austria, because it can exert a calming pressure -- on Slovenia, especially. I think perhaps the future situation cannot continue as it is, but it will take time to change the Constitution gradually. It cannot be done overnight. If Slovenia pushes too hard its accelerator, they risk blowing up the situation. We have tried to speak to them as the EC. We have told them that if they decide to break away, they would lose any contact with the EC. We cannot handle 10 different states. Because the problem is time, it would be useful to make a step toward Austria. (Ø)

Secretary Baker: I saw the Austrian foreign minister two weeks ago in Cairo. We discussed Yugoslavia in some detail. I asked if they could use their influence to try to moderate the situation, because they do stay very close to events. (Ø)

Prime Minister Andreotti: I think you should take another step. For Austria it would be prestigious to act as mediator. A step toward the Nonaligned Movement could also be a step that might assist in cooling down a situation that is incredibly hot. (Ø)

President Cossiga: Should the situation become worse, we would be faced with a grave problem -- the flight of refugees to Italy, Austria and Hungary. It would be an enormous problem, also at the political level. (Ø)

Secretary Baker: A critical date is May 15th when the Croatian Presidency is to begin. Is it your view that if we get by May 15 we are over the immediate crisis? (Ø)

President Cossiga: No. (U)

Prime Minister Andreotti: I can't say that the crisis will be overcome. They say they will overcome this acute step, but the crisis stands. I think personally that is reliable. Foreign Minister Loncar is very balanced. Perhaps he does not have great political authority, but he enjoys personal prestige. (Ø)

Secretary Baker: Our understanding, based on a conversation we had this morning, is that he is very depressed and not sure he can do anything, but I am certainly prepared to call him. (Ø)

Prime Minister Andreotti: He has one advantage in that he comes from Dalmatia and is not part of the conflict. (C)

The President: He is a good man. (U)

President Cossiga: Mr. President, what is your thinking on the Soviet Union? (C)

The President: We had an interesting visit from Shevardnadze. Jim had a long talk with him; I had 30 to 40 minutes. We are worried. Our policy has been to deal with Gorbachev and not to undermine him. We are a little encouraged by his agreement with Yeltsin and the others. They have asked for \$1.5 million in agricultural credits. Very candidly, I would like to help but there is the requirement in our law that the Agriculture Department must certify that they are creditworthy. We would have to stretch to say that. Perhaps there is some form of guarantee, but I don't know if they would be willing. We are pushing hard on our arms control agenda and may be making progress. (C)

I asked Shevardnadze if were sitting here what he would do. He said to offer grain credits, finish the arms control agenda, and move to a summit. We want to do that, but there has to be an agreement on START and we must work out our difficulties on CFE. (C)

Prime Minister Andreotti: From the information I have gathered from NATO, it seems there are more positive prospects for progress. (C)

Secretary Baker: On the CFE question, there were three problems after the treaty was signed: coastal defenses, strategic rocket forces and naval infantry. The Soviets have proposed solutions on the first two that are acceptable, but they continue to insist that naval infantry is not included. Twenty-one other nations say it is. A major principle is at stake -- an effort by the military to walk away from commitments Shevardnadze made. We cannot accede to that because then we will see the same in START. Militarily, it is not a major dispute. (C)

Prime Minister Andreotti: But as you said, some agreement was reached by exerting pressure on the first two issues. The same will happen on the third. (C)

The President: We are trying. (U)

Prime Minister Andreotti: To resolve this in a positive way is important at the international level and also might help Mr. Gorbachev. I think that Baltic independence is another area where we must be very cautious. In the end the Baltic countries will have their autonomy, but they should not press the accelerator now. (C)

President Cossiga: At the final stage, the Baltic states will reach independence. That is in line with what Gorbachev told us

the last time he was in Italy. Because the participation of the Balts in the Federation is a result of agreements between the Nazi regime and the Soviet Union of the time, it is therefore difficult to maintain, but accelerating the process would place Gorbachev in a very difficult situation with his military. There is also the fact of a very strong influence of German culture in the Baltic region. (Ø)

The President: We want to see independence, but don't want to make the situation worse. Gorbachev told me the same thing -- that eventually they will be free but they have to go the constitutional route. The problem is that the Balts don't want to act as if they were part of the Soviet Union. I think we are thinking the same way. (Ø)

President Cossiga: We will soon hold a meeting to examine the evolution of NATO. The Italian government has stated several times that we are deeply convinced that it is very essential to maintain the linkage between Europe and the U.S. and Canada. (Ø)

The President: We agree totally. (U)

Prime Minister Andreotti: So if there is a decision at the June meeting of NATO to hold a meeting of heads of state and government in October or November to complete NATO's revision, we suggest it be held not in Brussels but in Rome because we think we have the most clear idea how to reconcile the long term prospect of EC security aspects with the need to maintain a strong linkage through the Atlantic Alliance. (Ø)

Secretary Baker: We have had our reservations on the European security identity and have made them known to our European NATO partners. NATO must be the principal vehicle for trans-Atlantic security. (Ø)

(The President's aide interrupts.)

Prime Minister Andreotti: Just one more minute. Yesterday at Columbia University I met with Professor Said, a Palestinian and a U.S. citizen. He made an excellent impression. He is not a member of the PLO but of the Council of Palestine. He has spent 25 years in the U.S. and might be useful as we look for interlocutors. (Ø)

(Hands the President a book.) Please accept this small volume of letters of Cicero published in Rome in 1549. (U)

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

3727

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Shimon Peres of the Israeli Labor Party

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Richard N. Haass
C. David Welch (Notetaker)

Shimon Peres, Israeli Labor Party

DATE, TIME May 8, 1991, 4:00 - 4:50 pm EDT
AND PLACE: General Scowcroft's Office

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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Lo NARA, Date 7/29/09

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TAGS: PREL, OVIP {PEREZ DE CUELLAR}, UN

SUBJECT: CONVERSATION BETWEEN THE PRESIDENT AND UN
SECRETARY GENERAL PEREZ DE CUELLAR, 11:35 AM MAY 9.

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. THE PRESIDENT AND UN SECRETARY GENERAL PEREZ DE CUELLAR MET FOR APPROXIMATELY TWO HOURS AND FIFTEEN MINUTES ON MAY 9. AFTER A THIRTY MINUTE MEETING IN THE OVAL OFFICE, THE PRESIDENT AND PEREZ DE CUELLAR MOVED TO THE CABINET ROOM. THE PRESIDENT AND PEREZ DE CUELLAR DISCUSSED IRAQ, EL SALVADOR, BANGLADESH, HUMAN RIGHTS IN CUBA, ARAB-ISRAELI ISSUES, LEBANON, AFGHANISTAN, THE SOVIET UNION, WESTERN SAHARA, PEACEKEEPING AND THE BUDGET.

IRAQ

3. THE SYG SAID THE UN HAD "TECHNICAL" DIFFICULTIES IN SENDING IN UN POLICE OFFICERS UNDER RESOLUTION 687, AND THAT THE IRAQIS HAD REJECTED ANY UN POLICE PRESENCE ON THEIR TERRITORY. HE CONTINUED THAT HE WAS CONCERNED FOR

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THE SECURITY AND WELL-BEING OF UN PERSONNEL IN IRAQ. HE SAID THAT THE US, UK AND FRANCE SHOULD SEEK AN EXPLICIT MANDATE FOR A UN POLICE FORCE FROM THE SECURITY COUNCIL.

4. THE PRESIDENT PAID TRIBUTE TO THE UN FOR ITS HISTORIC ROLE IN THE GULF CRISIS, NOTING THAT THE UN, BY ENHANCING ITS PEACEKEEPING FUNCTION, HAD ENHANCED THE ENTIRE ORGANIZATION. HE EMPHASIZED THAT THE US WANTS TO GET OUT OF NORTHERN IRAQ, THAT THE US WENT SOLELY OUT OF HUMANITARIAN CONCERN AND BECAUSE ONLY THE US COULD PUT FORTH THE EFFORT NEEDED. THE PRESIDENT VIEWED THE WILLINGNESS OF THE KURDS TO COME DOWN FROM THE MOUNTAINS AND BACK TO THEIR HOMES AS A POSITIVE SIGN. HE ADDED THAT WHILE THE IRAQI AUTHORITIES HAD NOT DONE EVERYTHING ASKED OF THEM, THEY SEEM TO BE BEHAVING THEMSELVES. THE PRESIDENT ASSERTED THAT NO NEW RESOLUTION IS NEEDED TO AUTHORIZE A UN POLICE PRESENCE, THAT SUCH A FORCE FALLS UNDER THE HUMANITARIAN MANDATE OF RESOLUTION 688. THE PRESIDENT, STRESSING THAT OUR ACTIONS WILL NOT BE DICTATED BY BAGHDAD, ADDED THAT WE WILL CONSIDER A NEW RESOLUTION, IF ONE BECOMES NECESSARY.

5. SECRETARY BAKER STRESSED THAT WE NEED TO BALANCE THE NEED TO ESTABLISH SECURITY AND PROVIDE HUMANITARIAN RELIEF AGAINST THE RISK OF A VETO OVER CONCERNS WITH INTERFERENCE IN IRAQ'S INTERNAL AFFAIRS. THE SYG REPLIED THAT SADRUDDIN AGA KHAN WOULD BE CONSULTING THE IRAQI AUTHORITIES WITH THE GOAL OF SEEING WHAT THE UN COULD ACCOMPLISH WITHIN THE MANDATES SET BY THE CURRENT RESOLUTIONS.

6. THE PRESIDENT TURNED TO THE IMPLEMENTATION OF RESOLUTION 687, OBSERVING THAT IN PRINCIPLE THE IRAQIS HAVE ACCEPTED THE RESPONSIBILITY OF COMPLIANCE. HE NOTED THAT ELIMINATING IRAQ'S WEAPONS OF MASS DESTRUCTION (WMD) WOULD BE VERY DIFFICULT. HE ALSO STRESSED THAT THE US WOULD REMAIN VERY TOUGH ON SANCTIONS.

7. UN U/SYG SPIERS SAID THAT WHILE ANY CHANGE IN THE SANCTIONS REGIME COULD BE VETOED, THE SANCTIONS REGIME COULD DETERIORATE OVER TIME, ALTHOUGH HE DID NOT SEE A PROBLEM IN THE IMMEDIATE FUTURE. UN CHEF DE CABINET DAYAL INTERJECTED THAT WAS IMPORTANT TO GET THE SPECIAL COMMISSION ON WMD TO IRAQ AS SOON AS POSSIBLE, MR. SPIERS ADDING THAT THE TASK OF THE SPECIAL COMMISSION WAS THE MOST DIFFICULT SET BY RESOLUTION 687. SPIERS SPECULATED THAT ONE OTHER DIFFICULT PROBLEM WOULD BE SETTING THE PERCENTAGE OF IRAQ'S OIL REVENUES THAT WOULD GO TO THE

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COMPENSATION FUND. THE SYG SAID HE COULD NOT RECOMMEND A PERCENTAGE UNTIL AFTER CONSULTATIONS WITH THE IMF AND WORLD BANK. U/SYG FLEISCHAUER CLARIFIED THAT THE SYG WOULD ONLY SET A CEILING, AND THAT THE COMPENSATION COMMITTEE WOULD DETERMINE THE EXACT PERCENTAGE.

EL SALVADOR

8. THE PRESIDENT THEN TURNED TO EL SALVADOR, SAYING THAT THE US IS CONCERNED THAT THE MOMENTUM DERIVED FROM THE PARTIAL AGREEMENT NOT BE DESTROYED BY EXTREMISTS FROM EITHER SIDE OF THE POLITICAL SPECTRUM. HE ASKED THE SYG TO INSIST THAT NEGOTIATIONS CONTINUE TOWARDS A CEASE-FIRE AGREEMENT, AND THAT THE SYG PUSH FOR THE COOPERATION OF BOTH SIDES. THE PRESIDENT OBSERVED THAT AS PRESIDENT CRISTIANI WAS ELECTED IN A FREE, FAIR AND INTERNATIONALLY SUPERVISED ELECTION, HE HAS A STANDING THE FMLN DOES NOT HAVE. THE PRESIDENT CONTINUED THAT CRISTIANI HAS GREAT PERSONAL AND POLITICAL COURAGE, AND HAS MOVED FARTHER THAN ANYONE COULD HAVE BELIEVED. IN REFERENCE TO THE SUGGESTION THAT THE USG MEET WITH THE FMLN, THE PRESIDENT NOTED THAT A MEETING WITHOUT A GOES REPRESENTATIVE WOULD RISK UNDERMINING CRISTIANI.

9. THE SYG AGREED THAT THE RECENT AGREEMENT REACHED IN MEXICO WAS IMPORTANT, AND THAT THE CONSTITUTIONAL REFORMS AGREED WERE EXTREMELY HELPFUL. THE SYG PROTESTED THAT MANY VIEWED THE UN AS THE FMLN'S SPOKESMAN, WHEN THE UN WAS SIMPLY TRYING TO ACCURATELY CONVEY THE FMLN POSITION. THE SYG CONTINUED THAT U/SYG DE SOTO ENJOYED HIS COMPLETE TRUST AND CONFIDENCE.

10. DE SOTO ARGUED THAT THE TASK AHEAD WAS EXTREMELY COMPLEX, AND THAT THE FMLN HAD AGREED TO TAKE A NUMBER OF ITEMS OFF THE TABLE UNTIL THERE IS A CEASE-FIRE. IN ADDITION TO PRODUCTIVE DISCUSSIONS ON HOW TO PRESERVE THE MILITARY STATUS QUO, THE FMLN HAD RAISED THEIR DESIRE THAT THE PHASE AFTER THE CEASE-FIRE BE TREATED AS A TRANSITIONAL PHASE, DURING WHICH TIME THE SALVADORANS COULD BECOME ACCUSTOMED TO THE FMLN AS A POLITICAL PARTY. DE SOTO NOTED THAT HE WAS AWAITING THE GOES RESPONSE ON THIS POINT. DE SOTO EMPHASIZED THAT A TIME FRAME COULD NOT BE SET FOR THE NEGOTIATIONS; THE FMLN WOULD NOT ACCEPT A DEADLINE LIKE THAT ADVOCATED BY THE USG IN DISCUSSIONS ABOUT THE UNSC ONUSAL RESOLUTION.

11. IN RESPONSE TO THE PRESIDENT'S QUESTION, DE SOTO

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REPLIED THAT THE FMLN SOUGHT AN "OPEN, FLEXIBLE, DEMOCRATIC AND PLURALISTIC EL SALVADOR." HE CONTINUED THAT FMLN CONCERNS WITH THE SALVADORAN ARMED FORCES WERE ONE REASON THE FMLN INSISTED ON CONSTITUTIONAL REFORM. IN RESPONSE TO SECRETARY BAKER, DE SOTO SAID THAT ONE REASON THE FMLN COULD NOT ACCEPT A FIXED DEADLINE IS THAT A DEADLINE WOULD IMPAIR THE ABILITY OF THE FMLN'S FIVE FACTIONS TO CONSULT FULLY ON POSITIONS TO BE TAKEN IN THE NEGOTIATIONS. WHEN THE SECRETARY PRESSED DE SOTO ON THE URGENT NEED TO MOVE THE TALKS FORWARD RAPIDLY, DE SOTO OBSERVED THAT ANOTHER REASON THE FMLN WAS RELUCTANT TO ACCEPT A DEADLINE IS THAT THEY FEARED BEING SET UP FOR THE BLAME IF THE TALKS FAIL. THE SYG CONCURRED WITH HIS DEPUTY THAT INTRA-FMLN RIVALRY POSED PROBLEMS FOR THE NEGOTIATIONS. THE MEETING THEN ADJOURNED FOR LUNCH.

12. RESUMING THE CONVERSATION OVER LUNCH, THE SECRETARY OPENED BY ASKING THE TWO QUESTIONS. ONE, WOULD THE SYG MAKE A PUBLIC STATEMENT ON THE NEED FOR A CIVILIAN POLICE FORCE IN NORTHERN IRAQ. TWO, WOULD THE UN AT LEAST SET A TARGET DATE FOR THE SALVADORAN NEGOTIATIONS, BEARING IN MIND THAT IT WAS THE FMLN WHO FIRST PROPOSED A DEADLINE, IN MANAGUA. THE SYG DID NOT DIRECTLY RESPOND TO THE FIRST QUESTION, BUT WAS LARGELY POSITIVE. AS TO THE SECOND, DE SOTO OBSERVED THAT THE FMLN DID NOT WANT TO SET A DATE, ALTHOUGH HE HAD APPROACHED THEM REPEATEDLY ON THE MATTER.

13. THE SECRETARY ASKED IF THE UN HAD DISCUSSED WITH THE FMLN WHETHER THEY POSSESSED SA-16 SAM'S. DE SOTO RELATED THAT WHILE HE HAD NOT ASKED THE FMLN DIRECTLY, THE FMLN DENIED HAVING SUCH WEAPONS, CLAIMING THAT SA-16'S REQUIRE AN INFRASTRUCTURE BEYOND THAT OF A MOBILE GROUP LIKE THE FMLN. THE SECRETARY POINTED OUT THAT SA-16'S ARE SHOULDER-FIRED, AND THAT THE FMLN'S COMMENTS TO THE UN DO NOT SQUARE WITH OTHER INFORMATION.

BANGLADESH

14. THE SYG SAID HE HAD SENT THE HEAD OF UNDR0, MR. ESSAADI, TO BANGLADESH TO SURVEY THE SITUATION. THE SYG COMPLAINED THAT WHILE A NUMBER OF PLEDGES OF ASSISTANCE HAVE BEEN MADE, THE MONEY IS NOT FORTHCOMING. THE PRESIDENT ASSURED THE SYG THAT THE UNITED STATES WOULD DO WHAT IT COULD.

HUMAN RIGHTS - CUBA

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15. THE PRESIDENT PRAISED THE RECENT DECISION OF THE UN HUMAN RIGHTS COMMISSION AUTHORIZING A SPECIAL RAPPOREUR ON CUBA. HE URGED THE SYG TO MAKE THE APPOINTMENT AS SOON AS POSSIBLE. DE SOTO SAID THAT IT WAS IMPORTANT THE RAPPOREUR BE SOMEONE ACCEPTABLE TO THE CUBANS, TO FACILITATE HIS WORK. THE SYG NOTED HE WAS WORKING ON THE APPOINTMENT OF THE RAPPOREUR, ADDING THAT HE PREFERRED QUIET DIPLOMACY, AND FOUND IT MORE EFFECTIVE.

16. THE PRESIDENT, NOTING THAT VENEZUELAN PRESIDENT PEREZ SAW SIGNS OF FLEXIBILITY IN CUBA THAT THE U.S. DID NOT, ASKED THE SYG IF THERE WAS ANY HOPE FOR DEMOCRACY IN CUBA WHILE CASTRO REMAINED IN POWER. THE SYG WAS NOT OPTIMISTIC, COMPARING CASTRO TO SADDAM HUSSEIN, TO WHICH THE PRESIDENT ADDED KIM IL SUNG AND QADDAFI.

ARAB-ISRAELI ISSUES

17. THE SYG SAID HE SUPPORTED AND FOLLOWED CLOSELY THE SECRETARY'S WORK IN THE MIDDLE EAST, AND WOULD REFRAIN FROM ANY DUPLICATION OF EFFORT. HE MENTIONED HIS RECENT APPOINTMENT OF SWISS AMBASSADOR TO THE US BRUNNER AS HIS PERSONAL REPRESENTATIVE UNDER RES 242, AND THAT HE REFRAINED FROM GOING TO THE REGION HIMSELF AND FROM ASKING BRUNNER TO GO.

18. THE SECRETARY OBSERVED THAT THERE WAS A CLEAR NEED FOR UN INVOLVEMENT, AND THAT AT A MINIMUM A UN OBSERVER SHOULD ATTEND THE INTERNATIONAL CONFERENCE. THE SYG SAID THAT THE UN MUST HAVE A SUBSTANTIVE PRESENCE AT THE CONFERENCE, NOT JUST AN OBSERVER AS AT THE 1967 CAIRO TALKS.

LEBANON

19. THE SYG SAID THE PRESENT SITUATION IN LEBANON WAS TERRIBLE AND UNACCEPTABLE. THE PRESIDENT REITERATED THAT THE U.S. SUPPORTED FULL IMPLEMENTATION OF THE TAIF ACCORDS, STRESSING THAT SYRIAN WITHDRAWAL FROM THE BEKAA VALLEY BY JUNE 30 WAS KEY.

AFGHANISTAN

20. THE SYG SAID HE FAVORED LETTING THE AFGHANS DECIDE

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THEIR OWN FUTURE, PERHAPS THROUGH ELECTIONS HELD UNDER UN AUSPICES. BAKER SAID THE STUMBLING BLOCK WAS THE SOVIET INABILITY TO PURSUE THE LIBERAL POLICY OF NEW THINKING. WHAT WAS NEEDED WAS FOR THE SOVIET MILITARY TO AGREE TO A DATE FOR AN ARMS CUTOFF, CONTINUED THE SECRETARY. GORBACHEV REALLY WANTED THE PROBLEM RESOLVED, SAID THE SECRETARY.

SOVIET UNION

21. PEREZ DE CUELLAR SPOKE FAVORABLY OF SHEVARDNADZE, NOTING THAT PERHAPS SHEVARDNADZE COULD BECOME THE FIRST SYG FROM EASTERN EUROPE. THE SYG WAS ON THE OTHER HAND CRITICAL OF YELTSIN.

WESTERN SAHARA/PEACEKEEPING/BUDGET

22. THE SYG SAID THAT THE PROGRESS ACHIEVED ON THE WESTERN SAHARA MADE HIM HOPEFUL THAT THE REFERENDUM COULD BE COMPLETED THIS YEAR. IO A/S BOLTON REQUESTED THAT THE SECRETARIAT STRIVE TO PROVIDE REALISTIC BUDGETS FOR PEACEKEEPING OPERATIONS, AND EXPLAINED THE STATUS OF THE PRESIDENT'S PLAN TO PAY US ARREARAGES WITHIN THE UN SYSTEM. THE LUNCH ENDED AT 1:15 P.M.

23. THE SYG ALSO MET WITH THE SENATE FOREIGN RELATIONS COMMITTEE AND THE CONGRESSIONAL LEADERSHIP. YY

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Memcon	Re: Meeting with Secretary General Javier Perez de Cuellar of the United Nations (6 pp.)	5/9/91	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
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WHORM Cat.:

File Location: Presidential Meetings - Memorandum of Conversations 05/03/91 - 06/28/91

Document Partially Declassified
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AR Disposition:	Released in Part	MR Disposition:	
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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
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 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
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 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Secretary General Javier Perez de Cuellar of the United Nations (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
John R. Bolton, Assistant Secretary of State
for International Organizations
Thomas R. Pickering, US Ambassador to the
United Nations
Nancy Bearg Dyke, NSC Staff (Notetaker)

Javier Perez de Cuellar, UN Secretary General
Virendra Dayal, Chef de Cabinet, Under
Secretary General
Ronald Spiers, Under Secretary General
Carl-August Fleischhauer, Under Secretary
General and Legal Counsel
Jean-Claude Aime, Acting Assistant Secretary
General
Alvaro de Soto, Executive Assistant to UNSYG
John Washburn, Director, Representation Unit
Lisa Bittenheim, First Officer, Executive
Office of UNSYG (Notetaker)

DATE, TIME May 9, 1991, 11:35 a.m. - 12:00 Noon
AND PLACE: Cabinet Room

The President: Mr. Secretary General, we are so glad to have you and your colleagues in the White House. We talked in the Oval Office about Iraq and El Salvador. I want an open and frank discussion among us on all subjects of interest. (U)

Discussion on Iraq:

Secretary General de Cuellar: Thank you for the opportunity to meet and compare notes about subjects of concern. I told you in your office on the idea of sending a UN force to northern Iraq that Iraq does not want a UN presence on its territory. (Under

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Secretary Marrack) Goulding was there and had two days discussion. He got a very clear no -- no UN presence. Then on the other side, I must study carefully the situation. I can't send a police force on my own authority. So I have my limitations and the response of Iraq, which make it impossible. Also, there is the problem of security of the relief people. I have to report to the UNSC. They could say I am exceeding my authority. So could the General Assembly. I have to protect myself from criticism. (Ø)

The President: The US position is: The UN has done a superb and historic job during the Gulf crisis. We are very supportive of what you did in Iraq. In my view, by enhancing the political/peacekeeping function the UN offers great hope for the future. We want to get out of Iraq. People were dying and we responded. No one else could respond massively as we did. People are coming down from the mountains now. So far, there has been no confrontation with Iraq. They probably feel we are interfering in their internal affairs, but someone has^{to} save the people. Obviously some security is required for the UN workers. (U)

Our goal is to get out as soon as possible. It is the international responsibility to protect these people. We will look into another resolution if that is what you are convinced is required. Iraq is in no position to exact demands from the world after what they have done. We will continue to save lives. We will go to the UNSC and ask for a new resolution. The same coming together will be required as for the Gulf. I wish the former resolutions could come together instead of having a new one. (Ø)

Secretary Baker: We will have to approach this with care and prudence and split the difference between security for the refugees and humanitarian relief so we get no veto or opposition on the basis of interference in internal affairs. This is humanitarian relief. The UN cannot get its relief people in if there will not be security. We will have to do quiet consultations with the Perm Five before we say anything publicly. (Ø)

Secretary General de Cuellar: Sadruddin has been in Iraq. He did a Memorandum of Understanding (MOU). Iraq is pleased but it is not enough to cover the needs of the population. (Ø)

Mr. Dayal: Sadruddin will be in Baghdad on Sunday and discuss on Monday how far he can go. (Ø)

The President: Without a further UNSC resolution? (Ø)

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Mr. Daval: Yes. (U)

Secretary General de Cuellar: In the framework of the MOU, we will see what he can obtain. (Ø)

The President: I would like to turn to implementation of UNSC Resolution 687 and make a few comments. The Iraqis have grudgingly accepted 687 in principle. I hope this bodes well for Iraqi compliance with the requirements. I want to compliment the UN on the job it has done so far. Elimination of weapons of mass destruction is an extensive and difficult job. We will continue to support the Special Commission with experts, logistics and specialized equipment no one else can provide, and will encourage other countries to provide both cash and in-kind contributions. (Ø)

I am not certain how the implementation will work out but I am convinced we will not let up on sanctions except for humanitarian relief which is provided for. I owe it to our coalition partners to say this to you and to them. I don't know the future of Saddam Hussein but we are not going to lift the sanctions if he is there. (Ø)

Secretary General de Cuellar: Implementation of UNSCR 687 is being coordinated by (Under Secretary) Ron Spiers. (U)

Ambassador Spiers: Sanctions cannot be lifted until the US agrees; it is vetoable. We have to keep watching whether the sanctions deteriorate. On implementing 687, it is going pretty well. The Special Commission will have a big job. There is a discrepancy between what Iraq declared and [REDACTED] (b)(1)
It is less a problem on nuclear than on chemical. (Ø)

The President: At what level is the UN dealing with the Government of Iraq on this? (Ø)

Mr. Daval: We have to get the Special Commission on the road and have it do its best in Iraq to straighten this out. They have to deepen contacts when they get there. (Ø)

Ambassador Spiers: There is a potential problem on 687 -- financing. When we add it all up, it will be very expensive. Voluntary funding may not work. (U)

The President: How much? (U)

Ambassador Spiers: Destruction of chemical weapons can be very expensive. [REDACTED] it could be \$100 million. We could have a real environmental problem if we burn the weapons. Until we know the situation, it is hard to know the cost. (Ø) (b)(1)

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The President: What about the other parts of 687? (U)

Ambassador Spiers: Those are easier. Boundary demarcation and other efforts will cost something, but there are not the same uncertainties as with the Special Commission. On claims, the UNSYG must recommend the percentage taken on each barrel of oil Iraq sells. (U)

Ambassador Pickering: We agreed among the Perm Five that until there is agreement to lift the sanctions, there will be no percentage. (Ø)

Secretary General de Cuellar: To recommend, I need information from the World Bank, etc. (Ø)

Mr. Fleischhauer: The UNSYG is called on to set the upper ceiling and the UNSC sets the actual figure. The UNSYG has initiated consultations with international financial organizations on this. (U)

Discussion on El Salvador:

The President: El Salvador was discussed in the Oval Office. We are very concerned that the momentum from partial agreements not be destroyed by either side of the political spectrum. The danger is from extremists. I hope all of us will insist on early and intensive negotiations to get a ceasefire agreement, not just leaning on Cristiani or the FMLN. Cristiani is elected. That gives him standing different from the FMLN, and so he cannot be asked for all of the concessions. It is in everyone's interest to get on with the ceasefire. CAP (President Perez of Venezuela) is very interested in it. We respect the UN role and we know it is extraordinarily difficult. Some suggested that we meet individually with the FMLN. I don't want to undermine the Cristiani government. I would be interested in your assessment. (Ø)

Secretary General de Cuellar: As I told you in the Oval Office, I think what was obtained in Mexico is important. The Constitutional changes are extremely helpful. We have to build on as much as we can. You have no direct dialogue with the FMLN, and we are unfortunately the spokesman for the FMLN. Alvaro de Soto has my full confidence, and he relays what the two sides say to each other. We have to be aware of everything being negotiated in Central America. Something has to be done very soon. There is a meeting next week. (Ø)

Mr. de Soto: The parties agreed to an organizing meeting early next week to discuss resumption of talks and the agenda. The two

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main issues are reduction of the armed forces and the ceasefire. The FMLN has agreed to leave some items pending till after the ceasefire under certain conditions: 1) Maintenance of the military status quo -- neither side can try to regain lost ground. This is hard to translate onto a map. 2) The FMLN insists that this phase from ceasefire to demobilization should be treated as a transitional phase with the FMLN part of the Salvadoran people and the FMLN being a party that should have access to the media, and that areas they control not be changed. It is hard to set a time frame. The FMLN is committed to the negotiations. GOES has a list of the terms. This requires more than just a simple ceasefire. (Ø)

The President: What does the FMLN want? (Ø)

Mr. de Soto: Open, democratic, pluralistic El Salvador -- level playing field, no repression. (U)

The President: So, the main problem is the Army? (Ø)

Mr. de Soto: Yes, the government has lost some of its central control. (Ø)

Secretary Baker: (speaking to de Soto) It seems to me, as I mentioned on the phone, there has been good progress; the UN has done a good job; the parties have come some way; there is still much to be done. 1. Once you engage in substantive negotiations, can you craft with the Friends of the UNSYG (Venezuela, Mexico, Colombia, and Spain) that this is a one shot, before the military or someone blows it up? 2. Do you have a peacekeeping force ready, so it can be inserted immediately, so there is no time lag? 3. What about human rights monitoring? (Ø)

Mr. de Soto: The FMLN accepted reluctantly. What must be understood is that the FMLN is five separate and distinct movements, and all keep up with negotiations and talk among themselves and with their people within the country. (Ø)

Secretary Baker: Cannot the other side be told by the Friends that they have to stay at the table until the negotiations are completed? We are in danger of losing this. (Ø)

Mr. de Soto: We can try. They have been reluctant in the past. (Ø)

Secretary Baker: If the FMLN leaves the table, others will stay and be seen to stay. (Ø)

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Mr. de Soto: If this is cooked with a deadline from the outside, they will view it as a setup to blame them for failure. On peacekeeping, it is very difficult for us to move a single military person without UNSC approval. It takes time and budget. Until a ceasefire is in place and a budget is worked out, it is hard to approach the UNSC. (X)

Secretary General de Cuellar: They need to sit around the table with their friends. I am prepared to work in that direction. (X)

The President: We can continue our discussion over lunch.

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon with Secretary General Javier Perez de Cuellar of the United Nations (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
John R. Bolton, Assistant Secretary of State
for International Organizations
Thomas R. Pickering, US Ambassador to the
United Nations
Nancy Bearg Dyke, Director for International
Programs and Public Diplomacy, NSC Staff
(Notetaker)

Javier Perez de Cuellar, UN Secretary General
Virendra Dayal, Chef de Cabinet, Under
Secretary General
Ronald Spiers, Under Secretary General
Carl-August Fleischhauer, Under Secretary
General and Legal Counsel
Jean-Claude Aime, Acting Assistant Secretary
General
Alvaro de Soto, Executive Assistant to UNSYG
John Washburn, Director, Representation Unit
Lisa Bittenheim, First Officer, Executive
Office of UNSYG (Notetaker)

DATE, TIME May 9, 1991, 12:15 - 1:15 p.m.
AND PLACE: State Dining Room

Following initial pleasantries:

Secretary Baker: About your support for any further resolution
(in the UN Security Council re Iraqi refugees), it is critical to
our effectiveness that you support our efforts publicly. So I
would like to make that request of you. (Ø)

Secretary General Perez de Cuellar: Hmmm. (U)

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Secretary Baker: I understand you may not be able to hold to a date (on Government of El Salvador and FMLN agreeing to ceasefire), but it would be useful to try because the FMLN gave the May 30 date. The constitutional argument they are making now is new. (Ø)

Mr. de Soto: They realize they were foolish to put a date out. The context has changed. (Ø)

Secretary Baker: Has there been any discussion with them on the SA-16? (Ø)

Mr. de Soto: They said the nature of the system is such that they don't have the infrastructure necessary. (Ø)

Secretary Baker: So they say they don't have it? (U)

Mr. de Soto: I have not asked. (U)

Secretary Baker: What they told you doesn't square with our information. It is shoulder-fired. (Ø)

Secretary General Perez de Cuellar: I sent an emissary to Bangladesh, and it is an extremely terrible situation. One country offered \$100 million. I expect my American friends to do better. (Ø)

The President: This is difficult on the heels of our Kurdish contributions. We are in for \$400-500 million. (U)

Ambassador Pickering: The Bangladesh government has asked for helicopter support. (U)

The President: Let's see if we can't help on that. (U)

General Scowcroft: I will call Secretary Cheney and General Powell. (U)

The President: On Cuba, it is important to take early and decisive action on the appointment of a Special Representative, as called for by the UN Human Rights Commission. The individual selected must be a strong and able proponent of human rights. (U)

Mr. de Soto: Cuba has to be persuaded to accept whomever the UNSYG wants. In the meantime our own informal channels are working. We should have someone who is a leading dissident. (Ø)

Secretary General Perez de Cuellar: My view is that quiet diplomacy works best. (Ø)

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The President: Is there any hope for Cuba to join the rest of the world? All we see is hard line. (Ø)

We are still worried about Qadhafi in Libya. Are you following the situation? (Ø)

Secretary General Perez de Cuellar: We follow it very closely. (U)

For the Middle East, we have our emissary Brunner. I have refrained from asking him to go to the area. (Ø)

The President: Good idea. (U)

Secretary General Perez de Cuellar: Maybe he or I will go to the area after Secretary Baker's mission is complete. (Ø)

Secretary Baker: Don't hold your breath. (U)

The President: It is not all bad. (U)

Secretary Baker: There is some possibility of success. At some point it would be our idea to have a conference, something like Cairo 1977; like Geneva in 1973 but without the formal UN auspices. But, we are saying there should be some UN involvement with a UN observer you would appoint. We are implementing the UNSC resolutions. We are talking about bringing the parties together for direct negotiations. We have achieved agreement on the terms of reference: 1) a comprehensive settlement based on 242 and 338 without the qualifiers they always try to add; 2) some form of European participation. Israel resists any UN role. (Ø)

Israel is resistant to the meeting reconvening. Syria is resistant to the meeting not being a full-blown international conference and not continuing and continuous. We are trying to split the differences and overcome historical problems. Mubarak is strongly supportive. We know some of the parties like a joint Palestinian-Jordanian delegation. We hope to find solutions. (Ø)

The PLO should understand the necessity of letting this process go forward. There are very powerful influences at work with the PLO. Saudi Arabia is saying to the PLO: do not stand in the way if you want financial help from us. Syria and Jordan are talking to the PLO too. (Ø)

Secretary General Perez de Cuellar: I prefer not to be present, but I do not know what my successor would think. It is not right for the UN to just sit there. (Ø)

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Secretary Baker: The UN attended the Cairo conference, I think. In 1973 it was a cosponsor. In 1977, the UN attended. (U)

The President: The big thing is to get progress. (U)

Secretary General Perez de Cuellar: Lebanon is still suffering. It is under full control of Syria. The key is withdrawal. (Ø)

Secretary Baker: I understand that by 30 June, Syria will withdraw from the Bekka Valley. (Ø)

The President: That would be good, would it not? (U)

Secretary General Perez de Cuellar: Yes. (U)

The President: Afghanistan. (U)

Secretary General Perez de Cuellar: It would be good to have a statement to provide important ideas about Afghanistan setting its own systems and stopping arms and leading them to an elected process. If they can agree -- the Mujahadin are always in conflict with themselves. It is hard to explain. There have been tremendous achievements in Afghanistan but nothing has happened now. (Ø)

Secretary Baker: We are "that far away" and it is the inability of the Soviet leadership to pursue as liberal a policy of new thinking as 6-9 months ago. We just need a date of weapons cutoff but they can't do it because the military won't let them. Gorbachev wants to do it -- to get rid of this. (Ø)

(Discussion followed on upcoming trip of Moiseyev -- that he is coming but not on Afghanistan and that we would be on the wrong side on this issue.) (Ø)

The President: Shevardnadze was here and careful to not appear to undermine Gorbachev. He is frank about his country. His institute is financed by the Soviet government. He asked about two things: arms control and \$1.1 billion credit for agriculture. We have problems with that. Those were the only two things we mentioned. (Ø)

Secretary Baker: He is a great friend of the UN -- very supportive. (U)

Secretary General Perez de Cuellar: Shevardnadze is mentioned as my successor. We have had UNSYGs from three regions but not Africa. (Ø)

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Ambassador Pickering: France will veto Shevardnadze because he doesn't speak French. (Ø)

The President: What is Abby Farah doing now? (U)

Secretary General Perez de Cuellar: He is a very able man. I am sending him to Iran to assess the damage after the Iran-Iraq war. (U)

The Western Sahara is doing well, thanks to your cooperation, which was very important. (U)

The President: There has been real progress on the Western Sahara problem. (U)

Ambassador Pickering: We would like to get the budget down. Every new budget from the UN is \$200 million! (U)

Mr. Bolton: It hurts us on the Hill if UN budgets are too high. It is a credibility of numbers. It is very important so we can maintain our record of paying arrears. (U)

Secretary General Perez de Cuellar: The UNSC thinks of solutions but not of the cost. (Ø)

Ambassador Pickering: We can try to fix that. (Ø)

The President: What is the status of our arrears? (U)

Mr. Bolton: We are on a track of repaying over five years. This year's payment is in Congress now for a reprogramming action. Because of currency shortfalls that caused us to apply part of the arrears to our regular assessment, our arrearage payment this year will be about 16.8 percent. (U)

The President: It is very bad for us not to pay. (U)

Ambassador Pickering: It will help with the UN's flexibility to have working capital if we pay. (U)

The President: Who is a problem on the Hill? (Ø)

Mr. Bolton: Neal Smith, chairman of our subcommittee. We also have a struggle with FAO (Food and Agriculture Organization). (Ø)

Ambassador Pickering: In 50 days, we are going to Congress on five UN operations: Western Sahara, Kuwait-Iraq, weapons of mass destruction (implementing UNSCR 687), El Salvador, and Angola. All are new operations and not in the budget. (U)

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Mr. Dayal: It is difficult to run the place with no reserves.
(U)

The President: Are there ways to cut back on UN bureaucracy? (U)

Secretary General Perez de Cuellar: We have no reserves. (U)

Mr. Dayal: As I was telling Nancy, every time we have to start something, we have to have a new appeal after an assessment and we lose 2-3 weeks. Lives are lost in the process. We need to find a way to find reserves. (U)

Mr. de Soto: Whenever there is a composite operation, it has to be fielded from the existing secretariat, which is overstretched.
(U)

The President: Does the General Assembly have to concur in eliminating of agencies? (U)

Ambassador Pickering: To eliminate from the budget, the GA must take a positive step. (U)

The President: We are trying to handle relations with the Soviets so we do not inadvertently set them back. It is very difficult. I keep reminding his and Administration critics to not forget what Gorbachev has done about freeing Eastern Europe, etc. I am not sure where it will end up. His mistake was not letting political and economic reform proceed apace together. (Ø)

Secretary General Perez de Cuellar: I hope he will survive. (Ø)

The President: What do you think about Yeltsin? (Ø)

Secretary General Perez de Cuellar: He is a demagogue, not a statesman. I have a poor impression of him. (Told about incident in which Yeltsin wanted UNSYG to appear with him for press.) (Ø)

The President: I am very glad you came. You are a great representative for us and the United Nations. We want to be an active partner and carry our share of the load. (U)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Michael Manley
of Jamaica

PARTICIPANTS: The President
Lawrence Eagleburger, Acting Secretary of
State
David C. Mulford, Under Secretary of the
Treasury
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Bernard W. Aronson, Assistant Secretary of
State for Inter-American Affairs
Glen A. Holden, U.S. Ambassador to Jamaica
William T. Pryce, Senior Director for Latin
American and Caribbean Affairs, NSC Staff
(Notetaker)

Michael Manley, President
Peter David Phillips, Minister of State
Richard Bernal, Ambassador to the U.S.

DATE, TIME May 15, 1991, 2:05 - 2:35 p.m. EST
AND PLACE: Oval Office

The President: You seem to be looking well. We have followed
your leadership with great respect and want to congratulate you
on all you have done. (U)

Prime Minister Manley: I want to thank you for making time for
me. I know you are very busy. I am glad you are looking so
well. (U)

The President: Everything is going fine. (U)

Prime Minister Manley: May I jump right in on our situation? A
lot of interesting things have happened. First of all, thank you
very much for the Enterprise for the Americas Initiative. (U)

The President: You are a natural for that. (U)

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Prime Minister Manley: We are supporting Enterprise for the Americas Initiative everywhere and we are also supporting the Mexican Free Trade Agreement. We have been talking about it on the Hill. (U)

The President: We must win that one. If we don't win, it will send a very bad signal of discrimination to the Southern Hemisphere. (U)

They were talking about separating the Mexican agreement from other things on fast-track and we are fighting that. (Ø)

Prime Minister Manley: Many were astonished that I spoke about the benefits of a Mexican Free Trade Agreement to the region. We are part of a broader hemisphere. A bigger market will benefit all. I might be able to give a few helpful points in my talks on the Hill. Congressman Rangel, of course, is worried about drugs. (Ø)

The President: In reality, we will have more support for anti-narcotics efforts after the agreement than before. President Salinas has been very supportive on this subject. I think we have better drug cooperation with Mexico than ever before. (Ø)

Prime Minister Manley: I picked up a few things that might be helpful. One is that the environmentalists say that Mexico has strong environmental laws, but doesn't enforce them. I, of course, cannot get people to vote a certain way, or to change their vote, but I might be able to get people to lobby with less hostility. (Ø)

The President: Another area where maybe you could help is on the labor front. We are taking labor displacement fully into account. If labor is displaced, we are pledged to help. I am not sure everyone knows this. (Ø)

Prime Minister Manley: Yes. In the context of that, we feel that the Enterprise for the Americas Initiative is tremendously relevant for countries like Jamaica. We have been able to mobilize the CARICOM to recognize Jamaica as the leader in moving forward under the Enterprise for the Americas Initiative. We are negotiating a trade and investment agreement for the Caribbean at present. President Perez and I are also working on a Free Trade Agreement, so we are working on two fronts. CARICOM has also agreed to let us negotiate for them with the Venezuelans, so this will be taking place. (Ø)

The President: Will they go with your recommendations -- will they accept what you agree to? (Ø)

Prime Minister Manley: We bring along representatives of other countries. We think we will be able to pull it out. (Ø)

Back to the Hill. I had a talk with Bill Gray and he promised 100% support. I also talked with Senator Dodd and he was supportive. (Ø)

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Governor Sununu: He was supportive of the Free Trade Agreement?
(Ø)

Prime Minister Manley: Dodd was not so much on the Free Trade Agreement, but more on the Enterprise for the Americas Initiative. I did not direct attention to the Free Trade Agreement with conversations with Dodd. (Ø)

With Bill, I really pressed him on Mexico. On the Enterprise for the Americas Initiative, I really pressed with everyone. (Ø)

I don't want to raise just the Jamaican case. (Ø)

The President: But I want you to. (Ø)

Prime Minister Manley: We are 90% to a market economy. We are working closely with the private sector. We have a moment to turn Jamaica into a success story. We have one last hurdle. We need to set a liberalized foreign exchange. We are going to do it because it represents the best thing to do. If we pull it off, it will be a good example. What is our problem? When we take the final step in October, we need a cushion. Poland and other countries have had a cushion and we need one too. We feel that if there is a cushion -- the mere fact that there is one may be enough -- we may not need it. But if you don't you have a cushion, you could be in trouble. We are trying to put together our resources for one last push. We are calling everyone. We need to have your people to do two things. (Ø)

The Enterprise for the Americas Initiative has PL-480 debt and other debt, but it doesn't do anything to reduce the rate of payment. This means that the benefits are delayed four or five years. If we could get support right now and reduce payments and get one shot of ESF, this would give us that cushion of confidence we need. (Ø)

The President: It is most appropriate that you bring this up. We are talking with Secretaries Brady and Mulford, Larry, and Bernie Aronson. I hope that there is a way we can solve this problem. I hate to cry "poor mouth", but we have very little flexibility. We ought to be able to find a way and we will try very hard. On this one, we should be able to do something -- David [Mulford], you are the expert. (Ø)

Under Secretary Mulford: If we can get AID debt reduction authorization this year, we could give some cash flow relief.
(Ø)

Deputy Secretary Eagleburger: We will look at the ESF situation.
(Ø)

The President: I appreciate what you are doing up on the Hill. CAP was here and he was helpful in saying that they supporting the Mexican Free Trade Agreement. It is very helpful to have

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hemispheric leaders support the agreement when it doesn't involve them directly. (Ø)

If I could say that you and I talked and you supported it, that would be helpful. We appreciate very much what you have done on the Hill. (Ø)

Prime Minister Manley: Another point. If you could look into the Puerto Rican 936, it would be a great help. We have now run into a crazy glitz. The OPIC guarantees are a problem. (Ø)

Deputy Secretary Eagleburger: This is an OMB problem. Brent and I can talk to Dick Darman on this. (Ø)

The President: How does this affect OPIC? (Ø)

Deputy Secretary Eagleburger: They are told by OMB that they cannot guarantee loans which are tax exempt. (Ø)

The President: Is this an OMB regulation done by themselves? (Ø)

Ambassador Holden: This can be cleared up by OMB. I believe there is an old OMB regulation from 1985. (Ø)

The President: We will try on that one. (Ø)

Prime Minister Manley: What sort of scenario do you see on free trade? (Ø)

The President: We expect to have a deal, but I cannot make a prediction regarding time. Anyone have an idea on this? (Ø)

Assistant Secretary Aronson: Maybe we could do it in a year, and then send it up to the Hill for ratification. (Ø)

The President: We also have to think about the GATT. I don't want to pull back from the GATT. We think it is important to open up these markets, especially in agriculture, and we have made some progress. (Ø)

Resistance to the Mexican deal comes from organized labor and environmentalists. We are getting support from Hispanics, businessmen, and from some textile people. What we need to do is hammer out a good deal that will get support. Many worry about labor rates -- so do I. Many worry about the environment -- so do I. Salinas is with us on this. He is totally committed. I don't know what would happen to him if we can't get it. (Ø)

Prime Minister Manley: I was most impressed with Salinas. (Ø)

The President: Would you like to give me about three minutes on your health, or do you just want to let it go by saying that you are feeling well?

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Prime Minister Manley: Well, they have given a clean bill of health, but we are going back to the hospital and check things over again. I am going to have six hours of check ups just to make sure everything is okay. (Ø)

The President: It is smart to do that. Who all is with you on the negotiations for CARICOM. Is Eugenia Charles on board? (Ø)

Prime Minister Manley: Yes. (U)

The President: Interesting. What other countries? Barbados, Trinidad and Tobago, and Guyana are important ones. (Ø)

There was a short, general discussion of the Jones massacres in Guyana. The conversation then ended with exchange of pleasantries. (U)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Helmut Kohl, Chancellor of Germany (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
David Gompert, Special Assistant to the President for European and Soviet Affairs (Notetaker)
Gisela Marcuse, Interpreter

Helmut Kohl, Chancellor
Peter Hartmann, Security Advisor to the Chancellor
Dorothee Kaltenbach, Interpreter

DATE, TIME May 20, 1991, 4:30 - 6:20 p.m.
AND PLACE: Oval Office

The President: Welcome Helmut. (U)

Chancellor Kohl: I am very pleased to see that you are well again. (U)

The President: I only have to take pills for thyroid. There is no other change in my regimen. I have a couple of items to discuss here and then we can go into the larger session with the others. (U)

Chancellor Kohl: And we can also carry on the discussion at dinner. (U)

The President: One item is NATO. Your public statement was very good on European security. My other item is the Uruguay Round. (Ø)

Chancellor Kohl: On security policy I see no problem. Let me explain the German side. Psychologically, we have some problems with our unification. Our partners are suddenly faced with the situation in which a new Germany would be economically supreme in Europe, to think we are now going through a weak period. That is nonsense. Yes, we have problems for three or four years; but we can solve them. During the Marshall Plan 7 billion deutsche marks were set aside. That was your help for 62 or 63 million Germans in a destroyed country. Now we have set aside

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100 billion deutsche marks for 17 million people. Many people are concerned. Madame Cresson says it is most important to close the economic gap between France and Germany. My answer is that I hope that we can do that. Germany needs a European roof but we also need a NATO roof as well. For us it is unacceptable that we would neglect our U.S. link in order to promote European unity, we will do both. In principle, my colleagues agree. Francois of course attends to French glory. (S)

The President: Does he have problems with your formulation? (S)

Chancellor Kohl: Not really. The British, Benelux, Dutch, and Portugal all agree with me. I intend to meet with Mitterrand frequently to bring him along. (S)

The President: Does Mitterrand hope for security ties which are separate from or supersede NATO? (S)

Chancellor Kohl: I don't think he has a real concept. It was valuable for the development of French-German relationships that France had nuclear weapons and Germany did not. But the importance of that is receding. (S)

The President: Brent, I think we are agreed on this point. Our worry is that anything which would tend to marginalize U.S. security arrangements would bring a swift reaction here. (S)

Chancellor Kohl: You will be re-elected in 1992. I'll bet you. In the campaign the question will not be security but your economic relations with Europe. Europe will be a success story for the 1990s, not Japan. Americans should bear that in mind and take advantage of it. We want a U.S. apartment in the European house. For us the U.S. link is existentially important. Whatever the size, there should be a visible U.S. presence. (S)

The President: The other matter I wanted to raise is related to your economic point and that is the Uruguay Round. (The President describes the state of play with Congress on fast-track authority vote.) If we don't get the agricultural problems behind us, this round will fall apart and the result will be very bad. Please help us if you can. (S)

Chancellor Kohl: Again, we are not far apart. A clear majority within the European community favors movement. But both sides will have to work. This is important not only for Europe but the Third World too. We have to figure out how to change the subsidy policy of the EC. Delors now understands this and us now attached in France daily. (S)

The President: It is not that I think we are all right and you are all wrong. Both must change. (S)

Chancellor Kohl: I agree. Even if there were no GATT round we cannot continue this. It is a crazy policy. (The Chancellor describes the common agricultural policy.) We can correct it and

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improve the environment at the same time. Our productive capability has improved enormously. (S)

The President: Will Francois be flexible on trade negotiations? (S)

Chancellor Kohl: I am working on him every month. It is not just agriculture. If you look at French exports and subtract agriculture there is a big drop. It is very important to them. Mitterrand wants to avoid a decrease in the balance of trade. Automobiles are declining, as are arms and other export items, so agriculture gets more important. We need to cut arms exports. (S)

The President: I hope you noticed our chemical weapons proposal? (S)

Chancellor Kohl: We have no problems here, and Jim mentioned the Middle East proposal on arms restraint. We have no problems there either. On France, you have to look at their overall export policy. I would like to see relief in quotas. The better France is doing in exports the easier it would be to get a good GATT Round. (S)

The President: Is Cresson protectionist? (S)

Chancellor Kohl: Yes, and she is very temperamental. That is not a big problem though. If she changes too much she will fail at the polls. (S)

The President: Is Rocard still a viable candidate for the presidency? (S)

Chancellor Kohl: Sure. (U)

The President: Why did they kick him out?

Chancellor Kohl: Francois was not supporting him. He doesn't want a Prime Minister who is running for president.

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Luis Alberto Lacalle
of Uruguay

PARTICIPANTS: The President
Nicholas Brady, Secretary of the Treasury
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Bernard W. Aronson, Assistant Secretary of
State for Inter-American Affairs
Richard Brown, U.S. Ambassador to Uruguay
William T. Pryce, Senior Director for Latin
American and Caribbean Affairs, NSC Staff
(Notetaker)

Luis Alberto Lacalle, President of Uruguay
Hector Gros Espiell, Minister of Foreign
Affairs
Eduardo MacGillycuddy, Uruguayan Ambassador
to the United States

DATE, TIME May 21, 1991, 3:00 - 3:40 p.m. EST
AND PLACE: Oval Office

President Lacalle: I can't tell you how much the people of Uruguay support the Enterprise for the Americas. They are supporting it not only in the cities, but in the small villages. People are talking about their hopes for the Enterprise, especially young people. One-half of the population of Uruguay is under twenty. But I have been telling everyone -- this is businessmen, politicians, everyone -- that there are two big pieces of news in the hemisphere: the MERCOSUR and the Enterprise. They merge very well, each helps the other. (Ø)

I had lunch with Senator Lugar. He is supporting the Enterprise. I am talking with congressmen looking for votes. (Ø)

The President: We are pressing for passage. (U)

Secretary Brady: We believe we will get a pledge for \$500 million from the Japanese. The Vice President is talking with them now. You are also asking for \$500 million. (Ø)

The President: There is a relationship between fast-track for Mexico and the Enterprise for the Americas. (U)

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President Lacalle: Ambassador Brown and I talked about this. I have talked with the press on several occasions and told them about the advantages of fast-track with Mexico. I believe there is a great deal of favorable opinion for this. There is support not only for the Enterprise for the Americas, but also for Mexico and fast-track. On the question on the MERCOSUR common market, we will have a market of 200 million people where we now have a market of 3 million people. This is a positive thing, and there is linkage. (Ø)

I had dinner with Enrique Iglesias and he had a request he wanted me to pass on to you. Enrique wants to have a meeting on the Enterprise in September and he would like to invite important businessmen to the Inter-American Development Bank and to have the Enterprise for the Americas as a central feature. He would invite fifteen heads of state and would like to sponsor such a program if you would be agreeable. (Ø)

The President: Let us think about it. If that would help get the process moving, it might be worthwhile. (Ø)

President Lacalle: This is not just for politicians and diplomats. This time the people believe they have an interest in the Enterprise. (Ø)

The President: Let us follow up on this. We have expressed our interest. I don't think we have a lot of resistance in the Congress. I will tell them of your interest. CAP and Manley both expressed their interest and it was very helpful. I will tell people of your interest. (Ø)

President Lacalle: I think that in Geneva there is a more somber note. Uruguay will be presiding in the last round of the Uruguay talks. We have to have people realize that the Europeans are not making the contribution that they should. We want a successful agreement, but we do not want to accept just any type of accord. The Europeans are behaving strangely against our country. Their selfishness is unfortunate. They have a lot of weight, but are not acting properly. This tends to make people more aware of other alternatives in the Hemisphere. (Ø)

The President: How are things going in the economy? (U)

President Lacalle: Since you came to Uruguay we have signed a debt agreement. Also on April 30, we opened bids for investment. We have \$50 million in debt. We have gotten over \$600 million in for investment programs. We can't handle it all, but will try to be as positive as we can. (Ø)

I think people are looking at Uruguay as a way to enter the Southern Cone common market. We are going around saying we will be in the big leagues within five years. There needs to be much change, for example, on the attitude of the unions. When you start on new things there is always a worry about risks. We will have the first vote on the privatization law this week.

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Ambassador Brown knows about votes in the Congress, he is a very good ambassador, I think we will break the mold. (Ø)

The President: That is good. (U)

President Lacalle: The inflation situation is very good. (U)

The President: I thought you knocked it in half. (U)

President Lacalle: It is going down. It is like the tooth of a saw -- it goes up and down very four months and each tooth is lower than the previous one. By the end of the year, we will have reduced the rate to about one half of last year's. (U)

The President: Is the adjustment tied to inflation? (U)

President Lacalle: The adjustment is pegged to what I indicate. That is why we are having a general strike [laughter]. (Ø)

Pegging against inflation was the work of the old regime. It was bad, we had to change it. However, you must give some oxygen from time-to-time. The power of the President is not very great. The Social Security system is draining everything. It is like a black hole. (Ø)

The President: What is the strike about? (U)

President Lacalle: It is for higher wages, of course, and against the State, meaning against privatization. The news about investments could be well received. We are receiving \$500 million from tourism in Punte del Este, which is our biggest earner. It is bigger than any other single item. (Ø)

The President: We are grateful for the encouragement you gave us on the Middle East. I hope it didn't burn you. (Ø)

President Lacalle: No. (U)

The President: I hope you did not draw fire from the left. (U)

President Lacalle: No. There was some criticism from leftists, but it did not create a real issue. The real issue was the price of oil, and the loss of our mutton sale due to the embargo. We lost \$53 million dollars. (Ø)

President Lacalle: This problem came up in the winter time when the situation was a little more relaxed. If it had been the heat of the summer, it might have caused more problems. (Ø)

The President: Does the capital completely shut down during vacations? I mean, is it like Paris when everybody goes out of town? (U)

President Lacalle: From Christmas to Easter there is not very much activity. If you are in the capital people say, "why are

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you here?" I ruined some people's lives by have serious meetings in January. (Ø)

The President: What did you do in Canada? (Ø)

President Lacalle: We are looking eye-to-eye with Canada. We are both involved with the Enterprise for the Americas. Canada is now involved in the Organization of American States. On the commercial level, we are both lacking in some areas. Our approach is for one of cooperation. (Ø)

The President: How are things going on debt relief? (U)

Secretary Brady: Things are going well. If we can get debt relief through the Congress, there should be a good possibility for Uruguay. (Ø)

The President: I think someone is trying to get your attention with a vote. (Ø)

Ambassador MacGillycuddy: Uruguayan request..... (Ø)

President Lacalle: I know. I don't want to have a shopping list. We have some needs we talked about in November, but could use planes and ammunition. These planes are use for search and rescue. Also, we have as in other countries, need to resupply our Antartic base. (Ø)

The President: We are a little tight on funds, but are trying to find a way to help there. (Ø)

President Lacalle: There is a factor of technology and the environment. There is a realization that we are in the same boat. (Ø)

The President: What has been involved in a big way in fast-track is that people are saying that it could hurt the environment. President Salinas has shut down some 900 factories. We are trying to turn this around by saying if there is going to be economic improvement in Mexico, that is good for Mexico and for us. This makes it more possible to do the things needed on the environment. We are trying to turn this around and make the argument that increased trade will increase the possibilities of improving the environment. (Ø)

President Lacalle: We have to prepare for the conference on the environment in Brazil which is full of thorny problems because the Brazilians are not on the same wave-length with you. Anything you can do to smooth this would be good. (Ø)

The President: President Collor is coming soon, I think. (U)

Mr. Pryce: On the 18th of June. (U)

The President: If there is anything that you can think of that would be useful to say on this, let me know. (Ø)

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President Lacalle: I think you could tell him Brazil was, according to theory, supposed to be corresponding to the United States, if not equal. I think you should tell Collor that Brazil will be leading the MERCOSUR. He is a man of great energy. He is very, very energetic, very kinetic. I think that if you tell him that he is the big power in the MERCOSUR, that would give him a good feeling and it would be useful. (Ø)

The President: How about Menem. How is he doing? (U)

President Lacalle: Argentina is a peculiar country. You can do things there that you could not do in Uruguay. I would be shot if I did some of the things he does! However, he is moving forward to make real progress. He has burned his bridges. He is a man of great abilities. (Ø)

The President: When I was there and we were going to play tennis, he showed up with two beautiful statuesque women. He has a special affinity for the women. (Ø)

President Lacalle: That's what I mean. (Ø)

The President: He looks younger than he is. I think he is about sixty. (U)

President Lacalle: I think he had a facelift. They say he was stung by a bee. But I haven't seen him since the bee stinging. There is a joke in Argentina which says that when people see Menem's doctor, they say "there's the bee." (Ø)

The President: Is Menem coming up here? (Ø)

Mr. Pryce: We are working on a visit, there is nothing definite yet. It is under consideration. (Ø)

General Scowcroft: There is nothing definite on that now. (Ø)

The President: How about Chile? Is Aylwin doing all right? (Ø)

President Lacalle: Wonderful. We did not realize how shrewd Aylwin is as a politician. It was amazing what he was able to do. He was leading a left to center coalition and encountered an economic system which was doing well. He was able to convince his leadership that the economic system should not be changed. There was a problem of assassination of a leader, Senator Guzman, a leader on the right. (Ø)

Assistant Secretary Aronson: There is a lot of terrorism on the left. (Ø)

President Lacalle: They are doing a lot of damage. (Ø)

The President: We were very impressed with him. We went up to visit him in a modest house and he was obviously proud to have us there. We had a lunch, I think, then we went to the palace. (U)

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Mr. Pryce: Then the dinner. (U)

The President: Yes. There was former president Pinochet at one table, Mrs. Allende at another, and the son of Letelier at a third. The president told me that no one ever thought that this would happen, that it was an historic event. (Ø)

President Lacalle: Aylwin's trip to Europe was a success. (Ø)

The President: Is Pinochet giving him grief? (Ø)

President Lacalle: Pinochet made a trip to Europe and nobody wanted to see him. He visited Lisbon and was accepted there, but the British told him that there was no way that they would receive him. A number of countries do not want him there. (Ø)

However, you have to remember that Pinochet got 42 percent of the vote. Aylwin got 48 percent. Pinochet was not completely rejected. Aylwin and I have a very good relationship. I think, and this is a personal opinion with no evidence, that Aylwin and Pinochet have established an agreed relationship. (Ø)

The President: It certainly is a delight to see you! (U)

President Lacalle: Don't exercise too much. (Ø)

The President: No. Exercise is fine and my heart is in great shape. The doctors say no problem with exercise once I get my thyroid properly controlled. (Ø)

The meeting closed on a warm exchange of amenities. (U)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Helmut Kohl, Chancellor of Germany (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Nicholas Brady, Secretary of the Treasury
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Vernon Walters, Ambassador to Germany
Robert Zoellick, Counsellor, Department of State
David Gompert, Special Assistant to the President for European and Soviet Affairs (Notetaker)
James F. Dobbins, Acting Assistant Secretary of State for European and Canadian Affairs
Gisela Marcuse, Interpreter

Helmut Kohl, Chancellor
Hans-Dietrich Genscher, Foreign Minister
Juergen Ruhfus, Ambassador to the U.S.
Dieter Vogel, State Secretary and Government Spokesman
Peter Hartmann, Security Advisor to the Chancellor
Werner Weidenfeld, Coordinator for German-American Cooperation
Wilhelm Hoeynck, Ambassador at Large
Walter Neuer, Head of the Chancellor's Office
Dorothee Kaltenbach, Interpreter

DATE, TIME May 21, 1991, 4:30 - 6:20p.m.
AND PLACE: Oval Office

The President: Welcome to you all. This is an important visit. In our private session the Chancellor and I discussed the Uruguay Round which is very important. We also discussed European security questions. We noted the Baker and Genscher statement. We feel pretty good about the discussion of this issue, and we hope that we are on the same wave length. I am satisfied.

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The floor is your Helmut. Of course, I would like to spend some time discussing Eastern Europe and the Soviet Union. I want to get your judgment on these matters. I should say before we go any further that you had no problems here in the White House during the Gulf War. Not everyone understood what you did, but we understood and also thank you especially for your more recent leadership on Eastern side of this Kurdish tragedy. (S)

Chancellor Kohl: It is my joy that you are doing well now. We are all pleased that you are well. I want to make four points. First, there are enormous opportunities for us in Europe now; first, with German unification and now with European unification. but European union can only go along with an Atlantic bridge. European security policy must be embedded in NATO. Anything else would be foolish. We have an interest in a substantial U.S. presence on German soil. NATO will have to be adapted and can adapt. But there are no alternatives or replacement for NATO even in the long-term. We have to understand that it is important sometimes to help each other at home. I appreciate that we have to help you on this matter.

In view of the developments in Europe, such as the creation in 1992 of a single market of some 340 million people, it is not just a security question for the U.S. but an economic question and a cultural question. This will be the decade of the Europeans not the Japanese. The American people will want not only a security bridge but an economic and cultural bridge to Europe. For us Germans, U.S.-German relations are the essential foundation for our future. Our relationship review is irreplaceable.

Second, with regard to the GATT, we are against protectionism. Germany depends heavily on exports. Protectionism would be deadly to Germany. We need fundamental change in European agricultural policy both for Europe itself but also for the Third World. We have big domestic problems with this; but we will change tack and I will try to be helpful. (S)

Third, Jim Baker reported to me on his Middle East effort. As I told you Mr. President, let's not lose our great military victory with the peace. You have to find a solution based upon the right of Israel to exist and the rights of the Palestians and also the security of Lebanon. We sincerely hope you will succeed. In my view the key to success is Israel. I am no fan of Syria but if Israel agrees to go along, Syria will have to go along. We Europeans will be willing to support you. Involving us is not just a matter of our prestige; it's a matter of what will work. The Israelis are expecting 10 billion deutsche marks from us, but they refuse to commit not to use the money to place Soviet emigrants in the occupied territories. So we won't agree. This path that they are on could lead to catastrophe, and we will have no part of it. (S)

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The President: What do the Israelis say to you about the settlements in the territories? (S)

Chancellor Kohl: The Foreign Minister says that Shamir will write you a letter. But when I got the letter it said nothing. They intend to continue to follow this policy. Europe won't support this since it is a path to war. It's important to involve the EC in the process; otherwise if the Israelis want European concessions at the 11th hour, we may have to take hasty decisions. It will be better for us to have been involved. The situation in the former GDR is very complicated and very difficult. The communists did incredible damage to the environment. The situation was catastrophic. I went to see an industrial area which was noted for its chemical industries in the former GDR. The most recent plants they have there were 1941 vintage. But we will succeed in coping with these problems. Under the Marshall Plan we got \$7 billion deutsche marks from you for 60 million Germans. Now we are putting \$100 billion deutsche marks into 17 million Germans. We must also help Poland, Hungary, Czechoslovakia and even the Soviet Union. Things are not moving quickly in Poland, Hungary, and Czechoslovakia. Poland is a particular problem for us. What we don't want is a major prosperity gap between Germany and Poland.

With regards to the USSR, the way I look at it is that we should consider help or self-help. They themselves have to pursue economic reform, and they have to have a new federation structure. At the same time, a wait-and-see attitude is wrong. We must do something. We can't do this through loans, but we should do it through concrete assistance aimed at specific areas. (S)

The Soviets are facing some complications in Poland affecting their force pullout from East Germany. As a result of what the Poles are doing, the Soviets may have to pullout by sea. This could cost us more money, but the faster the better. (S)

The President: How is your housing program in the Soviet Union going? (S)

Chancellor Kohl: Not well. The basic question is, who is in charge? Is it the center, is it the local administration, is it the republic. My impression is that some people dealing with this problem would actually like to use it to sabotage Gorbachev. (S)

The President: I think we are in agreement on Eastern Europe. Havel told me about an old arms plant in Slovakia. Walesa told me the same thing about the tank factories in Poland. We must encourage them to continue with their reforms, and we must encourage investment. But again, huge grants are not possible.

On the Soviet Union, I'm accused of being too close to Gorbachev by some people. But my view is that we don't want to see

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Gorbachev pushed aside by the Right. We could get a military takeover; therefore, we work with Gorbachev. We might have thought recently that we were pulling away from him so I called him and had a long talk. He wants a billion and half dollars in grain credits but our Department of Agriculture has to certify that the Soviet Union is credit-worthy, and that won't be easy. Another problem of course is the Baltics. The best thing that Gorbachev could do is turn those states loose. It's a big thorn in our side with Congress especially. That leader of one of the Baltics Republic is unyielding. (S)

We just sent a team to the Soviet Union on the question of food distribution to see if we can move forward in the area of agriculture. If there is no change in the distribution system, any money that we would give them would be just poured down a rat hole. (S)

It appears that Gorbachev is working more closely with Yeltsin now. Apparently, Yeltsin saw the same danger that others saw on the Right. Gorbachev claims that he is committed to reform, and I believe him. I think he is the best bet for the West. But we cannot give him a blank check. So we are groping with the question of how to help him. (S)

Chancellor Kohl: I think this is one of the most important issues we face. Many people just don't understand what a great triumph the collapse of the Soviet system was for us. But now we must handle it intelligently. (S)

I'm not sure about Czechoslovakia. There is the problem of how to work out a federation between the Czechs and Slovaks. If this can be done, I think that the economy will be okay. But, they have an enormous arms industry. You would not believe it in the GDR we discovered 750,000 surplus machine guns. They made no long-term investments, but they certainly had a lot of weapons. (S)

Concerning Gorbachev, we cannot do nothing. Those who think we can wait and see forget about the Weimar Republic. We were all smarter after World War II. Truman was very smart to adopt a program which helped people who were prepared to help themselves. (S)

I recommend that you talk to Gorbachev from time to time on the telephone. I get the feeling that some of his people tell him that the West has abandoned him. So its very important to call him even when there is no particular reason. Gorbachev kept his promise to Germany; we have no complaints. On the Baltics, you are absolutely right, George, he will have to release them. But it would be a miracle if he lets them go without causing damage to the largest Soviet order. Lithuania of course is a particular problem. I don't know what Landsbergis is really after. Our policy should be to encourage this long-term development on the Baltics but at the same time try to help Gorbachev. (S)

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The President: Yeltsin certainly says what we want to hear on such questions as Cuba, the Baltics, etc. Looked at from afar, Yeltsin's agenda looks good to us. But we also hear is that he is a demagogue and might not be the same in office as he is today. (S)

This brings me to another point I wanted to make which is that there is really only one answer to problems of the Soviet Union and Eastern Europe; and that is world economic growth. I know you worry about inflation and we each have our own economic problems. We need markets for the East Europeans. We need to encourage deregulation and reform, especially in Poland, Hungary and Czechoslovakia. Gorbachev is still a bit behind on reforms. So it is important that we stay together on the world economic situation, with growth as our key. I know that it is very important for Eastern Europe. My basic points are that we should strengthen private markets, cut subsidies such as what we are trying accomplish on agriculture to the Uruguay Round, give the East access to our markets, and all of this should be supported by economic growth.

Chancellor Kohl: It is not simply a matter of money, it is also a matter of effectiveness. Gorbachev has been shown a program that would work. They lose 30% of their energy in distribution -- Things like leaking valves. We can fix their valves and give them 30% more. Their transport system is even more ruined. Thirty-five percent of the crops are lost in distribution. The West could be extremely helpful but we can only help if we know who is in charge. The consequences of Chernobyl are incredible. They still don't have a handle on it. (S)

The President: What is your prediction as to where we will be a year from now? (S)

Chancellor Kohl: It is very difficult to say. But I would say that one year from now they will have re-arranged the federation; its now in the process. I would also predict that Gorbachev will still be in power, and I predict that he will not change his course. I have no doubt that he will stay the course. He told me he would not change. He may have to take detours. I don't really see an alternative. No one has suggested anything else. (S)

The President: Well, its clear that we need to continue to encourage reform. (C)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Arpad Goncz
of Hungary (U)

PARTICIPANTS: The President
Lawrence Eagleburger, Acting Secretary of
State
Brent Scowcroft, Assistant to the President
for National Security Affairs
James F. Dobbins, Acting Assistant of State
for European and Canadian Affairs
Robert L. Hutchings, Director for European
Political Affairs
Laszlo Szimonisz, Interpreter

Arpad Goncz, President
Eniko Bollobas, Charge d'Affaires, Hungarian
Embassy
Bela Szombat, Interpreter

DATE, TIME May 23, 1991, 10:07 - 10:35 a.m.
AND PLACE: The Oval Office

The President: Welcome back to the White House. I know the problems you are facing. We have set eastern Europe as a priority and want to help in any way we can. But I am anxious to hear from you about how things are going. (U)

President Goncz: The problems of the ethnic minorities in Yugoslavia, the Soviet Union and Czechoslovakia make it hard for us. We have no national minority, only economic problems, but these ethnic problems in the region are damaging for us because foreign capital doesn't want to come in. (Ø)

The President: It's unfair, because in many respects you have been out front in economic and political reform. We see the differences, and maybe we can make them clearer to potential investors. (U)

Mr. Eagleburger: We are trying. It is a problem, but I think we can succeed. (U)

President Goncz: Another problem is our over-production in agriculture. The Soviet Union cannot pay and we can't export to the West because the markets of the EC are closed. (U)

The President: Is Western Europe raising protectionism? (U)

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President Goncz: Oh, yes. (U)

The President: Will a successful GATT Round help? (U)

President Goncz: I hope so. Also, if you are giving credits to the Soviet Union, part of their purchases should come from Hungary. It is very important. (U)

Mr. Eagleburger: We are trying to get Western Europe to be more open to your products. (Ø)

The President: How? (Ø)

Mr. Eagleburger: We are banging on them and talking to them, mainly. We are also hoping we can do more ourselves and then get the Europeans to do more. (Ø)

The President: This is on a slightly different subject. How is that GE-Tungsram deal going? (U)

President Goncz: Now there is an infight between the two biggest American investors, GE and United Technologies, about plant equipment. It seems the winner will be GE. We are trying to develop our R&D because I worry about the brain drain. We are also concerned about a central European security vacuum. We don't feel threatened militarily, but Hungary's eastern border is undefended. We have no air defense system. It seems that the problem of all three central European countries is the same. I think it could be possible, without joining NATO, to integrate an air defense system. (Ø)

The President: Are the Soviet troops out yet? (Ø)

President Goncz: They will be by the end of June. (Ø)

The President: It has worked well. They kept their agreement. (Ø)

President Goncz: I saw a danger a few weeks ago regarding the new security agreement they wanted us to sign. They are very suspicious. They see the image of the enemy in NATO, and they worry about any contact we have with Poland and Czechoslovakia. We don't want a buffer zone, just cooperation among the three of us. Besides, we shouldn't compete to see who becomes the first to join the EC. (Ø)

The President: Let me ask you a hypothetical question. If the Soviet Union some day permits Baltic independence and perhaps shrinks some more, would that be beneficial to you? (Ø)

President Goncz: I think so. I don't know what kind of formation will emerge, but it will be a great power, and in one or two generations will try again to establish influence. That gives us some breathing space. In that time, we have to

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integrate the Soviet Union into Europe, so that we don't once again become border lands of Europe. (Ø)

The President: Let me ask you another question, less hypothetical. Gorbachev wants to attend the G-7 summit. No decision has been taken by us or the others. My question is: if he attended, would it be good or bad for Hungary and central Europe, or doesn't it matter? (Ø)

President Goncz: It is neutral, I think. He would have only one aim, and that is to get Western help. (Ø)

The President: Right. Wouldn't Hungarians say they are helping Gorbachev but not us? (Ø)

President Goncz: We are not against helping Gorbachev, but he is not the end product of this process. Gorbachev is a genius at politics, though not always at tactics. But if you help the Soviet Union reform it is good for the world, because I think the process toward democracy is irreversible. (Ø)

The President: Of course, we are restricted by our budget in our ability to help. We would like to help, but there is no guarantee that it will make a difference unless there is visible and genuine reform. But I was interested in your answer, which was broad-gauged and statesmanlike. (Ø)

President Goncz: It is a political question, not an economic one, in my opinion. (U)

The President: I think you are right, and that concerns us. It is interesting: Yeltsin articulates much of what we want -- in Cuba, Afghanistan and the Baltic states -- but then we keep hearing that we should be careful about him, that he may be a demagogue. How do you see him? (Ø)

President Goncz: I met Gorbachev after the summit meeting with you. He was very nice and enthusiastic and had very positive things to say about you. I haven't met Yeltsin. I have heard a lot about him and have the impression he is irresponsible, but I haven't met him myself. One thing is sure: Gorbachev is a magician in politics, but Yeltsin is very daring and his team is much better. Gorbachev will have to catch up, because Yeltsin is quicker. (Ø)

The President: Very candidly, Gorbachev doesn't have the vaguest idea of economic reform. He is trying to learn, but you are right that Yeltsin may be ahead. (Ø)

President Goncz: There is some hope about the future of the Soviet Union in light of the Gorbachev-Yeltsin discussion. There is no doubt that these two are the most important figures. But there are dangerous developments. Two months ago, one of our border guards heard noises of a skirmish across the border. It turned out that soldiers from different ethnic origins shot each other, leaving more than 40 dead. I wonder how many such

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incidents are happening elsewhere in the Soviet Union. In the Ukraine they want their own army and are stamping "U" on ruble notes. (Ø)

The President: It is happening all over. (U)

President Goncz: Absolute sovereignty is not possible for the Ukraine. In the end I think they will form some new confederation. It seems the only way out. (C)

The President: This has been most interesting. I am sorry to have to cut our conversation short. I value your judgment and found this fascinating. Let me assure you again on the investment front. We are going to make it -- Hungary and the U.S. together -- to ensure your democracy succeeds. (U)

President Goncz: Thank you very much for your understanding and your help for Hungary. (U)

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Sir Anerood Jugnauth, Prime Minister of Mauritius

PARTICIPANTS: The President
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President and National Security Advisor

Sir Anerood Jugnauth, Prime Minister

DATE, TIME June 5, 1991, 11:00 - 11:15 a.m. EST
AND PLACE: The Oval Office

The President and Prime Minister Jugnauth met briefly in the Oval Office and proceeded to the Cabinet for the Plenary Session.

Prime Minister Jugnauth: There are a couple of things I would prefer to discuss here. (U)

First, thank you. It is a great honor for me and my country. (U)

The President: I am pleased to have you here. (U)

Prime Minister Jugnauth: The first item is the Chagos Islands. The Brits acted accordingly on these. However, it is a fact that BIDT was created. We will claim it. The UK has written that a territory will be returned whenever it is not needed for the defense of the west. (U)

The President: (Looks at the Atlas.) (U)

Prime Minister Jugnauth: There has been a problem with civil aviation and military aircraft not notifying. That now is solved. We now are expanding our civil aviation. If there is an emergency, we would like permission to land at the base. (U)

The President: Brent, will you check on this? (U)

Prime Minister Jugnauth: Next we would like the use of one of the Chagos Islands far from Diego. We want to put a cold storage plant there for the fishing industry. (U)

The President: How does Great Britain feel? (U)

Prime Minister Jugnauth: They don't have a problem with it in principle, exploiting our own natural resources. (U)

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The President: Let me check on it. (U)

Prime Minister Jugnauth: As far as use by the U.S., we have no problem. During the Gulf War, there were some groups as in my country. We have a lot of Muslims, who are basically pro-Saddam. (Ø)

The President: Is there good commercial fishing? (U)

Prime Minister Jugnauth: Yes. The northern islands are very rich in fish. We are just beginning to exploit them in a big way. (U)

Second point, I wanted to mention is my people hope this visit will result in tangible results. (Ø)

The President: Like what? (U)

Prime Minister Jugnauth: We were in a different position several years ago. Now we have good economic progress but still we have our problems. Our roads are badly congested. We would like to build a light railway. (Ø)

The President: Isn't that expensive? (U)

Prime Minister Jugnauth: Yes, and we would like more help. (Ø)

The President: What would that cost? (U)

Prime Minister Jugnauth: \$300,000,000 (U)

The President: I don't know right now what we can do, but we will look into it. Does it have to be government owned? (Ø)

Prime Minister Jugnauth: We plan it that way but not necessarily. (U)

The President: Privatizing might attract workers. Have you asked World Bank? (Ø)

Prime Minister Jugnauth: Yes. (A bit of a vague answer!) (U)

The President: We will get right on it. (U)

Prime Minister Jugnauth: It would take three years to build. (U)

The President: Shall we continue this conversation next door? (U)

-- End of Conversation --

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NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Sir Anerood Jugnauth, Prime Minister of Mauritius

PARTICIPANTS: The President
Lawrence Eagleburger, Acting Secretary of State
John H. Sununu, Chief of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy National Security Affairs
Herman J. Cohen, Assistant Secretary of State for African Affairs
Penne Percy Korth, U.S. Ambassador to Mauritius
Robert C. Frasure, NSC Director for African Affairs (Notetaker)

Sir Anerood Jugnauth, Prime Minister
Cassam Uteem, Deputy Prime Minister and Minister of Economic Planning
Beergoonath Ghurburrin, Deputy Prime Minister and Minister of Economic Planning
Madan Dulloo, Minister of Agriculture
Bhinod Bacha, Home Secretary
Chitmansing Jesseramsing, Mauritius Ambassador to the U.S.
Sir Indur Ramphul, Governor of the Bank of Mauritius
Benoit Arouff, Chairman, Mauritius Export Development Investment Authority

DATE, TIME AND PLACE: June 5, 1991, 11:30 a.m. - 12:05 p.m.
Cabinet Room

The President: I want to welcome you again. We want to have a good exchange here. (U)

Mauritius is a small country. But we must never neglect our friends. Some of your policies are not widely accepted around the world. But we appreciate them, your hospitality to our Navy and your economic views. (U)

We have a lot in common. We want you to feel welcome. Say what is on your mind. We will follow up and put questions to you.
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Prime Minister Jugnauth: Thank you for your kind words. I will not have to say much about the U.S. You are the leader of the world. We count on your guidance and leadership. We look to your peace initiatives, particularly the need to reduce arms.
(U)

Thank you for your welcome. I bring you the fraternal greetings of the people of Mauritius. (U)

There is a long tradition of friendship and cooperation between our two countries. I'm sure it will be strengthened and consolidated by this visit. (U)

Your ambassador has been very active. We welcome that. (U)

We are looking forward to presenting our views on textiles and sugar. The new arrangements in North America could cause prejudice to us. We need the support of friendly countries. (Ø)

We must assure that our markets are preserved. And we rely on the U.S. (Ø)

Concerning sugar, we had at one time a substantial quota. I will let my colleague continue.

Deputy Prime Minister Uteem: There is a need for improved access to U.S. market. We have a quota of 15,000 tons now. At one time we were exporting 100,000 tons to the U.S. before the quota was introduced in 1982. We have 1.2% of the U.S. quota. We would like to have 1.4%. We need remedial action. Our quota is low because of two bad hurricane years when it was set. We are trying to diversify. We are doing more specialty sugars. But there is an import levy of \$20 a ton which we request be removed. Under Section 22, it is possible to allocate a different quota for specialty sugars.

We would like to make the case. (Ø)

We recognize that special consideration is given to the Caribbean Basin. But if a shortfall occurs in the Africa group, we would like the quota to be reallocated within that group. (Ø)

We are following the GATT negotiations closely. Mauritius is a net importer of food. We rely on our export earnings from sugar. There is the fear that any change in GATT will affect us. We hope Mauritius will get differential treatment. (Ø)

The President: I have a couple of comments. I understand that there can be some heartburn over our free trade policy in North America. (Ø)

But the real need is to get a satisfactory result from the GATT round. If we get free trade with Mexico and a GATT agreement, the GATT agreement will overshadow anything else. The priority is the completion of the GATT round. I understand your problems however. We have our own protected industries on sugar and

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textiles. The key point is we know we have these barriers. If we get agreement on the Uruguay round, we can deal with this. (Ø)

You say you want 1.4% Your government got gypped. We would like to see that and will look into it. (Ø)

Acting Secretary Eagleburger: We will do it. (U)

The President: But the free market is the best answer. How much of your economy are textiles and sugar? (Ø)

Prime Minister Jugnault: About 63% of net earnings. Most go to the European Community. (Ø)

The President: Have you made it clear to the EC the necessity of GATT round completion? Some big countries don't understand that. It is all better than makeshift aid programs. Make that point to Delors. We are not pure on all of this, but we support the change. (Ø)

Prime Minister Jugnauth: We have been forceful on sugar with the EC under the Lome Convention. But we need some safeguards in the short run. We can benefit from your markets. But the freight costs are prohibitive. (Ø)

The President: OK. This covers the agriculture issue. But let me stress that the Mexico agreement is not a regional turning. (Ø)

Governor Sununu: Does the EC treat your specialty sugar differently? (Ø)

Prime Minister Jugnauth: No specialty sugar has a premium price. (U)

Prime Minister: Can we turn to the textile problem for a moment? (Ø)

Deputy Prime Minister Ghurburrun: I want to say two things. (U)

We want to reiterate the same request as sugar. We have a quota pertaining to fifteen types or categories of textiles. They are all finished goods. We have been performing in the man-made areas. However, we are concentrated in some of the fifteen categories and not in others, mainly because of freight charges. They are prohibitive. (Ø)

We would request the reallocation of the quota from areas where we have not performed into areas where we have performed. (Ø)

It shouldn't be a big problem for the U.S. (Ø)

The President: Does this require a change in the law? (U)

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We will get you an answer. If we can accommodate you, we will try to do so. (Ø)

Ambassador Korth: The Prime Minister is meeting the USTR trade negotiation for textiles this afternoon. (U)

The President: We will get a report back on that. Mr. Frasure? (U)

It isn't a case where quotas are cut back? (U)

Ambassador Korth: No. Reallocation is different. For example, they have a quota for white cotton gloves. But there is no call for them anymore. (U)

The President: And they can shift the quotas? (U)

Prime Minister: The second issue is training. U.S. aid has been doubled and we are grateful for that. We are trying to diversify into priority areas, electronics for example. AID has helped us, thanks to Ambassador Korth. (Ø)

The President: We will look into it. We will see what is available. (U)

Prime Minister Jugnauth: Yes. Some (U)

The President: It's an inspiring thing. You can compel an economy into the future. (U)

Prime Minister Jugnauth: We have one last point to raise. (U)

We have full employment. So mechanization is important to us in land preparation. We are a volcanic island. So we must do "derocking." (U)

We import machinery and traditionally we have bought caterpillar equipment, but we need some concessional help. (U)

We also want to set up a testing station. U.S. expertise is needed. Funding is also needed. (U)

The President: Hank? Where would that come from in our system? (U)

Assistant Secretary Cohen: Exim Bank. (U)

Prime Minister Jugnauth: We have always dealt with Caterpillar. But now we have an EC offer of a soft loan for FIAT. (Ø)

We don't want parallel tracks. And we don't know the guarantees FIAT. We have a preference for Caterpillar but they are trying to tempt us. But Caterpillar has proved reliability. (Ø)

The President: Do we have appointments set up for them on this? (U)

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Ambassador Korth: Yes, Mr. President. (U)

The President: Good. I suggest we walk over and have some lunch now and continue the discussion. (U)

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NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Sir Anerood Jugnauth, Prime Minister of Mauritius

PARTICIPANTS: The President
Lawrence Eagleburger, Acting Secretary of State
John H. Sununu, Chief of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy National Security Affairs
Herman J. Cohen, Assistant Secretary of State for African Affairs
Penne Percy Korth, U.S. Ambassador to Mauritius
Robert C. Frasure, NSC Director for African Affairs (Notetaker)

Sir Anerood Jugnauth, Prime Minister
Cassam Uteem, Deputy Prime Minister and Minister of Economic Planning
Beergoonath Ghurburrun, Deputy Prime Minister and Minister of Economic Planning
Madan Dulloo, Minister of Agriculture
Bhinod Bacha, Home Secretary
Chitmansing Jesseramsing, Mauritius Ambassador to the U.S.
Sir Indur Ramphul, Governor of the Bank of Mauritius
Benoit Arouff, Chairman, Mauritius Export Development Investment Authority

DATE, TIME June 5, 1991, 12:05 p.m. - 1:00 p.m.
AND PLACE: Old Family Dining Room

The President: Secretary Cohen has just confirmed to me that those categories of textiles can be shifted. (C)

I want to hear your views on South Africa. How do you see the situation? (C)

Prime Minister: We have a long tradition of contact with them, of trade in particular. (C)

General Scowcroft: Have you followed sanctions against them? (C)

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Prime Minister Jugnauth: Yes, to some extent. But there have been lots of advances. (Ø)

Mr. Gates: Is the use of South African Airways a violation of sanctions? (Ø)

The President: We are pleased by the fact that Mandela is out of jail. (U)

We are also pleased by the fact that they are talking, despite the stones in the road. (U)

I am operating under certain specific legal restraints on sanctions. There are certain requirements before I can lift them. I think they have met three out of five. (Ø)

What is left, Hank? (U)

Assistant Secretary Cohen: The two laws have to come off the books and the rest of the political prisoners have to be released. (Ø)

The President: My view is that as soon as that happens, we should promptly release the sanctions. (Ø)

They are counter productive and shouldn't have been there in the first place. (Ø)

We need to get back to a normal political exchange. (Ø)

Prime Minister Jugnauth: Are you preparing for it? When will it happen? (U)

The President: Hank? (U)

Assistant Secretary Cohen: Probably the end of June. (U)

The President: We are impressed by de Klerk and his colleagues. (Ø)

And we are disappointed by ANC rhetoric. (Ø)

I know they felt they had to oppose us on the Gulf war, but they went too far on it. Just like King Hussein of Jordan. (Ø)

We have our differences with the ANC, but I have lots of respect for Mandela. (Ø)

Prime Minister Jugnauth: I agree with you. I have met with de Klerk. He is sincere. (Ø)

Acting Secretary Eagleburger: Can the ANC/Buthelezi differences be contained? (Ø)

Prime Minister Jugnauth: It's a big problem. The Blacks must get together. (Ø)

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The President: The ANC always blames the government for the problem. That's not fair. (Ø)

Let's talk about the Middle East for moment. (Ø)

Before the war, we said the U.S. would be prepared to address the Palestinian issue, and we are. I believe we have credibility on this issue in various governments. (Ø)

In my view, we saved Israel from Saddam Hussein. I think the people in Israel are more inclined to make peace than their leaders are. (Ø)

We have differences with Syria. But we worked with them on the war. I think we broke some ice. We can be helpful as a catalyst. (Ø)

On Jordan, I was terribly disappointed in the position that King Hussein took. We had a friendship. I hope we still do. But he went too far. He choose the wrong horse. He made a mistake. (Ø)

King Hussein is important to a peace agreement. I have no lasting hard feelings. But he went too far. Perhaps he thought he had legitimate points to make. But we have to work with him despite the high profile differences we had during the war. Nonetheless we are prepared to hold out the hand to him. (Ø)

There is the problem of reaching agreement on this nature of a conference. But we are making progress despite what you read in the papers. (Ø)

We have sent some letters which we hope will be a catalyst. Someone has to do this. We must work at it with out allies. We are trying to make things better. (Ø)

I would love to hear your views on all of this. (U)

Prime Minister Jugnauth: Thank you. We believe that there cannot be peace without the establishment of a Palestinian homeland. The U.S. is in the position now to get Israel to make concessions. Is that possible now? What do you think about it? (Ø)

Acting Secretary of State Eagleburger: We have tried to solve the Palestinian question for forty years. It is not easy. (Ø)

The President: No one has to talk us into addressing the Palestinian issue. But it is more complicated than pressing Israel. We do believe in Palestinian rights. (Ø)

But excuse my interruption, Larry (U)

Acting Secretary of State Eagleburger: Mr. President, I always excuse you when you interrupt me. (U)

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The PLO has suffered some real blows. But they are not irrelevant. (Ø)

Prime Minister Jugnauth: Arafat made a mistake. (Ø)

Acting Secretary of State Eagleburger: Secretary Baker has identified more clearly with the Palestinian people than any of his predecessors. But we are not close to closure on a conference. Everyone must make compromises. (Ø)

The President: How do you see it? What is the mood of your Muslim population on the issue? (U)

Prime Minister Jugnauth: To tell you the truth, many see it as a case of double standards. (Ø)

The President: You mean over the Iraqi invasion of Kuwait? (Ø)

Prime Minister Jugnauth: Yes. Of course they agree it should be condemned. Still, many people forget that was the cause of the war. (Ø)

Acting Secretary of State Eagleburger: Has it cooled down among your people? (Ø)

Prime Minister Jugnauth: Yes, but for the Palestinian question. (Ø)

The President: Concerning Saddam Hussein, I want to make clear I think he is an immoral man. He was wrong. And there won't be normal relations with Iraq while he is still there. (Ø)

Just look what he did to the environment. And he raped and brutalized the people of Kuwait. There will never be a normal relationship so long as that man is there. (Ø)

We are concerned about the Iraqi people. But just look at the way he has diverted relief food to Tikret, his home town. (Ø)

We will start over when he is gone. (U)

Secretary Bacha: Mauritius is not really part of the Muslim world. But we believe there must be a Palestinian homeland. And the U.S. has a leading role on this. (Ø)

Our Muslim population was sympathetic to Saddam Hussein. And he did succeed in shifting the responsibility to the Palestinian issue. (Ø)

The Palestinian issue must be solved. And the U.S. has the possibility of solving it. The image of a double standard is being dissolved now. (Ø)

The President: Is there still a feeling that we don't give a damn about the Palestinian people? (Ø)

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Secretary Bacha: That is changing. People see that the U.S. is putting its foot down. (Ø)

The President: Good. We are the first Administration since Eisenhower to stand up against the Israeli blank check in this town. (Ø)

If it doesn't work, we will be right back in the arms race in the Middle East. we don't want to appear to be insensitive on this issue. (Ø)

And you can get into trouble if you aren't willing to negotiate. Look at my friend Chadli Bengidid in Algeria. (Ø)

Why when Jim Baker was in Geneva to see Tariq Aziz, the Iraqi wouldn't even mention the word Kuwait. He only wanted to talk about Palestine. We said it was about the Iraqi invasion of a Muslim country. They butchered Kuwait. (Ø)

General Scowcroft: I want to raise Diego Garcia. On the night of the Iraqi invasion of Kuwait, we were looking at what we could do and we moved forces to Diego Garcia to demonstrate our concern.

When we had used up all of the airfield space in the region, we moved aircraft to Diego Garcia. Diego Garcia was a key base for our bombers from day one. (Ø)

Prime Minister Jugnauth: Yes, I understand. But as I said in my statement on this subject on television, we didn't surrender sovereignty. But I also said it is not a contentious issue so far as we are concerned. (Ø)

The President: Going back to the Middle East, don't the Muslim people in your country see the PLO as missing the boat on the Gulf? (Ø)

Secretary Bacha: It's not really rational. But the feeling is that the PLO must be part of the process. (Ø)

Prime Minister Jugnauth: On Saddam, he was wrong if he thought he could fight and win. (Ø)

But the PLO should have known better and persuaded him not to do it. And they have kept neutral. (Ø)

The President: I think Saddam Hussein never thought we would do it. He never thought we would fight. He saw Vietnam and maybe Lebanon. In spite of that, we moved. Then he thought he could bog us down in the desert. And then he could say he stood up to us. He miscalculated. (Ø)

Saddam may have respected our air force. But he never thought we would do it on the ground. He was silly telling the President of the United States what he could or couldn't do. (Ø)

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Militarily, when the ground war began, he could have stopped after a day. We were afraid he might do that. I didn't want that. (Ø)

General Scowcroft: We have the impression that people around Saddam are scared to death of him. (Ø)

The President: We have reports that he won't let soldiers come into Baghdad because they will say what happened in the war. (Ø)

And he is diverting relief food, flour, to Tikret, his home town. (U)

Mr. Gates: I have a question about India. Can it hold together? What about the future and growing tensions with Pakistan? (Ø)

Prime Minister Jugnauth: It could be very bad. Unemployment is a growing problem. They are having to use the army to maintain order. The feeling at the funeral was that Congress was likely to get a big sympathy vote. But that will go down as more time passes. (Ø)

I think the Hindu fundamentalist party is likely to get more seats than Congress. (Ø)

The President: With whom would they form a government? (U)

Acting Secretary of State Eagleburger: You don't think the sympathy vote will help Congress enough? (U)

Prime Minister Jugnauth: No. India is in for trouble for a long time. The secession pressures will build and weaken the country. I don't know what Pakistan will do. But that could be a problem too. (Ø)

The President: Rajiv was a good man. Did they ever pin down the killer? (U)

Mr. Gates: The police may have bungled the investigation. (U)

The President: I called his widow. She was very distraught. It was a political ploy trying to make her the leader of Congress. It's so sad. I remember when I first met Rajiv. It was clear he was not interested in politics. But he did a good job. (Ø)

Is there anything else? (U)

Ambassador Korth: Mr. President, I want to thank the government of Mauritius for the good security they provided us with during the war. (U)

The President: Yes. We do appreciate that very much.

-- End of Conversation--

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Alfredo Cristiani, President of
the Republic of El Salvador (U)

PARTICIPANTS: The President
The Vice President
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Robert Kimmitt, Under Secretary of State for
Political Affairs
Bernard W. Aronson, Assistant Secretary of
State for Inter-American Affairs
William Walker, U.S. Ambassador to
El Salvador
William T. Pryce, Senior Director for Latin
American and Caribbean Affairs, NSC Staff
(Notetaker)
Stephanie van Reigersberg, Interpreter
Patricia Arizu, Interpreter

Alfredo Cristiani, President
Margarita de Cristiani, National Secretary
for Family Issues
Dr. Jose Manuel Pacas Castro, Minister of
Foreign Relations
Miguel A. Salaverria, Salvadoran Ambassador
to the U.S.
Dr. Oscar Santamaria, Minister of the
Presidency
Mirna Lievano de Marques, Minister of
Planning
Arturo Zablah, Minister of Economy
Saul Suster, President, National
Telecommunications Agency

DECLASSIFIED
PER E.O. 12958,
AS AMENDED
& 8/21/2009
2000-0429-F

DATE, TIME June 12, 1991, 11:20 - 12:05 p.m. EDT
AND PLACE: The Cabinet Room

The President: At the beginning I want to make clear to you all how much I appreciate this visit. I have already told President Cristiani in the Oval Office and also told the press how very much I support his government and how much I respect him for what he has done and is doing. To the rest of the delegation, I want to say I am delighted that you are here. We strongly support all you are doing. We know that some problems remain but that you are dealing with them in a positive way. I want there to be no

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question on where we stand. I have the highest respect for your President and for his government and great confidence in his ability to lead your country. (C)

The President and I had time to go over some of the pressing issues in our talk and we can continue on some of those issues and take up anything that you would like to speak about. (C)

President Cristiani: Thank you very much. It is a great pleasure for me to be here. As you know, the main problem we have is how to end the conflict. We have been trying to see if there is a way to speed up the process. We want the negotiations to succeed and the remaining issues to be negotiated. Our immediate goal is a verified ceasefire. As a summary, our position is to try to speed things along as much as possible. We feel that the FMLN is using the peace process to try to prolong the process, to delay a ceasefire. This might be part of their strategy. They seem to have little focus on a ceasefire. Various of the groups in the FMLN have differing points of view on this subject. All of the groups are affected by and receptive to international pressure. We think that concerted international pressure can speed up the course of the negotiations. The FMLN is going back to old positions, seeking to delay a ceasefire. They are doing this first by asking for dissolution of the armed forces again. We have made much progress in our position on relations with the military. We have agreed to the submission of the armed forces to civilian government. The Constitutional reform places the armed forces under the supervision of the government whereas under the previous Constitution, the armed forces acted as a semi-independent entity. We have also agreed to have the several security forces to be taken away from the armed forces and put under civilian control. We have also agreed to have a commission to evaluate the officers corps. The commission would see how people might adapt and human rights would be an important consideration. There may be officers who could not properly adjust to the new approach to human rights. The only question left is whether there would be one or two military representatives; we think there should be two in addition to three civilians, although the military would not have a vote. (C)

The President: Would you appoint the members of the commission? (C)

President Cristiani: I would appoint them but they would be appointed from the list submitted by the Secretary General of the United Nations who would make the list after he had considered recommendations from various sources. We have also agreed to a large reduction of the armed forces so there will be more money for social programs. These are agreed upon positions. Now the FMLN wants to discuss a dissolution of the armed forces. This is not a viable position. The only place where we are discussing that is in the Central American context where reduction of all armed forces is being considered. (C)

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The President: Are you trying to do this along the lines of the Costa Rican model? (Ø)

President Cristiani: I was reminded that Costa Rica spends about 30 percent of its budget on defense. It's an interesting situation. They have about 20,000 security forces. After the incursion at the Nicaraguan Border, they are using more uniformed personnel. At the Central American Conference, we have been discussing these problems. On judicial reform, when we complete the reforms in compliance with the new Constitution, six percent of the government income will be devoted to the judiciary. The judges of the Supreme Court will be voted on by a majority of two-thirds of the legislature. There will not be nominees by political party. And the terms of the judges will be changed so as not to coincide with Presidential elections. We have also changed the elections of the Attorney General to two-thirds election by the Assembly. Everything will now be more of a consensus, where before the government previously named all the judges. (Ø)

The other area is electoral reform. The FMLN has said that our party was their enemy, and that we won't allow them any political space. Our party has said that I have been too lenient. By increasing the size of the General Assembly we have allowed the minority parties to be in. Also by expanding the Electoral Council, we gave up the right to control the Council. There will be a member nominated by the Supreme Court and he will be the President. We gave space to Zamora; he is now a Vice President of the Assembly. We have shown that we are willing to open up political space for the opposition. On human rights, the decision of the UN to send a team will be very useful. All we have done has seen (produced) no response from the FMLN. Rather they have continued their violence. We think that now is the time to demand response from the FMLN. (Ø)

The President: Did they break up the discussion at Caracas? It is clear that we wanted a ceasefire, how did the recess happen? (Ø)

President Cristiani: The Caracas meeting had been set for a maximum number of days and we did not arrive at a conclusion. (Ø)

The President: So time ran out? (Ø)

President Cristiani: We have said that we wanted the talks to resume in Mexico on Saturday; they will be, I think, in Queretaro. (Ø)

The President: Does the UN sponsor this round? (Ø)

President Cristiani: Yes, it is the coordinator. If the talks are really successful, they must be more forthcoming. They said they would not discuss unless we agreed to discuss the dissolving of the armed forces. They want to remain with an armed group and also act as a political party. This is unacceptable to us; not

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only do we not want it but we are also restrained by the Constitution. We cannot allow armed groups. There are other elements of the UN proposal to be considered; the armed forces, Constitutional reform, and a ceasefire. In Caracas, they said they wanted to introduce social and economic issues, which of course would take more time. What we want to have is to generate pressure through the friends of the Secretary General, if we could receive your help. The idea is to get a global proposal which would treat all demands. We would then get one which the Presidents of the groups of friends could support, then they could talk to the Secretary General. (Ø)

The President: We support the idea of putting a global position on the table. We would like to be helpful. Would it be helpful for us to call on the FMLN to sit down at the table and take as long as necessary to come to an agreement? Would such a call be helpful coming from the United States or would it make it more complicated? (Ø)

President Cristiani: I think that a call from the White House would have a positive affect. But, if there is not a position proposed, supported perhaps by the four friends, the FMLN will say that the delay is the fault of the government. The government has limit as to what it can accept. We can't go beyond the legal framework. (Ø)

The President: Think about whether we should have a statement that they should go there and stay there until the negotiations are concluded. If you think that will help, we will be glad to do that. (Ø)

President Cristiani: It would help. And it would help even more if it came out from all four. Maybe we should try to get President Salinas and Gaviria and Felipe Gonzalez and CAP. (Ø)

The President: Alright. Let's try it. (Ø)

President Cristiani: If we could work together. In the past the State Department has sent a team down. The Ambassador has been very, very helpful on this. Joe Sullivan and Mike Kozak came down -- it was helpful. In a document which was captured, the FMLN agreed that their objective is not to get immediate ceasefire but to wait until after December and to have demobilization wait until 1994. (Ø)

The President: Where do they go? They come back to negotiate and then what? (Ø)

President Cristiani: They go to Mexico or Managua. (Ø)

The President: And they live open lives? Do they go to the barber shop? (Ø)

President Cristiani: Yes, and some of them go back to Cuba, especially Villalobos. (Ø)

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The President: Is he one of the more radical? (Ø)

President Cristiani: He is more militant but when he shows up he makes decisions. Sometimes it's easier to deal with him than with their President of their Commission, although my chief negotiator has developed a working relationship with him. (Ø)

The President: Very interesting. (U)

Assistant Secretary Aronson: We would be happy to send people down there. (Ø)

The President: Is the FMLN hostile toward the United States? (Ø)

President Cristiani: I would say so. (Ø)

The President: But they want us to talk. (Ø)

President Cristiani: While they are hostile, they also accept reality. They may dislike the United States, but they have to accept its role. (Ø)

The President: Do you think Nicaraguans are still supplying arms across the border? (Ø)

President Cristiani: The arms flow probably continues but it is less than before. Honduras has discovered things at the border but now instead of rifles it is mortars. Unfortunately, the mortars are not very accurate and have killed many civilians. They also continue to send SA-16s. Now that they had to give back the SA-14s. We think the SA-16s are coming from Cuba. (Ø)

The President: What does Violeta say? -- "we can't control the army?" (Ø)

President Cristiani: Obviously, the government cannot control the army or at least part of the army. We have seen that the government is having some success here. I sent a letter to Mrs. Chamorro saying that we didn't see why it was permitted with red eyes and also we did not think that it was a positive thing to be involved with this guy called Reichler. At no point did his government consult us about what we thought or seek our advice. This baffled us, and we are bothered by what the FMLN is doing in Nicaragua. They sent a letter by their Vice Minister to say that they were rescinding Reichler's contract. (Ø)

The President: What has his role been? (Ø)

President Cristiani: He was giving Ortega advice. (Ø)

The President: Did they give him a contract after all this? (Ø)

President Cristiani: We need to get the idea across of the harm it can do if the FMLN can move freely in Nicaragua. After the

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doors were opened to them in Nicaragua, they started to talk about two powers in El Salvador, which was Ortega's line. (C)

The Vice President: Did you meet with Congress and talk about your global approach? (C)

President Cristiani: No, I did not. I told them about our efforts, and that when there was not a ceasefire who was responsible. I told them all we had done. (C)

Assistant Secretary Aronson: I think we got a good impression on the Hill. (C)

The President: I want to raise this contentious thing about the Jesuit thing. Did Congress get on this subject -- and what did you say? (C)

President Cristiani: They asked about it. The judge decided that he thought he had enough evidence to go. There was an appeal and then there was an eight-day period to allow for new evidence. We offered some new things, not much. A little on the role of intelligence and an officer on the military school staff, but up to now there was no evidence linking anyone else. They said there was some doubt as to where he was -- he was not at the school. (C)

At some point the Jesuits appointed a private prosecutor. They had a petition of 100 pages for the judge. They also invited a U.S. military person, Buckland, and other military members. So the judge decided to prolong this period for 90 more days before selecting the jury. Now, the judge is basically doing all that the private attorney is asking. I gave another testimony, mainly about Major Buckland's testimony. That is the status now. We hope that this will be helpful. We have been in close contract with Ambassador Walker on how to go about it. We think that the high command did well in asking that people come forward without fear or without fear of retaliation. One member of an intelligence unit was said to have heard on the 16th that L. found out about the assassination. This was not covered by intelligence reports, but they were at all times turned over to Benadize. So everything has been delayed by the 90-day extension. (C)

Ambassador Walker: I think it's unfortunate that a 90-day delay will produce nothing, but simply take more time. One problem, and I think the President agrees, is that there are people who want to prolong this. There are deficiencies in the system and people can use them. The Jesuits are now saying that they want to get this one over as fast as possible. (C)

The President: Have there been other questions? (C)

Assistant Secretary Aronson: President Cristiani knows that this is the key problem on the Hill. There have been a lot of tough questions on this, but a good dialogue. (C)

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The President: People are very emotional on this. The sooner we can get to the bottom of this, the better off we will be. You are being looked at by different standards. (C)

Ambassador Walker: There are people who are trying to picture the government as negative. (C)

The President: I think we will be going to lunch now, would you like to bring the Family Minister in with me and we'll freshen up? (U)

--- END OF CONVERSATION ---

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon Meeting with Alfredo Cristiani,
President of the Republic of El Salvador (U)

PARTICIPANTS: The President
The Vice President
James A. Baker III, Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Bernard W. Aronson, Assistant Secretary of
State for Inter-American Affairs
William Walker, U.S. Ambassador to
El Salvador
William T. Pryce, Senior Director for Latin
American and Caribbean Affairs, NSC Staff
(Notetaker)
Patricia Arizu, Interpreter

Alfredo Cristiani, President
Margarita de Cristiani, National Secretary
for Family Issues
Dr. Jose Manuel Pacas Castro, Minister of
Foreign Relations
Miguel A. Salaverria, Salvadoran Ambassador
to the U.S.
Dr. Oscar Santamaria, Minister of the
Presidency
Mirna Lievano de Marques, Minister of
Planning
Arturo Zablah, Minister of Economy
Saul Suster, President, National
Telecommunications Agency

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PER E.O. 12958,
AS AMENDED
8/12/2009
2000-0429-F

DATE, TIME June 12, 1991, 12:10 - 1:15 p.m. EDT
AND PLACE: The Roosevelt Room

The President: Well, we had a very good talk this morning. The President told me about the course of the negotiations and his future plans for bringing peace to Salvador. (Q)

Secretary Baker: I'm not sure whether Bernie Aronson had a chance to talk about my meeting in Lisbon with UN Secretary General Perez De Cuellar where we were trying to get him to take a greater interest in the talks. I also talked about this with Perez De Cuellar when we were here and tried to get him more

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energized. I'm not sure what effect we had. I hope that he at least knows where we stand on the talks. (Q)

President Cristiani: De Soto, the UN leader, doesn't seem to understand the limitations the government is under. Last week when I met with him, he said that we should try to respond to the FMLN call for a dissolution of the armed forces and perhaps to send a letter to the FMLN, if possible. He doesn't understand that this is completely outside the realm of possibility. (Q)

The President: I saw him too. I thought we were helpful when we said that the Secretary General needs to take a more active role in pushing for a solution in the negotiations. Sometimes a mediator can't just sit back but has to take an active role. (Q)

Secretary Baker: We have also talked with the Soviets about arms. How do you see the arms situation? Are they getting arms from the Nicaraguans or from Castro? (Q)

President Cristiani: We still think there are some weapons but they are coming at a lower pace; no rifles now. (Q)

Secretary Baker: Where are they coming from? (Q)

President Cristiani: We think from Cuba. We don't think that Nicaragua, after having been caught with SA-14s would take SA-16s out of their stock. We think they would not want that embarrassment now. Cuba is still very active in this situation. Villalobos goes to Cuba with regularity. (Q)

The President: He is leaning on a falling star. Is Castro still trying to export his ideas? (Q)

President Cristiani: Not so much. I think he is doing enough to keep other countries from trying to get him out of office. We will try to get a Central American resolution condemning Cuba's role in Central America at the next Central American Presidents' Meeting. (Q)

The President: At some point Cuba will do like the other countries and move toward democracy. But that won't happen while Castro is there. I talked with CAP about this, telling him that to improve relations with Cuba we needed to see actions on their part which served as a basis for improving our relations. CAP says that we must find some carrot for Castro. I don't know what it would be. We need to see action. We are open to respond to action and we continue to probe. There seems to be some thought that he might try to relieve his situation with a new boat lift like Mariel. We would not permit that. He would not find reciprocity at all. Earlier on the Mariel, we permitted it; one time yes, two, no. If some poor guy on a raft was able to get to near our shores we would welcome him aboard and try to help him on to a new life, but we can't permit Castro to do what he did before, and we won't do it. I think there is broad understanding of our policy on this. We won't be put in the position like we were before. He might try something like Mariel to improve his

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economy, but this would not be acceptable for us. It would be a pure political ploy, and we won't let it happen. If he were to play with human beings like that, we just would not accept it.
(C)

President Cristiani: We hope he goes soon. (U)

The President: Maybe we could have a package deal -- him and Saddam Hussein. I was talking with your Minister of Economy for several minutes. I am very impressed with the economic progress you are making and with the human capital in El Salvador. I know the people who come here do very well, they work very hard. They need to have a climate where there is open opportunity. I think the Soviets also want better relations with us, and they are willing to cut back. What do you think about that, Jim? (C)

Secretary Baker: They are cutting back because they have to. They have an interest in bartering sugar for oil but they are cutting their assistance from one-third to 40%. They are doing it, not because we asked, but because they intended to do it anyway for their own economic reasons. (C)

The President: They are the last hold-out of dictatorship in the hemisphere. (C)

Secretary Baker: It doesn't seem likely that they are moving to a market economy. (U)

The President: If he can't get aid from the Soviets, I don't know where he might get it. Bernie, you have any ideas on this?
(C)

Assistant Secretary Aronson: Well, they are trying to attract some investment and tourism from private sources, some from Jamaica. (C)

The President: I'm told that Prime Minister Manley's health is better, but I don't know what that means. (C)

Secretary Baker: Has CAP been helpful in the negotiations? (C)

President Cristiani: My chief negotiator says that, yes, he has been helpful. (C)

The President: Do they have people in the meetings in Caracas?
(C)

President Cristiani: CAP came in at the last minute. He wanted to have meetings with both sides without the UN mediator. (C)

Secretary Baker: What about the presence of the FMLN? (C)

President Cristiani: The FMLN needs to reside somewhere and it's best to have them reside somewhere where a government can contain them. We think that Mexico is the best place for the present. Salinas has said that if we believe their presence in Mexico is

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not convenient, that if we think Mexico should not allow them to remain there, he is ready to do the necessary. (Ø)

The President: Mrs. Chamorro was a real problem. But I talked with her and she is now doing much better. (Ø)

Secretary Baker: Do you think that the Mexican Foreign Ministry is on a different wave length than the President? (Ø)

President Cristiani: I think that under Salinas and perhaps Solana in the Foreign Office, there is a very different trend of thought. (Ø)

The President: I think that Salinas is trying to get control. Before President Salinas the Foreign Ministry was very difficult on almost every subject. (Ø)

Secretary Baker: It may be that Carlos (Salinas) lets them do some things to mollify the left domestically. (Ø)

The President: Yes, I think that could happen. That reminds me of an earlier time when a former Foreign Minister, who was it...? (Ø)

Mr. Pryce: Castañeda? (Ø)

The President: Yes, Castañeda. I am reminded that we were visiting Mexico at one point and Castañeda had some children. There was a party at the residence. The Mexicans invited Jeb and Columba down and they were at the party. I noticed these two attractive, well-dressed women were in an animated conversation with Jeb who was arguing with them. Castañeda was saying it looks like the young people are having an animated conversation. I could hear clearly Jeb saying "You with your Gucci pants and your Gucci loafers are no one to talk about turning to Communism." I told Jeb that he was not cut out to be a diplomat. (Ø)

The Vice President: Are some of the FMLN people in Nicaragua going to Mexico? (Ø)

President Cristiani: The FMLN had diminished in Nicaragua; now it is growing. (Ø)

The President: Mrs. Chamorro has very serious problems and we are trying to help her. (Ø)

How is Honduras doing? (Ø)

President Cristiani: Basically, they are doing fine. They have problems with stabilization. He needs to get beyond the period where people are affected badly by the economic measures. He's going through a very delicate period now like we went through previously. (Ø)

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The President: We just had our drug czar make a trip to Mexico, Colombia, Bolivia and Peru. I'm wondering what you think about the new Gaviria policy? We are concerned. We have great respect for him and don't doubt his sincerity, but worry about this move with the surrender of the drug baron. He has a judge problem in that the judges keep getting killed. Have you paid attention to this problem? We want to see this young attractive dedicated person succeed. But it looks like we are setting up a sanctuary for Escobar. This would cause real problems for us. (Ø)

President Cristiani: The problem is -- does he have a choice? If the drug lords give up, there must be conditions. Does he accept the conditions or does he let them remain free? Extradition would mean an increase in violence. I think he doesn't have many choices. (Ø)

The President: I guess we need to know what the choices are. If he is in a cell where he is able to continue his business, then that will not help at all and would cause problems for us. (Ø)

President Cristiani: We worry about the drug problem. We have now passed a good legislation for investigating drugs. (Ø)

The President: Do you have a user problem? (Ø)

President Cristiani: Yes. (U)

The President: We are making progress on reducing demand. In speaking with Latin Americans, we need to be able to tell them that we are making progress, because the first thing they say when we talk to them is that if there weren't any demand, there wouldn't be any problem. We are making progress in some areas, but not in all. In the poorest areas, there is a big problem and it's compounded by problems of AIDS and other sickness. Does anybody know what the reduction in demand is? (Ø)

Assistant Secretary Aronson: I think now 1.6 million fewer users. I don't know what percentage reduction that is. (Ø)

The President: I don't want to say we have no problems, because we certainly have a problem. I've got to say that the U.S. is reducing demand but that's only part of the problem because demand is increasing in Europe. (Ø)

President Cristiani: I think that the interest is growing to make a concerted effort across the board. I imagine that Colombia has problems with other countries. Now that they come down hard on drug traffickers, the traffickers are moving to other countries who don't have the apparatus to handle them. Those countries are telling Colombia not to export their drug traffickers. (Ø)

The President: We think that Carlos Salinas is making big progress and I think he is really getting credit for that progress in the United States. On free trade, we think that this is really good. Mexicans were superb in working with us on a

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team effort on this. Mexican Commerce Secretary Serra traveled with our Commerce Secretary Mosbacher to explain it to various people here. Their environmental people talked with our environmental people, their trade people talked with Carla Hills. It was an issue where we had an uphill fight but we got a victory which allows us to negotiate an up or down deal. This is great for Mexican-U.S. relations, but it's also great for the rest of Latin America. I was determined that the U.S. not deal differently with Mexico than we did with Canada. It was a good fight. Carlos Salinas' effort with our Congress and people made a difference. (Ø)

President Cristiani: He practically came on a speaking tour to the United States. (Ø)

The President: He had a lot at stake politically, he got out early and took a position and then fought for it. This was really a bipartisan operation. It was one of non-partisanship, very exceptional effort working with the Congress on this bipartisan program. Senator Bentsen was excellent on this. (Ø)

President Cristiani: We are watching closely. We would like to have a big free trade zone. We would like to have equal trade treatment for everybody. (Ø)

The President: A long range objective is just that. I'm excited about it because I believe it will lead to great things for the hemisphere. (Ø)

I'm worried about the Uruguay round. We're not willing to do something which doesn't deal with a wide-array of important issues. Agriculture is certainly important in this. Germany and France have not been very forthcoming but perhaps they will be. (Ø)

Secretary Baker: They wanted fast track and we got it but they haven't done much since then. There is no action-forcing event. There are other countries which are interested including Australia and New Zealand. We want to make progress meaningful for everyone. (Ø)

I should mention that this is the 28th anniversary of the President's 39th birthday. (U)

President Cristiani: It is an honor to be here. Congratulations, and happy birthday, Mr. President. (U)

The President: One thing I can say is how good it feels -- 67 doesn't seem to mean a thing. I thought when I was 50 that when I was in my late 60s I would feel decrepit, but it hasn't worked that way. (U)

There followed a discussion of the President and Secretary Baker receiving degrees at Yale and Princeton, respectively.

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Secretary Baker said that he was surprised that there were no boo's at his graduation. President Bush explained how he had the Dean who had delivered his commencement in Latin, to translate a quick phrase for him. The phrase which the President read in Latin, was basically, if you hold your protest signs high, you can't throw eggs. (U)

The President: Have we touched on all the substantive problems? (U)

President Cristiani: When we end the conflict, we will need a lot of help on infrastructure for the peace. We need to improve our water, our schools and other services. This will need a lot of resources. We think we will need a new mechanism and we think that the Enterprise for the Americas could be very helpful. We would like to take advantage of the debt provisions of the Enterprise. (C)

The President: Will you be talking about this with the Treasury? (C)

President Cristiani: We hadn't planned to. (C)

The President: We want to be helpful. What do we need to do? (C)

Assistant Secretary Aronson: Under the Enterprise for the Americas, El Salvador is a prime candidate. (C)

The President: What do we need to do to help El Salvador? (C)

Assistant Secretary Aronson: Under the EAI, Salvador qualifies for debt reduction. We took a big hit on the Hill on the amount of debt we are authorized to cancel. We need to talk with Treasury about this to see what can be done. (C)

The President: What is the debt? (C)

Minister of Planning Lievano de Marques: The PL-480 debt is about \$180 million. Total debt is closer to \$300 million. (C)

The President: Do you have a lot of private debt? (C)

Minister of Economy Zablah: Not a great deal. (C)

Secretary Baker: Bernie, why don't you tell them about the PDD initiative. (C)

Assistant Secretary Aronson: Yes. The Japanese under PDD have talked about making new economic investments in Salvador. (C)

The President: I understand the press is waiting. We are to go out and give statements to them. (U)

--- End of Conversation ---

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Fernando Collor de Mello,
President of Brazil (U)

PARTICIPANTS: The President
The Vice President
Lawrence Eagleburger, Acting Secretary of
State
Nicholas F. Brady, Secretary of the Treasury
Carla Hills, United States Trade
Representative
William F. Reilly, Administrator of the
Environmental Protection Agency
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
David C. Mulford, Under Secretary of the
Treasury for International Affairs
Bernard W. Aronson, Assistant Secretary of
State for Inter-American Affairs
Richard Melton, U.S. Ambassador to Brazil
William T. Pryce, Senior Director for Latin
American and Caribbean Affairs, NSC Staff
Marcel Bouquet, Interpreter
Sophia Porson, Interpreter

Fernando Collor de Mello, President of Brazil
Francisco Rezek, Minister of External
Relations
Marcilio Marques Moreira, Minister of
Economy, Finance, and Planning
Joao Santana, Minister of Infrastructure
Marcos Coimbra, Secretary-General of the
Presidency
Jose Goldemberg, Secretary for Science and
Technology
Jose Antonio Lutzenberger, Secretary of the
Environment
Pedro Paulo Ramos, Secretary of Strategic
Affairs
Gelson Fonseca Junior, Special Assistant to
the President for Diplomatic Affairs
Maria Phillips, Interpreter
Alex Schiavo, Interpreter

DATE, TIME June 18, 1991, 11:00 - 11:35 a.m. EDT
AND PLACE: Cabinet Room

DECLASSIFIED -
PER E.O. 12958,
AS AMENDED
C&I 8/21/2009
2000-0429-F

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The President: I want to extend my apologies to those of you who have been waiting here. The President and I got involved in a very interesting discussion -- they were very interesting, substantive and became more involved than originally planned. I thought we would use the time here to discuss whatever interests you. Perhaps the best way is for you to lay out what you would like to discuss. We want to be part of the solution not part of the problem. We want to facilitate the difficult congressional decisions you have taken at home. I meant it when I said that U.S.-Brazilian relations are at a peak -- they have never been better and I give credit to many people on both sides of the table for that fact. (Ø)

President Collor: I do believe there are a number of issues we can discuss and we can deal with them and use them to help our relations progress. Fifteen months ago when I took office, inflation was running at 83 percent a month, now it's down to about 7 percent. The budget deficit was at 9 percent of the GDP and now there is a 1.2 percent surplus. On debt we have stopped the moratorium. We negotiated our debt arrears and sent a protocol to deal with this to the Senate. As soon as the Senate has implemented it we will go to the IMF and the commercial banks to renegotiate our debt. For the first time, we have shown a surplus. Fifteen months ago in 1990 there was a \$5 billion deficit, now we have a \$9 billion surplus. Mr. President, please keep this to yourself, don't let the creditors know or they will seek more. The situation is different from the past; we have problems but they are part of the past. I think you agree that we have reached a new level of U.S.-Brazilian relations. The new phase is not just here but in all of Latin America, where we want to launch this new phase. This meeting is very important, because it is a demonstration that the Enterprise for the Americas is being put into practice. This is a very important fact. (Ø)

Regarding trade disputes, we have made progress. I think Ambassador Hills recognizes that progress. But we need to be patient. We don't just do these things alone. We must work with the Congress, and we don't have a majority. We need to go carefully and patiently. We have bills pending in Congress regarding intellectual property rights and informatics. We have done all possible in this regard. Ambassador Marcilio Marques Moreira is now the Minister of Economy and he is working to upgrade our relations in all these matters. (Ø)

Concerning debt, aside from the renegotiation of the arrears and the debt, we want to investigate the possibility of new investment. We have to grow again. All these positive things that we have done are the result of terrible sacrifices. We have tremendous unemployment. We are suffering a recession. The price that we have had to pay is the recession. So at the moment when we have a man leading our economy so qualified as Marcilio, who was Ambassador here, all this assures me that we are ready to embark on a new stage of leadership. The mutual desire to

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cooperate is important. This could be a strong incentive. We need to have people recognize the sacrifices that we have made. (C)

The President: On these trade matters, we want to work with you. We hope your people understand that fast track is not just for Mexico, but Congress reaffirmed fast track to include the entire Uruguay Round. We need the cooperation of Brazil on this. You mentioned battles with Congress on the Intellectual Property Agreement. We want to cooperate, not just with Brazil but we want to bring Uruguay around to a successful conclusion. I'm not too optimistic at this point. (C)

But whatever happens, the Enterprise for the Americas will be a valid concept. We want you to know that in the creation of a free trade agreement with Canada and Mexico, we want to move forward with that agreement. But that's just a start. We hope you will put the same importance on that that we do. Incidentally, the Enterprise for the Americas should not be seen as a conflict with Mercosur, it complements it. You mentioned Intellectual Property Rights. It's important that you put forth a substantial effort on this. We know what you face, but there are some parts, and I think Ambassador Hills has talked with you about them, where we have to work together to make improvements. Mrs. Hills, would you like to say something? (C)

Ambassador Hills: We have to work together on this. If you can energize those who represent Brazil in the Uruguay Round, this could be very helpful. You could increase your exports by \$150 million. (C)

President Collor: I say that you can count on us to help find a solution. We will look for a common denominator. We said at the last meeting that we would come together to have a common position at the governmental level. Now that Ambassador Ricupero, who was at the GATT, will be the new Ambassador here, we will be changing some of our staff. I have just returned from Europe, and don't see encouraging signs for our position. Recent changes in European governments don't seem good for the GATT. But I am an optimist. I believe that we can reach out and make progress. I always like to listen to Mrs. Hills' comments. (C)

The President: Do you want to mention signing the new agreement? (U.S.-Southern Common Market Trade and Investment Framework Agreement.) (C)

President Collor: As you wish. (U)

The President: I want to mention non-proliferation to get it out of the way. I want to congratulate you and Brazil on your plans to put into effect full scope safeguards. I hope that the deadline of September can be met. I also want to mention, if I can pronounce it, the Treaty of Tlatelolco. We would like to get it into force. We hope Brazil can waive it into force. (C)

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President Collor: May I say that there is something more difficult to Tlatelolco than pronouncing it -- and that is understanding it. One thing I don't understand is how you can allow nuclear explosions for peaceful purposes. We have totally denounced all nuclear explosions, as a clear signal of our attitude toward this. My Minister tells me that we will be signing the Accord with the International Atomic Energy Association. We have people discussing this with the IAEA in Vienna now. That is no problem for us. (Ø)

We have sent a law to Congress which provides that no person who worked for the government and had Secret or Top Secret information can cooperate with other governments on nuclear programs or other armaments. This will stop the kind of thing which got us into embarrassment in the past. We want to get new technology. We need access to new forms of knowledge for our development. That is why we need access to this technology. But we do not want technology for use in armaments. I am constantly poking the people on my staff so that we can move forward on this. I would like to ask my Secretary of Technology to speak for a few minutes. (Ø)

Secretary Goldemberg: Mr. President, the question is how thorough is our inspection going to be? I can assure they will be very thorough. A group of people who is knowledgeable on inspections is coming to terms on a method of inspection. The only problem is that people don't want people looking at industrial secrets. But there has never been any thought of cover-up. We have followed this closely. When you come to safeguards, this is complex. Not as much as an Intellectual Property Agreement, though. We are on schedule and we hope the two Presidents will sign the Agreements in Vienna in September. (Ø)

The President: We know that these Agreements are complicated. We have talked with the Soviets about them for years. We know of your legitimate concern. The fact that the Agreement can be signed on schedule is very good news indeed. Larry, is there anything you would like to add? (Ø)

Acting Secretary Eagleburger: The Presidents' stance has shown great courage; this is a great step forward. (Ø)

The President:- What's next? (U)

President Collor: If I can say something about the Conference on Environment in Rio in 1992. I don't want to pressure but even in terms of humanity, this can be of major importance. This should not only be a discussion on environmental issues. We don't want to be only talking about complaints. If we do this, it will be frustrating. We need to talk on the underlying issues. There is a ceaseless request for progress, which places burdens on the process. If we don't progress there will be a burden on the Continent. We have to find a common denominator which will lead to sustained development. What is needed is for both Countries to have the courage to find understanding to reach common

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positions. This is the key to the Conference. As we establish the agenda, we hope that the U.S. President will participate in the positions so that the approach for the Conference will be coherent, so we don't have staff members sitting around going blah, blah, blah, so that we don't make progress. I would like to have my Secretary talk a little about this. (Ø)

Secretary Lutzenberger: As we have made clear, our position has changed from one of development at any cost to sustainable development. If development means using more scarce resources in unsustainable ways then this cannot be good for progress. We are determined to preserve our environment. On our rain forest, we are now working hard to preserve it. It was at one point 10 percent cleared and we had 90,000 kilometers of cleared land; that's about the size of Portugal. But last year we were down to 13 or 14,000 square kilometers. In 1987, the clearing of land was increasing -- it was up. Now the clearing of land in 1991 is down exponentially by 50 percent. Nevertheless, we still need to see what we can do to decrease it. There are 400,000 kilometers; that's the size of France. (Ø)

We must not think about the small farmer who can only survive by cutting and slashing. To ask him to stop that would be like putting a rope around his neck. To do this is easily said but not easily done. Things have been done with chemical fertilization which doesn't work. We must rethink our present industrial culture. This must be done in 1992. We cannot continue as we are now. We must rethink our technology. We don't have to go back to the stone age, but we must have better technologies. This must come about in 1992. We must have some kind of agreement with governments. (Ø)

The President: Let me say in response to President Collor, that we do view it as an important conference. We don't want to have a blah, blah conference. I get the feeling that Brazil previously felt that the U.S. was preaching to and lecturing Brazil. Not this Administration, but the previous. I remember talking about the environment with your predecessor, and I think there was a misunderstanding. I have learned to be more careful. I want to assure you that Bill Reilly and the State Department don't want to look holier than thou on this problem. We understand the problems of cut and slash. I've told our people that we need to find a balance between full scale development without regard for environment and an anti-growth policy that doesn't believe in jobs and development. We need to find that balance. We will work at the scientific and other levels to show that we are interested in a successful conference. Secretary Reilly, would you like to add something? (Ø)

Secretary Reilly: We are ready to work to see that there is a successful conference. We are impressed with the slow down in the rate of cutting. We were together in the Amazon and were very impressed with the work going on. We want very much for the conference to succeed. There is little time left. If we are to agree on what can succeed, there is need to agree to an agenda on climate which will be successful. We need to have something that

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we can achieve. We would also like to see an agreement on forestry. We also believe that there must be a delinking; that it is possible to have an agreement on toxic substances which is flexible. We need to agree on those things that we can get -- but we need to indicate a sense of urgency. (Ø)

President Collor: I would like to make one more comment. We need to get things moving, we need to shake things up. We don't seem to get things to move well. I think we can move forward. (Ø)

I just talked with Prime Minister Brundtland (Norway) and also invited her to come to Brazil. We are hoping that her presence in Brazil and that of other leaders will help make the conference successful. I would love to ask President Bush to come to Brazil, but don't worry I won't do it. I believe having leaders attend will be helpful and I talked about this with Mrs. Brundtland. Perhaps we could encourage Washington to put practical ideas into effect which would create events to show that we expect this meeting to be effective. (Ø)

The President: We have run out of time, but as you mentioned we would be happy to work with your people. Perhaps they can get together tomorrow. We know that the meeting is important. We want to have proper positive emphasis when we meet. (Ø)

Will you be meeting with Secretary Brady? (U)

President Collor: Yes, later, we will have a breakfast meeting tomorrow. (U)

The President: We will be seeing each other tomorrow on the Trade and Framework Agreement. Perhaps you and I can talk a little about financial issues then. We have covered most issues. But I urge our Cabinet people to pay further attention to the items we have discussed and to the financial issue. I look forward to seeing you tomorrow. And we can also talk upstairs a little bit this evening. (Ø)

President Collor: Thank you so much for this meeting, I believe it has been very productive. (U)

--- End of Conversation ---

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NATIONAL SECURITY COUNCIL

WASHINGTON, D.C. 20506

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MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Gatsha Mangosuthu Buthelezi,
Chief Minister of KwaZulu, South Africa

PARTICIPANTS: The President
The Vice President
Lawrence Eagleburger, Acting Secretary of
State
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Herman J. Cohen, Assistant Secretary of State
for African Affairs
Robert C. Frasure, NSC Director for African
Affairs (Notetaker)

Gatsha Mangosuthu Buthelezi, Chief Minister
Mbonginkosi Amos Ngema, Private Secretary
Dr. Sipo Mzimela, Inkatha Freedom Party
Coordinator to the U.S.
Ben Skosana, Inkatha Freedom Party UK
Representative

DATE, TIME June 20, 1991, 12:10 - 1:10 p.m.
AND PLACE: Old Family Dining Room

The President: I want to emphasize that this is a working lunch.
So we have a chance to both eat and learn. (U)

Earlier we discussed a number of things. We discussed Mandela.
Chief Buthelezi has known him forever. We agreed he is a decent,
honorable man. But we both have reservations about the ANC. I
was concerned by the position they took during the war. I was
disappointed by it. (U)

We talked about sanctions, and I know his views. (U)

There are five conditions in the bill. Four have been met. When
the fifth condition is met, I will lift sanctions. (U)

My view is that it is best that we join with others on this. De
Klerk has come a long way. We want to work with him. But I want
your assessment of the situation. (U)

You have a lot of respect here for you on this side of the table.
(U)

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Chief Buthelezi: It's a privilege to be here. (U)

You have covered our relations with Mandela. I spoke recently with Mandela on the phone. He wanted us to sort out a problem the ANC was having in organizing a branch in an area of KwaZulu. Concerning his May ultimatum, I objected to his attack on the IFP. (Ø)

The ANC Secretary General has said we should meet next month after the July 3-6 ANC conference. Tambo may step down at that meeting. (Ø)

The President: Is Tambo handicapped now as a result of his stroke? Will he step down? What will happen to him? (Ø)

Chief Buthelezi: Yes. He suffers from a paralysis on his right side. It is an important question. Mandela is committed to negotiations. Others in the ANC are not. (Ø)

The President: If you could anoint a leader for the ANC, who would it be? (Ø)

Chief Buthelezi: I would go with Mandela. (Ø)

The President: Will he have to compromise with the people on his left? (Ø)

Chief Buthelezi: He may have to do so. The left has great influence. Half of the ANC National Executive are card carrying members of the SACP. (Ø)

The President: Are there Whites in the SACP? (Ø)

Chief Buthelezi: Yes. Joe Slovo who is a Colonel in the KGB. (Ø)

Acting Secretary of State Eagleburger: Will SACP influence be reduced or is it always going to be a problem? (Ø)

Chief Buthelezi: Slovo still believes in communism. He just thinks it wasn't put into practice the right way in the Soviet Union. (Ø)

Mr. Skosana: It still has an appeal to young people in South Africa. (U)

The President: There is a lot of frustration here too among young people, especially about jobs. (U)

Acting Secretary of State Eagleburger: Does communism have an appeal to the young people in your movement? (U)

Chief Buthelezi: No, not so much. We preach to our people that they must help themselves. (U)

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The President: Tell us about the violence problem. Our hearts ache when we see this. The ANC blames it all on de Klerk. That's just not fair. What must be done about it? (Ø)

Chief Buthelezi: The violence now in South Africa is endemic. It is very worrying. A culture of violence is being created by the ANC focus on the armed struggle. Some of them still think they can shoot their way into power. (Ø)

It is a different situation from Angola or Mozambique. The Whites in South Africa are indigenous. (Ø)

Mandela still talks about being "a government in waiting." The other day Mandela in a speech at Stellenbosch talked about "when we take power." People didn't like that. (Ø)

One must question them on that. (U)

They wanted all of the Chief Ministers to queue up behind Mandela. I wouldn't do that. They think we must hold on to their coattails. They see me as their biggest obstacle. (Ø)

The President: How can they discount your numbers? (U)

Chief Buthelezi: We have about 2,000,000 in the IFP. They have about 500,000. But it is complicated. (U)

I am disturbed that Mandela sees de Klerk as White. He said to me once that de Klerk "won't let us use our numbers." He wants to go on the basis of race. I cannot do that. I have White, Indian, and Colored members of the IFP. (U)

Mandela talks of a "Patriotic Front" but I won't fall into line. (U)

Mr. Skosana: The violence is designed to pressure us. (U)

Chief Buthelezi: Yes. We have ANC documents which described us a "counter-revolutionaries." (Ø)

Mr. Gates: Has outside support especially from the USSR for the ANC diminished? (U)

Chief Buthelezi: Yes. (U)

Mr. Gates: Slovo and Castro must be the last communists. (U)

The President: And Mengistu too. Where is he now? (U)

Assistant Secretary Cohen: In Harare. (U)

Mr. Skosana: The ANC is also tied up with Libya. (Ø)

The President: Yes. I raised that with Mandela. He said he has to stick with old friends, didn't he, Brent? (U)

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General Scowcroft: He claimed the people who supported him the past had to be recognized. (U)

Mr. Skosana: What happened to the Libyan money which was supposed to go to the ANC? (Ø)

Assistant Secretary Cohen: It is in a NY Bank account, frozen. They transferred it through American Express. (Ø)

Acting Secretary of State Eagleburger: That will teach them a lesson. (U)

Assistant Secretary Cohen: It won't be released to them (U)

The President: What about de Klerk's travels? Is he trying to reach out to Africa? (U)

Chief Buthelezi: Yes. He was in Kenya and in touch with Nigeria. (U)

The President: That's good, isn't it? (U)

Chief Buthelezi: Yes. It's excellent. (U)

The President: Does the ANC object to the travel, to the lifting of sanctions. (U)

Chief Buthelezi: Yes, they do. They particularly objected when Poland established relations. (Ø)

The President: It must be the hardliners again. Do they object to de Klerk being received in Africa? (Ø)

Chief Buthelezi: Yes. (U)

Acting Secretary of State Eagleburger: Are the conservative Whites a real threat to de Klerk? (Ø)

Chief Buthelezi: They won a Free State seat in a recent election. (Ø)

Acting Secretary of State Eagleburger: I mean an extralegal threat. (Ø)

Chief Buthelezi: De Klerk doesn't have a long time. We, the Blacks, must get our act together and negotiate. (Ø)

General Scowcroft: How do you see the process? (U)

Chief Buthelezi: De Klerk has put down a proposal for a multi-party conference. The ANC calls it an all-party conference. (U)

The ANC wants a Constituent Assembly and an Interim Government. But that is a recipe for violence in my view. De Klerk cannot agree to that. (Ø)

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The President: I understand. (U)

General Scowcroft: The ANC don't agree among themselves. (U)

Chief Buthelezi: Secretary Cohen has a good phrase for ANC policy. (U)

Assistant Secretary Cohen: "Majority rule before negotiations."
(U)

The President: What should de Klerk do? (U)

Chief Buthelezi: We have had several meetings. But whenever we have a meeting, it is a problem because the media plays it up.
(Ø)

The time has come for the multi-party conference. It can be held in August, we hope. (U)

Mr. Gates: Leaving aside the ANC, do Blacks in South Africa see de Klerk as a dramatic departure from the past? (Ø)

Chief Buthelezi: Yes. He was mobbed in Soweto. (U)

There is increasing support for him. Some Coloreds have joined the National Party. (U)

Mr. Gates: Is that true among the young too? (U)

Chief Buthelezi: I don't know. But everyone is frightened by the violence. The Coloreds see us Blacks hacking each other to death. (U)

The President: I asked you earlier about Winnie. Mandela has a blind spot about her, doesn't he? (Ø)

Chief Buthelezi: Yes. Chris Hani threatened violence if she was convicted. (Ø)

Assistant Secretary Cohen: The ANC will give her an amnesty, they say, if she goes to jail. (U)

The President: If she is released, would the conviction still stand? (Ø)

Acting Secretary of State Eagleburger: Was the evidence strong?
(U)

Chief Buthelezi: Yes, very strong. Her people were terrorizing Soweto. These kids. (Ø)

The President: How old were they? (U)

Chief Buthelezi: Just fourteen. (U)

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Mr. Skosana: She showed no remorse. That was her problem. She admitted that it happened in house, claimed she was not there but showed no remorse. (U)

The President: It's a tragedy for the personal side of Mandela after that long incarceration. (U)

Chief Buthelezi: Yes. He is very bitter about it. He told me he thinks de Klerk is out to get him. (U)

Acting Secretary of State Eagleburger: How should the West be helping? Economically? (U)

Chief Buthelezi: We need a political culture of toleration. Without it, democracy is not possible. (U)

The President: When sanctions are lifted, will it encourage investment? (U)

Chief Buthelezi: We need to satisfy expectations. (U)

Acting Secretary of State Eagleburger: That will be a big problem (U)

Chief Buthelezi: Violence and sanctions have caused social destabilization. We have a lost generation of young people, of uneducated people. You know the ANC had a slogan "liberation now, education later." (U)

The President: Does this affect all ages? (U)

Chief Buthelezi: Yes. All ages, especially the high school age. There also no jobs. (U)

When I was in Atlanta, I was excited by the Job Corps center. (U)

We mustn't forget that in South Africa, 50% of the people are fifteen years old or younger. (U)

Acting Secretary of State Eagleburger: It's one of the tragedies of sanctions that the U.S. companies which had good job training programs have closed up and left. (U)

Chief Buthelezi: Yes. (U)

Mr. Gates: Have companies continued to leave? (U)

Chief Buthelezi: Yes. People are leaving all the time. I talked to some Jewish South Africans recently who were leaving. They said they had no future. (U)

Governor Sununu: What about investment? Will it be only in already developed regions, if it comes back? (U)

Chief Buthelezi: Yes, basically. (U)

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KwaZulu has several development regions but investors still want to go to the cities. But I don't want our people going to cities. We even have a problem with squatters in KwaZulu. (U)

Acting Secretary of State Eagleburger: But how do you stop that? (U)

Chief Buthelezi: We need help in rural development. We particularly need help with agriculture. (U)

Mr. Skosana: That is the only thing which will stop the movement to urban areas. (U)

Acting Secretary of State Eagleburger: We have that kind of expertise. We are good at that. (U)

Assistant Secretary of Cohen: We are already working with the Peace Corps on opening up in South Africa. (U)

Chief Buthelezi: There is also the financial issue. I hope that when the sanctions are raised, the banks will make loans. (U)

Acting Secretary of State Eagleburger: You won't have to worry about that. (U)

Assistant Secretary Cohen: South Africa will be attractive. They have no debts to pay off. (U)

The Vice President: There could be a time lag, however, because of politics here. (U)

You will never satisfy the Ted Kennedys of the world. You will probably always have a South Africa amendment at shareholder meetings because of domestic politics. (U)

The President: But the mood should be that de Klerk has done a lot. Isn't that right, Hank? (U)

Assistant Secretary Cohen: Yes, Mr. President. I think we have recaptured the middle ground on this issue, which we lost in 1986. (U)

General Scowcroft: What kind of reception did you get on the Hill? (U)

Chief Buthelezi: Warm, very warm, even from people like Congressman Solarz who has disagreed with me in the past. (U)

Acting Secretary of State Eagleburger: It's never a warm reception for me up there. It's always hot! (U)

Mr. Skosana: Most rational people seem to think that the time has come to end sanctions. (U)

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The President: I think there is some understanding that there has been a big change. (U)

Chief Buthelezi: Yes. Dymally didn't even show up for the meeting. (U)

Acting Secretary of State Eagleburger: He wouldn't for you. He would for de Klerk. (U)

Chief Buthelezi: Yes. But Dymally was a hardliner all along. (U)

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Reverend Leon Sullivan

PARTICIPANTS: The President
Louis W. Sullivan, Secretary of Health and Human Services
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert C. Frasure, NSC Director for African Affairs (Notetaker)

Reverend Leon Sullivan
Dr. C. T. Wright

DATE, TIME June 20, 1991, 2:00 - 2:20 p.m. EST
AND PLACE: The Oval Office

Reverend Sullivan: I want to thank you for seeing me. I know your time is short. Basically I want to put Africa back on the main agenda. The continent is being forgotten. (U)

The President: I agree and we can do that. On debt, for example, we are moving ahead. About 50% of Africa's debt to us has been forgiven. At the G-7, African debt will be an agenda item. We are moving on it. (U)

Reverend Sullivan: At the Abidjan summit, we had 2500 people focussed on Africa and the African American relationship. The main issue was debt. It's a milestone. I hope at the G-7 we can take a leadership role. I think 25% of the money could go to the poor, to clinics. (U)

We need to tie debt forgiveness to democracy and to structural adjustment. We need to lift up Africa like Poland or Egypt. I hope you can do that. (U)

At a meeting in Texas we had a thousand people to form Africa support committees. I have the largest self-help committees in the country. (U)

The President: We are about to forgive a large amount of PL-480 debt. (U)

Reverend Sullivan: Another thing I want to mention is the possibility of an African Business Council. It's a new proposal.

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As you know, I am the GM board. I want to work with the State Department on it as I did before. (U)

The President: Leon, what is your feeling on the sanctions issue? As you know, I will comply with the law. (U)

Reverend Sullivan: Until there is political equality, I don't think you should lift all the sanctions. GM won't go back in there until I tell them. It's a question of political equality.
(Ø)

The President: I don't really want to get crosswise with you on this. (Ø)

Reverend Sullivan: I think you should hold off until it is done. Political rights need to be given, the right to vote. (Ø)

The President: I understand. But I don't want to move the goalposts. I see de Klerk fighting the rightwing. (Ø)

Hasn't there been progress in your view? (U)

Reverend Sullivan: I see great progress. But it is the result of sanctions, and they should stay in place. (U)

The President: Leon, we may be apart on this one. (U)

Reverend Sullivan: Finally, I want to mention my idea of sending teachers to Africa. It's like a thousand points of light. I want to send a thousand teachers to Africa. I want your help.
(Ø)

The President: Is the Peace Corps doing enough out there? (Ø)

Reverend Sullivan: No. This is a separate effort. (U)

I can get a hundred companies to help. (U)

Finally, again on the debt, take a stand on it. It can be converted into local currency, for example take \$10,000 off the debt and turn it into local currency. Will you help me on that?
(Ø)

The President: Take a note on that. (U)

Leon, thank you for coming in. Can I have a private word with you? (U)

Reverend Sullivan: Of course. (U)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President of the Russian Republic Boris Yeltsin of the USSR

PARTICIPANTS: The President
The Vice President
Lawrence Eagleburger, Acting Secretary of State
Nicholas Brady, Secretary of the Treasury
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Ed A. Hewett, Senior Director for Soviet Affairs, NSC Staff
Curtis Kamman, Deputy Assistant Secretary for USSR and East Europe, Department of State
Nicholas Burns, NSC Staff (Notetaker)
Dimitri Zarechnak, Interpreter

Boris Yeltsin, President of the Russian Republic
Viktor Komlektov, USSR Ambassador to the U.S.
Vladimir P. Lukin, Chairman, Committee on Foreign Affairs and External Economic Relations, RSFSR Supreme Soviet
Andrei Kozyrev, Foreign Minister of the Russian Republic
Gennadiy Burbulis, Plenipotentiary Representative of the RSFSR Supreme Soviet Chairman

Vladimir Saekov, Interpreter

DATE, TIME June 20, 1991, 3:00 - 4:40pm
AND PLACE: Cabinet Room

The President: May I start? I meant what I said in the Rose Garden. I want to learn more about your views and intend to listen. I think you handled the press with just the right tone. They were looking for a fight. I have told Gorbachev that we support market economic reforms. His commitment to that and your support are both critical. We will not do anything to undermine him. (S)

We have good relations with the USSR and the Gorbachev government and want to keep that. I hope you understand why I want to

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continue good relations with the USSR. I am delighted with the way things are evolving in our relationship. You should know that we also want good relations with the republics. I am the U.S. President and Gorbachev is the USSR President and so we will deal with each other. But that does not mean that we cannot do business with you. By the way, we may have to interrupt this meeting for a call as you know. I know you have already met with Dick Cheney, Mosbacher and will also see the Vice President. (S)

There has been a lot of talk in the press that the U.S. is not interested in close relations with you or other republic leaders. That is dead wrong. I have met I think eight times with Baltic leaders. I hope that has sent a signal of our interest in good relations with the republics. You have been elected and so it is normal to have good relations. Secretary Mosbacher told me that you want to increase our trade and investment and that you have agreed to work with us to do this. We can also do other things with you. I don't know if you have met Bob Strauss. He is a Democrat, not a Republican. He is a damn good man. He knows me and Secretary Baker well and he knows business. We will also propose to your government and the central government shortly our readiness to send a shipment of medical supplies to the Urals region in the autumn. We hope this will symbolize our wish to work with the Russian people. (S)

On the nine plus one agreement, it looks like a milestone to us, providing the foundation for a voluntary union. I know your participation was critical to that agreement and I would be interested in your views on it. I would also like your views on how foreign and defense matters will be coordinated and handled in the new union. We are particularly concerned about arms control. Our Congress is worried about defense matters and I am sure your people are worried too about our defense relationship. I would like your views on that. (S)

I have more questions. On market economics, I would be interested in talking about this with you. We saw Primakov and Yavlinskiy about the anti-crisis program. We believe it relies much too heavily on command methods. Both of us have received the Yavlinskiy program. I understand Yavlinskiy made a presentation to Gorbachev. This is a vital issue. We can talk about Japan. These are the key questions. Welcome. (S)

President Yeltsin: Thank you, Mr. President. Indeed, this is our first working visit after the elections. It is a very natural move to come to the U.S. My trip is at the invitation of the Congress because the U.S. has been a big supporter of democracy. We are a new-born democracy. This is a turning point for Russia and other republics. The republics have sovereignty. This is not a facade but a serious development in the politics of the USSR. (S)

It is a pleasure to hear you say that you will deal with the republics and not just the center. This is possible and realistic. The nine plus one agreement is a comprehensive approach. Gorbachev stated in April that he supports reforms and

supports democratization in the USSR. After this, I made a step toward him which made the nine plus one agreement possible. It then became possible to work on the draft Union treaty. All the nine republics are working hard on it and are committed to it. Moldova and Armenia are in doubt. But it is clear that Georgia and the three Baltic republics will leave the union. It is my firm opinion that it would not be worth using force to keep them in the union. They are entitled to withdraw and not be chained to the union. (§)

The economic arrangement is intended to allow this. Practically all the republics have agreed to sign it. If differences arise, there will be another way to deal with that -- through bilateral arrangements between republics. Russia has agreements with Estonia, Moldova, Ukraine, Latvia, Kazhakstan. We have ready for signature agreements with Lithuania, Armenia and Azerbaijan. We are preparing a treaty between Russia and Azerbaijan. So, if the union treaty fails, we will maintain economic arrangements. The union compact will be considered by the nine and President Gorbachev and also by leaders of the autonomous republics. We have within Russia sixteen such republics. There are two more which are in Azerbaijan and Russia. The draft Union treaty is not one hundred percent ready. Some issues are outstanding but during the last session we agreed to send the treaty to the republics. Following ratification by the republic supreme soviets, it will likely be signed in July. (§)

On the division of functions, I will tell you what the treaty provides. Defense is in the purview of the center but defense industries are a matter for the republics -- for Russia. The ministries of Electricity, Nuclear Power and Transportation will belong to the center. The rest will be the jurisdiction of Russia -- all minerals, oil and gas and all other resources. Some responsibilities will be joint like customs. Both the center and the republics will run them. (§)

The President: I have one question. This is very important for our investors. If a western oil company wanted to make a deal to refine oil and Russia and the center wanted to do this, did I understand you correctly that the oil company would make the deal with Russia and not the union? (§)

President Yeltsin: You got me right. We no longer need services from the center. We do not want the command system. We want to destroy it. We don't want to build such structures. All business will be free. So this morning I met Secretary Mosbacher and responsible people from some of your businesses. We said that there is a new law on foreign investment in Russia. MFN is extended to all commercial partners of Russia. We want to ask for your reciprocity -- to lift those restrictions. If you cannot do this with the center, perhaps you could do it for Russia and the republics. (§)

The President: We're moving to lift the restrictions. Your emigration policies are clearly improved. I hope we can get it done to overcome these problems. (§)

President Yeltsin: If it is done soon, it will be a help to us in the transition to a market economy. We are moving to a market economy. We have built the legal framework and laws on private property. Russia is open today for foreign investment. We have simplified the red tape. It used to take two years to arrange a joint venture under the old system. Under our law it now takes twenty one days. We can give land to foreign investors. We gave the Commerce Department a list of unfinished constructions sites for sale. U.S. firms do the construction and sell them. We can agree on profit sharing arrangements. It is no longer valid to stop private property. By voting for me, the Russians have supported this program. (S)

Besides, Mr. President, we are creating private farms. Those who are pessimistic about this program are wrong. We have a law on private farms. We now have 30,000 private farms and there are another 30,000 people waiting for land. (S)

The President: Do you have evidence that private farms are more productive? (U)

President Yeltsin: I have met with many private farmers and have not seen one less efficient than state or collective farms. They are at least twice as efficient. They are twice as good as collective or state farms. My people want land. Of those 30,000, half have returned from urban areas. It is interesting that, in the thirties, people left for the cities. Today, I believe they are going back to the land. This is an achievement. (S)

So, I have some proposals to make. I want direct dealings with you without detriment to your relations with Gorbachev. He supports such a two-tiered external relations for the USSR. It would be good to have a U.S.-Russian program in storage and food processing. We waste thirty per cent of our food. At the turn of the century, Russia exported food. Today, we cannot feed our own people. If we succeed with your expertise to cut waste and the losses by three or four times, we could meet all the agricultural needs of the people. (S)

The second program would be in training for managers. I would ask you to consider that your private businesses and public agencies train for a year 25-30,000 of our experts. These would not be new people but retraining for our current people. They have no knowledge of private management. We don't have entrepreneurs. (S)

I would like you to consider another thing. I talked to Cheney about defense conversion. You have the same problem. But ours is so acute that it could produce discontent. Cheney seemed understanding about a joint program on conversion to tap your expertise. Your assistance could be helpful. (S)

Next, we would like to suggest a program on transportation development. We have a problem in transportation. I believe

you had doubts about our commitment to democracy and free enterprise. But Russia is firmly committed. I would like your agreement to form an ad hoc group to look at the possibility of launching these four programs. Skokov, the First Deputy Prime Minister, talked to your businessmen. They support it and will be prepared to participate. (S)

On defense issues, we did agree to give that power on defense to the center. But that does not mean that we won't be involved on defense matters. Eighty percent of the military hardware and almost one hundred percent of the nuclear and strategic forces are in Russia. The Ukraine declared a nuclear-free zone. We have all the nuclear weapons. (S)

I was asked today about another thing -- about taxes. I answered that all the taxes in Russia will be in favor of the republics this year. There will be no new taxes. Russia will collect all taxes and will remit appropriately to the center. So, instead of 70 billion rubles, we will remit only 23.4 billion rubles. Only Russia and Estonia have no deficit. So the military will have to do with less. We cut our contribution to the defense budget by 15 percent. The military wants more but Russia will not agree. We cannot afford it due to the disastrous situation in Russia. So we will cut our contribution to defense. (S)

On the market, we have all the legal infrastructure for privatization. We are starting to move and have given people the right to privatize. This is not a simple process. I am hopeful that within twenty four months we will privatize all that can be privatized. (S)

Concerning Primakov and Yavlinskiy, the internal situation is developing. Yavlinskiy acted with the prior agreement and certain support of Gorbachev and Yeltsin. But Primakov left for here and the discussions and proposed an anti-crisis program for which the people haven't voted. Yavlinskiy came back and gave me a copy of the program which he developed. I am only sorry that I received a copy on the steps of the plane so I have no opinion yet. I have had insufficient chance to read it. But I can't agree to the Primakov program. Primakov served as bait. It will not lead to good results. (S)

I should have told you this before. I had a personal and private meeting with Gorbachev. He asked me to give you his best wishes. He said categorically that he was in favor of radical reform and market economics but was doubtful on private property. Russia has no doubts. Seventy years is long enough. I think he will throw the idea overboard. He agreed to a new name for the country -- it stands for the Union of Soviet Sovereign Republics. (S)

The President: I have a question on internal affairs that I want to understand. What are the pressures on my esteemed friend and yours, Mr. Gorbachev, from the military, the KGB and Mr. Kryuchkov? What do they want? A return to the old system? If

we can work out the four points of cooperation, would they object to Gorbachev and you on these reforms? (S)

President Yeltsin: As for the four items, they are Russian matters and no one can interfere. Gorbachev is pressured by the military and the KGB and the party apparatus of the Communist party now joined by Pavlov. The situation in January, February and March was particularly acute. Gorbachev hesitated and began to go back. Reforms were slowed. There was an offensive launched against Glasnost. We had the events in Lithuania and in Georgia, South Ossetia. Please do not misunderstand the statement I made. I said if Gorbachev goes back on reform then he should step down. But in April came the consolidation of democratic forces. Gorbachev understood he could not live without the left wing. He abandoned those positions of three months. That opened the way for the nine plus one agreement. (S)

On the other hand, the conservatives became furious. They seek the return to yesterday's system -- that of pre-1985. The military's quest is for discipline, for law and order, a command system. I won't dramatize the situation because those structures are not of one mind. The army is divided. If there were order in the military, all the servicemen would have voted for Ryzhkov. But forty percent cast their votes for Yeltsin. There are discontented middle officers who want democratic reform. The army as a whole would not come out against the people. It could happen in some places but not throughout the country. (S)

The KGB is very powerful still this year no less than in past years. But middle officers are on the move. The system will not act against Gorbachev but could move against Yeltsin and Russia. As for the Communist party, I divorced myself from the party. There have been a number of legislative acts passed. It seems to me there may be Presidential decrees on depolitization in the Ministry of Interior, the Army, KGB, businesses and government agencies. There should be no party cells in the workplace. They should only operate in the neighborhoods outside of work. This will be a strong blow. Only three to four percent of the people support the pressures of the Communist party as the election showed. There are many examples of pressure in the campaign but our people are clever enough to know the truth. (S)

So, Russia is firmly on the side of Gorbachev. I cannot act without him. We can only act together. Gorbachev's departure and the arrival of some General would be tragic. People would take to the streets and there would be civil war. But I am not that pessimistic. That is only talk. In twenty four hours, I will be back at home and we will know the situation first hand. The Supreme Soviet cannot remove Gorbachev. Only the Congress of People's Deputies can do that and they never would. Only a violation of the constitution would remove Gorbachev now. This cannot happen. (S)

Russian Foreign Minister, Mr. Burbulis and Mr. Skokov, the First Deputy Prime Minister. (U)

The President: Well, thank you. That was exactly the presentation we wanted to hear. (U)

President Yeltsin: I would like, Mr. President, to have your agreement on establishing the four programs and your direct concurrence. It will be based on Russia and U.S. economic relations with the participation of private businesses and government agencies, like the Department of Commerce. (S)

The President: First on your principles. Obviously your talk proved dear to our hearts -- privatization, dealing with contracts, the system of democracy, your election. I admire your position on the Baltics and on foreign aid. We are comfortable with this. On trade, we will need to get back to you specifically on the four areas. As I look at it, I will say that we support normal trade and investment with the USSR and all the republics. Our businessmen want to invest. I hope everyone in the USSR agrees and that we won't have a problem. If this is as clear as your presentation, I would see agreement on those four areas. We believe you need retraining programs. We don't have all the answers but want to do more. As for the four points -- food storage, training, fostering conversion -- we can help and want to do so. As Ambassador Komplektov knows, we have a base closing battle here too. I have said to people that there are other uses for bases. We can share our expertise -- there are things we can do. But the only reason I am not saying yes to all four is that I want to talk to our experts. For example, we need to know more about the transport problems. In principle, I want to work with the republics. We will get back to you on the specifics. You and Mosbacher talked and we will have a group working. (S)

The key for me is what you have said on Gorbachev. We must be respectful of the office of President. I like him and respect what he has done and wants to do. In principle, you have put your finger on what we think will benefit you. What you said about working with Gorbachev helps us and makes things easier. We will not involve ourselves in your internal affairs and we will be careful on foreign policy issues. (S)

But I come back to the fact that you were democratically elected and are committed to markets and privatization. On all these things we agree with you. My only hesitation on the four points is that I want to be sure as President that I do things properly. You are entitled to an early answer and I will do it. (S)

I am moved and encouraged by this presentation. I wish there was more time to discuss defense issues. Gorbachev gave me a map at Camp David with blue flags marked where there are U.S. installations in the world. The message was -- you are trying to encircle us. Our intelligence community said the map was accurate. I got thinking about that map and Gorbachev was smart to give it to me because many Soviets still wonder if the U.S. is

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Please note that page number 8 for this document was missing in the original. Pages 1–7 and 9 were declassified on 8/21/2009.

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in accordance with this, I would be happy to agree. My responsibilities deal with the center but if he agrees I will move forward with you. Let me stay right there and follow up.
(S)

President Yeltsin: Good. So in principle we have an agreement. Our experts will work on the details and develop the agreement.
(S)

The President: Okay. (U)

President Yeltsin: We shall meet your bankers to set up a group.
(S)

The President: Again, I am delighted to know that you and Gorbachev are in agreement on things. Well, I think that does it. I guess the phone call was delayed and will not work. You will now see the Vice President. (S)

President Yeltsin: That meeting has been delayed and overtaken by ours. (U)

The President: We tried to make the call but they said it couldn't happen before 5:00pm. (S)

President Yeltsin: Anyway, I promise to be in touch with Gorbachev from New York and the Ambassador can pass any necessary information to you. Please come to visit our White House when you are in Moscow. (S)

The President: Thank you. Thank you very much. (U)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Sadako Ogata, United Nations High Commissioner for Refugees (UNHCR)

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
John H. Sununu, Chief of Staff
Marlin Fitzwater, Assistant to the President and Press Secretary
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs
Jewel Lafontant-Mankarious, US Coordinator for Refugee Affairs
Princeton Lyman, Director, State Department Bureau for Refugee Programs
Nancy Bearg Dyke, Director for International Programs and Public Diplomacy, NSC Staff

Sadako Ogata, UNHCR
Soren Jessen-Petersen, Executive Assistant
John McCallin, UNHCR Representative to the United States

DATE, TIME June 24, 1991, 11:05 - 11:25 a.m. EST
AND PLACE: The Oval Office

The President: Welcome. UNHCR is doing a superb job. (U)

Mrs. Ogata: I wanted to talk to you about Iraq and the Horn of Africa. (U)

The President: Thank you for your work. I want to hear from you on those two subjects. On Iraq, it is no secret that the US wants to get out. Our participation in terms of standing up versus aggression was proper and going in to save lives of the Kurds was proper. But, it's not proper to stay there indefinitely. (U)

Mrs. Ogata: The primary responsibility of a society is to take care of its own people. But sometimes others must help. Secretary Baker went to the refugee camp in Turkey and saw the needs. Once you brought the refugees down from the mountains, we could take over the relief effort, which we did as of June 9. The political situation is still precarious. The Kurds and Iraq Government are still negotiating. If US forces leave now, I am not sure the people won't leave again. That would be the worst

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situation. One million have gone back. There are still 500,000 in Iran. (Ø)

The President: Will they stay in Iran even if there is a Kurd-Iraq deal? (U)

Mrs. Ogata: Some will. It depends on their long-term history and where they came from. We are preparing for long-term camps. The return has been the fastest in history. We must endeavor to keep up the momentum. I am very glad you have decided to wait longer and see what happens and not take all your troops out now. One month can be very helpful. (Ø)

The President: But I want to convey to all that we cannot leave troops there forever. This is partly for reasons of hegemony. We diverted some of our troops on their way home from the Gulf to Bangladesh for a humanitarian mission and to Turkey. We must recognize that we are at some point no longer saving lives and instead seeking hegemony. There are lots of problems if it seems open-ended. We will have a stick we keep in our hand. We will have assets we keep near and Saddam Hussein will know about it. We want to see more UN people there -- more blue helmets. It is not a US problem -- it is a world and UN problem. (Ø)

Mrs. Ogata: We have 300 there now, which is as much as we can deploy. (Ø)

The President: Are they afraid? (U)

Mrs. Ogata: No. We will be there until all the refugees go back. (U)

The President: Are there any hopes for the Kurd-Iraq agreement? (Ø)

Mrs. Ogata: It is vital. (U)

The President: If Saddam Hussein violates the Kurds again, he will have a major world problem. It will cast him again as what he is. (U)

Mrs. Ogata: The US role in Iraq is very much taken as a humanitarian role, not hegemonic. Our humanitarian workers worked closely with the US military; it has been very rewarding for them. (U)

The President: I am so pleased. These are young people who care. (U)

Mrs. Ogata: I want to thank you and say things are still precarious. (Ø)

Secretary Baker: We have briefed our allies on steps and warnings. The President will be warning the Iraqis when we phase out. There will be very clear red lines. (Ø)

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The President: Saddam Hussein hasn't learned anything. He is diverting food. What do we do? It is going on in a lot of ways. (Ø)

Mrs. Ogata: Ethiopia. Food is the most important and access to food. We have started airlifting and I hope we can be quick. I know your government has been very helpful. Political-military intervention is extremely important. (Ø)

General Scowcroft: We know access to the ports is important. (U)

Mrs. Ogata: We have much work to do. (U)

The President: You do the Lord's work. I hope we can be responsive. (U)

Mrs. Ogata: We want to know where to ask for immediate standby forces to come in for humanitarian emergencies. Seventy-five Nordics came in this time (Iraq). We want to strengthen humanitarian response. Coordination is important. (U)

Ambassador Lafontant-Mankarious: We were able in the Gulf to help until the UN got there. (U)

The President: I know it is not easy. I wanted to say thank you. I am going to talk to Chancellor Kohl on the phone now on another subject. (U)

Mrs. Ogata: Some of the European countries are worried about migration. (U)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Manfred Woerner, Secretary-General of NATO

PARTICIPANTS: The President
James A. Baker, III, Secretary of State
John Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Ambassador William H. Taft, IV, Permanent Representative, U.S. Mission to the North Atlantic Treaty Organization
James Dobbins, Acting Assistant Secretary of State for European and Canadian Affairs
Barry F. Lowenkron, NSC Staff (Notetaker)

Manfred Woerner, Secretary-General, NATO
Roland Weggenger, Director, Private Office
Christine Shelley, Deputy Director, Private Office

DATE, TIME
AND PLACE: June 25, 1991, 2:45 - 3:15 p.m.
Oval Office

The President: Welcome Manfred, glad to see you again. Jim, Dick and Brent have been keeping me up to date on the wonderful job you've been doing. (U)

Secretary-General Woerner: Thank you. I'm delighted to see you again. (U)

The President: I have only one question to ask you regarding the future of security arrangements in Europe, and that is, do we have a French problem? If we do, how do we handle it? We keep getting reverberations that the French are saying the right things on NATO, but then not following through. I need your advise on this. The bottom line from our perspective is that, for us to be strong participants in NATO, we need a strong Alliance and a strong commitment by all NATO members to the Alliance. (S)

Secretary-General Woerner: The biggest problem facing the French is that they themselves do not know what they want. This is why it's so difficult for us to work with them on a solution to

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address their concerns. I must say, however, that the French did cooperate at the NAC, and that the decisions taken at the Copenhagen meeting went a long way toward solving this problem. Overall, we've had a great month. We reached an Alliance decision on force posture at the DPC. Eight days later NATO agreed to the core functions, specifically, that NATO would remain the essential forum for consultations and agreement related to security as written in the Washington Treaty. We've agreed on a clear set of principles on the indivisibility of security. In exchange, we offered the French our support for a European security identity inside this NATO framework. (S)

The President: But all of this sounds vague. (S)

Secretary-General Woerner: The French know what they signed up to. That much is clear. (S)

Secretary Baker: What is not vague is that NATO has agreed that it will remain the primary forum for consultations and agreements. (S)

General Scowcroft: But the French are still griping about this agreement. (S)

Secretary-General Woerner: The French have not yet come to grips with what role they are to play in Europe, and what a European security identity will look like. I'm confident, however, that we won't get major difficulties from the French. We have defined what NATO's functions are, and we have agreed to support a European security identity in a NATO framework. If we had allowed the French to establish a European security and defense identity including a competitive military structure, we would be facing a lot of danger today. But, I think that's behind us now. What do you think Jim? (S)

Secretary Baker: I think a lot depends on French thinking on what a European security identity should be. For example, the French signed onto NATO's liaison with the countries of Central and Eastern Europe, but they did so only half-heartedly. We have to remember, however, that we got what we absolutely had to have: NATO agreement on the core functions. (S)

The President: Is there any way that the French could work on some of our other allies, like the Germans, to try and backtrack on these agreements? (S)

Secretary-General Woerner: Chancellor Kohl is fine on these issues. (S)

The President: I'm not worried about Chancellor Kohl. (S)

Secretary-General Woerner: Do the French really want a European force and a European command? Do they know what this force is supposed to do? I don't see any unity of views in France. Yesterday's meeting between President Mitterrand and Prime

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Minister Major produced no concrete results on European security identity. I don't think that this issue will be solved by the December EC Summit. (S)

Secretary Baker: How do you explain the French pushing for their idea of a European confederation without checking first to see if the Czechs supported it in the first place? (S)

Secretary-General Woerner: The French pushed the Confederation idea to restrain growing German influence in Eastern Europe and to reduce American influence in Europe. When he visited NATO, President Havel asked me whether I knew what the French were up to in proposing the Confederation idea since he did not know. Can we turn the discussion to NATO Summit preparations? (S)

The President: What are the dates for the summit? (U)

Secretary-General Woerner: November 7-8. What we have been doing in NATO is building blocks: revising our strategy and force structure, defining our relations with Eastern Europe, adopting core functions of the Alliance and agreeing on principles framing a European security identity. In my view the Summit must bring the transformation of the Alliance as mandated by the London summit to a conclusion, put all of the elements in our approach into an overarching political statement, and demonstrate NATO's new role in meeting future security challenges. But I also have a special plea. I'd like the Summit to go beyond blessing the work we have done in the Alliance. I'd like us to be able to unveil some new initiatives. (S)

As I see it, the Rome Summit declaration should have six elements. First, we need to state what the threat is. When I made my rounds on the Hill, I was asked repeatedly by Senators and Congressmen who have supported NATO in the past, "Who is your enemy?" We need to answer that question. Second we need to finalize the transformation of the Alliance, in particular, point out what has changed in NATO. Third, we need to spell out our relations with other institutions such as the UN, CSCE, and WEU. Fourth we need to articulate the challenges of the future, such as crisis management, arms control and proliferation. Fifth we need to articulate our vision of the Trans-Atlantic community within a new world order. I made this point in my meetings with the Congress; that a new international order can only revolve around the Trans-Atlantic axis. Jim's speech in Berlin was an excellent example of this theme. Sixth, we need to make concrete proposals. The London summit succeeded because we had concrete ideas to offer to the East. Maybe we could announce a significant reduction of nuclear forces, or a 50% reduction in conventional forces -- something we're doing anyway -- or present our ideas on CFE II, the next phase of conventional arms control. (S)

Secretary Baker: What is the time frame for CFE Ia? (U)

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Ambassador Taft: It's got to be finished by March of next year.
(U)

The President: What are we doing in CFE Ia? (S)

General Scowcroft: We're dealing with manpower levels. (S)

The President: Well Manfred, your agenda is a good one. We'll study it. (U)

General Scowcroft: How should we handle SNF? (S)

Secretary-General Woerner: We need to put it under arms control as stipulated in the London mandate. (S)

General Scowcroft: We're not enthusiastic about SNF arms control. (S)

Secretary-General Woerner: Neither am I. One possibility would be to get the Soviets to accept the idea of minimum nuclear deterrence. (S)

Secretary Baker: Is there any way we can avoid dealing with it at the NATO Summit? If there is a way to slough it off? (S)

The President: How do we handle Gorbachev if he wants to come to the Summit? (S)

Secretary-General Woerner: There's been speculation that I invited him. These stories are unfounded. We have a standing invitation to Gorbachev to come to NATO. When I was in Prague I talked to Kvitsinsky who told me not to expect Gorbachev or Bessmertnykh to come to NATO until the status of the Warsaw Pact was resolved. (S)

Secretary Baker: That's easy. The Warsaw Pact is about to hold its own funeral. (S)

The President: It's best if Gorbachev comes to Brussels. (S)

Secretary-General Woerner: If Gorbachev gets to Rome it'll be his summit, not ours. One possibility would be to meet him in Rome after our summit. But, I still don't want him to come to Rome. He'll distort the summit. (S)

The President: His attendance makes our argument that we need a strong NATO much weaker. It'll be harder to make the case for a strong military alliance against a Soviet threat if Gorbachev himself is attending our summit. He'll come to the G-7. He'll do a good job. He always does. But he won't get any money from us. I don't want him to use the G-7 as a springboard to go to the NATO Summit. (S)

Secretary-General Woerner: If we can avoid it we should. (S)

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The President: The idea of Gorbachev going to Brussels is a good one. Have all the heads of Eastern Europe gone to Brussels yet? (Ø)

Secretary-General Woerner: Havel has, Walesa is coming July 2nd, followed by Antall of Hungary. (U)

The President: What about Jim's buddies in Albania? The reaction to his visit was absolutely incredible. (Ø)

Secretary Baker: I found out just three days ago that Albania is the only East European country with nuclear weapons of its own. (Ø)

The President: Amazing, Albania of all places. (Ø)

Secretary-General Woerner: Really? (Ø)

Secretary Baker: Relax Manfred, they don't even have cars in Albania. (Ø)

Secretary-General Woerner: What we're seeing is Albania not just joining Europe, but the world. (Ø)

The President: Is there any role for NATO in the Yugoslavia crisis? (Ø)

Secretary-General Woerner: Highly unlikely. There is a certain risk that the Serbs will use force, and always the possibility of the Soviets being "invited in" to help. I doubt it, but we can't exclude it. I don't think there will be a spill-over to other countries. (Ø)

The President: We're not doing contingency planning. We're not thinking of intervening. (Ø)

Secretary Baker: Once the shooting starts, and I think it will, it'll be a mess. The Serbs have armed the Serbian minority in Croatia, and the Croats have armed their own party. (Ø)

Ambassador Taft: And on top of that we'll likely have a refugee crisis. (Ø)

Secretary Baker: Yes, and it will involve the Albanians, the Greeks, all of Yugoslavia's neighbors. (Ø)

Secretary-General Woerner: If they use military force we have to make it clear that there are limits to what the Yugoslav army can do. (Ø)

Secretary Baker: There is the equal danger of various gangs starting to shoot at each other. (Ø)

Secretary-General Woerner: There is no way to prevent it. (Ø)

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Secretary Baker: The Yugoslavs will use their army. NATO will not get involved. The emergency mechanism of CSCE will likely be used. (Ø)

General Scowcroft: And do what? (Ø)

Secretary Baker: Nothing. (Ø)

Secretary-General Woerner: Is there something we can do with the Soviets? (Ø)

Secretary Baker: We passed a strong resolution in the CSCE meeting in Berlin, but I fear the political demands in Yugoslavia are so great, that we may be unable to stop this crisis. (Ø)

The President: The emotions are too high. (Ø)

Secretary-General Woerner: I understand you'll be going to Greece and Turkey. Both Ozal and Mitsotakis have told me they're prepared to deal on Cyprus and on the bilateral problems. (Ø)

The President: If we make progress on Cyprus, then some of the other tensions between the two will be reduced. We've got a good relationship with Ozal, especially given Turkey's support in the war, and Mitsotakis is favorably disposed to us. But Ozal is not terribly strong domestically right now. That's an understatement. It may constrain his freedom to move on these issues. But, we'll try. Well, Manfred. Good to see you. Keep up the good work. (Ø)

Secretary-General Woerner: Thank you Mr. President. (U)

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with China's Ambassador Zhu Qizhen

PARTICIPANTS: General Brent Scowcroft, Assistant to the President for National Security Affairs
Douglas H. Paal, Senior Director of Asian Affairs

Ambassador Zhu Qizhen
Liu Xiaoming, Second Secretary, Embassy of the People's Republic of China

DATE, TIME: Tuesday, June 25, 1991 5:47 - 6:05 p.m. EDT
AND PLACE: West Wing

Ambassador Zhu: I was instructed to call on you on Saturday, but you were out of town and I spoke with Mr. Gates. Yesterday I called on President Carter and we talked about MFN. He continues to support MFN without conditions. I have talked with Senator Mitchell. He has his doubts and is a very independent person. I will call on other senators. President Carter will make a call to you. (S)

General Scowcroft: Fine. I will take it upon myself to call him. (U)

Ambassador Zhu: I have been instructed to call again on another subject, Senator Baucus' letter, with which we have some concern. Recently, Senator Max Baucus, in his letter to the President, while proposing to deal with China's MFN status and other issues in China-U.S. bilateral relations separately, urged the U.S. Administration to take actions in human rights, immediately supporting Taiwan's GATT application, reinvigorating U.S. opposition to multilateral loans for China and addressing China's so-called unfair trade barriers. The Chinese side cannot but express its serious concern over such propositions as they run counter to the basic norms governing international relations as well as the principles embodied in the three joint communiques between China and the United States. The existing issues in China-U.S. bilateral relations ought to be solved through consultation on the basis of equality and noninterference in each other's internal affairs, and the practice of one side putting pressure upon the other will lead nowhere. (S)

We attach great importance to the issue of resuming China's status as a contracting party to GATT. We maintain that all contracting parties to GATT, including the United States, should actively push forward the relevant talks instead of slowing down

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the process because the early resumption of China's status conforms with the interests of all parties concerned. With regard to the question of Taiwan's application for accession to GATT, as we all know, there is only one China in the world. The Government of the People's Republic of China is the sole legal government representing China, and Taiwan is an inalienable part of Chinese territory. It is illegal for Taiwan authorities, posing as the government of a sovereign state, to apply for accession to GATT on behalf of the so-called "separate customs territory of Taiwan, Penghu, Jinmen and Mazu." The Taiwan authorities have no right to apply on their own for accession to GATT. Only after China resumes its status as a contracting party to GATT, and with the approval of the Chinese Central Government, can the question of Taiwan's application for accession to GATT be considered. The Chinese Government has all along opposed the attempt of creating "two Chinas" or "one China, one Taiwan" through international economic organizations. Taiwan's application for GATT membership is first and foremost a serious political issue. We ask the U.S. Government to give serious consideration to and full respect for China's position. At the time when China-U.S. relations are at a crucial juncture, any attempt on the part of the U.S. to allow Taiwan to get accession to GATT before the resumption of China's status as a contracting party to GATT in spite of China's repeated statements and representations would cause serious damage to China-U.S. relations. (S)

As to the provision of loans to China by multilateral financial institutions to China, the institutions concerned have all set up rules and regulations forbidding interference in the member countries' political affairs and requesting actions to be taken only out of economic considerations. We are of the view that all member countries have the obligation to observe these rules. The Chinese side noted that in the recent period of time, the U.S. side has not obstructed those institutions from granting loans to China on certain items, which is conducive to the restoration and development of China-U.S. relations. We hope that the U.S. side will support the all-round resumption of loans to China by the institutions concerned instead of staying put, let alone going backward, in this respect. (S)

In a word, it is our hope that the U.S. side will, proceeding from the overall relations between China and the United States, carefully handle the above-mentioned issues so as to avoid new difficulties in restoring and improving China-U.S. relations. (S)

General Scowcroft: We have a common goal, to retain MFN, there is no question. We are in a tactical situation, it is tactical to survive. The letter is an attempt to follow the example of fast-track procedures, which Congressmen Gephardt and others used to pass Uruguay Round authority. Some things are more distasteful and dangerous than others. To get the most votes, we may have to do something you do not like. Any suggestions you have to help work this out would be looked at carefully. I am

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not saying that things you pointed out are to be done. We are opposing conditionality. (S)

Ambassador Zhu: We appreciate that. (U)

General Scowcroft: We are opposing conditionality -- we need votes. (S)

Ambassador Zhu: Are you more optimistic? (U)

General Scowcroft: I am more optimistic than at the time of the Yale speech. We are still far behind in getting enough votes. But now we are able to get some Democratic votes. The Pelosi veto was sustained by Republicans only. (S)

Ambassador Zhu: I remember Pelosi. (S)

General Scowcroft: I never worked so hard in my life as on Pelosi. We are still working for a veto, not passing the bill. (S)

Ambassador Zhu: We still have to go through the whole procedure of a veto. (S)

General Scowcroft: There is virtually no chance of what happened last year. Both Houses will have a vote. As it looks right now, Senator Mitchell is determined to have a vote. Speaker Foley is much more sympathetic. Senator Mitchell will not stick his neck out. (S)

Ambassador Zhu: On our part, we are trying to do things. (U)

General Scowcroft: We appreciate that. (U)

Ambassador Zhu: We assured you we will take positive steps at Paris. We are more concerned about the GATT issue, and maybe multilateral banks. (S)

General Scowcroft: Frankly, there are some Senate votes that will switch on that issue. Let me put it this way, if we are down to 33 votes and need one more vote... I do not want to forecast, but I do not want to lose. (S)

Ambassador Zhu: At the same time, Taiwan's status is a very serious issue for China. (S)

General Scowcroft: We are opposed to conditionality. This all has to be balanced against what is needed to avoid conditionality. (S)

Ambassador Zhu: We certainly do not want to see that while the President makes tremendous efforts for MFN status, which is essential for the gradual improvement in U.S.-China relations, at the same time, the United States Government takes actions that cause the same effect. I hope we have your understanding. (S)

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General Scowcroft: We understand. I hope you understand, too. We may have to do things we do not want to do. We are trying not to have a negative effect. (S)

Ambassador Zhu: I am sure we have a good understanding on this issue. The Taiwan issue is always the most important single issue. (S)

General Scowcroft: Yes, we have a good understanding. Do not get too excited over this. (S)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Bavarian Minister-President Max Streibl of Germany on June 28, 1991

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert Hutchings, Director for European Affairs
Gisela Marcuse, Interpreter

Max Streibl, Minister-President of Bavaria
Juergen Ruhfus, Ambassador
Paul Fischer, Bavarian Government
Ursula Weide, Interpreter

DATE, TIME June 28, 1991, 9:45 - 9:55 a.m.
AND PLACE: The Oval Office

The President: I am very pleased to see you. (U)

Minister-President Streibl: First, I would like to thank you for the U.S. support over these past 45 years and particularly during the period of unification. (U)

The President: We have been in this together. It is very generous of you to give credit to the U.S. (U)

Minister-President Streibl: We should especially see that the Atlantic partnership remains intact. (U)

The President: It is very important. General Walters has told me of your strong support on this point. He is singing your praises on lots of points. (U)

Minister-President Streibl: On this point, it is our firm view that NATO is not limited to defense issues; it is also a community of values. Let me raise another issue because Bavaria is very close to the East. We have very close contacts with Croatians, Slovenes and Czechs. Regarding Slovenia, it is important to give hope that they will eventually arrive at a more federative solution closer to the German federation. It is wrong to support the Serbs against the Slovenes and the Croats. (U)

The President: I agree. We have supported unity, but not at the expense of freedom. We are worried about the situation. (U)

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Minister-President Streibl: The fact is that people there must be given hope. I know them very well. I know they will ask no more than their basic freedoms. There is some hope of an eventual federalist solution. I have told them not to go too far. (Ø)

The President: I agree with what you said. (U)

Minister-President Streibl: Let me mention another issue: German participation in joint security operations. My view is that Article 24 of the Basic Law gives the right to take part within an Alliance context -- NATO or the UN. Any change in the constitution that goes beyond that would never get past the SPD which only wants blue helmet operations. I feel, before we end up getting less, we shouldn't change the constitution. (Ø)

The President: We don't want to go backwards. I think we are seeing eye to eye on this. How's the Chancellor? (Ø)

Minister-President Streibl: Very good. (U)

The President: We talked last week and will talk again after his meetings in the Soviet Union. You and he work closely together. (Ø)

Minister-President Streibl: Yes, yes. I've known him a long time, back to our time in the Young CDU.

-- End of Conversation --

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