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Collection/Office of Origin: Scowcroft, Brent, Collection
Series: Presidential Correspondence Files
Subseries: Presidential Memcons Files

OA/ID Number: 91109
Folder ID Number: 91109-006

Folder Title:
Presidential Meetings - Memorandum of Conversations 2/1/92 - 2/27/92

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

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Memcon	Re: Meeting with Boris Yeltsin, President of Russia (10 pp.)	2/1/92	(b)(1)	S
02. Memcon	Re: Meeting with Ronald R. Venetian, President of the Republic of Suriname (4 pp.)	2/3/92	(b)(1)	C
03a. Memcon	Re: One-on-One Meeting with Suleyman Demirel, Prime Minister of Turkey (3 pp.)	2/11/92	(b)(1)	S
03b. Memcon	Re: Working Lunch with Suleyman Demirel, Prime Minister of Turkey (4 pp.)	2/11/92	(b)(1)	C
03c. Memcon	Re: Expanded Meeting with Suleyman Demirel, Prime Minister of Turkey (4 pp.)	2/11/92	(b)(1)	S
04. Memcon	Re: Meeting with Jean Chretien of Canada (4 pp.)	2/14/92	(b)(1); (b)(6)	C
05. Memcon	Re: Meeting with Frederick Chiluba, President of Zambia (2 pp.)	2/19/92	(b)(1)	C
06a. Memcon	Re: One-on-One Meeting with Swedish Prime Minister (1 pp.)	2/20/92	(b)(1)	C
06b. Memcon	Re: Meeting with Prime Minister Bildt of Sweden (6 pp.)	2/20/92	(b)(1)	C
06c. Memcon	Re: Luncheon for Swedish Prime Minister (6 pp.)	2/20/92	(b)(1)	C

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Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 2/1/92 - 2/27/92

Pinksheet Number: cap931
OA/ID Number: 91109-006
Date Closed: 1/28/2009
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
07. Memcon	Re: Meeting with Alfredo Cristiani, President of El Salvador (4 pp.)	2/24/92	(b)(1)	✓
08. Memcon	Re: Meeting with Alberto Kenyo Fujimori President of Republic of Peru (6 pp.)	2/26/92	(b)(1)	✓
09. Memcon	Re: Meeting with Cesar Trujillo Gaviria, President of the Republic of Colombia (5 pp.)	2/26/92	(b)(1)	✓
10. Memcon	Re: Meeting with Rodrigo Borja, President of Ecuador (4 pp.)	2/26/92	(b)(1)	✓
11. Memcon	Re: Meeting with Jaime Paz Zamora, President of Bolivia (5 pp.)	2/26/92	(b)(1)	✓
12. Memcon	Re: Breakfast Meeting with Carlos Salinas, President of Mexico (9 pp.)	2/27/92	(b)(1)	C

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Collection:

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Boris Yeltsin, President of Russia (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Richard Cheney, Secretary of Defense
Samuel K. Skinner, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert Strauss, Ambassador to Russia
Dennis Ross, Director, Policy Planning Staff, Department of State
Lewis Libby, Principle Deputy for Strategy and Resources, Department of Defense
Nicholas Burns, NSC Staff (notetaker)

Boris Yeltsin, President
Andrey Kozyrev, Foreign Minister
Marshal Yevgeni Shaposhnikov, Commander in Chief, CIS Armed Forces
Yevgeniy Velikov, Vice President of the Russian Academy of Sciences
Vladimir Lukin, Chairman, Foreign Affairs Committee, Russian Parliament
Ambassador Vorontsov, Ambassador to UN
Mr. Ryurikov (notetaker)
Mr. Ilyushin, Head of Secretariat
Mr. Volkogonov, Military Advisor
Mr. Voschanov, Press Secretary

DATE, TIME February 1, 1992, 11:15am - 12:35pm
AND PLACE: Camp David

DECLASSIFIED
PER E.O. 12958,
AS AMENDED
1999-0304-F1,
J2 2/22/08

The President: Welcome everybody to Camp David. Let me say at the outset that President Yeltsin and I had a good talk together. I had the opportunity to invite him for a State visit to the U.S. We left the timing open. It will probably not be April but will be before the G-7 meeting in July. We left it to our people to get together and discuss. President Yeltsin invited me to Moscow and I said I would visit before the end of the year. Mr. President, let me suggest that you take the floor keeping in mind that we have a press conference at 1:10 p.m. So, we should

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probably start lunch by 12:30 p.m. I would leave the floor to you for your agenda. (U)

President Yeltsin: Shall we determine our agenda, Mr. President? I would like to discuss the following issues: economic reform in Russia; Russia and the Commonwealth -- political, economic and other problems; nuclear disarmament initiatives; security issues such as dismantling and disposal of nuclear weapons; brain drain; non-proliferation of nuclear and conventional weapons. I also think it would be a good thing to issue a joint statement. (C)

The President: That is a broad agenda. Let's see if we have time. We don't want to get into the details of arms control. There may be too much to cover. (C)

President Yeltsin: On economic reform in Russia, we are five years late in starting. Economic reform only really became possible after the collapse of the empire and communist ideology. We have a clear program for reform. We raised prices on January 2. We have not followed a classical plan because we simply did not have time to take the other measures that were suggested before the price rise such as banking, tax and other measures. We knew that our popular credit was limited and so we had to act simultaneously on all issues. (C)

Since we freed prices, there has been no major social unrest, but there have been hard times. I can only explain this relatively quiet reaction because I announced the price rises before they took effect. So people knew what to expect and they hoarded supplies. February, March and April will be critical. We hope people can stand it. If reform fails, the current forces in power will be replaced by conservative forces, hawks, who will reject these reforms. We will have a police state, repression and the arms race will recommence. It will be a waste of billions of dollars for the U.S. and involve all the world. (C)

We are resolved to stay with democracy. We are observing all human rights principles and the principles of a market economy, with private property and demonopolization. We cannot allow this to stop. We need help, not aid. We need your support and cooperation. (C)

Food is the main thing. I am thankful for the major airlift but still one cannot feed Russia with that. It will take the efforts of dozens of states. The EC has a surplus of food, roughly 20 million tons. We are short 25 million tons. We need to have mass transportation of food from all over the world. Thank you very much for arranging the Coordinating Conference here. Jim Baker told me that 54 countries participated. (C)

So far, our cooperative relationship has moved slowly -- I am talking about the last seven months now. This was a period when you didn't know who to deal with between Gorbachev and Russia. Today the situation is crystal clear. You must send aid to Russia and the other Commonwealth states. Some believe it is a convenient moment to criticize us due to the price rises. But we

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still have popular support. We must survive these three winter months. (C)

I don't want to delve into the small print of land reform. We will have 14 million hectares for private farms. There are 60,000 private farms now and will be 200,000 private farms by summer. The average size will be 100 acres. We must begin on banking reform. I met Corrigan at the FED in New York. (C)

The President: Yes, Nick Brady told me he spoke to you. (U)

President Yeltsin: Yes, it was fascinating. I believe Brady is with Gaydar this morning. Gaydar is the architect of the reforms. He is young, but talented. His team is young, too. The President must protect this team from criticism in the Supreme Soviet and elsewhere. Gaydar would have been eaten by wolves without the protection of the President. I stand up for him and defend him as head of the government. (C)

The President: I want to push the international financial institutions to give you full membership. I hope Gaydar can give us practical ideas on how to help. I think membership is vital. We will push them to do away with the bureaucratic foot dragging. I spoke to Bob Strauss and Jim Baker about this. We hope to do it by April-May. (C)

President Yeltsin: Thank you. Time is essential. Gaydar and I have talked. We will reveal all information to the IMF. There will be no problem with information for the IMF. We want full membership by April. (C)

The next item is Russia and the Commonwealth. First, I want to say that the move to form the Commonwealth was correct and inevitable. When the union collapsed, states would have moved in all different directions had there not been a Commonwealth. There would have been four nuclear states and the army would have divided into bits. Think of the border and defense problems. So, we decided to act swiftly and we formed the Commonwealth of eleven states. There is no unified structure but there is a small group that prepares meetings for the heads of state and government. The Council of the Heads of State is the supreme authority. We will meet monthly. We met last on January 16 and will meet next in Minsk on February 14. We will discuss the future of the military command and the Black Sea fleet. (C)

On economics, so far only the Ukraine wants its own national currency. The rest signed an accord on a single ruble zone. Ukraine signed it too actually but we have information they are printing money and will introduce a currency sometime this year. The Ukraine is dependent on Russia. We give them 40 million tons of oil that they cannot buy elsewhere. Our manufactured goods are vital for them. We want maintenance of the ruble zone. And we won't allow conflicts between us and Ukraine. We seek to be flexible and not push Ukraine around (Note: Shaposhnikov nodded in agreement at this point). Russia has no imperial designs and has no wish to dominate others. We want all in the Commonwealth

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to be equal. Each meeting of heads of state emphasizes that. But we cannot idealize the situation. The baby is only two months old and we must take care of it and be careful not to drop it. (S)

The President: Does Kravchuk have a group around him that looks at the situation differently than he does. Do they want to split off from the Commonwealth? Are they pushing him? (S)

President Yeltsin: Yes, there is a group in the Supreme Soviet. It is ultra nationalist and its name is Rukh. It has clout but does not have a majority in Parliament. Rukh is exerting major pressure on him. I appreciate Kravchuk's position. He has no way out. His are natural sentiments. (S)

There are 11 million ethnic Russians in Ukraine. They live in the east on the Russian border and Russians are the majority in Crimea. They could vote to join Russia. So, I don't think Ukraine will take any sharp turns due to this fact. This is off the record -- our main destabilizing factor is Ukraine. We have good personal relations with Kravchuk. I talk constantly with him by phone. (S)

Now, on nuclear control. The launch button is in my control and is second with Marshal Shaposhnikov. The four heads of state have instantaneous communications. If, God forbid, anything happened, we could talk right away. It is incumbent on me to act and on Marshal Shaposhnikov. It is technically not feasible for the others to control the nuclear weapons. It is impossible. (S)

On military issues, the eleven agreed to a strategic force under the single command of Marshal Shaposhnikov. Eight countries agreed they didn't want their own land forces, including Russia. So, Shaposhnikov has a unified force under his control. Russia cannot announce an army of its own because the others would want one too. Ukraine, Azerbaijan and Moldova want their own armed forces. We respect their rights. This is no great risk for us. We will comply with our share of CFE reductions. From the 13,000 ceiling on tanks, Russia has 9,000 and we will bring it down. The three others will have to comply too because their budgets cannot bear the burden. Russia is funding the military. We are putting in place 50 percent military procurement reductions. We are aiming for no deficit in the budget during the first quarter. (S)

The Black Sea fleet is a thorny issue. But everything is clear about nuclear vessels. If we agree on reductions in strategic arms, we will remove them all to Russia, dismantle and store them there. By July 1, 1992, there will be no nuclear weapons in Ukraine. We have already removed the tactical nuclear weapons from Kazakhstan and will finish soon with Byelarus. Ukraine will be finished by July 1. Do you have any questions? (S)

The President: You have outlined dramatic progress. This sends a reassuring signal. (S)

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Secretary Cheney: We at the Pentagon are very interested in President Yeltsin's strategic and conventional initiatives. We look forward to the opportunity to discuss strategic reductions. (S)

President Yeltsin: Yes, on strategic weapons our initiatives are close to each other. Three matters stand out. (S)

First, demirving land-based missiles. But what about SLBMs, your naval nuclear weapons? When we negotiate the specifics, we must establish ceilings on nuclear warheads so that the triads are equal. Say a ceiling of 5,000 today should be reduced to 2,500 total for land, air and sea nuclear warheads. This is a general view, but it must be worked out. We should instruct our negotiations to meet this goal. (S)

Second, let's discuss our proposal for joint creation of a global defense system. The purpose is not to compete in creation of a space system like SDI. We have experience in space research and we have good nuclear weapons experts. We would like to float the idea, and discuss in general, establishing a joint global defense system with joint manufacturing. We have expertise in the design and launch of space stations and their operations. So far, we cannot think of nuclear weapons in space but the initial stage of development could include our 2000 nuclear experts, some of whom are seeking work. We could consider land-based anti-aircraft and anti-ballistic missile systems. You saw the S-300 in an exhibition. Your and our research could be combined on space-based systems of command and control and communications. We could have a joint project. This would be much cheaper for both of us and would be a measure of trust between us. It would remove all suspicions. If we could announce today that we are no longer enemies and that we seek to be allies, that would herald a new era in relations between the U.S. and Russia. (S)

Oh yes, I forgot to mention the third issue -- the disposal of plutonium and uranium after dismantling of nuclear weapons. I am speaking of plutonium 239 and uranium 235. Hussein is not in a position to steal a nuclear warhead from the top of a missile, but plutonium and uranium could be taken from a storage facility. This could blackmail the world. We therefore want to turn weapons grade plutonium and uranium into cakes useable for atomic power stations. We cannot afford to have stockpiles. So we should reuse it. We can present our technology to you to create the cakes. We could build facilities together, one in the U.S. and one in Russia. Then we could make them non weapons grade. Velikov can go into the details with you. Do I sound like an expert? (S)

The President: That is a fascinating idea. But we here at the table don't understand the technology. We should follow up on this. (S)

General Scowcroft: I talked to Mr. Velikov about it briefly. (S)

Secretary Baker: This should be related to the brain drain problem. It could be a function for the Russian scientists who might work in an institute for that purpose. (e)

President Yeltsin: Yes, a center (in english). (e)

Secretary Baker: How we do that and how we fund it -- we are beginning to explore those questions. (e)

The President: We asked Dr. Bromley, my Science advisor, to think about this. I have a paper from him. Let's follow up on it. (e)

President Yeltsin: Good! But before we do that, we need to store the uranium and plutonium carefully. We want to invest your \$400 million for that purpose since we have no facilities. It won't be enough, but we could use that money. We could also use it for dismantling. (e)

The President: You know that Jim Baker is coming to visit. We will get our act together and provide more specific answers for this very important issue. (e)

Secretary Cheney: Secretary Baker's trip is a good opportunity to follow up on the \$400 million which is in the DOD budget. We must satisfy Congress on how we use it. We would like to send someone to brief you on our current plans and discuss this initiative. (e)

President Yeltsin: One more question -- sales of enriched uranium to the U.S. I would like you to remove the barriers -- we are talking about only 100 tons per year. (e)

Secretary Baker: You want to ship it here for storage? (e)

President Yeltsin: No, our firms which are not subsidized by our government want to sell it to you. Your dumping legislation sees these as illegal sales. But look here, we have hundreds of tons of surplus uranium. (e)

Secretary Cheney: We have more enriched uranium than we can use. We use it in our naval reactors. But we stopped producing our own. (e)

President Yeltsin: But I mean for peaceful purposes. (e)

Secretary Cheney: Only our military reactors here use enriched uranium. (e)

General Scowcroft: Dick, you can downgrade the uranium. (e)

President Yeltsin: We want to sell it to your firms that want to buy it. (e)

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General Scowcroft: Mr. President, some of our firms have offered to buy their uranium. (U)

The President: Before Jim Baker's trip, let's look into this and then let us present our thoughts to you. We'll try to see whether there is a market. (U)

President Yeltsin: Good! Any other questions? (U)

Secretary Baker: I think we figured out why you thought the President's strategic proposal was unbalanced. We think you computed the SLBM reductions from current levels. In the President's proposal, we come down by one third from the post-START level. If we do that, we would be roughly equal at 2300 warheads. (S)

President Yeltsin: Okay, I am clear on that. I had thought the reverse. Now, on the next question -- disposal of nuclear weapons. We think the problem of dismantling tactical nuclear weapons is manageable. We shall take the weapons by air to storage facilities and store them there -- land, sea and air missiles. We do not now have storage facilities but this should not be complicated, not like a facility for enriched uranium would be. (U)

We want a joint program on destruction. We don't have enough facilities to deal with all the weapons for the time period of the treaty. We have facilities at Chelyabinsk and Chapayev (sp.). They are for all dismantling and disposal. (U)

On the brain drain, we have 2,000 nuclear experts. These are our best minds. There are maybe 3,000 lower grade experts. They make 800-1000 rubles per month. I have ordered all of their pay to be increased to 5,000 rubles per month. If we launch a joint program, we can provide employment for many of them. For example, we could have joint space research and cooperation in building an orbital station. We could suggest the Soyuz 10 system for transportation. Boeing is interested in joining this but Congress will have to appropriate some funds. Our scientists are interested. (U)

Mr. Velikov: The situation is such that the U.S. program for an orbital station has no system to save astronauts. We have a transportation module for that. The cost of developing one would be reduced if you use our system. Boeing approached us and we are prepared to go ahead. (U)

The President: Good. This is a good development. On destruction of missiles, Jim Baker will talk to you in detail but where do we stand on space cooperation? (U)

General Scowcroft: We have looked at it. (U)

The President: I want to take a hard look at it. Brant, raise it with the space people. (U)

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General Scowcroft: Yes, sir. (U)

President Yeltsin: Good! I understand Jim Baker wants to add something on the destruction of nuclear missiles. (S)

Secretary Baker: When Reg Bartholomew was in Moscow, he made good progress on collection, storage and disabling. When I come, we will communicate specific ideas on cooperation in destruction. (S)

The President: I received a call from Helmut Kohl this morning. I think he felt excluded since he was not at the UNSC meeting. His message to me for you was that the Germans are interested in this issue and he asked me to convey that to you. The Germans are also supportive of our initiatives on strategic reductions. (S)

President Yeltsin: Good. We are working with the three Commonwealth states on the non-proliferation of weapons of mass destruction. We are calling on them to sign the Nuclear Non Proliferation Treaty as non-nuclear states. The nuclear weapons are not yet removed from their soil. On February 14, I believe we will convince the leaders of the three countries of the critical importance of signing the NPT. Kazakhstan has Iraq for a neighbor. This is a danger. We appreciate this danger. So, an early signing is essential. We are hurrying to remove tactical nuclear weapons first from Kazakhstan to prevent them from falling into Islamic hands. But the strategic weapons cannot be removed -- it is technically not feasible. (S)

Secretary Baker: The President wrote to President Nazarbaev about Kazakhstan's acceding to the NPT as a non-nuclear weapons state. When we were there in December, he gave us assurances on this if we supported Kazakhstan's accession to the UN and CSCE. That is now happening so we are hopeful they will sign. (S)

President Yeltsin: On February 14, I believe we will have their agreement. Yesterday, I met with Boutros Ghali. He assured me that the first meeting of the UNGA will vote for membership of all the Commonwealth states. The UNSC has already recommended them. I asked yesterday in my statement for their admission. (S)

The President: I don't think there will be much of an objection to that. (S)

Secretary Baker: Georgia and Azerbaijan haven't applied yet. (U)

Ambassador Vorontsov: That's right. (U)

President Yeltsin: We have some questions to ask Azerbaijan. We have no bilateral treaty with them. But there are problems -- violations of human rights and other problems. We removed the internal troops and will remove all of the Commonwealth troops from there soon. (S)

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The President: We met with the Joint Chiefs of Staff at the White House, and with Dick Cheney and General Scowcroft. We all agree that these military-to military meetings are very important. I would like these high-level meetings to continue. It is a good way to avoid misunderstandings. So, I think it is good and want it to continue. (S)

President Yeltsin: Yes. We had planned a visit of Shaposhnikov here but delayed it due to this meeting. We would welcome his visit here. (C)

The President: Yes. We found the military to military meetings useful in the past because they helped to eliminate misunderstandings. (C)

President Yeltsin: Let's discuss traffic in conventional weapons. You appreciate, of course, that slashing arms purchases by 50 percent is a difficult situation for our military industries. So we have started to export conventional weapons, and we don't want any problems with you on that. We do not operate on an ideal basis. But if there are markets, and you told me on the phone that our firms should look for markets -- we will sell to them. We are selling Kalashnikovs -- these are good machine guns. As we convert our military industry, we will reduce exports, but this will take time and money. (C)

I want a joint program on military conversion. For example, we closed down the Kirov tank plant in St. Petersburg. It used to produce 1300 tanks per year. Now it is closed, empty. I saw it. We are thinking of manufacturing small agricultural implements there. Why not a joint venture there with you? I talked to the Prime Ministers of Japan and the UK. They are interested. We should do a joint project. That would increase your confidence in us. (C)

The President: We had a Don Atwood visit. We want to cooperate. This is best done through our private people. Our farm machinery is made in several very fine companies. (C)

Ambassador Strauss: Atwood had a good visit, but there hasn't been much follow-up. (C)

President Yeltsin: I already saw the first agricultural machines and I drove one, just like you drove the golf cart today. But they need help. This is a huge plant, the size of football fields. (C)

On uranium, we have huge capacities for enrichment. We now need to utilize it for peaceful purposes. Velikov has talked to me about how to use it for gases and electronics. It is an extremely interesting proposition. We have two times the uranium we need. (S)

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These are huge plants we are talking about. In some of them, you must go by bike, not walking. It would be a miracle to help them. ~~(C)~~

Secretary Baker: The technical assistance working group from the Coordinating Conference had developed plans for demonstration projects in defense conversion. The U.S., Japan and Germany are willing. We should follow up. If we are able to develop a center or institution for brain drain, one of the useful aspects would be to have scientists look at conversion to civilian uses of advanced technologies. ~~(C)~~

Ambassador Strauss: One of the reasons there has not been much progress on conversion -- and the Atwood visit was a good visit -- is that the people he dealt with are no longer in power. ~~(C)~~

President Yeltsin: Yes, we must restart this process. On the brain drain, your scientists are given grants from the National Science Foundation. If your scientists could involve some of our scientists in these grants, it would help. This is a fundamental issue to be tackled. ~~(C)~~

The President: I suggest we have lunch. (U)

President Yeltsin: One last matter. Are we still adversaries or not? ~~(C)~~

The President: No, we are not. We have a statement to make on this which shifts the gears (the President proceeded to read from the statement). This moves us away from the old era. This joint statement will help to do that. I can assure you that I will emphasize this point at the press conference. Why don't you look at the statement. ~~(C)~~

President Yeltsin: You have nothing here which says that we are no longer adversaries and are moving to be allies. ~~(C)~~

Secretary Baker: It says friendship. (U)

President Yeltsin: No, no. We should say that we are moving from a stage of adversaries to allies. This gives a new quality. ~~(C)~~

The President: We are using this transitional language because we don't want to act like all our problems are solved. ~~(C)~~

President Yeltsin: Do we call it a joint declaration or a statement? (U)

The President: Declaration. (U)

President Yeltsin: I would rather term it "New Character of our Relations". (U)

The President: Okay. This is what we will do. No problem. (U)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Ronald R. Venetiaan, President of the Republic of Suriname

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Samuel Skinner, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
John Leonard, U.S. Ambassador to Suriname
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
William T. Pryce, Senior Director, Latin American Affairs, NSC Staff (Notetaker)

Ronald R. Venetiaan, President of Suriname
Soebhas Chandra Mungra, Minister of Foreign Affairs
Moestava Nurmohamed, Chairman of the Foreign Affairs Committee
Willem A. Udenhout, Ambassador to the United States
Annette Tjon Sie Fat, Interpreter

DATE, TIME February 3, 1992, 4:30 - 5:00pm, EST
AND PLACE: Oval Office

DECLASSIFIED
PER E.O. 13526
2009-0653-MR
Eg 61115

The President: Delighted to have you here. I want to hear all about how things are going at home. I'd like to know how you think things are going and how we can work with you. I don't know whether you know that we have been able to draw a little more PL-480? (Ø)

Assistant Secretary Aronson: We have left that for you to make known. (Ø)

The President: Well, we do want to let you know that we have been able to find about \$8 million. We want to hear about the joint actions on narcotics. Anything we can do to help you, we would like to be able to do so. (Ø)

President Venetiaan: Well, we have a number of problems. We have the problem of coping with the aftermath of military regime. We have the problem of the economy. We have the problem of the fight with the narco-traffickers. We think that when the United States shows determination, the results are very good in this field. We lack the means to fight this problem, and the framework to close a line along the northern half of the

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Netherlands/Antilles. We are looking for friends to assist us. The problem is too much for us alone. (Ø)

The President: I want to interrupt to make a point. We are trying very hard to reduce demand, and it's only fair that you know that we are a very important part of the problem. We are working on this with some success. When we want cooperation in helping reduce supply, we know that we have to work hard also to reduce demand. I made that point in Cartagena. But I'm not sure that everyone understood it. I will make the point again in San Antonio. (Ø)

President Venetiaan: We have also discussed cooperation with the United States of America. We think that it is good to work together so that the people can go on to a firmer democracy. We have been hurt by the bad reputation of the 80s. But I think we are on the right track. (Ø)

The President: Without in any way intervening in internal affairs I would like to know how is it working with your military? You are the President, are you getting cooperation from the military commander? (Ø)

President Venetiaan: I think we can say yes. The problem is not one of the moment, but rather what might happen in the future. We need to strengthen our democracy. People in Suriname and outside Suriname will come forward and say no. It is important that people feel this before they try to do something. We are trying to find more support. We have asked the OAS to come down to strengthen institutions. I have said this often, that the U.S. can play an important role with the OAS. We look for the development of some framework that will support democracy. It is still possible for a small group of armed men to destroy what has been developed. Among the specific things we are looking for to get and this is very special, we need to get safeguards for what we have, in terms of democracy. Another thing is to improve the economy and that is why I am very happy you mentioned grain (PL-480). You have many years of democracy, but we have a few, and when you have hunger there are problems. (Ø)

The President: What is needed to finalize? (Ø)

Assistant Secretary Aronson: I think everything is just about ready. We want to do it. (Ø)

The President: Good. We can announce it. The President will be able to talk about this to the press. (U)

How's it going with the international financial institutions?
(Ø)

Secretary Baker: He has moved from finances to foreign affairs.
(U)

The President: What a terrible thing! (He then laughs.)

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President Venetiaan: We are looking for the people of the World Bank and the International Monetary Fund to come. (Ø)

Foreign Minister Mungra: We hope experts will come and give us advice as to how to get out of our problems. (Ø)

The President: What is the population of Suriname? (U)

President Venetiaan: Four hundred thousand, maybe more. (U)

The President: How many in the capital and how many outside? Is it about 50-50? (U)

President Venetiaan: It's about that. (U)

The President: Then it's pretty well concentrated? (U)

President Venetiaan: Yes. I think you should know that Suriname and the Surinamese are traditionally oriented toward the United States. We have also tried with the Dutch. I was trying to explain to your people that although there is a large amount of aid from the Netherlands available, somewhere around 900 million U.S. dollars. The level of aid being disbursed is not very high. We had a treaty in 1975. There was aid prior to the military government. (Ø)

The President: Are there strings attached? (Ø)

President Venetiaan: Yes. People always say go to the Dutch. Well, we need to do that. But we think it is important to keep things moving to get aid or there will be the rightist from the military will react to us. We are working to make progress but we do need more financial support. We have been discussing possible inflows from the International Monetary Fund. (Ø)

The President: Are you having meetings with others on this? (Ø)

President Venetiaan: Yes, we have talked with Mr. Aronson and we will meet the Minister of Trade and Agriculture and Industries. (U)

The President: Are you going to the OAS? (U)

President Venetiaan: Yes. (U)

The President: On OPIC, do you have an agreement? (Ø)

President Venetiaan: We don't have one and we need to get one. (Ø)

The President: I would like to encourage it, because it can be very helpful. (U)

Ambassador Leonard: We have talked with USTR. We don't have a framework agreement, and we need to get one. I think Suriname is

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the only country that doesn't have a framework agreement except Cuba. (Ø)

President Venetiaan: We also discussed balance of payments. We need to get foreign currency to get things going. We expect and ask for aid from the Dutch. I think your country can help. (Ø)

The President: With the Dutch? (U)

Foreign Minister Mungra: Yes. The Dutch talk about economic issues, but we need to support democracy. (Ø)

The President: Let's talk to the Dutch. I don't want to say what we can do. We have good relationships with the Dutch. They are far away but we want to see success. (Ø)

President Venetiaan: Most of the time, they are helpful. We know that we have a lot to do, but we know there is much to be done, but we need to have a positive approach to our problems. (Ø)

The President: We will see what we can do. It has been a great pleasure to talk with you and I wish you every success. (U)

President Venetiaan: Thank you very, very much. (U)

-- End of Conversation --

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1110

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: One-on-One Meeting with Suleyman Demirel,
Prime Minister of Turkey

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President
for National Security Affairs

Suleyman Demirel, Prime Minister of Turkey
Faruk Logoglu, Special Advisor to the
Foreign Minister

DATE, TIME February 11, 1992, 11:00 - 11:35am
AND PLACE: The Oval Office

The President: I did not want to waste our time with the press but I do want this to be a good, solid relationship. (Ø)

Prime Minister Demirel: I appreciate your invitation and your comments. It is important to review our relations at this time of change with the new instabilities and uncertainties. I want to tell you my worries. The Middle East, in which you are involved. The collapse of the Soviet Union. We are cautious about what might happen. Two U.S. planes went from Ankara to Baku and Tashkent - A good signal. I have a coalition government. We used to fight and we will again. But we have a good coalition now. We are determined to solve our internal problems. We should have better relations with the U.S. and I want to expand our relationship. We will cooperate and contribute to the new World Order. We want political and economic stability and we are watching Europe and our neighbors closely. As for our bilateral relationship, we need to maintain our military cooperation, but we need to broaden the relationship beyond that. (Ø)

The President: I'm delighted to hear what you have to say. While we are here I want to raise the question of Cyprus. I was disappointed in Denktash after your talk with Mitsotakis in Davos. (Ø)

Is there more that we can do? (U)

Prime Minister Demirel: Mr. Mitsotakis and I met at Davos. We agreed on a communique. It was useful. Greece and Turkey aren't going to quarrel. We will solve all of our problems including Cyprus. We will use the U.N. to solve it and we will support those efforts. We have to find a just and final solution. If we

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don't find a just solution it won't last. We could have future problems between Greece and Turkey. We could once again be at each other. We need to do this right. A fair solution will help all of us. We will press the Turkish side and Mitsotakis will press the Greek side. (Ø)

The President: Do you know, Denktash? What sort of person is he? The Greeks say he is very hard to deal with. (Ø)

Prime Minister Demirel: Denktash should be a part of any settlement if it is going to last. If we have a fair deal we can push him to it. But we should let him speak. (Ø)

The President: Of course. Is he a hero for the Turkish Cypriots? (Ø)

Prime Minister Demirel: I have known Denktash for 30 years. We can bring him around to any fair solution. (Ø)

The President: (Mentions schedule). (U)

Prime Minister Demirel: Let me mention Armenia and Azerbaijan. We've recognized all of these republics. We've made supportive statements of both Azerbaijan and Armenia. We have to be even-handed especially about Nagorno-Karabakh, or we could have real trouble. Azerbaijan feels that they must have real support from the United States and Europe. (Ø)

The President: Is there a feeling that the United States is supporting Armenia. (Ø)

Prime Minister Demirel: Not at the moment but you must be very careful. (Ø)

The President: I worry about Islamic Fundamentalism. (Ø)

Prime Minister Demirel: We have something to say on that and a proposal to make to you. (Ø)

The President: Let me say something personal. During the war I had a close relationship with Ozal and I still do, but you are the Prime Minister and you should feel that we have the same relationship I have with Ozal. I want you to know this -- I know that the two of you have had problems, but a Turkish relationship is vital to us. If you get into an argument with the Europeans we would want to help you. (Ø)

Prime Minister Demirel: It is very kind of you to say this. Our relationship with the United States and Turkey should be people to people as well as State to State. Ozal used to work for me. We did have a problem. It is OK. We don't have a Presidential government, but rather a Cabinet government. We had something wrong for a while, but it is alright now. The government is responsible to the people. I spoke to Ozal before I left. All the agreements he made with you are mine too. One other point, on Northern Iraq, we don't expect the Kurds and the Tribesmen to

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do anything, but they are not happy. How do you see things over the next 4 to 6 months? (Ø)

The President: It is not clear. We had hoped for a deal between the Kurds and the government but that doesn't look like that will happen. (Ø)

Prime Minister Demirel: The PKK is a terrorist organization. They killed 450 people last year. There are 2500 of them in the "no man's land" south of our border and they make intrusions from there. They clearly get help from Iraq, but I believe the Syrians train them and support them. We don't like it. Syria was a Soviet client. Not anymore. Perhaps they will get closer to you. (Ø)

The President: We don't have great relations with Syria, but they are better than they were. Maybe we can do something to help you. (Ø)

Prime Minister Demirel: Syria trains these people in their Bekaa Valley and then sends them up to Iraq to the Iraq Turkish border. We'll look into what might be possible.

-- End of Conversation --

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03b. Memcon	Re: Working Lunch with Suleyman Demirel, Prime Minister of Turkey (4 pp.)	2/11/92	(b)(1)	C

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons

WHORM Cat.:

File Location: Presidential Meetings - Memorandum of Conversations 2/1/92 - 2/27/92

Document Partially Declassified

(Copy of Document Follows)

By ES On 4/26/92

Date Closed: 1/28/2009	OA/ID Number: 91109-006
FOIA/SYS Case #: 2009-0275-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #: 2009-0653-MR (501.01)
AR Disposition:	MR Disposition: Released in Part
AR Disposition Date:	MR Disposition Date: 6/1/2015

RESTRICTION CODES

Freedom of Information Act (FOIA) - [5 U.S.C. 552(b)]

- (b)(1) National security classified information
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Deed of Gift Restrictions

- C(1) Closed by Executive Order 13526, governing access to national security information
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- PRM. Removed as a personal record misfile

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

- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

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THE WHITE HOUSE
WASHINGTON



MEMORANDUM OF CONVERSATION

SUBJECT: Working Lunch with Suleyman Demirel, Prime Minister of Turkey

PARTICIPANTS: The President
Arnold L. Kanter, Acting Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Richard Barkley, Ambassador to Turkey
Nelson Ledsky, Special Coordinator for Cyprus
David Gompert, Senior Director for European and Eurasian Affairs, NSC Staff, Notetaker

Suleyman Demirel, Prime Minister
Hikmet Cetin, Foreign Minister
Cevit Caglar, Minister of State
Nuzhet Kandemir, Ambassador to the United States
Ozdem Sanberk, Under Secretary of State
Ilhan Kesici, Under Secretary of State, Planning
Faruk Logoglu, Special Advisor to the Foreign Minister

DATE, TIME February 11, 1992, 12:05 - 1:10pm
AND PLACE: Old Family Dining Room

Prime Minister Demirel: Perhaps we should discuss the Balkans. Things are going well in Bulgaria. A democracy is being established there. And beyond that, the Bulgarians have shown, through their treatment of the Turks, that it's possible to address the needs of minorities. The leaders of Bulgaria are proving themselves to be supporters of human rights. We can work with Bulgaria and others in our Black Sea cooperation. This might not include Romania, but Romania has serious problems. (C)

The President: I want to be sure you understand our position in Yugoslavia. We are stuck with a non-recognition position because the Secretary General and Cyrus Vance have asked us to do so. We're holding back even if it's uncomfortable to do so, as others go forward with recognition. I hope you understand our reasons for holding back. (C)

Prime Minister Demirel: Milosevic has a real problem in Bosnia where the population is 20% Serbian. This makes the question of the future of Bosnia most delicate. (C)

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The President: Did Greece have a problem over your recognition of Macedonia? (Ø)

Prime Minister Demirel: I discussed this with Mitsotakis before we did anything. We will move towards an agreement with Greece to govern our bilateral relationship and I hope to have Mitsotakis come to Ankara. On Cyprus, as I have told you, we want an agreement, but it must last. (Ø)

The President: What about the Aegean? Are there any problems in which we can be helpful? Mitsotakis raised this when he was here. (Ø)

Prime Minister Demirel: We will settle any problems peacefully. And we will also start dialogue about the Aegean. (Ø)

Brent Scowcroft: Back to Yugoslavia, we have a problem just recognizing two of these Republics. You and Bulgaria are the only two to recognize all four. We view the Bosnia referendum as another reason to wait. (Ø)

The President: I'm getting a lot of pressure on Croatia. I'm the only politician on this side of the table. All the diplomats are telling me all the problems that could be created, but I'm the one who's got to answer to the voters. We went through a similar situation with the Baltics. We were criticized because we were cautious. Our caution proved to be very successful. We didn't want to provoke Gorbachev or put him under some pressure to take some action in the Baltics, so we handled it in a way that produced a successful outcome, even though we got some criticism. We fully understand the aspirations of people to be free. We want to be prudent and we want to be effective. (Ø)

Brent Scowcroft: Do you expect trouble over Macedonia? (Ø)

Prime Minister Demirel: There is always a possibility. There are Turks, Macedonians and Albanians in Macedonia. I don't think there will be any trouble there. It's not like Bosnia. (Ø)

The President: Tell me about your views on Western Europe. I know you have aspirations to be in the EC and we have made it clear that we favor this. What can we do? There's a lot of change going on now in Europe and we want to stay involved. There are some isolationist pressures here in the United States, as you know. What is your assessment of what is going on in Europe? What do you see about the future of NATO and how do you see Turkey's role in Europe? (Ø)

Prime Minister Demirel: The Europeans do not understand the changes that have occurred in the world. Europe's organizations are consistent with a divided Europe, not a unified Europe. Take the WEU, for example. What is its purpose? ^{3.3(b)(1)}

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We hear this debate about the deepening versus the widening of the EC. But a "Fortress Europe" will never work. They can't keep it that way.

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How can you maintain the disparity between an affluent Western Europe and its environment? So the EC is going to widen, it will have to. After the new democracies of Central and Eastern Europe, after that will come Turkey. In the meantime, our democracy in Turkey is being improved and strengthened. This is the first goal of my Administration. With the strengthening of our democracy, Turkey can function even more effectively as a gate into the Republics of Central Asia. (C)

Brent Scowcroft: France has wanted a very tight EC ^{3.3(b)(1)} and, now, if the EFTA countries come in, it will make the French vision harder to achieve. (C)

Prime Minister Demirel: It is ironic. We, the Turks, fought against communism. And now the ex-communist states, themselves, will probably get into the EC before we do. (C)

Brent Scowcroft: Do you have economic problems that would result from EC membership? (C)

Prime Minister Demirel: No, this should not be a problem, because our association with the EC will have a long and logical transition. EC membership for Turkey would be extremely helpful in foreign investment. We also need to get the private sector to show an interest in Central Asia. (C)

The President: We agree. There are some things the government can do to encourage the private sector, such as OPIC, but basically we agree that what the private sector has to offer goes far beyond what governments can do. (C)

Prime Minister Demirel: Businesses could get into Central Asia via Turkey. (C)

Brent Scowcroft: Yes, I can see that logic, but the communications systems that will be required do not exist after so many decades of isolation. They need to be rebuilt. (C)

Prime Minister Demirel: Yes, you are right, and we are starting on that through telecommunications. ^{3.3(b)(1)} The Emirates and Egyptians are concerned, so I think they will cooperate with us, but we can put the whole thing together. (C)

Foreign Minister Cetin: I discussed this matter with the Saudi Foreign Minister when we were in Washington and he was quite receptive. (C)

Prime Minister Demirel: There is an important distinction between being Moslem and being Fundamentalist. Turkey is the only country which is Moslem, secular, and democratic. ^{3.3(b)(1)} (C)

The President: Algeria seems to be a big problem. It is a democracy of sorts, but it appears that the Fundamentalists have voted themselves in. (C)

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The President: Algeria seems to be a big problem. It is a democracy of sorts, but it appears that the Fundamentalists have voted themselves in. (Q)

Prime Minister Demirel: Eight-five percent of the Algerian people are not Fundamentalists. But they voted for the FIS because they are in dire economic need. If the Fundamentalists give them hope, then they'll vote for them. ^{3.3(b)(1)}

3.3(b)(1)

(Q)

The President: I'm curious about how a Davos conference works. (U)

Prime Minister Demirel: Well, this Swiss Professor Schwab, he was quite an extraordinary man, invites everyone from Mandela to Mitsotakis. There were thirty-nine Prime Ministers and Presidents there. Five-hundred people in all. They are all treated as equals. We were put into groups almost as if we were students and then were asked tough questions about the future of the world. (U)

The President: We are very excited about the prospects and progress of democracy right here in our own hemisphere. It's happening in Nicaragua and Peru. Then in Argentina it has followed a responsible path. Mexico is improving. And we are doing what we can through our Enterprise of the Americas initiative and our Caribbean Basin Initiative. This said, I don't think we should move toward regional blocks. We're in a funny mode right now. There are strong protectionist forces. We have a slow-down right now, not a recession, but definitely a slow-down and the reaction the people have is to turn on Japan. This isn't pleasant, but it's happening. But there is an attitude in the country that we Americans have done our part and now it's time for us to look homeward. But I can not accept this. I will have to take my case to the people. The world is simply too small for us to turn inward. (Q)

Is everything working well in the military relationship? (Q)

Prime Minister Demirel: Well, the big thing is the F-16 program, which you are supporting. We have the first 160 and now we are proceeding with another 40, plus eighty. Then what happens will depend upon your old plans for the F-16. I believe the U.S. F-16 program has shut down, and the big question is whether you will support ours. I think we have to look at the MOU - at the 30% Turkish content - We would like to explore the question of third - party sales from Turkey. (Q)

-- End of Conversation --

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03c. Memcon	Re: Expanded Meeting with Suleyman Demirel, Prime Minister of Turkey (4 pp.)	2/11/92	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons

WHORM Cat.:

File Location: Presidential Meetings - Memorandum of Conversations 2/1/92 - 2/27/92

Document Partially Declassified

(Copy of Document Follows)

By ES On 4/20/02

Date Closed: 1/28/2009	OA/ID Number: 91109-006
FOIA/SYS Case #: 2009-0275-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #: 2009-0653-MR (501.02)
AR Disposition:	MR Disposition: Released in Part
AR Disposition Date:	MR Disposition Date: 6/1/2015

RESTRICTION CODES

Freedom of Information Act (FOIA) - [5 U.S.C. 552(b)]

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

- P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

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THE WHITE HOUSE
WASHINGTON



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MEMORANDUM OF CONVERSATION

SUBJECT: Expanded Meeting with Suleyman Demirel, Prime Minister of Turkey

PARTICIPANTS: The President
Arnold L. Kanter, Acting Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Richard Barkley, Ambassador to Turkey
Nelson Ledsky, Special Coordinator for Cyprus
David Gompert, Senior Director for European and Eurasian Affairs, NSC Staff

Suleyman Demirel, Prime Minister
Hikmet Cetin, Foreign Minister
Cevit Caglar, Minister of State
Nuzhet Kandemir, Ambassador to the United States
Ozdem Sanberk, Under Secretary of State
Tevfik Altinok, Under Secretary of Treasury and Trade
Ilhan Kesici, Under Secretary of State, Planning
Faruk Logoglu, Special Advisor to the Foreign Minister

DATE, TIME February 11, 1992, 11:35 - 12:05 am
AND PLACE: Cabinet Room

The President: We've covered Cyprus. I suggest we continue talking about any subject you'd like, adjourn, and then proceed to a working lunch. Any subject you want -- the floor is yours. (Ø)

Prime Minister Demirel: I appreciate what you have said to the press. We are ready to work with you. Human Rights... world peace... We understand the concept of the New World Order. We are ready to cooperate. We will have cooperation in world peace in our region. We are happy the Soviet Union collapsed -- it had created such problems. It must receive due consideration. We want cooperation -- in the interest of all of us. (Ø)

The Slavic and Turk Republics need to keep the peace, or we will have problems. (Ø)

The President: Internal stability or external? (Ø)

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Prime Minister Demirel: Both. How are they going to reduce their armed forces? Their Black Sea fleet? We don't know what they'll do. (Ø)

The separateness between the Slavic and other Republics. We shouldn't give them this impression. We in Turkey are important here in this regard -- there shouldn't be any impression that they should remain separate. They don't have rules and regulations on how to come into and out of power. They already have these problems in Georgia. You can't sell democracy until they understand it. (Ø)

3.3(b)(1)

"Provide Hope" has been important. If we have instability in Central Asia the world will have many problems. Uncertainties and instability is our concern -- more help can and must be given to these former Soviet republics -- the United Arab Republics, Central Asians. Turkey and the United States should work together, both governments and private sector entrepreneurs. We've already started helping them. We don't want to run these Republics -- they should stay independent. If they have troubles, they will take advantage -- the Soviet empire is gone, but the Russian empire could come back. The Republics have offered talks. There are lots of ties now. Now they are, accordingly, learning the Latin alphabet. They need much help -- mainly from the purse. Our program is proposed. Just something to discuss. We have this for your staff. (Ø)

These countries are raw material countries. They need capital. They need food stuffs. They need investment and know-how. The Soviets have minerals, but that does not give them anything. I have something here. (Ø)

The President: Should I read it now? (U)

Prime Minister Demirel: No. (U)

The President: Is it one or the other that worries you? Mostly in regard to instability and radicalism? (Ø)

Prime Minister Demirel: Yes. But regarding integration. I would like to emphasize Fundamentalism in regard to integration. We have some points on how we can work together. Japan has come to us on how we can work together. (Ø)

For the time being, I don't think there's a great chance that they'll be Fundamentalist -- they're very free. I don't think they would take to Fundamentalism. (Ø)

The President: We'll take the paper and see what the specifics are by just looking at it -- we do feel a certain commitment to these emerging Republics -- I had a long talk with Yeltsin. (Ø)

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Prime Minister Demirel: We've been visiting their capitals. They expect lots of things from us -- we want to help them, but it's out of our hands -- we don't have enough. (S)

The President: Do you see any moderation in Iran? It seems to have stalled out. Their system doesn't seem as open. (S)

Prime Minister Demirel: We have relations with these: Turkey, Iran and Pakistan. We have economic compliance. Our President is going there. I'll go. We've had this cooperation for many years. 3.3(b)(1)

3.3(b)(1)

(S)

The President: I think we see eye to eye and we want to see a moderate regime in these countries develop -- we'll try to do our best. (S)

Prime Minister Demirel: We're ready to cooperate. (U)

The President: We started to talk about Iraq. Can we go on with that now? Our view is that this man -- Saddam -- is bad/evil. He has enormously tight security. We have not changed our view. We'll continue to back the UN. The United States will have relations almost instantly when Saddam gets out. Renouncing the nuclear bomb stuff is what they're trying to do now. There has been changing around, but we're not certain as to whether that means the people will put him out. 3.3(b)(1)

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3.3(b)(1)

We had

great support from Turkey. (S)

That's our position. What's your view? Does Saddam offer stability? (S)

Prime Minister Demirel: When we were speaking in Istanbul we had the view that Saddam would stay for a while. You know the balance in the region -- Saddam is supported by Baath which is strongly nationalistic. If the Baath wanted, they could change Saddam or the army could change him. (S)

For the time being, I don't think any action will come from the people. What ever, he did -- the war with Iran and the one with the world -- he was just taken out from Kuwait. He was boasting about his army, planes, and tanks. He thought he was very strong -- but was defeated badly in hours -- I don't think there's a logical enough reason for him to be there. No one can give a reason. (S)

In Northern Iraq -- what he did in August 1991 - he uprooted Iranians -- some came to Turkey, some to Iraq. Kurdish tribes, some Turkish professionals, some Arab professionals, no one is governing them. Not even the government of Iraq. The government of Iraq has 20-25 divisions of soldiers, but they don't use them there. The fighters in Northern Iraq are in a very bad position.

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The effort of Provide Comfort is helping them. We're helping them. It is tough to talk about the future of Iraq. (S)

Prime Minister Demirel: Another instability -- I don't think Saddam is able to do more harm to the people -- but division in Iraq means more instability. Syria and Iran should agree on this. What the election in Northern Iraq will bring, we don't know. (S)

The President: Is there a governmental or military presence in Northern Iraq? (C)

Prime Minister Demirel: Almost none. (U)

The President: ^{3.3(b)(1)} If we can be cooperative -- I hope we'll exchange information and do whatever it is that's in our common interest. Let's continue this discussion across the street. (S)

-- End of Conversation --

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Withdrawal/Redaction Sheet

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Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
04. Memcon	Re: Meeting with Jean Chretien of Canada (4 pp.)	2/14/92	(b)(1); (b)(6)	C

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AR Disposition:	MR Disposition: Released in Part
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THE WHITE HOUSE
WASHINGTON



MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Jean Chretien of Canada

PARTICIPANTS: The President
Lawrence S. Eagleburger, Acting Secretary of State
Brent Scowcroft, Assistant to the President for National Security Affairs
Edward Ney, Ambassador to Canada
Barry Lowenkron, Director for European Security Affairs, NSC Staff (Notetaker)

Jean Chretien, Leader of the Canadian Liberal Party
Derek Burney, Ambassador to the U.S.
Michel Dupuy, Foreign Policy Advisor to Mr. Chretien
Jean Carle, Executive Assistant, Notetaker

DATE, TIME February 14, 1992, 10:00 a.m. - 12:00 p.m.
AND PLACE: The Oval Office

The President: Welcome to Washington. I'm glad we have a chance to talk. (U)

Mr. Chretien: Thank you. I am happy to be here. (U)

The President: Let me say that I intend to push forward on the North American Free Trade Agreement, and I hope it will be completed soon. I told the Prime Minister that we are not going to pull back from the negotiations. We are getting a little flack from labor unions who say that we are going to be exporting jobs, but we don't think so. (C)

Mr. Chretien: We're critical of the FTA. The FTA solved difficulties in our trade, but it did not solve the big problem, the question of subsidies. The FTA solved tariff problems, but tariffs were never a big issue. When I was Finance Minister Bob Strauss and I negotiated tariff reductions as part of the Tokyo round. The big difficulty is in answering the question what is and what is not a subsidy. There is a lot of criticism of the FTA in Canada. But we will be sitting down after the fourth year of the FTA to debate these questions as called for in the FTA Agreement. Canada is fundamentally a free trading nation, but there is uneasiness -- especially when one country is big and the other is small, and the small country gets touchy. (C)

The President: Do you think you will have a successful conclusion to the GATT? (U)

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The President: Do you think you will have a successful conclusion to the GATT? (U)

Mr. Chretien: I hope so. We have a problem with Article 11 and its impact on our marketing boards, especially on three or four products. (Ø)

The President: In agriculture? (Ø)

Mr. Chretien: Yes, milk and chicken, but we believe that GATT is very important. There is a tradition in the Liberal Party going back to Lester Pearson that is very internationally-oriented. We are afraid of blocs, however. We don't buy the notion of a European bloc or a North American bloc. When the FTA was negotiated, Canadian businessmen supported it only because they feared American protectionism. We're very much in favor of a successful conclusion to the Uruguay Round and establishment of an international regime with proper mechanisms to enforce agreements. We both have protectionist pressures, but when there is a rule of law it is easier to beat them back. (Ø)

The President: There is protectionist pressure in the United States. Protectionists usually start by saying "I'm a protectionist, but." I don't think the American people will succumb to that. These pressures are a function of the economy. If the economy picks up, the pressures will decrease. The pressures will remain if the economy is stalled or stagnant. (Ø)

Mr. Chretien: You hope to get out of your recession soon? (Ø)

The President: Yes, but the recovery is much slower than predicted -- even by me. We'll experience slight growth for the first quarter and then move up to two, two and a half or three percent growth by the fourth quarter. These are the predictions of our blue chip prognosticators and economists. But I have to qualify that. Last year this same group said that we'd have strong economic growth in the last quarter of 1991. There is a lot of discomfort. The big issue today is white collar unemployment. People that have always felt secure in their jobs no longer do. The unemployment rate is at 7 percent. Take New Hampshire. The unemployment rate there is at 7 or 7.8 percent which is not that much different than the national average, but the New Hampshire rate is up from 2 1/2 percent, so all of these people are worried. This worry is combined with a sluggish real estate market, but I agree with business people who say it is moving up. Sales are picking up. We have been fighting hard against this loss of confidence, against headlines that say we are on the wrong track. (Ø)

Mr. Chretien: This is the same in Canada. The trade between our two nations is so big, which many people here don't realize. At one point I counted 200 protectionist bills in the Congress, and none of them referred to Canada. When I was a cabinet minister I'd come here many times to deal with these issues, and they were never written up in the press. The FTA is too big for what it is in reality. (Ø)

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The President: I don't want to dwell on Canada's internal affairs, but I am curious about the state of the unity question.
(C)

Mr. Chretien: Things have quieted down a bit. The House of Commons and the Senate will be consulting and hope to reach some agreement by February 29. (C)

The President: You mean a plan? (U)

Mr. Chretien: Yes, some sort of an agreement between the Liberals, Conservatives and the New Democratic Party. They're meeting now, so maybe there will be a deal. 3.3(b)(1)

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3.3(b)(1)

(C)

3.3(b)(1)

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The President: I think the relationship is good and will stay good. It is too important not to be. I am not happy with protectionist pressures here or there. It is very bad. (C)

Mr. Chretien: We have to be very alert to trade problems -- electricity, cars -- and many other issues. They may seem marginal to you but they are big news in Canada. Anyway it is easy to blame the big guy. (C)

The President: Protectionism worries me. Look at Detroit. Somebody in Detroit said that one of their cars was a foreign car because it was made in Canada. We have to work to make sure that we are not contributing to a climate of protectionism. We don't want to unleash policies that make it difficult for our countries. But protectionism is hard to stop. (C)

Mr. Chretien: If there are proper safeguards and proper rules this would be good for all of us, but there is a big danger in this "Buy America" slogan. I represent a riding in New Brunswick -- although I will be going back and running from Quebec. But there was a company in Medford, Massachusetts that, as a result of the Free Trade Agreement set up a division of labor between what it produced in Medford and what it bought from a factory in my riding. That factory had 100 employees. Six months later it was closed down because the American buyers said they did not want to buy products made in Canada. (C)

The President: That is pure protectionism. (C)

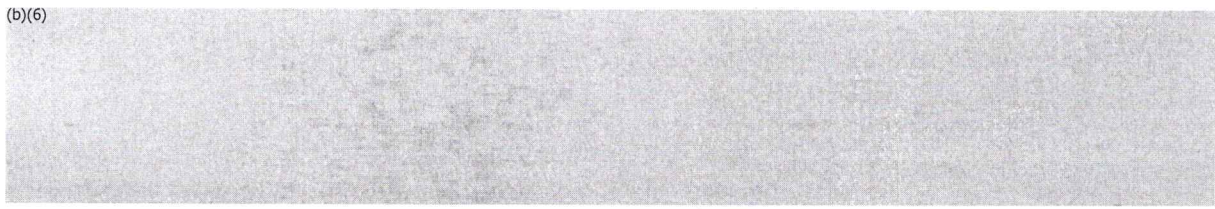
Mr. Chretien: We need to feel secure in Canada. This is complicated for us. (C)

The President: This is complicated for all of us. We have a big problem in Japan. The "Buy America" thing has sprung up. We are trying to keep trade open and to keep down the barriers but the mood is ugly; our people bash Japan and the Japanese bash us. We must seek to turn that around so that it does not lead to ugly protectionism. This "Buy America" thing has to stop. Well thank you for coming. Are you going home? (C)

Mr. Chretien: Well, I want you to know that I go quayle hunting in Texas. (C)

The President: Where? (U)

(b)(6)



The President: Interesting. Well, I'm glad it worked out. Thanks again. Glad we had a chance to talk. (U)

Mr. Chretien: Thank you. (U)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Frederick Chiluba, President of Zambia

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Herman J. Cohen, Assistant Secretary of State
for African Affairs
Walter Kansteiner, Director of African
Affairs, NSC Staff (notetaker)

Frederick Chiluba, President
Vernon Mwaanga, Foreign Minister
Ronald Penza, Minister for Commerce, Trade
and Industry
Lazarous Kapambwe, Zambian Charge d'Affaires
to the U.S.

DATE, TIME February 19, 1992, 3:35 - 4:10pm EST
AND PLACE: The Oval Office

The President: Welcome. I am so glad you are here. I want to take this time to tell you how we all feel about the very positive things you have done. (U)

The orderly transfer of power was excellent. The way you handled the transition, with President Kaunda, was a very good signal to the rest of Africa. (U)

I am anxious to hear about the debt situation or whatever you want to talk about. (U)

President Chiluba: Thank you very much for your help with the democratic transition. We never could have undertaken this without your help. (U)

We want to make some changes while we still have support from our people. We want to move on subsidies, like maize and others. We want to implement market reforms. While we reduce certain subsidies, we will provide better health care. (U)

We now, unfortunately, have a drought. We've declared three provinces as disaster areas. We need corn very badly. We usually get it from South Africa, but they have a drought too. We will lose one-third of our corn crop. (U)

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As democracy comes to the region, the drought has also come. I hope you can consider assistance. (Ø)

The President: Hank, what do we have on this? (U)

Assistant Secretary Cohen: Zimbabwe, Zambia, Malawi and South Africa all have a drought. We had an interagency group meeting on this. Right now we have \$18 million in food aid planned for Zambia. The EC needs to chip-in too. (Ø)

President Chiluba: We think we are going to need 793,000 tons of maize -- about \$200 million worth. (Ø)

The President: Well we'll check into it. You know we just made a contribution to the new republics. (U)

I understand Preston from the World Bank was in Zambia. (U)

President Chiluba: Yes. He's looking at balance of payment support, not emergency aid. (Ø)

The President: That could translate into dollars, but you need short-term help. (Ø)

President Chiluba: Before the drought, I would have spoken about re-structuring the economy. Moving away from subsidies. We want to do that, but we need to balance it with medical care and improved hospitals. But the drought has overtaken these things. (Ø)

The President: Can Americare help? (Ø)

Assistant Secretary Cohen: We're also looking for Pakistan fall-out money. (Ø)

The President: I could call Bob at Americare; maybe he can help with pharmaceuticals? (Ø)

President Chiluba: Can you give us a little help with the Peace Corps? (Ø)

The President: Do you have a program? (U)

President Chiluba: No, we used to but not anymore. (U)

The President: Well let's see what we can do about that. (U)

President Chiluba: Could you also consider some kind of military assistance? We need very little, maybe some aircraft and helicopters? (Ø)

General Scowcroft: We'll have to check. (U)

The President: Well thank you very much for coming by. I want to wish you the best of luck. (U)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: One-on-One Meeting with Swedish Prime Minister

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President
for National Security Affairs

Carl Bildt, Prime Minister
Jonas Hafstrom, Political Adviser to the
Prime Minister

DATE, TIME February 20, 1992, 11:00 a.m. - 11:20 a.m.
AND PLACE: The Oval Office

Prime Minister Bildt: I only wanted to mention the International Democratic Union. We would like more elected republican politicians at our meetings. (Ø)

The President: We don't have as neat a structure as you all have. (Ø)

Discussion of politics

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Bildt of Sweden

PARTICIPANTS: The President
James. A. Baker III, Secretary of State
Samuel K. Skinner, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Charles E. Redman, Ambassador to Sweden
Thomas M.T. Niles, Assistant Secretary of
State for European and Canadian Affairs
Jane Holl, Director, European and Eurasian
Affairs, NSC Staff, Notetaker

Carl Bildt, Prime Minister
Anders Thunborg, Ambassador to the United
States
Lars-Ake Nilsson, Under Secretary, Ministry
of Foreign Affairs
Krister Wahlback, Security Adviser to the
Prime Minister
Jonas Hafstrom, Political Adviser to the
Prime Minister
Lars Christiansson, Prime Minister's Press
Spokesman
Professor Anders Aslund, Stockholm Institute
of Soviet and East European Economics
(Adviser on CIS/Eastern European economies)
Captain Emil Svensson, Military Adviser to
the Prime Minister

DATE, TIME February 20, 1992, 11:20 a.m. - 12:00 p.m.
AND PLACE: Cabinet Room

The President: Welcome. I want us to have a good give and take discussion. I am interested in what have learned and how you see the world, your neighbors, what you see happening around the world and the Commonwealth of Independent States. We have had a chance to discuss some of these things and I want to throw the floor open. We have watched what you've done and are proud of the changes we have seen. So please begin. (Ø)

Prime Minister Bildt: Thank you Mr. President (comments about the weather and the US-Swedish Olympic hockey game). Perhaps we will also be able to discuss the domestic political scene in both of our countries. But let me say that our relationship has always been a close one. We have had our differences but we

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share fundamental values of human rights, democracy, rule of law, in order to build a secure and stable world order. (Ø)

I come with two messages. First, I would like to make our good relationship better. The changes in the world today call for a close dialogue. Second, all of the issues we will confront are important but we have not yet secured the new peace, and to do so requires active U.S. involvement and there are questions about U.S. involvement. But there are no solutions to the many questions we face without U.S. participation. (Ø)

We are concerned with what is happening in our own area -- this is a novelty for Sweden -- with the former Soviet Union and the Baltics. We have made some changes due to the changes in our own region. Previously Europe was in two blocs and there was a danger of all-out war. Our policy was to remain neutral in this strategic environment. The only thing we can be certain of today is that war won't happen. Our policy has been to stay free of entanglements and alliances and this has served us well. We believe in the European security structures to help build security. We are actively seeking involvement in European affairs in two ways: one, a CSCE process that travels with the changes and two, we want to bring all the states of the former Soviet Union in. (Ø)

The President: What's the total now of CSCE? (Ø)

Secretary Baker: 50. They're all in. (U)

Prime Minister Bildt: It will be a problem now that they are all in -- Central Asian and the Caucus in a European security framework -- this increases the agenda. We will take an active leadership role in CSCE in December. That's the first thing. The second thing is our entry into European Union. We hope to open formal negotiations to show that we will enter by 1995 with Austria, Finland, and most likely Norway. However, going back we must first heal the division in Western Europe that was there and second the division in Europe as a whole. As you look at the Nineties, a lot is happening in Northern Europe in contrast to previous decades with the Nordics going into the European Community. It brings us to the core and engine of European unity. Then comes the Baltics. You know Russia and West Europe only meet in the Baltics. Otherwise Russia is cut off by Belarus and The Ukraine. This will have an impact on the situation in Northern Europe with the political changes in Sweden, and those that are taking place in all of the Nordic countries. (Ø)

The President: Do you see these changes resulting in government changes too? (U)

Prime Minister Bildt: Certain of the changes were already done by the Social Democrats. For example our EC application. But that shows that forces for change are so strong no one can resist in the long run. This is what I think will happen in the long run. We are primarily engaged in helping in the Baltics. We have a special relationship but we want to bring you in. The

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Baltics can't be forgotten. We all tend to concentrate on Russia but the other participants are important. The Baltic states can transition to stable economies and stable democracies. I have had a discussion with Secretary Baker on the Baltics' human rights and bringing them into the INF. (Ø)

The President: Tell me, is there blatant anti-Semitism in the Baltics or elsewhere in the CIS? We are getting these reports. Do you sense this? (Ø)

Prime Minister Bildt: No, I have a Jewish friend in Vilnius and he is not concerned. Rather, they are reviewing all punishment of the Stalin era when many innocent people were sent to Siberia and the prison camps. There have been active discussions. (Ø)

The President: But no blatant anti-Semitism. (Ø)

Prime Minister Bildt: I am probably worried more about the Ukraine. Ukraine is historically anti-semitic. (Ø)

Professor Aslund: Lithuania stands out as tolerant. The Ukraine is anti-semitic, but you can hear Yiddish in the streets of Vilnius. Yes, Vilnius and Lvov were centers of Jewish culture, but after the war you can't find any Jews left. (Ø)

Secretary Baker: We talked earlier in our conversation of our concerns with respect to equal rights, citizenship laws and so on. There is some legislation in Estonia and Latvia. They have begun some legislation in Estonia. (U)

The President: Can I ask you about your point on U.S. involvement? As our economy has been slow there has been an increase in isolation and "American first" sentiment, but is there any sentiment in Europe that, well the U.S. has done its part and Western Europe will be better off without the U.S. Is there any undercurrent particularly in the major countries? (Ø)

Prime Minister Bildt: Not really. People understand that things have to change. The problem is not primarily military anymore but political and social. In Germany, for my generation, in the CDU and SPD there is nothing of that sort. It is natural for them that Germany act as part of Europe and that this Europe must act together with America. (Ø)

The President: Including the SPD? (U)

Ambassador Thunborg: I would say yes. (U)

Prime Minister Bildt: The foreign press doesn't get it right with respect to Germany. (Ø)

The President: Well we are aware of the French. We have had our difficulties with them in NATO, but it is a long standing thing and I don't think they are saying the U.S. should go home. I worry the SPD will find fertile field that the U.S. should go. (Ø)

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Prime Minister Bildt: I don't think this is a worry. Look at the record of the SPD as they begin to examine what they have done in the past. It is not going to be a very nice record. But that's a different thing. The generation of politicians I know see Europe and the US acting together -- not always sharing the same policies -- but acting together and we must cooperate especially with respect to Russia. There will be no stability in Europe if there is no stability in Russia. We're trying to develop political ties, all sorts of assistance. (Ø)

The President: It would be unfortunate if there were such a feeling given the temporary and ugly mood of our country. Our economy will change and the mood will change for the better. But if there is a European mood of "Yankee go home," Congress would be more than happy to go along. (Ø)

Prime Minister Bildt: It's a funny thing. The problem in Germany is a reversal. For years the SPD has been complaining about the troop presence, now they complain about troops leaving. (Ø)

The President: That's reassuring. We want and we will stay involved with that. There is no idea in my Administration that we should pull into an isolationist fortress, which leads me to ask for your views on GATT. (Ø)

Prime Minister Bildt: We have a mutual concern here and we have no disagreement. Sweden lives on free trade; small nations do. We are doing all we can do to contribute to a solution. (Ø)

The President: When you talk to Kohl -- you know he can be more helpful -- but is this tough for him? We've got to get this deal. If we don't, I could see blocs developing like trade blocs. This would be bad. (Ø)

Prime Minister Bildt: This is a sensitive issue not only for the Germans but for the Norwegians and Finns as well. Cutting back agricultural subsidies would create problems. In Germany they have a regular election the first week in April and agriculture will be important. The message from Chancellor Kohl is that there must be a compromise. (Ø)

The President: Dunkel got all immersed in this issue. It's complicated but it must be done. (Ø)

Prime Minister Bildt: The Dunkel package is from our view acceptable but we don't have major agricultural subsidies as the Finns and Norwegians. They have a big problem domestically. They have used agricultural subsidies to induce people to live in the Kola peninsula and northern Norway. If they hadn't done this they wouldn't have problems. There must be compromise. (Ø)

Secretary Baker: This is a political problem. We can't leave it to the experts. We all have elections. We think the Dunkel text is acceptable, one we can't walk away from. (Ø)

The President: That's right. Our agricultural people see problems but the big problem is in France. They have a lot of political problems but we'll keep working with Mitterrand. We know we subsidize -- export enhancements aimed mainly at excessive EC subsidies -- we know we're not pure but we are prepared to get rid of our impurities because it is very, very important. We'll keep trying. (Ø)

Prime Minister Bildt: There is a minor bilateral problem but I won't bring it up now, a minor GATT dispute. But what I'd like to bring up is nuclear safety in the Soviet area. There are now 58 nuclear power plants designed and built by the Soviets. Over 40 are quite old, not adequate in safety and security. In fact simply stated they are unsafe. We can't close them down immediately. People must have heat and electricity. But we must do as we are doing in our part of the world we must look at what must be done and tackle the immediate problems and then look at redesigning and replacing these plants. This is a large problem and we need a lot of money. I think this calls for a wider international effort and participation including the United States. We can take some of these Soviet scientists and bring them into your science center that you have proposed and we can have them participate in redesigning and rebuilding. We also have to concern ourselves with leftover uranium and other materials from the nuclear weapons. This can be used in reactors. These are right across our borders. With the Chernobyl disaster we were one of the hardest hit. There was a big cloud and it rained on our reindeer. That cannot happen again. It would cause pressure to close everything down and this would hinder the economic development in Russia. (Ø)

Secretary Baker: This fits into our science center in terms of redesign and re-use. This all fits. We can put a lot of CSIS scientist to work. The problem is we're talking about huge amounts of money. We have been focused on nuclear weapons problems; the science center has been an offshoot of that, but where we would find funding for redesigning new reactors, I don't know. (Ø)

Prime Minister Bildt: More money should come from the IAEA. They have a role to play. They have a lot of money for inspecting plants in Europe as part of the NPT. But it could be put to better use. The European community also has money -- the G-24 could be a circle for discussion, and EURATOM has a lot of money for inspection. But this problem has been neglected. (Ø)

General Scowcroft: If you highlight this problem without solving it, you create pressure to do something. (Ø)

Secretary Baker: But this is a problem throughout the CIS. The lights are out in Armenia because of the Nagorno-Karabakh problem. (Ø)

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The President: But if one of those things blow it would be a worldwide problem. Tell me have you had much contact with Yeltsin? (Ø)

Prime Minister Bildt: No, but we have had a visit from Burbulis. He's rather philosophical. (Ø)

The President: I'll give you a little tidbit -- Gorbachev hates him. (Ø)

Prime Minister Bildt: I'm not surprised. They are very different men. (Ø)

Secretary Baker: Who else beside Burbulis do you deal with? (Ø)

Prime Minister Bildt: We are encouraging all our parties to make a wide range of contacts. Mr. Aslund has a lot of economic contacts. (Ø)

Secretary Baker: Do you have a feel for the Rutskoy phenomena that Russian nationalism will take over? (Ø)

Professor Aslund: That could be a problem. The polls say Rutskoy is a very, very popular man. My sense is that he is dangerous in the longer run but not in the short run because the military has no idea of what to do with the economy. He has good political people but no good economists. Its better to focus on Rutskoy as the future he's very sophisticated. (Ø)

The President: Can Yeltsin do anything about this guy? (Ø)

Prime Minister Bildt: He seems to have gotten him back into the fold but Shaposhnikov also gets votes. (Ø)

The President: These are amazing changes. Tell me how do you read conditions in the Baltics? Will they make it through the winter? (Ø)

Prime Minister Bildt: Yes. We're helping them with oil. They are in dire conditions. Food is desperately short but they're surviving. Lithuania is slightly better. There is not the same need for emergency assistance, but the crucial thing there is currency reform within the INF system. This year whatever we can do to the system with that we will do. There is a large network of things we have already done: twin cities, many contacts, the Washington Post told me this morning that a Swedish Pentecostal group will build 1000 prefab churches. There is a lot going on. (Ø)

The President: Why don't we continue this conversation over lunch? (U)

- End of Conversation -

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon for Swedish Prime Minister

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Samuel K. Skinner, Chief of Staff
Brent Scowcroft, Assistant to the President
for National Security Affairs
Charles E. Redmen, Ambassador to Sweden
Thomas M.T. Niles, Assistant Secretary of
State for European and Canadian Affairs
Jane Holl, Director, European and Eurasian
Affairs, NSC Staff, Notetaker

Carl Bildt, Prime Minister
Anders Thunborg, Ambassador to the United
States
Lars-Ake Nilsson, Under Secretary Ministry of
Foreign Affairs
Krister Wahlback, Security Adviser to the
Prime Minister
Jonas Hafstrom, Political Adviser to the
Prime Minister
Lars Christiansson, Prime Minister's Press
Spokesman
Professor Anders Aslund, Stockholm Institute
of Soviet and East European Economics
(Adviser on CIS/Eastern Europe economies)
Captain Emil Svensson, Military Adviser to
the Prime Minister

DATE, TIME February 20, 1992, 12:10 p.m. - 1:05 p.m.
AND PLACE: Old Family Dining Room

The President: Well, we've covered Europe and the Soviet Union.
(Ø)

Prime Minister Bildt:- I want to again express our thanks for all
the assistance the United States has given in the Wallenberg
case. (Ø)

Brent Scowcroft: Have the Soviets been forthcoming? (Ø)

Prime Minister Bildt: On and off. (U)

The President: What would your final guess be? (U)

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Prime Minister Bildt: We believe one way or the other that he was executed in the late 40's. Soviet military intelligence documents covering the period were very good, but interestingly there were none on Wallenberg. But there must have been something. You've really been helpful for years. (Ø)

Brent Scowcroft: He's a great hero in this country. (U)

Swedish Under Secretary Nilsson: We found a document where Molotov had a discussion with the KGB in the summer of 1956 over the fate of Wallenberg and how they should present it -- they were discussing in past terms -- the summer of '47. (Ø)

Prime Minister Bildt: We are trying to solve a lot of old issues with the Soviets. For example, submarines during the war -- the Soviets were fighting German spies. (Ø)

The President: Have they continued testing and probing? (Ø)

Prime Minister Bildt: Well, we didn't have a great anti-submarine capacity. We had been dropping depth charges and we have some intelligence that their actions continue in Norwegian, Swedish, and Finnish waters. But not of the same importance, however. (Ø)

Secretary Baker: How do you measure territorial waters? (U)

Prime Minister Bildt: We have no disputes, we measure from baselines that the Soviets accept. (Ø)

Brent Scowcroft: It's been a curious policy the Soviets have had. We wonder if it has been a final exam for Soviet skippers. (Ø)

The President: That's kind of a tough test with depth charges. (Ø)

Prime Minister Bildt: We had a case in June 1988 where one submarine took quite a beating. Since then they've reduced. (Ø)

Brent Scowcroft: September was your last incident. (Ø)

Assistant Secretary Niles: Do you also believe that Shiposhnikov has been helpful in starting talks? (Ø)

Prime Minister Bildt: Oh, yes we've had an ongoing process. Eventually like Wallenberg we will dig something out. (Ø)

The President: It will be interesting to see how cooperative they'll be with intelligence. In many areas they've been quite cooperative but they'll draw a line. (Ø)

Secretary Baker: Such as with respect to these nuclear facilities in Iran. (Ø)

The President: Saddam is a threat to stability. We keep reading about discontent in Iraq, but whether it will bubble over we don't know. We know there is a lot of discontent, but there is not a lot of resistance. (Ø)

Prime Minister Bildt: They've been able to build an underground mobile scud facility. (Ø)

Secretary Baker: This facility we learned about originally from the Russians. (Ø)

Brent Scowcroft: Ekeus believes there are a lot of facilities underground for production, storage, et cetera. (Ø)

Prime Minister Bildt: It is amazing how things can exist without anyone knowing. (Ø)

Brent Scowcroft: But for years we never really focused on Iraq, we were focused other places. (Ø)

Prime Minister Bildt: If I could switch the subject. Mr. President, you inquired about our domestic political situation. We have a four party minority government. (Ø)

The President: What are the numbers of your communist party? (Ø)

Prime Minister Bildt: They've been supporting Gus Hall, but so far so good for us. (Ø)

Brent Scowcroft: It is quite a revolution you are undertaking. (U)

Prime Minister Bildt: But conditions have changed. We are just responding to the changes. (U)

Assistant Secretary Niles: Tell me Mr. Prime Minister, will Sweden join the WEU? (Ø)

Prime Minister Bildt: Well, we don't know if there will even be a WEU by the time we join the EC. It is too early to tell. (Ø)

Assistant Secretary Niles: How about NATO? What do you see? (Ø)

Prime Minister Bildt: Unchanged. We don't see anyone eager to take on Swedish defense. (Ø)

The President: But there is no pressure to cut defense -- in the navy? (Ø)

Ambassador Thunborg: Mainly in the air force and navy. (U)

The President: We're going to propose cutting the defense budget rather significantly. There will be a big political war for bigger cuts, but when you make cuts such as we propose there is

going to be pain -- a lot of domestic political implications. It's a big burden and there are no easy answers. (Ø)

Prime Minister Bildt: Imagine the problem the Russians are having; 60 percent cuts, what will they do? (Ø)

Brent Scowcroft: They can't turn to exporting arms. (Ø)

Prime Minister Bildt: But they have to get hard currency. (Ø)

Secretary Baker: Proliferation will continue. It will be reduced but they won't be able to cut it out entirely as with the Czechs. They ask us, what can we do with all these T-72's? (Ø)

The President: Do you have strong red laws, especially hard penalties for crimes with guns? (U)

Prime Minister Bildt: Yes, the Finns are having trouble with mafia-type organizations extending from St. Petersburg -- prostitution, to get hard currency. (Ø)

The President: What about narcotics business? (Ø)

Prime Minister Bildt: It is expanding. In the commonwealth and in the Asian republics. (Ø)

The President: What about Afghanistan? Nadjibullah is still hanging in there. That problem doesn't seem to be working itself out. (Ø)

Secretary Baker: I don't there are any weapons delivery to the government. Increasingly, Pakistan has begun to talk in terms of a negotiated solution with the UN. (Ø)

Brent Scowcroft: But that's a problem because Nadjibullah has become closer to the fundamentalists. (Ø)

Prime Minister Bildt: Do yo talk to the Iranians at all? (Ø)

Secretary Baker: No, although we do still have the Swiss channel. The central Asian republics are close to Nadjibullah; they would like to see a solution that lets Nadjibullah stay in power. (Ø)

Prime Minister Bildt: Your answer before the press regarding Israel invasion of Lebanon . . . (Ø)

Secretary Baker: We don't believe it is like the '82 invasion. (Ø)

The President: Our biggest problem is the running over the UN peacekeepers. We would not be very relaxed if Colonel Higgins had been killed that way. (Ø)

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Secretary Baker: This is a "temporary" peacekeeping force that was put in place in 1978 and in Yugoslavia it will be a temporary force too. (Ø)

Prime Minister Bildt: On a different subject you know when we send a Minister to Beijing, we will send one to Taiwan. (Ø)

Brent Scowcroft: The Chinese want to get in first. (Ø)

Prime Minister Bildt: But it's important to have the Chinese in; they are a large important trading figure. (Ø)

The President: Our relationship with Chinese are not good now because to brutality of Tiananmen. Some areas they are making strides but they have to be cautious. With one billion people it is frustrating. Representative Pelosi's demonstration in Tiananmen Square wasn't helpful. The Chinese don't know how to handle these things easily, plus they have problems internally, Li Pong for example. (Ø)

Prime Minister Bildt: I don't want to meet him. (U)

The President: What but our relationship is drifting now. (Ø)

Prime Minister Bildt: We want to have the mayor of Shanghai to Sweden. (Ø)

The President: Congress wants to put conditions on Chinese MFN. (Ø)

Prime Minister Bildt: The problem with China will be brought to a head when they do full integration of Hong Kong. (Ø)

Secretary Baker: Economic changes already have things moving. (U)

Prime Minister Bildt: But the rhetoric is behind the times. I was shocked by Tiananmen. I was there a few months after and went through the routes. It was grueling. (Ø)

Brent Scowcroft: The first troops on the scene were sympathetic to the people. (U)

Assistant Secretary Niles: The ironic thing was that Gorbachev was there and the Chinese were embarrassed that they couldn't control the city. (Ø)

Under Secretary Nillson: May I ask about Castro? (Ø)

The President: We want to see him out. He is the last vestige of this communist system. If he let his people go, there'd be huge private investments from this country. His human rights record is as bad as ever. It will probably work out there as it has elsewhere. My son gets my attention on this issue. (Ø)

Prime Minister Bildt: Has the Russian military left? (Ø)

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Secretary Baker: They're leaving. They've severed all economic ties and all military ties. They still do exchange oil for sugar, but at market prices. (Ø)

Prime Minister Bildt: But they still have the large intelligence facility. (Ø)

Secretary Baker: They won't give that up soon. (Ø)

The President: But Castro can't last forever. His neighbors are not too sympathetic. (Ø)

Prime Minister Bildt: Regarding Central America, Argentina, Nicaragua, Mexico, et cetera. We've had some involvement there as you know, but Latin America is entirely different for us from what it was. (Ø)

The President: We were worried about Venezuela. The situation was pretty serious. They almost killed their President but the timing was such that he escaped. People said he was almost killed. (Ø)

Prime Minister Bildt: I am going to the Rio Conference. (U)

The President: How long will you be there? (U)

Prime Minister Bildt: One and a half days, then to Santiago. (Ø)

The President: It comes at a bad time, June 11-12. (Ø)

Prime Minister Bildt: We've had to reschedule our parliamentary debates but it has a symbolic importance. After Chile I'll head to Spain for the World's Fair. (Ø)

The President: Have you recognized Slovenia and Croatia? (Ø)

Prime Minister Bildt: Yes. But we won't go further yet. The future remains to be seen. (Ø)

The President: We are getting domestic pressures. Baker and Scowcroft don't care -- they're not politicians. (Ø)

Prime Minister Bildt: We had an early problem with Slovenia and territorial control. (Ø)

Secretary Baker: These are really old problems, ethnic problems, the proliferation of autonomous movements following the Slovenian example. This gave me a problem with Slovenia and Croatia. What do we do about Quebec? Tamil? (Ø)

-- End of Discussion --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Alfredo Cristiani, President of El Salvador

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Samuel Skinner, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
William G. Walker, Ambassador to El Salvador
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
David C. Mulford, Undersecretary of the Treasury
William T. Pryce, Senior Director, Latin American and Caribbean Affairs, NSC Staff (Notetaker)

Alfredo Cristiani, President of El Salvador
Rene Emilio Ponce Torres, Minister of Defense
Arturo Tona, Private Secretary to the President

DATE, TIME February 24, 1992, 3:00 - 3:30pm, EST
AND PLACE: Oval Office

The President: Well, we see that you finally have come to an agreement. Congratulations, you have done a tremendous job. What do you see for the future? (U)

President Cristiani: Well, now we have to work to implement the agreement. I want to thank you for all the support we received. Your support has been very helpful. Things look pretty good. The mood is optimistic. People are happy that the violence is no longer there. We are encountering a few difficulties. We hear some say that the FMLN has not complied. There is no shooting, but they say that is not concentrating its forces, and that it is hiding its weapons. We hope that they will be pressured by the UN Secretary General into compliance. (C)

The President: Where are they now? (U)

President Cristiani: Well, the concentration is in two stages. First into 50 enclaves and then into 15. They still have not agreed to get into the 15 because they want more. We are supposed to give them big areas and towns and roads. We don't know if this will be possible. (C)

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The President: What do the leaders of the FMLN say? (Ø)

President Cristiani: They are positive, but they have problems because they didn't tell the whole truth to their people about what they agreed to in the accords. Some at the lower ranks are not happy with what has been agreed to. And Villalobos needs about ten days or so to explain what he has done. (Ø)

The President: Is it safe for former FMLN people to return to El Salvador? (Ø)

President Cristiani: It should be safe. But mines are still there. Some people are trying to take over lands which aren't theirs. Some people don't want the former owners of land to come back because they have taken their land. There are problems in the conflicting areas. We had a Deputy from our party meet with the second in command to Villalobos and there are still problems, but it should work. (Ø)

The President: The next project will be the reconstruction. (Ø)

President Cristiani: There is very much for us to do to implement the reconstruction plan. If we can't do this, then the peace process may be in danger. We hope that the U.S. will take leadership in helping us get the resources for the reconstruction program. Next week the World Bank is leading a group to El Salvador. (Ø)

The President: We want to participate in your economic reconstruction. Let us know of problems that you encounter. (Ø)

Secretary Baker: You talked to me in El Salvador. And I wrote all the OECD Ministers. We are looking for help under the EAI. We hope that Salvador can benefit. (Ø)

The President: How are we doing? (U)

Undersecretary Mulford: They are very close, but we still have to get EAI through Congress. And contributions toward the multilateral investment fund. U.S. debt amounts to about 90 percent of the bilateral debt and 30 percent of the total debt, so this is important. (Ø)

The President: Who is most of this debt owed to? (Ø)

Undersecretary Mulford: Forty percent to the World Bank and we have about 50% out of 800 million, which could be very important because this could supplement the 250 million we are looking for our program. (Ø)

Secretary Baker: There are two major problems. One is the refusal of the Senators to put in any military aid, and the problem of whether we have a foreign aid bill at all. We might get a consensus resolution. It would have about 255 million for debt reduction. (Ø)

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The President: Is there no way to get the bill reported out?
(Ø)

Undersecretary Mulford: Maybe we could get it in a separate bill. (Ø)

The President: Do we have support of the people on the appropriate committees? (Ø)

Assistant Secretary Aronson: All but Leahy. (Ø)

The President: There don't seem to be as many negative factors as before. Are things better? (Ø)

Assistant Secretary Aronson: Yes. (U)

Secretary Baker: We had real problems getting aid for Nicaragua, and we will now have problems with Salvador, but we will keep working. (Ø)

Ambassador Walker: The Foreign Minister is planning to meet with appropriate people. (U)

President Cristiani: There are some interesting changes that have taken place. I have to call Jesse Helms to see if he is around. There are staff changes on his staff? (Ø)

The President: We are very proud of what you have done. We are in a funny year. The economy is sluggish and people are a little apprehensive. The whole Enterprise for the Americas is hurt. We have a big stake in this. We want to produce. (Ø)

President Cristiani: I appreciate that. We also want to produce. I know you have a lot of problems. (U)

The President: I have a guy who wants to eliminate all foreign aid. He is appealing to the hard right and the journalistic left. I think it will be okay but it is a sign of troubled times. I don't know how this will play out on Capitol Hill. (Ø)

President Cristiani: Tomorrow we will find out. Dodd could just try to put a bill in to eliminate all foreign military assistance. We need ESF if we are going to effectively fight drugs and we will have new problems if we don't succeed. I don't know what is wrong with that guy (Dodd). He wanted to come to El Salvador in 1989. (Ø)

The President: Bernie's good friend. (U)

President Cristiani: If he succeeds we will be in trouble. Our forces have done a good job. They have sacrificed for the people. If they felt like he is pulling out, this could have a bad effect. Not all support the reconstruction process. (Ø)

The President: We will try to follow up and help. (U)

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Secretary Baker: I think we can make the case. To eliminate it entirely would jeopardize the prime reason we had aid in the first place. We will keep working on it. (C)

The meeting began to break up at this point with exchanges of pleasantries.

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Alberto Kenyo Fujimori,
President of Republic of Peru (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Henson Moore, Assistant to the President and
Deputy Chief of Staff
Robert Martinez, Director of National Drug
Control Policy
Brent Scowcroft, Assistant to the President
for National Security Affairs
Bernard Aronson, Assistant Secretary of
State for Inter-American Affairs
Ted McNamara, Special Assistant to the
President for National Security Affairs
and Senior Director, International
Programs, NSC
William T. Pryce, Special Assistant to the
President for National Security Affairs
and Senior Director, Latin America
and Caribbean Affairs, NSC (Notetaker)

Alberto Kenyo Fujimori, President, Republic
of Peru
Augusto Blacker Miller, Minister of Foreign
Affairs
Fernando Vegas Santagades, Minister of
Justice
General Arnaldo Velarde, Commander, Peruvian
Air Force
Miguel Gonzalez del Rio, Presidential Advisor
on Narcotics Matters
Ambassador Roberto Maclean, Peruvian
Ambassador to the United States

DATE, TIME February 26, 1992, 3:02 p.m. - 3:30 p.m. CST
AND PLACE: San Antonio, Texas

The President made laudatory remarks about President Fujimori at a photo opportunity which took place before the beginning of this meeting. (U)

The President: We are very pleased to have you here. We view this as a very important meeting. We think we have good cooperation between the countries, which started at Cartagena. You were not there, but I think we did have a good understanding after that meeting. We have some problems with the U.S. Congress

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which inhibits what we can do. We want to do all we can on the demand side. And we hope that you will do all possible on the supply side. We do have problems in the Congress about how we are able to disburse monies. (Ø)

President Fujimori: This is a good opportunity to discuss our plans. We have agreement with the new strategy. At the same time, we have some problems. One was a shortage of funding. But we are making all financing possible. I think that from the supply side, Peru can make a big, important step. (Ø)

The President: How is it going on the supply end? We had a discussion six months ago about this and I wonder how things are progressing? You presented specific ideas about crop substitutions. A full presentation. Can you tell me about it? I'd like to hear about it? (Ø)

President Fujimori: (He pulls out a large map of Peru and puts it on the table.) There is a strong story of interdiction by airplanes. Here is an area where we have been able to interdict. It looks like the planes were going up into Ecuador to Colombia, but we shot them down. There are three A-37s which are operating in this area (points to map). There are three other A-37s in another area (points to another area). We now have planes coming from a different area across here (points to planes coming in from Brazil). Now planes are coming from the Huallaga Valley. We need to have a complete system -- because Colombian planes go up (points further East) there on this other side when we stop them coming from one side. We are told that the radar will be removed in March. I think that instead of removing them, we need a complete system of radar. (Ø)

Regarding alternative developments, we are moving step by step. We have taken steps with the coca growers. They have to be convinced to change. Their willingness to change is important. We must move now if we want to be successful. If we don't, they will be frustrated and later may not be willing to change. We are improving roads and markets. At one time they (UHV?) had a market for their rice. But, now there is no market for rice. The system is working. (Ø)

We have been in contact with the United Nations and there is a project for funding. I went to Europe. I have talked mainly with Felipe Gonzalez who has a very strong interest. He is willing and has promised to try to get the cooperation of other European countries. This is the stage we are at. (Ø)

There are other possibilities for alternative development. But the area of coca growers is the same. It's about 200,000 hectares. The military is not entering in that area and trying to stop cultivations. So we are gaining support from the farmers. (Ø)

On alternative development General Velarde and Mr. Gonzales Del Rio are in charge of this. We are ready to talk. (Ø)

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The President: I'm sure you are aware of our legislation and the problem it causes. On the radar, I believe we have extended it for two months. (Ø)

Mr. McNamara: Within those two months we will have a study at the end of thirty days. Then we will have thirty days more to decide on a long term approach. (Ø)

President Fujimori: Another thing. We need planes. General Velarde wants twenty Broncos, planes with twin engines. (Ø)

General Velarde: Yes, but you have sent them to the Philippines. (Ø)

Assistant Secretary Aronson: We were not able to get OV-10s. (Ø)

The President: Is that what you still need? (U)

General Velarde: We have two types of traffickers. Some come from over 16,000 feet from Colombia, and to intercept that kind of plane, we need A-37s. We have six and we need more, but we do not have planes to intercept the smaller planes that come at a lower altitude. We need the OV-10 planes from you. We got ten Canberra planes from Brazil. Peru needs more A-37s or helicopters like the Bell-212. These aircraft are necessary for an integrated approach to interdiction. (Ø)

The President: Helicopters? (U)

General Velarde: Most of the helicopters we have are reconditioned Soviet helos. They are not suited for these operations. (Ø)

President Fujimori: It is difficult to stop the Colombian planes with what we now have. (Ø)

The President: How about progress with alternative development? Remember we had talked about a joint venture. (Ø)

Mr. Gonzalez: At this moment, we are in the final stages of preparation for alternative development. We have legislation in place for the entire area. We have identified and grouped together the heads of the farmers organization. They are being given equipment of various kinds -- we will need different kinds of technical support. The President of Peru was in Europe where he spoke with leaders of multilateral organizations to see what technical help he could get from them. We need to emphasize law and regulations. We have also identified a number of people who can be put in charge of projects on the ground. What we are waiting for is an overall agreement with the farmers. When we have agreement it will cover the Huallaga and the Aguaytia Valley. Which will cover 80 percent of the growing area. So now we are on the verge of beginning the joint venture with the United States. We are waiting to go ahead with you. We are waiting for talks. (Ø)

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The President: Anyone want to speak further on this subject?
(U)

Mr. Gonzales: We are prepared to move forward when... (U)

The President: Can I raise a sensitive one, which is certain human rights cases. Anything which can be done, will help get our legislature to approve funds. There is a lot I don't know, but if there is anything you can do, it will help with the Congress. (Ø)

President Fujimori: When I took office, the human rights situation was very, very bad. In 1989 there were 440 disappearances. (Ø)

The President: Missing? (U)

President Fujimori: Missing, killed, unaccounted for -- 440. In 1990 there were 220 and I took office only in July. In 1991 there were 111 and I expect that this figure will go down. Some is due to the Sendero Luminoso. I understand the human rights problem. I took a strong position publicly in support of human rights. But also, I cannot accept that Sendero and others who use violence escape without blame from human rights organizations who are investigating abuses. Just last week a young woman was killed by Sendero after she spoke out against such abuses. I don't hear any of the human rights groups speaking out. There is no condemnation of that terrorism. (Ø)

I have told the armed forces not to go in with a ship and they have recovered towns now because they did not enter them and kill people. And we think that Sendero is organizing some of this and that international organizations should take notice of this matter. (Ø)

The President: Consideration of them should be taken by international organizations, this should not happen. I am sympathetic of this. There are left wing human rights groups which are not being balanced in their statements. Can we help? (Ø)

President Fujimori: I know that the U.S. is preparing in New York for Sendero collecting money. They have newspapers, they sell books. I told Foreign Minister Blacker Miller they were at Stanford when I was there and they mentioned human rights. (Ø)

Foreign Minister Blacker Miller: I know the U.S. Sendero supporters are collecting money for them in New York. Not the (U.S.) government, but their supporters. In California they have their own newspaper and they sell books. When I was at Stanford they were there questioning me and accusing me of human rights violations. (Ø)

President Fujimori: I told the police not to enter into certain population areas with weapons in the Huallaga Valley. These

areas were controlled by the Sendero. They took them away from the army. My strategy is to get the people on our side. To do this, you do not need the military. We can't come back in with the military. But I have caught some criticism because of the government which was in power before I took office. Some of these are juridical problems. We haven't made much progress thus far at this time. In this problem, there are political criticisms of individuals in Peru. For example, some people single out the name Boyadilpa(?), where 17 people were killed. Here in the U.S. they say they know who killed the 17. They say they have a document which says who did it. In that document, if document sharing is possible, we think that this is a forgery. (C)

Secretary Baker: We haven't heard of any such document. (U)

Foreign Minister Torres y Torres: Have you heard of names? (U)

Secretary Baker: No. (U)

The President: I think we should make clear that we understand the need to fight terrorism. We should go on record to give you credit for reductions (in human rights violations). We want to present the best possible record. Whatever you can do on the nine people mentioned by our Congress. Please don't think that we are on the side of terrorists or leftists nationals. We want to help if we can. We are on the side of democracy. (C)

Secretary Baker: This is not out of the ordinary. We have seen it in Nicaragua and then in El Salvador. We see leftists campaign groups take way-out positions. We understand. We do need to show Congress that action is being taken and that the human rights situation is improving. We can't get money from Congress if we aren't able to show this kind of progress. Anything you can do to help on this will be of benefit. (C)

The President: We will tell your story to Congress. (U)

Secretary Baker: We are hopeful that the agreement announced between Aristide and Theodore in Haiti will prove to be successful. We hope that Latin America will join in trying to make this work. We have here an agreement which is better than any alternative we are likely to get. Theodore says that the agreement is one which will help the country. Our position is to support this agreement. (C)

Foreign Minister Torres y Torres: Our position is that of the Rio Group. We would not want to use force. (C)

Secretary Baker: No, this is only a question of assistance to the Haitian military. We want to be helpful. We don't want to have an international force. We would not want to help unless we were sure this would not lead to civil war. (C)

The President: Let me assure you that the U.S. doesn't want to use force in there. We want to help the Haitian people. (C)

Secretary Baker: It would help Haiti to improve the professionalism of the Haitian military. (Ø)

The President: Another thing is Cuban human rights. We think Castro is doing terrible things on human rights. We think he should respect democratic human rights. I hope we can all be together in Geneva on this question. We think a strong resolution out of Geneva would be helpful. If Cuba does turn to democracy, Cuba could be an instant economic success. There are individuals in the United States who would help greatly in reconstruction of Cuba. I hope we can be together in Geneva on this. (Ø)

Minister of Foreign Affairs Blacker Miller: Chile, Costa Rica and Argentina are supporting the resolution. We think if this is just a resolution where human rights is not pointed out, we think Peru could support something but we would not want a resolution which punishes Cuba. (Ø)

Assistant Secretary Aronson: The resolution does criticize Cuba for not complying with last year's resolution. We hope that Latin America and the United States can be together on this. (Ø)

The President: I'm happy that you named your alternative coordinator. We will followup on this. (Ø)

Secretary Baker: May I say that as the U.S. Secretary of the Treasury for three years we had a very difficult time with the former government of Peru. I wanted to say that as a former Secretary of Treasury how much I appreciate all you have done in the economic sphere. (Ø)

President Fujimori: We have done quite a bit in our plan. (Ø)

-- End of Meeting --

THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Cesar Trujillo Gaviria,
President of the Republic of Colombia (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Henson Moore, Assistant to the President and
Deputy Chief of Staff
Robert Martinez, Director of National Drug
Control Policy
Brent Scowcroft, Assistant to the President
for National Security Affairs
Bernard Aronson, Assistant Secretary of
State for Inter-American Affairs
Ted McNamara, Special Assistant to the
President for National Security Affairs
and Senior Director, International
Programs
William T. Pryce, Special Assistant to the
President for National Security Affairs
and Senior Director, Latin America and
Caribbean Affairs (Notetaker)

Cesar Trujillo Gaviria, President of the
Republic of Colombia
Noemi Sanin de Rubio, Minister of Foreign
Relations
Fernando Carrillo, Minister of Justice
Rafael Pardo Rueda, Minister of National
Defense
Jaime Garcia Para, Colombian Ambassador to
the United States
Gabriel Silva, Presidential Advisor for
International Affairs

DATE, TIME February 26, 1992, 3:42 p.m. - 4:15 p.m. CST
AND PLACE: San Antonio

The President: I want to speak for all of the United States to say how much we appreciate what you have been doing in the battle against drugs. I think we have seen dramatic progress in confronting the drug problem compared to where we were a year ago. Your people should know that they are not alone. On the interdiction side -- interdiction has been good. You have been great on that. I want to know how you feel about juridical cooperation. You said that you wanted to improve your own juridical system and you have done it. (Ø)

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President Gaviria: We were very satisfied with the visit of Mr. Mueller to Colombia and to have U.S. cooperation. We are satisfied and we, our staffs, are working well together. We do not expect there will be any surprises there. We are creating a new jail for Escobar. A high security jail. We are investing \$2 million on that. It will be an effective operation. (C)

The President: Are people trying to keep you from building a new prison? Do you have domestic opposition? (C)

President Gaviria: No. We have been making progress in the area of spraying. We think we can do to poppy fields what we have done to marijuana using glyphosphate. We are satisfied with the progress we have made. I think that people are ready for interdiction. We think the Japanese can help. We need to make an appeal on precursor chemicals and many countries are affected. Brazil and Germany are important in precursors. We are sorry that the Peruvians don't accept goals in the statement. (C)

The President: We were a little disappointed about that. I didn't ask Fujimori why. (C)

President Gaviria: I think they want to get more commitment on alternative development. (C)

The President: We explained that we have some problems -- human rights problems and how they affect narcotics. Will you be talking with Fujimori? (C)

President Gaviria: No. (U)

The President: He is a good man. In the end, our Secretary of State told him he has done a good job economically. (C)

President Gaviria: He has been a good president. (U)

The President: I remember a few years ago, think of the terrorists problem -- that has taken a toll on them. (C)

President Gaviria: Yes, we know since we dismantled the Medellin cartel what this comes down to is that as long as there are narcotics, there will be violence. (C)

The President: Do you still have the program of anonymous judges? (C)

President Gaviria: Yes. We are in a good position with the new judges' program. I intend to say something about that [in plenary]. (C)

I want to raise the coffee agreement. This is getting more complex every day. This is a political problem for us. We know that the problem is basically Brazil. I talked with President Collor. He doesn't have a system to handle this. The coffee is handled by exporters. We think you can do more to achieve an agreement. You have not been very active. I think we could have

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a consultation, perhaps of Colombia, Brazil, Mexico and the United States. (Ø)

The President: We can do this. (U)

Secretary Baker: There could be a problem with what you do in terms of sales to new members. Would you have sales outside the agreement? (Ø)

President Gaviria: No, we agreed that we need to give enough coffee to new members. The problem is that Brazil does not have the organization to do the process. (Ø)

Secretary Baker: They don't think they should interfere with the marketing of their coffee any more. (Ø)

President Gaviria: The problem is that the Brazilian organizations who used to be involved and do it are no longer in control of coffee. (Ø)

The President: I want to raise the question of Haiti. We are trying to encourage support for the solution in Haiti. You know there are real problems there. We know of the problems of President Aristide. He has worked out a deal with Theodore and there is an indication that it will be acceptable to Cedras. We would like to be in close contact with you. We don't want to dictate what should happen. (Ø)

President Gaviria: Colombia has been very much involved. We think that it is important. This is the first chance to get a solution. The representative of the Organization of American States is a Colombian. If we are successful with the agreement, this will have important implications for the hemisphere. (Ø)

The President: The OAS plan is to help train the military. They don't have a real plan yet. We think there must be a plan and we would support a plan to professionalize the Haitian military. I don't want to put troops there. (Ø)

President Gaviria: We don't think that a multilateral force would be a good idea. (Ø)

Secretary Baker: The Inter-American Defense Board could be used to help professionalize the military. (Ø)

President Gaviria: Yes, Colombia could be supportive of that. (Ø)

The President: If this can be worked out, it could be important for the Organization of American States. Like the United Nations, the OAS has shown an ability to work better. If they can get a satisfactory solution, it would be a great victory for the OAS. (Ø)

Another issue -- are we in agreement on Geneva? We need a strong Cuban resolution in Geneva. This would help people in your human

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rights everywhere. I will concede that you are not talking to a completely objective observer. I think that a strong message could help the people who are suffering under Castro. (C)

President Gaviria: As you know, we are working with Mexico and Venezuela trying to convince them. We have been talking about abstaining. (C)

The President: I'll talk with Salinas. I don't think you and we have a problem in principle. I think that if these people can get the idea that -- the world is worried about them and wants to support their human rights. (C)

President Gaviria: I think we have the same objectives, but we still want to keep open our dialogue with him. We still hope to convince him. We have not given up. (C)

The President: Have you seen any progress? (U)

President Gaviria: Not yet. (U)

The President: I have made a point that it will be great if the people of Cuba are able to have a change and express their human rights. (C)

President Gaviria: One last question. It's not important but we were given a call on two items on textiles. We hope that this doesn't mean that you're not willing to share your market. We hope this is not the beginning of the process of calling on a lot of items. (C)

The President: Who is the expert on this? (U)

Assistant Secretary Aronson: This is not our intention. (U)

President Gaviria: This is a small item. We talked with Mrs. Hill on this. She said that with you, that textiles are extremely sensitive from the U.S. point of view. (C)

The President: This is an extraordinarily sensitive area for us now. It seems like every year we are presented with a textile bill which is more protectionist. (C)

Assistant Secretary Aronson: This is a question which is legislative. When certain quotas are exceeded, the legislation requires that certain actions be taken. (C)

Secretary Baker: We are very interested in a successful GATT round. We need to get progress there. We have a big French problem. I don't know how this is going to work out. We want to have a positive outcome. (C)

President Gaviria: We are very supportive of the GATT and your position. (U)

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The President: Yes, people also criticize us for NAFTA, but I think they don't understand that this is good for trade and for everyone. (Ø)

President Gaviria: I agree. (U)

The President: Labor is against us on this, but we think expanding trade is a good thing because it creates jobs and we are going to continue to move in this direction. (Ø)

-- End of Meeting --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Rodrigo Borja, President of Ecuador (U)

PARTICIPANTS: The President
Secretary Baker III, Secretary of State
Henson Moore, Assistant to the President and Deputy Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
William T. Pryce, Special Assistant to the President for National Security Affairs and Senior Director, Latin America and Caribbean Affairs

Rodrigo Borja, President of Ecuador
Diego Cordovez, Minister of Foreign Affairs
Cesar Verduga, Minister of Government
Jorge Felix, Minister of Defense
Jaime Moncayo, Ecuadorian Ambassador to the U.S.

DATE, TIME February 26, 1992, 4:30 p.m. - 5:00 p.m., CST
AND PLACE: San Antonio, Texas

The meeting began with a photo opportunity during which the two Presidents joked a little about tennis. President Borja said that he had beaten Menem 6-0-6-0 the last time they played together. (U)

President Borja: I want to ask you to name a new Ambassador to Ecuador. (U)

The President: I think that we are pretty well along in that process. (U)

Secretary Baker: Yes, we are getting very close. (U)

President Borja: I want to give you great news that we have begun the arbitration process with EMILAC. The contract began in 1925 and ended in 1985. We are doing an arbitration and need to find a fair price for the company and its equipment. (U)

The President: Yes, this is important in creating a good climate. (U)

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President Borja: The state will not continue operations. It will be turned over or sold to a private company. (Ø)

Now to a more difficult subject. Right now we are not having the same difficulties in narcotics as Peru and Bolivia. That is why we were not at Cartagena. But we don't want to become a center. We don't have coca growers nor do we have refining. Coca is not a part of the exports of our economy. But there are things which are developing that are very dangerous. Our air space is being used as a bridge between Colombia and Bolivia. We are working to interdict shipments and we have intercepted 3.5 tons. Between Colombia and Bolivia there are traffic patterns. We have seized 2.3 tons of cocaine hydrochloride. This worries us. We think that our reaction will save human resources and money. As is well known drug traffickers start penetrating the upper levels of government and create real problems. So now is the time to strike. We put a radar of our own and we are part of a radar network. We have a squadron of interceptors which forced down the drug traffickers which go through our country. However, we have problems. First, we don't have the capacity of supporting expensive operations for long periods of time. Second, we need to improve our airports. Some have no lights and can be only used in the daytime. And third, an area that we can cover is quite limited. The idea is that the U.S. would loan us, not give us, but loan us larger radar. We can work very well with this and our planes could cover more area. (Ø)

The President: How are we doing on this? (Ø)

Assistant Secretary Aronson: Funding is difficult. (Ø)

The President: We might be able to ask about multilateral funds. (Ø)

President Borja: In 1991 we received around 4 percent of all the money which was allocated for the Andean countries by the United States. For 1992 we are scheduled to receive 4.4 percent of the total. There is too big a difference between what we received and the problems involved. The danger is that the traffickers who are in Peru and Bolivia will be turning towards Ecuador. We want to fight them before it is too late. Our laws were drawn up before this whole new drug enterprise got started. So I sent to Congress a new anti-drug law to give early treatment to this serious problem. We have authorized extradition. (Ø)

The President: Do you think they will act favorably? (Ø)

President Borja: It's controversial. The only thing drug traffickers are afraid of is your jails, not ours. My idea is daring and that is what I have proposed to the Congress. (Ø)

The President: I'll have to ask Bernie Aronson to address the kinds of assistance we can give. Clearly, I see your course of action -- the idea of getting at the problem early. (Ø)

Assistant Secretary Aronson: The President has asked Congress to double its assistance for 1993 and we have been able to announce

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the Andean Trade Preference Assistance Act. That was another way of our trying to help. We all want to help but it is very tough. (Ø)

The President: May I ask about the border? (Ø)

President Borja: I have been doing what I can on my part. I proposed on September 30 that the Pope arbitrate. The Pope obviously agreed only if the other side, Peru, accepted and they didn't accept the proposal. But the important thing is that it let the Peruvians know that we were of a positive mind. And set the atmosphere for the Peruvian President to visit Ecuador where he was received with great friendship. On the day of the visit, we went for a walk, we went to church and there were 40,000 people there. What I want to tell you is that President Fujimori and I are looking for a final solution. I will meet with him today and will meet with him again tomorrow. (Ø)

The President: Is this a problem? (U)

President Borja: No, it was a problem, but my Minister of Defense is here and he can tell you that we do not want to have a problem. (Ø)

The President: How big an area is in question? (Ø)

President Borja: Approximately 175,000 square kilometers, but most of it is not populated. (Ø)

Minister of Defense Felix: It is an old problem and we want to move to solve it. (Ø)

The President: I want to mention our gratitude for the Ecuadorian vote on Libya. We don't think that Libya has done much to help solve the problem. I also want to mention Haiti. It looks like we have an agreement between Theodore and Aristide. I hope we can support it. They have asked for training from the Inter-American Defense Board. We don't want a force. Cedras has handled the situation well. We hope that there will be a solution. (Ø)

President Borja: I think that we have taken a step backward in Haiti. We have democracy throughout the hemisphere with only two exceptions. Unfortunately, Aristide is not the most democratic of men. He is not a strong supporter of democracy to rely on, but he was elected and we have to support the principle that a democratic leader should not be deposed. (Ø)

The President: How about the other exception? What do you think about him? (Ø)

President Borja: We were able to support the resolution against Castro. It won't be accepted but we have done it. (Ø)

The President: My impression is that internal economic problems are going to force him to withdraw or to change course. We have to find some way out. Hopefully, peacefully, without bloodshed. (Ø)

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President Borja: I called him to ask clemency for that Cuban he was going to execute. I asked for clemency for all three. But he claimed that his own internal public opinion was very strongly for it and he had to go ahead. It was a good thing to get a resolution on human rights -- that should help. Again, thank you. (P)

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Jaime Paz Zamora, President of
Bolivia (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Henson Moore, Assistant to the President and
Deputy Chief of Staff
Robert Martinez, Director of National Drug
Control Policy
Brent Scowcroft, Assistant to the President
for National Security Affairs
Bernard Aronson, Assistant Secretary of State
for Inter-American Affairs
Ted McNamara, Special Assistant to the
President for National Security Affairs
and Senior Director, International
Programs, NSC
William T. Pryce, Special Assistant to the
President for National Security Affairs
and Senior Director, Latin America and
Caribbean Affairs, NSC (Notetaker)

Jaime Paz Zamora, President of Bolivia
Carlos Iturralde, Minister of Foreign Affairs
Carlos Saavedra, Minister of Interior
Gustavo Fernandez, Minister of the Presidency
Jorge Crespo, Bolivian Ambassador to the U.S.
Humberto Borht, Foreign Ministry Subsecretary
for Bilateral Affairs

DATE, TIME February 26, 1992, 5:05 p.m. - 5:30 p.m. CST
AND PLACE: San Antonio, Texas

At the photo opportunity before the meeting, the President lauded Paz on the job they were doing in narcotics and in the cooperation we have with them, not only in narcotics but in other areas. (U)

President Paz Zamora: What a good idea to say something for the press. Thank you very much for saying such nice things. (U)

The President: Why don't you start? Is there anything we need to do more? I hope there is a realization that we are doing what we can on the demand side. We are trying very hard to bring the demand down but it is a hard task given the hard-core addicts we

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have. We are not, however, preaching to others and we are grateful that interdiction is good on the Bolivian side. (Ø)

President Paz Zamora: I want to thank you, especially in the spirit of the Enterprise for the Americas which you prepared. I am especially grateful that you have forgiven \$378 million worth of public debt. Given the problems of which we face, this was extremely important for us. This very much strengthens our credit worthiness for the future. Our people took this as a real concrete contribution that is in our common interests. And in this regard (i.e. common interests) let me say that I think our two countries agree on a number of things here. I am talking about economic development and the fight against drugs. A concern I want to stress is that I think we have to push hard so that we have progress in these two areas -- economic policy and drug trafficking. We want to be sure that in using the army it doesn't have a negative effect which would jeopardize our democratic institution which are consolidating and beginning to work very well. Also both these areas need attention as there is no negative image of the United States in Latin America. I am worried that such an image is growing in Bolivia. (Ø)

The President: Is this a worry? (U)

President Paz Zamora (very elliptically): What is happening is that there have been major changes in the world and whereas in the past we have taken certain positions because of the polarization between the world powers, they now want Andean feelings to be considered. This is how they look at the economic situation and the anti-drug operations. They are saying that both of these are bad and they are blaming the United States. (Ø)

The President: I want to be sure I understand because I don't want these bad sentiments out there to grow. I'm not sure I see the connection with the economics side. (Ø)

President Paz Zamora: Economic policy and modernization brings benefits but also causes suffering. The IMF imposes economic conditions, and the IMF and the United States is blamed. (Ø)

President Bush: Yes, we know all about that. (Ø)

President Paz Zamora: Growing this product (coca?) is very inflationary in Bolivia. What we need is an alternative. This is why part of the drug fight in Bolivia, and in the fight against anti-U.S. sentiment, is a significant program of U.S. investment. We want legitimate money in Bolivia. Recently I spoke to some of your people (U.S. citizens?) and I said we have not come to clean the pockets of the U.S. taxpayer but to say to U.S. businessmen how they can make money and help in fighting drug traffickers. We had two examples of U.S. investment. Twenty days ago we inaugurated a lithium operation for a company from Chicago -- FMC Lithium Division. (Ø)

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The President: Oh yes, there are all sorts of possibilities for investment. (Ø)

President Paz Zamora: This happened in an area where people were leaving. They went to grow coca, now they can stay and earn money where they are. Also, there was inaugurated the Maxim Company, an oil company, which exists in a place where there are also coca growers. These are two important investments which have an affect in a fight against the narco-traffickers. (Ø)

If we set objectives to be met in the narcotics fight, we must also set a horizon of some hope of increase of U.S. investment. (Ø)

If we can set objectives in terms of production and consumption, then we also must have an objective in terms of a percentage increase of private investment. Bolivia needs to develop its capital markets. (Ø)

The President: We need a better investment climate and capital markets. (Ø)

President Paz Zamora: We have an OPIC agreement. (U)

The President: Have they been down there recently? (U)

President Paz Zamora: They were here three years ago, but maybe they should come again. We would like to work something out with 936 funds. There is a lot of capital there in Puerto Rico. This is given to the CBI contras. We would like to have some of it come here. (Ø)

Assistant Secretary Aronson: We don't think it's wise to reopen this consideration with the Congress at this point. (Ø)

The President: Let me see what we can do. We need to facilitate private investment. We need to do everything we can. We want to be helpful but this may not be good right now. The going is tough in Congress right now. There are those who would want to eliminate all foreign aid. Once our economy is growing, we will be in a better position to do more. Then, we will have a better climate. It is difficult, we can't get ATPI expanded now. (Ø)

Assistant Secretary Aronson: We could send another OPIC mission. (Ø)

The President: Let's see what we can do to facilitate investment. We will come out of this with people saying we spend too much time on foreign affairs, I think this is a bum rap. (Ø)

May I mention Haiti? We think we should back the OAS. We understand the weaknesses there and how it is difficult for two politicians to agree. We are in accord with the recommendation of the OAS that the parliament deal with the problem. It is appropriate to have meetings and have them accept the solution. We have an agreement but it is very fragile. People tell us that

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Aristide is not a strong leader. But we need to get parliament to accept the agreements. It has been frustrating to us. We are on the side of democracy. We think it is necessary to keep Cedras for the moment. Aristide doesn't seem to recognize that no one has been more helpful than Cedras in helping him come back. (Ø)

President Paz Zamora: We invited him to come for a day. There was a meeting of the Latin American political parties. We thought this was a very good way to show our solidarity. (Ø)

I want to say three or four things quickly. One, we have a program for balance of payments assistance. I hope that this can continue because it is a big help but we have had portions that tied to conditionality. This is fine, but perhaps in applying it with such strictness, there are problems. The amount of assistance is linked to the areas of eradication. In 1990 we were 20 percent over. In 1991 we were about 20 percent under. (Ø)

The President: Is there a legal tie? (U)

Assistant Secretary Aronson: Yes. There is a tie established by the Congress. (U)

The President: We don't want you to fall on your face. (Ø)

Assistant Secretary Aronson: We need to talk further. (U)

The President: Let's see what we can do. We don't want to be too tough. Maybe we can find flexibility. (Ø)

President Paz Zamora: Perhaps you can find flexibility. You have a program for seabeds. There is room for movement. (Ø)

Assistant Secretary Aronson: We don't have much flexibility. (U)

The President: Well, we'll say that we will try to help. (U)

President Paz Zamora: We are trying to get additional money for alternative development, but this is a multilateral element. We are trying to get money from the Inter-American Development Bank. We need to have a window so we can go to them with our programs. This would have credibility in the eyes of the people. What kind of help can we find through multilateral organizations? (Ø)

Mr. McNamara: We are sympathetic, but setting up "windows" can take about two years sometimes. We think it is better to talk to the banks about individual anti-narcotics projects as they are ready, rather than wait for the "windows" to be set up. (Ø)

Secretary Baker: Yes. We can and will be supportive when you have good projects. I know how long it can be to get these "windows" opened. (Ø)

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President Paz Zamora: Another problem -- that of the armed forces. It's a whole battle we are waging with domestic opinion. There is Annex 3 of the military assistance agreement regarding the army. This has been interpreted in various ways. Military assistance was determined at a given level. But that level has not been met. So critics attack the government. This could have repercussions on our democratic institutions and that concerns me. (C)

What troubles me is under the air force, there is development. Why aren't we getting what we were promised. Out of 32 million, we have only gotten 7 million in military assistance. The Bolivian high command gave me examples. They want help for a civil engineer battalion for transport and for communication. (C)

Assistant Secretary Aronson: The problem is that the Bolivian air force flies helicopters and they help support the police. If the army is not doing anything against narcotic traffickers, we can't make money available. There was a group of Bolivian military people who said that the U.S. has not given equipment to the Bolivian army. Again, we had to explain to them what the situation was. (C)

The conversation began to break up at this point.

-- End of Conversation --

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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
12. Memcon	Re: Breakfast Meeting with Carlos Salinas, President of Mexico (9 pp.)	2/27/92	(b)(1)	C

Collection:

Document Partially Declassified
(Copy of Document Follows)
 By SCS (NLGB) on 2/23/12

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Presidential Correspondence
Subseries: Presidential Memcons
WHORM Cat.:
File Location: Presidential Meetings - Memorandum of Conversations 2/1/92 - 2/27/92

Date Closed:	1/28/2009	OA/ID Number:	91109-006
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	2005-0370-MR (37.02)
AR Disposition:		MR Disposition:	Released in Part
AR Disposition Date:		MR Disposition Date:	6/16/2010

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 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
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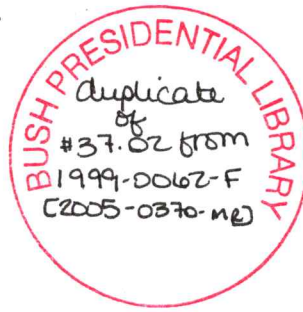
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 (b)(9) Release would disclose geological or geophysical information

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THE WHITE HOUSE
WASHINGTON



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MEMORANDUM OF CONVERSATION

SUBJECT: Breakfast Meeting with Carlos Salinas,
President of Mexico (U)

PARTICIPANTS: The President
James A. Baker III, Secretary of State
Henson Moore, Assistant to the President and
Deputy Chief of Staff
Ambassador Carla Hills, United States Trade
Representative
Brent Scowcroft, Assistant to the President
for National Security Affairs
Bernard Aronson, Assistant Secretary of
State for Inter-American Affairs
William T. Pryce, Special Assistant to the
President for National Security Affairs
and Senior Director, Latin America and
Caribbean Affairs, NSC (Notetaker)

Carlos Salinas, President of Mexico
Fernando Solana, Secretary of Foreign
Relations
Jaime Sierra, Secretary of Commerce and
Industrial Development
Ignacio Morales-Lechuga, Attorney General
Herminio Blanco, Principal NAFTA Negotiator
Jose Cordoba-Montoya, Chief of Staff to the
President
Gustavo Petricioli, Mexican Ambassador to the
United States

DATE, TIME February 27, 1992, 7:30 a.m. - 8:25 a.m. CST
AND PLACE: San Antonio, Texas

The President: I want to begin by saying I think cooperation between our countries has been outstanding on all levels. I am ready to discuss here anything you want to discuss. If there is anything you want to bring up about our relationship that is troubling you, now is the time. But I want to open by repeating our very high interest in achieving a Free Trade Agreement. I think it's good for the country and I think it's good politics. There are people who say that we are not fully committed. I want to say here again to all the people, as I have said elsewhere that we will go ahead with this agreement, politics notwithstanding. (C)

President Salinas: Since most of the conversations here will be about drugs, let's talk about the Free Trade Agreement. First I

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want to say that your speech in Los Angeles was, I thought, very, very good. When you said you wanted to go ahead with the Free Trade Agreement. As you know, the teams of over 100 people have met in Dallas for ten days. They worked very hard and have made a number of improvements. They showed flexibility and balance. The question is whether there is sufficient support in Congress. Our people have been talking with a number of your Congressmen and they say we must do it before the August recess. Because after that things will become embroiled in the election process. In order to do that, we need to complete the process in June. And in order to do that, we must have an agreement in March. So March is a key month. We think that because of the importance of getting things done before the recess, we must move quickly. We can be ready in March. As long as there is a concerted effort on each side. There are four or five pending issues on each side. If the chief negotiators were to get together by the beginning of March, and the head of the team, a week after, we think we could have an initialling by March 12. (Ø)

The President: I want to repeat that our interest is to get it done soon, but that it has to be, given the nature of the mood in Congress, as broad an agreement as possible. If we have to narrow it, we won't get it through. I'm not hiding behind Congress but it is a simple fact that to get an agreement, it must be broad enough to get broad support so the Congress will sign on. (Ø)

President Salinas: You are right. If it is not broad enough, it won't bring the benefits which are needed for both sides. (Ø)

The President: I worry that if you set a date, then we will be criticized by people who will say we are working to meet a deadline but have not gotten a good agreement. (Ø)

President Salinas: No, we would not want to set an official date. We could set internal goals, just among ourselves. (Ø)

Secretary Baker: Perhaps you could keep a date internal, but if it got out, it would hurt greatly, and I'm not sure we could keep a date internal. (Ø)

The President: Something tells me you're telling me we should keep the pressure on Carla and Jaime. We want to get it done, but if we set a deadline and don't meet it we will be losing ground. Can they say a waste of time? (Ø)

Ambassador Hills: I think we have worked with great effectiveness and we can keep working. We have meetings scheduled for March 2, 9 and 16. We have made enormous progress but serious problems remain. We must proceed with all due speed but not minimize the problems that we have. We must consult with the Congress and the private sector. There are 40 different committees which must write reports. And in response to the negotiations, there have been complaints that we didn't consult enough after the last meeting. I have been called by key members who asked for more consultations. I would need to consult

further before we negotiate again. I think it's possible to make March a month of real accomplishment. (Ø)

President Salinas: I think we first talked about this possibility some three-and-a-half years ago in Houston. It has been two years since I called you and we have been working hard on it for a year. So we are working with real consultations. (Ø)

The President: Yes, but there are some who are complaining. (Ø)

Ambassador Hills: There were complaints that some committees only had three days to look at text before we talked to our counterparts. They were not completely happy. We only launched our negotiations on June 12. Whenever we talk to people we say we have made real progress and we have a program and we are moving ahead with that program. We have accomplished great things. There are thirty plus groups who are working hard. The chief negotiators have been deeply involved; we have good people working on this and we are trying to expedite it as much as possible. (Ø)

Secretary of Commerce Serra: We agree that there has been good progress. There are still a few issues. Our feeling is that we could be finished in March. Our position is that a good agreement is more important than timing. We understand that after the initialling, the Congress needs to have 90 days for discussion. This would need to be completed by June or July in order to time it before the August recess. There needs to be consultation with the Congress and the Senate, who say they must get it finished before September and elections. It looks like we should have agreement, but the target has to be March. (Ø)

President Salinas: When I suggested early March, I was really thinking the end of March, because if I say the end of March, it will be later. Should we get on the table the major problems? Should we put any ideas on the table, we don't of course want to negotiate here. (Ø)

Secretary of Commerce Serra: We have prepared a paper. We have seen progress on several fronts. I remember that Carla said at Camp David that there were 140 odd categories where we had taken it off the table. I went back and discovered that we have more than 750 categories. We have opened up 85 percent of our categories after our talks with you. On financial services regarding banks, we have opened up so that now a U.S. bank in Mexico can be owned 100 percent, and it could be six times the size of the Citibank operation in Mexico today. I think we practically have an agreement on textiles. We have proposals which are agreeable with both industries. I mentioned before that I had talked with Roger Milliken on this subject and he is enthusiastic. On autos there has been a proposal to open up after consultations with the Big Three. On tires, I think we have a global agreement. There is improvement in the tentative agreement on rules of origin. We have made progress in dispute

settlement, State to State. We are talking about duty drawbacks. In agriculture, this is a delicate area for Mexico. We are interested in fruits and vegetables and the U.S. is interested in corn and wheat. This is a very delicate area for us but President Salinas has said we have to look to opening up on corn. We hope in return for U.S. flexibility on fruits and vegetables. We have some issues to go. I know that in the two years we have been involved, we have more than 300 pages. It is a broad agreement, it goes beyond the Uruguay Round. If we can get agreement in Uruguay Round, this will help. (Ø)

The President: Where is Canada on this? Are there any big differences? (Ø)

Ambassador Hills: They have some different points of view. We have made real progress. We have several issues where we need to talk with them. On autos, we don't have a complete plan to talk with them so far. On services, there are differences in approach. On energy, we will have to have more discussion. And on flat glass and leather, the offer needs to be broadened. We will work around the clock. My obligation is to come up with a good agreement. I want an agreement that I can recommend to the President and that will pass the Congress. If we get 51 percent, we will be able to move, but I think we should have more. I'm optimistic that we can have agreement. The groups are meeting on March 9. I think there has been marvelous cooperation, and we need to continue. (Ø)

Secretary of Commerce Serra: I agree that there is good cooperation with Canada, but there remain issues. It seems to me they are: (1) safeguard rules, (2) rules of origin regarding textiles, where we are demanding a lot, (3) autos, where we need to have a broad agreement, and (4) we don't know about what happens at the Uruguay Round. There are producers in Quebec that need something in the area of poultry and dairy products. We need to explain this further. We are not so interested in this area, but if we open it up we must have whatever is agreed with Canada in the Uruguay Round. (Ø)

The President: Do they have political problems? It seems to me that their opposition was raising questions about the agreement. (Ø)

General Scowcroft: It is important politically for them to have a successful Uruguay Round. (Ø)

Secretary Baker: Poultry and dairy products are important to Quebec, which is where there is principal opposition. (Ø)

The President: There is still the understanding between us that we want to agree, but that we can go bilaterally if there is no agreement with Canada. (Ø)

President Salinas: Yes, they reconfirmed that in New York. (Ø)

General Scowcroft: A good GATT agreement will be helpful. (Ø)

The President: Why don't we talk a little about the GATT. (U)

Ambassador Hills: We are exploring what they have in mind. We have had some positive talks in January. The next several weeks will be crucial. (Ø)

The President: We have a big French problem. Is there any hope there? (Ø)

Ambassador Hills: I had a discussion with Strass-Kahn and the Europeans and we will try to come up with a proposal that might work, but it is not clear that we will be successful. (Ø)

President Salinas: Unless we show that once we have initialled the agreement, there will not be changes -- this could create great problems. If we allow any changes at all, then interest groups will try to change a lot of things and this will lead us to disaster. (Ø)

The President: If you submit a detailed outline, you do have to have details. (U)

Secretary Baker: We initialled I think with Canada with an outline, and we submitted the full text sometime later. Once we have a full text, we will have 90 days for Congressional scrutiny. Ninety days all told. During that time, we will need to get wide domestic support. (Ø)

Ambassador Hills: Senator Bentsen and Dan Rostenkowski have made it abundantly clear that they will not accept a process like we had with the Canadians. We have to submit a completed text before the Congress will consider things. They say no outline and blanks will be authorized and the 90 days will not be triggered. (Ø)

President Salinas: When do you meet next? (U)

Ambassador Hills: Our two negotiating teams meet Wednesday the 4th of March with the chief negotiators ready to explore possibilities, and I and Jaime of course are ready to be involved at any moment. There are large problems in that there are twelve groups. I have confidence in Jorge (Blanco) and Jules (Katz) and that they will see what the list of difficult issues looks like and will need to get back to us. (Ø)

Principal NAFTA Negotiator Blanco: Next week we have all sessions meeting. (U)

President Salinas: Is there a meeting on the 16th? (U)

Principal NAFTA Negotiator Blanco: We have a meeting scheduled for the 9th, I'm not sure ... (U)

Ambassador Hills: We meet on autos on the 16th. (U)

Principal NAFTA Negotiator Blanco: On autos. (U)

Secretary of Commerce Serra: We will try to have the working groups meet in the next few days. I can come to Washington to review with Carla what happens. Maybe after that, we can set a date, say maybe March 15, maybe the 16th we could have a final agreement. (Ø)

President Salinas: Why don't we agree to consult by phone on the 16th and see where we stand. (Ø)

The President: Fine. (U)

There has been some speculation that we don't want to take this on. That we want to keep this out of the electoral process. You have extremists on the right and on the left saying that we are trying to export jobs to Mexico. I don't want anybody to misinterpret that into thinking that we will back away in any way. This agreement is good politics and good business. It is good for the United States. So don't be concerned with all the negative advertising and other stories you may see. After the Japan trip, there was a lot of negative advertising. When you see that, you could think that we are out of step with wanting to move forward. Well they are 100 percent wrong, and I hope to have the opportunity to take the message to the American people. (Ø)

President Salinas: Your message has been clear. (U)

The President: But not resonating. (U)

President Salinas: Those who are opposed are in fourth place. (U)

Assistant Secretary Aronson: Harkin is in fourth place. Tsongas wants it as does Clinton. They don't want to go against what they know is good for the American people. (Ø)

Secretary of Commerce Serra: The environment and labor people are happy. When we came up with our environmental program we got a positive response, and I think our border program has had a good effect. The environmentalists are happy. (Ø)

Secretary Baker: We have progress on tuna. The Mexicans have made a proposal which moves towards a study and an eventual moratorium on setting nets on dolphins if dolphin kills are not reduced sufficiently. This gives us something to work with. They basically have made a very good proposal. (Ø)

President Salinas: This is a very sensitive issue. We would be proposing a five-year moratorium, beginning in 1994. (Ø)

Secretary of Commerce Serra: Carla Hills has been doing wonderful background support work with business groups like that of J. Hare. He has been very cooperative and he and Tom Donaghue

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and 25 other executives have come to Mexico and we have talked to them and I think they are going to be positive. (U)

Mexican Attorney General Morales-Lechuga enters the room and a place is made at the table for him.

The President: Welcome Mr. Attorney General. I would like to ask you how you feel cooperation has been. (Q)

Attorney General Lechuga: I think every day the cooperation is getting better. Obviously, we have, as we say in Mexico, some stones in our shoes and we have to get them out. We have decided to meet every three months and to resolve any problems that we may have. The environment is very positive. (Q)

The President: I regard it as a continuing problem area, where we can continue to work together. (U)

President Salinas: Cooperation is good. The intelligence cooperation is so good that we have seized 50 tons of cocaine -- the largest shipment ever. We have seen that our air-surveillance is becoming so effective that the traffickers may try to land in Central America. I have just had a visit with Guatemalan President Serrano to work on how we may solve this problem. (Q)

The President: May I raise another subject? Maybe this is contentious. As you know, we have not changed our basic policy towards Fidel. We don't see much sign that he has any intention of lightening up on human rights abuses. In fact, he is getting worse. And we would ask that we join together to get a strong signal to the man that he must do something on human rights. We want a strong resolution out of Geneva. (b) (1)

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The President:

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Secretary Baker:

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The President: Sort of like Saddam Hussein. There we are hearing that there is a lot more dissatisfaction with Hussein than you see on the surface. We are getting intelligence reports that he is under more pressure now. (C)

President Salinas: Didn't you think of Iraq as a balance to Iran? (C)

Secretary Baker: We need balance in the Middle East but not with Hussein. (C)

The President: This is what was happening before. We were working with others who thought there was a need to have balance in the Middle East. Good to have balance but not Hussein type balance. We still worry about the nuclear problem. We had intelligence estimates about his ability to construct nuclear weapons, but we didn't know for sure. We now have had inspections and we still don't know. We must go through with UN resolutions. I think in a political sense we must keep pushing. (C)

President Salinas: Yes, look at Algeria and Tunisia. Ben Jedid is a good man. (C)

Secretary Baker: Could I say a word about Haiti? The agreement that has been signed may be the last hope we could have to bring about an international solution in Haiti. We are trying hard to make this solution work. We think it is important to help professionalize the Haitian armed forces -- maybe through the Inter-American Defense Board. We would appreciate your taking a look. This would not be a case of an international force, but rather to try to professionalize the Haitian military which is rag-tag, out of control, and badly in need of help. (C)

Secretary of Foreign Relations Solana: There needs to be close cooperation on this. We could not support a military assistance alone but perhaps could cooperate in general assistance. (C)

Secretary Baker: What we are backing is democracy. We don't want to let democracy fail. (C)

The President: We are leaning on weak reeds here.

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nevertheless we need to support the principle of democracy.

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Secretary Baker: Look at it this way, we are supporting a democratic solution, it's the principle of democracy that we are supporting. (C)

The meeting began to break up at this point with exchanges of pleasantries.

-- End of Meeting --

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