

Originally Processed With FOIA(s):
2009-0275-S

FOIA Number:
2009-0275-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: Latin American Files
Subseries: Central American Chronological Files

OA/ID Number: 91138
Folder ID Number: 91138-012

Folder Title:
Central America (December 1990)

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	5	3

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01a. Letter	President Salinas de Gortari to President Bush [English Translation] (3 pp.)	11/16/90	(b)(1)	C
01b. Cable	American Embassy Mexico to Secretary of State Washington DC Re: Letter from Mexican President Salinas to President Bush on El Salvador (6 pp.)	11/17/90	(b)(1)	C
02a. Memo	Brent Scowcroft to POTUS Re: Status of U.S. Aid Disbursements to Nicaragua and Panama (2 pp.)	n.d.	(b)(1)	C
02b. Memo	David A. Pacelli to Brent Scowcroft Re: Status of U.S. Aid Disbursements to Nicaragua and Panama (1 pp.)	12/17/90	(b)(1)	C

Page 1 of 1

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Latin American Files
Subseries: Central American Chronological Files
WHORM Cat.:
File Location: Central America (December 1990)

Pinksheet Number: cap1152
OA/ID Number: 91138-012
Date Closed: 5/13/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 9009162
RECEIVED: 19 NOV 90 14

TO: SITTMANN

CHRON FILE

FROM: ROY, J

DOC DATE: 06 DEC 90
SOURCE REF: 9024566

KEYWORDS: MEXICO
EL SALVADOR

HS
UN

PERSONS: SALINAS, CARLOS

SUBJECT: CABLE TO PRES FM PRES SALINAS RE SALVADORAN SITUATION

ACTION: NO REPLY REQUIRED PER STATE DUE DATE: 22 NOV 90 STATUS: C

STAFF OFFICER: STATE LOGREF: 9009161 9009163

FILES: WH NSCP: CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

FOR CONCURRENCE

FOR INFO
NSC CHRON
PACELLI
PRYCE
SALVETTI, L

DECLASSIFIED

White House Guidelines

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

By Cop NARA, Date 6/15/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSLMS CLOSED BY: NSDAI DOC 2 OF 2

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

9162

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT

TRANSMITTAL FORM

S/S 9024566

Date December 6, 1990

FOR: Mr. William F. Sittmann
Executive Secretary
National Security Council Staff
The White House

REFERENCE:

To: President Bush

From: Mexican President Carlos Salinas

Date: November 13, 1990

Subject: Salvadoran Situation

WH Referral Dated: November 19, 1990
NSCS ID# (if any): 9009162

 The attached item was sent directly to the
Department of State.

ACTION TAKEN:

DECLASSIFIED

Department of State Guidelines

 A draft reply is attached. E.O. 12958, SEC 3.4 (B), July 21, 1997

 A draft reply will be forwarded. By Cap NARA, Date 5/13/09

 A translation is attached.

 An information copy of a direct reply is attached.

xx We believe no response is necessary for the reason
cited below.

 The Department of State has no objection to the
proposed travel.

 Other (see remarks).

REMARKS: We believe no response is necessary because it is a
protocolary acknowledgement to President Bush' letter
of October 22, 1990 to President Salinas.

~~CONFIDENTIAL~~

Decl: OADR

for Rodia Suleis
Director
Secretariat Staff

~~CONFIDENTIAL~~
DEPARTMENT OF STATE
DIVISION OF LANGUAGE SERVICES

(TRANSLATION)

LS NO 3710
JF
Spanish

Mexico, D.F., November 16, 1990

Mr. Ambassador:

I am pleased to transmit to Your Excellency the text of a letter dated November 13, 1990, from President Salinas de Gortari to President Bush, as transcribed below:

Quote:

Los Pinos, D.F., November 13, 1990

Dear Mr. President:

I am pleased to refer to your letter of October 22, 1990, in which you were kind enough to share with me your views on the Salvadoran situation, and express your willingness to support the efforts of the United Nations Secretary General to foster a negotiated settlement in El Salvador.

I thank you especially for the information you provided me in your letter, and I am pleased that our two governments agree on making the greatest possible efforts towards achieving peace, economic recovery, and democracy in Central American in general and El Salvador in particular.

DECLASSIFIED
PER E.O. 12958,
AS AMENDED
1999-0467-F/1
32 3/6/03

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

-2-

Since my inauguration, I have repeatedly told the Central American Presidents that Mexico is fully prepared to support their peace initiatives, through political negotiation, national reconciliation, and development with social justice.

Thus, whenever the Government of El Salvador has requested, Mexico has made available facilities for important meetings in its territory between the parties involved in the Salvadoran conflict. We have also encouraged, in the Organization of American States and the United Nations, the adoption of resolutions and diplomatic demarches with a view to assisting in the attainment of these objectives.

In addition, we have renewed our bilateral cooperation with these sister countries and urged the international community to extend assistance programs to the development of this region. We have done all this because this is an area with which Mexico maintains unbreakable historic, cultural, political, and economic ties.

In the specific case of El Salvador, smooth communication with the Government of President Cristiani, and the contacts, on merely an informative basis, with the FMLN have made it possible to send a clear message in favor of a constructive and serious dialogue leading to the end of the violence and a negotiated settlement of the conflict.

In this context, my government has accepted the invitation of the U.N. Secretary General to participate more actively, to

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~³⁻

the extent his mediation effort requires, and the parties to the negotiation themselves deem appropriate, in contributing to more decisive progress in the peace process.

In affirming to you my complete willingness to continue our fruitful dialogue on this and other subjects of common interest in our next meeting, in the context of the friendship characterizing the excellent relations between our two countries, I am,

Cordially yours,

Unquote.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

ID 9009162

REFERRAL

DATE: 19 NOV 90

MEMORANDUM FOR: ROY, J

STATE SECRETARIAT

DOCUMENT DESCRIPTION:

TO: PRESIDENT

SOURCE: SALINAS, CARLOS

DATE: 13 NOV 90

SUBJ: CABLE TO PRES FM SALINAS RE SALVADORAN SITUATION

REQUIRED ACTION: FOR RECOMS/DRAFT REPLY

DUE DATE: 23 NOV 90

COMMENT:

FOR



GEORGE VAN ERON

DIRECTOR NSC SECRETARIAT

DECLASSIFIED

White House Guidelines

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

By Cap NARA, Date 5/13/09

~~CONFIDENTIAL~~

IMMEDIATE

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

9162

PAGE 01 OF 06

PRES NOTED SUMMARY

PRT: GATES HILL SITTMANN VANERON

SIT: FILE OCONNELL PACELLI PRES-MSGs PRYCE VAX

<PREC> IMMEDIATE <CLAS> ~~CONFIDENTIAL~~ <DTG> 170132Z NOV 90

FM AMEMBASSY MEXICO

TO RUEHC/SECSTATE WASHDC IMMEDIATE 5442

INFO RUEHSN/AMEMBASSY SAN SALVADOR PRIORITY 7020

~~CONFIDENTIAL~~ SECTION 01 OF 03 MEXICO 31268

DEPT. FOR ARA/MEX AND ARA/CEN

E.O. 12356: DECL: N/A

TAGS: PREL, MX, ES

SUBJECT: LETTER FROM MEXICAN PRESIDENT SALINAS TO
PRESIDENT BUSH ON EL SALVADOR.

REF: STATE 358363

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. A RESPONSE TO REFTEL LETTER FROM PRESIDENT BUSH TO
PRESIDENT SALINAS WAS RECEIVED AT THE EMBASSY ON FRIDAY,
NOVEMBER 16, 1990. AN INFORMAL TRANSLATION FOLLOWS.

3. (BEGIN TRANSLATION)

MEXICO, D.F., THE 16TH OF NOVEMBER 1990

DEAR AMBASSADOR,

I HAVE THE PLEASURE TO TRANSMIT TO YOUR EXCELLENCY THE
TEXT OF A LETTER DATED THE 13TH OF NOVEMBER, FROM
PRESIDENT CARLOS SALINAS DE GORTARI TO PRESIDENT GEORGE
BUSH. THE TEXT OF THE LETTER FOLLOWS BELOW:

"LOS PINOS, D.F., THE 13TH OF NOVEMBER 1990

MY DEAR MR. PRESIDENT:

I AM PLEASED TO REFER TO YOUR THOUGHTFUL NOTE OF OCTOBER
22, IN WHICH YOU SAW FIT TO SHARE WITH ME YOUR VIEWS ON
THE SALVADORAN SITUATION, AS WELL AS TO EXPRESS YOUR
DETERMINATION TO SUPPORT THE EFFORTS OF THE SECRETARY
GENERAL OF THE UNITED NATIONS TO ARRANGE A NEGOTIATED
SOLUTION IN EL SALVADOR.

DECLASSIFIED
PER E.O. 12958,
AS AMENDED
1999-0467-F/1
32 3/6/03

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

PAGE 02 OF 06

IN PARTICULAR, I AM GRATEFUL FOR THE INFORMATION THAT YOU COURTEOUSLY INCLUDED IN YOUR NOTE AND I AM PLEASED TO SEE THAT BOTH OUR GOVERNMENTS SHARE THE RESOLVE TO MAKE THE GREATEST POSSIBLE EFFORTS FOR PEACE, FOR DEMOCRACY AND ECONOMIC RECOVERY IN CENTRAL AMERICA AS A WHOLE, AND IN EL SALVADOR IN PARTICULAR.

SINCE THE FIRST DAYS OF MY GOVERNMENT, I HAVE EXPRESSED REPEATEDLY MEXICO'S FULL INTENTION TO SUPPORT YOUR INITIATIVES TO BRING PEACE TO THE REGION THROUGH POLITICAL NEGOTIATIONS, NATIONAL RECONCILIATION, AND DEVELOPMENT WITH SOCIAL JUSTICE.

THEREFORE, WHENEVER THE GOVERNMENT OF EL SALVADOR HAS ASKED, MEXICO HAS MADE AVAILABLE RESOURCES WITHIN ITS OWN TERRITORY TO FACILITATE IMPORTANT MEETINGS BETWEEN THE PARTIES INVOLVED IN THE SALVADORAN CONFLICT. ALSO, WE HAVE SPONSORED RESOLUTIONS AND DIPLOMATIC INITIATIVES TO HELP REALIZE THIS END WITHIN THE UNITED NATIONS AND THE ORGANIZATION OF AMERICAN STATES.

IN ADDITION, WE HAVE RENEWED OUR BILATERAL COOPERATION WITH THESE FRATERNAL COUNTRIES AND HAVE URGED THE INTERNATIONAL COMMUNITY TO EXTEND ASSISTANCE IN THE FORM OF DEVELOPMENT PROGRAMS TO THE REGION. WE HAVE DONE ALL OF THIS TO BE ABLE TO CONTINUE LIVING IN A REGION WITH

WHICH MEXICO MAINTAINS INDISSOLUBLE HISTORICAL, CULTURAL, POLITICAL, AND ECONOMIC BONDS.

IN THE SPECIFIC CASE OF EL SALVADOR, FREQUENT AND UNIMPEDED EXCHANGES WITH THE GOVERNMENT OF PRESIDENT CRISTIANI AS WELL AS CONTACTS WITH THE FMLN OF A PURELY INFORMATIONAL NATURE HAVE ALLOWED US TO SEND AN UNAMBIGUOUS MESSAGE IN FAVOR OF CONSTRUCTIVE AND SERIOUS DIALOGUE THAT WILL LEAD TO AN END TO THE VIOLENCE AND A NEGOTIATED SETTLEMENT OF THE CONFLICT.

IN THIS REGARD, MY GOVERNMENT HAS ACCEPTED THE INVITATION OF THE SECRETARY GENERAL OF THE UNITED NATIONS TO PARTICIPATE IN A MORE ACTIVE WAY FOR AS LONG

WHITE HOUSE SITUATION ROOM

PAGE 03 OF 06

AS HIS MEDIATION INITIATIVE MAY REQUIRE IT AND AS LONG AS THE PARTIES TO THE NEGOTIATIONS FIND IT APPROPRIATE, TO ASSIST IN ACHIEVING A DECISIVE ADVANCE IN THE PEACE PROCESS.

IN CONFIRMATION OF MY FULL INTENTION TO CONTINUE OUR FRUITFUL DIALOGUE ON THIS AND OTHER SUBJECTS OF MUTUAL INTEREST DURING OUR NEXT MEETING WITHIN THE FRIENDLY

BT

#1268

BT

~~CONFIDENTIAL~~ SECTION 02 OF 03 MEXICO 31268

DEPT. FOR ARA/MEX AND ARA/CEN

E.O. 12356: DECL: N/A

TAGS: PREL, MX, ES

SUBJECT: LETTER FROM MEXICAN PRESIDENT SALINAS TO PRESIDENT BUSH ON EL SALVADOR.

FRAMEWORK THAT DEFINES THE EXCELLENT RELATIONS BETWEEN OUR TWO COUNTRIES, I AM PLEASED TO SEND YOU MY WARM GREETINGS.

TO HIS EXCELLENCY

MR. GEORGE BUSH

PRESIDENT OF THE UNITED STATES OF AMERICA."

I TAKE ADVANTAGE OF THIS OPPORTUNITY TO REPEAT TO YOUR EXCELLENCY ASSURANCES OF MY HIGHEST AND MOST DISTINGUISHED CONSIDERATION.

(THE LETTER IS UNSIGNED)

4. (BEGIN SPANISH TEXT)

MEXICO, D.F., A 16 DE NOVIEMBRE DE 1990.

SEÑOR EMBAJADOR:

TENGO EL AGRADO DE TRANSMITIR A VUESTRA EXCELENCIA EL TEXTO DE UNA CARTA FECHADA EL DIA 13 DEL PRESENTE MES, QUE DIRIGE EL PRESIDENTE CARLOS SALINAS DE GORTARI AL PRESIDENTE GEORGE BUSH. EL TEXTO DE LA CARTA SE TRANSCRIBE A CONTINUACION:

"LOS PINOS, D.F., A

13 DE NOVIEMBRE DE 1990.

WHITE HOUSE SITUATION ROOM

PAGE 04 OF 06

MUY ESTIMADO SENOR PRESIDENTE:

ME ES GRATO REFERIRME A SU ATENTA COMUNICACION DEL 22 DE OCTUBRE PASADO. EN LA QUE TIENE A BIEN PARTICIPARME SU PERSPECTIVA DE LA SITUACION SALVADORENA. ASI COMO SU VOLUNTAD DE RESPALDAR LOS ESFUERZOS DEL SECRETARIO GENERAL DE LAS NACIONES UNIDAS PARA PROMOVER UNA SOLUCION NEGOCIADA EN EL SALVADOR.

LE AGRADEZCO MUY ESPECIALMENTE LA INFORMACION QUE AMABLEMENTE ME DA EN SU COMUNICACION Y ME COMPLACE VER LA COINCIDENCIA DE NUESTROS GOBIERNOS POR REALIZAR LOS MAYORES ESFUERZOS POSIBLES EN FAVOR DE LA PAZ, LA RECUPERACION ECONOMICA Y LA DEMOCRACIA DE CENTROAMERICA

EN GENERAL. Y DE EL SALVADOR EN PARTICULAR.

DESDE EL COMIENZO DE MI GOBIERNO, HE REITERADO A LOS PRESIDENTES DE CENTRO AMERICA LA PLENA DISPOSICION DE MEXICO DE APOYAR SUS INICIATIVAS DE PACIFICACION, A TRAVES DE LA NEGOCIACION POLITICA, LA RECONCILIACION NACIONAL Y EL DESARROLLO CON JUSTICIA SOCIAL.

EN CONSECUENCIA, CUANDO SE LO HA SOLICITADO EL GOBIERNO DE EL SALVADOR, MEXICO HA OTORGADO FACILIDADES PARA LA REALIZACION EN SU TERRITORIO DE IMPORTANTES ENCUENTROS ENTRE LAS PARTES INVOLUCRADAS EN EL CONFLICTO SALVADORENO. ADEMAS, HEMOS PROMOVIDO EN LA ORGANIZACION DE ESTADOS AMERICANOS Y EN LA ORGANIZACION DE LAS NACIONES UNIDAS, LA ADOPCION DE RESOLUCIONES Y GESTIONES DIPLOMATICAS ENCAMINADAS A COADYUVAR EN ESTOS PROPOSITOS.

ADEMAS, HEMOS RENOVADO NUESTRA COOPERACION BILATERAL CON ESTOS PAISES HERMANOS E INSTADO A LA COMUNIDAD INTERNACIONAL A EXTENDER LOS PROGRAMAS DE ASISTENCIA AL DESARROLLO DE ESA REGION. TODO ELLO, POR TRATARSE DE UN AREA CON LA CUAL MEXICO MANTIENE INDISOLUBLES VINCULOS HISTORICOS, CULTURALES, POLITICOS Y ECONOMICOS.

EN EL CASO CONCRETO DE EL SALVADOR, LA

IMMEDIATE

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

PAGE 05 OF 06

COMUNICACION FLUIDA CON EL GOBIERNO DEL PRESIDENTE CRISTIANI. ASI COMO LOS CONTACTOS DE CARACTER MERAMENTE INFORMATIVO CON EL FMLN. HAN PERMITIDO TRANSMITIR UN MENSAJE INEQUIVOCO EN FAVOR DE UN DIALOGO CONSTRUCTIVO Y SERIO QUE CONDUZA A LA ERRADICACION DE LA VIOLENCIA. ASI COMO A LA SOLUCION NEGOCIADA DEL CONFLICTO.

EN ESTE CONTEXTO MI GOBIERNO HA ACEPTADO LA INVITACION DEL SECRETARIO GENERAL DE LA ONU PARA PARTICIPAR DE UNA MANERA MAS ACTIVA, EN LA MEDIDA QUE SU GESTION DE MEDIACION LO REQUIERA Y QUE LAS PROPIAS PARTES EN LA NEGOCIACION LO ESTIMEN ADECUADO, PARA COADYUVAR EN UN AVANCE MAS DECIDIDO EN EL PROCESO DE PAZ.

BT

#1268

BT

~~CONFIDENTIAL~~ SECTION 03 OF 03 MEXICO 31268

QQQQ

DEPT. FOR ARA/MEX AND ARA/CEN

E.O. 12356: DECL: N/A

TAGS: PREL, MX, ES

SUBJECT: LETTER FROM MEXICAN PRESIDENT SALINAS TO PRESIDENT BUSH ON EL SALVADOR.

AL RATIFICARLE MI PLENA DISPOSICION DE CONTINUAR NUESTRO FRUCTIFERO DIALOGO SOBRE ESTE Y OTROS TEMAS DE INTERES COMUN EN NUESTRO PROXIMO ENCUENTRO, EN EL MARCO AMISTOSO QUE DEFINE LAS EXCELENTES RELACIONES ENTRE NUESTROS DOS PAISES, ME ES GRATO ENVIARLE UN CORDIAL SALUDO.

AL EXCELENTISIMO

SEÑOR GEORGE BUSH

PRESIDENTE DE LOS ESTADOS UNIDOS DE AMERICA."

APROVECHO LA OCASION PARA REITERAR A VUESTRA EXCELENCIA EL TESTIMONIO DE MAS ALTA Y DISTINGUIDA CONSIDERACION.

(DRAFTED BY: POL: RSACKS) NEGROPONTE

BT

~~CONFIDENTIAL~~

IMMEDIATE

~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

PAGE 06 OF 06

#1268

~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 9009162
DATE 13 NOV 90

SUBJECT: CABLE TO PRES FM SALINAS RE SALVADORAN SITUATION
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

ROY, J
DEPARTMENT OF STATE
ROOM 7224, MAIN STATE
2201 C STREET, NW
WASHINGTON, DC 20520

11-19-90

10:45

[Signature]

COPY: 1

DECLASSIFIED

White House Guidelines

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

By Cag NARA, Date 5/13/09

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC SECRETARIAT, ROOM 379 OEOB
PAGE 01 OF 01 PAGES

NATIONAL SECURITY COUNCIL
DISTRIBUTION RECEIPT

LOG 9009162
DATE 13 NOV 90

SUBJECT: CABLE TO PRES FM SALINAS RE SALVADORAN SITUATION
DOCUMENT CLASSIFICATION: ~~CONFIDENTIAL~~

EXTERNAL DISTRIBUTION:

DATE

TIME

SIGNATURE

ROY, J
DEPARTMENT OF STATE
ROOM 7224, MAIN STATE
2201 C STREET, NW
WASHINGTON, DC 20520

11/19/90

2240

Ronald Cuthbert

COPY: 1

DECLASSIFIED

White House Guidelines

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

By Cop NARA, Date 5/13/09

DATE, TIME, SIGN THE RECEIPT AND RETURN TO: NSC SECRETARIAT, ROOM 379 OEOB

PAGE 01 OF 01 PAGES

~~CONFIDENTIAL~~
NSC/S PROFILE

RECORD ID: 9009845
RECEIVED: 17 DEC 90 19

TO: PRESIDENT

FROM: SCOWCROFT

CHRON FILE

DOC DATE: 18 DEC 90
SOURCE REF:

KEYWORDS: NICARAGUA
ECONOMIC ASSISTANCE

PANAMA
MEDIA

PERSONS:

SUBJECT: STATUS OF US AID DISBURSEMENTS TO NICARAGUA & PANAMA

ACTION: NOTED BY PRES W/ COMMENT

DUE DATE: 20 DEC 90

STATUS: C

STAFF OFFICER: PACELLI

LOGREF:

FILES: WH

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

DEAL
LAMPLEY
NSC CHRON
PACELLI
TOBEY

DECLASSIFIED

White House Guidelines

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

By Cap NARA, Date 5/13/09

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSMJT

CLOSED BY: NSGLM

DOC 2 OF 2

~~CONFIDENTIAL~~

US ~~Aide~~ Disbursements to Nicaragua & Panama
National Security Council
The White House

PROOFED BY: WEA LOG # 9845
URGENT NOT PROOFED: _____ SYSTEM PRS NSC INT
BYPASSED WW DESK: _____ DOCLOG LMS A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Ken Hill	<u>1</u>	<u>have</u>	<u>A</u>
Bill Sittmann	<u>2</u>	<u>copies</u>	
Bob Gates	<u>3</u>	<u>has copy</u>	
Brent Scowcroft	<u>4</u>	<u>APNSA Has Seen</u>	
Bill Sittmann			
Situation Room			
West Wing Desk	<u>5</u>	<u>LMS 12/18</u>	<u>N</u>
NSC Secretariat	<u>6</u>	<u>12/18</u>	<u>N/R</u>

90 DEC 17 P 7: 59

A = Action I = Information D = Dispatch R = Retain N = No further Action

cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

DISPATCH INSTRUCTIONS:

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

THE PRESIDENT HAS SEEN
12-18-90 9845

DECLASSIFIED
PER E.O. 13526

2009-0375-MR
SCS 4/19/13

THE WHITE HOUSE
WASHINGTON

Brent
Thank
GWS
12-18

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: BRENT SCOWCROFT *B*

SUBJECT: Status of U.S. Aid Disbursements to Nicaragua and Panama

Purpose

To answer your question about the status of U.S. Fiscal Year 1990 "Fund for Democracy" aid disbursements to Nicaragua and Panama.

Background

After checking, I believe that U.S. agencies are proceeding with all due speed in disbursing our aid to Nicaragua and Panama, and that your sense of involvement and interest in the region has been adequately conveyed to these governments by U.S. officials.

Much of the aid that remains to be disbursed is either project aid, which requires a long lead time, or is conditioned on economic performance. We are following the requirements of our legislation in this, and believe that Congress is satisfied with our approach. Unfortunately, government officials in both Nicaragua and Panama have taken pot shots at us in the press on the pace of our disbursements. It does not serve our interests to publicize a response which emphasizes difficulties they may have in satisfying our requirements for disbursement.

Nicaragua

As of November 30, a total of \$110.9 million has been disbursed, which is about a third of the \$300 million FY 1990 aid program passed by Congress in May. About \$242 million (over 80 percent of the package) has been obligated. In addition to the FY 1990 money, we disbursed an additional \$35.4 million in emergency aid from reprogrammed funds. The first deliveries arrived in Managua the day of President Chamorro's inauguration.

At no point has there been an interruption in the pipeline of our assistance to former members of the Nicaraguan Resistance, and the final payments of our resettlement funds will run through February. There have been problems caused by the Nicaraguan

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

cc: Vice President
Chief of Staff

government's failure to distribute sufficient land, however, and we have been actively pressing it to develop a follow-on resettlement program.

Of the undisbursed funds (\$190 million), approximately \$98 million remains in ESF cash transfers which will be disbursed when the Nicaraguan government meets various performance targets. The rest is for projects. For example, we released \$20 million last week when we were provided with a plan to set up private financial institutions. When they actually set up the institutions, we will release another \$24 million.

Panama

We have budgeted \$452.7 million for Panama, of which \$32.6 million represents an immediate recovery program initiated in March 1990, to meet urgent housing, employment, and public service requirements, and an additional \$420 million was made available on May 20 under the FY 1990 Dire Emergency Supplemental Assistance Act Appropriation. Of the total package, \$101 million, or about 22 percent, has been disbursed. Some \$408 million, which represents 90 percent of the total, has been obligated.

Of the undisbursed funds, the largest single category is \$243 million to support the Panamanian government's economic recovery program. The first \$29.8 million was disbursed in late October to support the government's public sector investments in agriculture, health education, and infrastructure. Release of the next tranches are dependent upon signing of a Kerry Amendment agreement and substantial progress toward concluding a Mutual Legal Assistance Agreement to fight drug money laundering. In addition, we are holding another \$130 million in ESF to be released when Panama meets the conditions for a multi-donor effort to settle its arrears to the IFIs.

Attachments

Tab A Nicaragua Disbursements
Tab B Panama Disbursements
Tab C Washington Post Article, December 13, 1990

OBLIGATIONS AND DISBURSEMENTS FOR NICARAGUA
(in \$000)
as November 30, 1990

	<u>BUDGETED</u>	<u>OBLIGATED</u>	<u>DISBURSED</u>
<u>Cash Transfer</u>	178,000	178,000	80,000
<u>Economic Growth & Development</u>	70,000	33,716	1,056
Medicines	1,500		
Hospitals	2,500	2,500	018
Textbook Program	12,200	12,200	507
TA and Training	1,100	1,100	524
Public Sector Support	5,000	5,000	
Employment Generation	10,000	10,000	
AIFLD	700	700	
NED	300	235	
Other Activities	3,000		
Private Sector Programs	9,000		
Salesian Voc Ed	1,700	1,700	
Other PVO Programs	13,000		
Environmental Activity	8,000		
Project Dev. & Support	2,000	280	007
<u>Demobilization/Refugee Aid</u>	47,000	29,050	29,050
<u>Operating Expenses</u>	5,000	1,373	872
TOTALS	300,000	242,138	110,978

U.S. Assistance to Panama
(\$000)

	<u>PLANNED</u>	<u>OBLIGATED</u>	<u>ACCRUED DISBURSEMENTS</u>
A. <u>OFDA</u>			
Disaster Relief (OFDA)	4,100	4,100	4,100
Albrook Center (OFDA)	945	945	945
B. <u>Immediate Recovery Program</u>	25,125	25,125	19,354
a. Rehab. Chorrillo Apartments	(2,500)	(2,500)	(2,432)
b. Housing for Displaced Families	(13,625)	(13,625)	(13,132)
c. Emergency employment	(7,000)	(7,000)	(4,430)
d. Tech. Assistance/Commodities	(4,500)	(4,500)	(4,500)
C. <u>Small Business Restoration</u>	5,000	5,000	5,000
D. <u>Dire Supplemental</u>			
Project Development & Support	1,044	186	62
Panama Rural Youth Scholarships	500	500	-
Immed. Recovery Program Housing	8,375	4,875	645
Economic Recovery Program	243,850	243,850	29,850
Private Sector Reactivation	107,900	107,900	36,000
Improve Police Training	13,200	6,700	3,500
Private Sector Scholarships	500	-	-
Financial Management Reform	4,500	-	-
Democratic Initiatives	2,100	-	-
Natural Resource Mgt.	10,000	-	-
Export & Investment Promotion	2,000	-	-
Judicial Reform	6,900	-	-
Economic Policy Reform	3,100	-	-
Tax Admin. Improvement	1,500	-	-
C.A. Peace Scholarships	6,000	5,500	-
Labor Dev. (AIFLD)	500	500	50
632 (a) Transfers	600	*	*
a. Peace Corps	(100)	*	*
b. USIA	(500)	*	*
Operating Expenses	<u>5,000</u>	<u>2,462</u>	<u>1,739</u>
	417,569	372,473	71,846
 Total	 452,739	 407,643	 101,245

*Obligation and disbursement of funds is managed and accounted for by the U.S. Government agencies which receive the transfers under the 632(a) mechanism.

U.S. Aid Funds, Urgent Last Spring, Delayed in Delivery to Nicaragua

By Lee Hockstader
Washington Post Foreign Service

MANAGUA, Nicaragua—Last spring, President Bush described a \$300 million U.S. aid package to Nicaragua as so urgent that he warned Congress against taking its Memorial Day vacation until it was approved. "With democracy at stake, there is simply no time for delay," the president declared.

But six months later, less than a third of the money approved by Congress has been disbursed and no new aid has been earmarked for Nicaragua in 1991. Nicaraguan and international officials are accusing Washington of moving slowly to assist a nation holding tenuously to democracy.

There have been delays in the delivery of funds to finance the purchase of foreign oil and to help relocate former members of the U.S.-backed contra guerrillas who laid down their arms this spring.

The oil money, due in early November, arrived a month late. In the case of the contras, a delay in U.S. funding meant a suspension in the delivery of tin roofing and clothing for former rebels and their families who are starting new lives in Nicaragua after eight years of war.

Some non-American diplomats suggest that the aid delays are a symptom of flagging U.S. interest in Nicaragua—a sharp departure from the Reagan administration's proxy war against the Sandinista government and the Bush administration's decision to aid openly the presidential campaign of Violeta Chamorro, who defeated the Sandinistas in February's election.

Most agree that the sense of urgency that Bush cited in his appeal to Congress has evaporated, even though Nicaragua's economy has barely braked its free fall.

"If you look at what the U.S. has done since the elections to ease Chamorro's way, it doesn't seem to be enough," said a Latin American envoy.

"We were under the illusion that this was a preferential case and that the bureaucracy would take notice and act with great speed," said Vice President Virgilio Godoy. "What we are seeing is another thing: business as usual."

U.S. officials insist that aid to Nicaragua remains a top priority and that the rate of delivery is torrid compared to elsewhere.

"I think this has to be one of the

fastest starts for any program anywhere in the world," said a U.S. official. "We went from zero to \$100 million in six months." About \$260 million of the \$300 million package is expected to be delivered by October 1991, he said.

Another U.S. diplomat defended the progress in delivering the aid but added, "Dumping that \$300 million in here is not what the Congress had in mind—and it was approved before Iraq and Kuwait changed the equation."

Godoy and other Nicaraguan officials said the U.S. aid, while generous, will not compensate for the loss of the assistance Nicaragua formerly received from the Soviet Union and Eastern Europe.

Concern about the aid coincides with mounting indications that the economic recovery promised by officials of Chamorro's government when they took office April 25 is slower than expected. Some economists say the economy may shrink by 2 or 3 percent this year.

While some new businesses are opening and Managua shows a certain commercial bustle, the nation's unemployment rate remains at 40 percent and inflation, while down sharply from the spring, is still more than 300 percent annually.

The Chamorro administration, moving to cut a deficit that was running at \$26 million a month in April, ended subsidies on telephones, electricity and public transportation. This trimmed the deficit to \$6.8 million in September, but it also sent prices soaring. The result: Nicaragua, one of the poorest countries in the region, also became one of the most expensive, with prices in many instances to rival Miami's.

The government's economic program has been further undermined by strikes in May and July by government workers allied with the Sandinistas. The strikes forced the government to abandon plans to trim the public payroll by firing government workers and frightened off potential foreign investors.

Nicaraguan officials had some success in drumming up assistance from other nations to cover a trade deficit. They secured a \$120 million pledge last spring from a group of industrialized countries meeting in Rome. But little of that money has been delivered so far.

Last week international donors at a meeting in Paris rebuffed Nicaragua's requests for another \$300 million to pay off debts to the World Bank and the Inter-American De-

velopment Bank. The United States has already promised \$50 million to help with the debts.

After Bush signed the U.S. aid package May 26, \$60 million was sent to Nicaragua almost immediately, mostly to finance the purchase of imported oil, and monthly installments of \$5 million began flowing to the Organization of American States to aid in repatriating contras.

But the contra funds, which include agricultural and building supplies as well as food, clothing and \$50 in cash for each former combatant, stopped in October, tangled in red tape in Washington, according to OAS officials here.

U.S. officials said they held up the \$20 million in aid for oil purchases to await the outcome of a five-week bargaining session between the government and Sandinista opposition leaders.

The session produced an "Economic and Social Consensus," signed Oct. 26, in which the government won acceptance for a broad privatization program in exchange for scrapping plans to fire 10,000 to 15,000 public employees—about a tenth of the Sandinista-dominated government work force.

Some U.S. officials wondered aloud if any American aid package would be sufficient to deal with Nicaragua's economic problems, fueled by eight years of war and failed socialist policies.

"Three billion dollars would probably be inadequate in this place," said one envoy.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

9845

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

December 17, 1990

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: WILLIAM T. PRYCE

FROM: DAVID A. PACELLI *DAP*

SUBJECT: Status of U.S. Aid Disbursements to Nicaragua
and Panama

Bob Gates has asked that we provide you with a memorandum to the President at Tab I outlining where we stand with U.S. aid disbursements to Nicaragua and Panama. The President had asked for your comment on the story in the Washington Post last Thursday which asserted that we are slow in delivering funds to Nicaragua (Tab C). The memo is based on material furnished by AID and the State Department.

Not available

DAP for

Concurrences by: Tim Deal and Virginia Lampley

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Scowcroft Memorandum to the President

Tab A Nicaragua Disbursements

Tab B Panama Disbursements

Tab C Washington Post article, December 13, 1990

DECLASSIFIED
Department of State Guidelines
E.O. 13526, SEC 3.4 (b), July 21, 1997
By *31* NARA, Date *2/26/01*

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~