

THE WHITE HOUSE  
WASHINGTON

**MEMCON**

MEMORANDUM OF CONVERSATION

SUBJECT: Memorandum of Conversation with President Virgilio Barco of Colombia (U)

PARTICIPANTS: The President  
The Vice President  
Robert Kimmitt, Acting Secretary of State  
John H. Sununu, Chief of Staff  
Brent Scowcroft, Assistant to the President for National Security Affairs  
Robert M. Gates, Assistant to the President and Deputy for National Security Affairs  
Michael Kozak, Principal Deputy Assistant Secretary of State for Inter-American Affairs  
Thomas E. McNamara, U.S. Ambassador to Colombia  
Donald C. Johnson, Acting Senior Director for Latin American and Caribbean Affairs, NSC (Notetaker)

Virgilio Barco, President  
Victor Mosquera, Colombian Ambassador the United States  
Maria Mercedes Cuellar de Martinez, Minister of Development  
Luis Fernando Alarcon, Minister of Finance

DATE, TIME June 5, 1990, 2:00 - 2:40 p.m. EST  
AND PLACE: The Oval Office

The President: I appreciate your coming by for this informal visit. I'm delighted to see you. (U)

Please assure your elected successor that we want to work with him. It looks like he'll be following your courageous approach. I hope it works out that way. (U)

I understand you're close to him. I know he has some reservations on what we can do on the demand side of narcotics. We are trying very hard to reduce demand. Have you talked to Bill Bennett? (U)

President Barco: Yes. (U)

The President: So you've gone over things already. (U)

President Barco: That's right. (U)

The President: Any subjects on your mind? Again congratulations on your party's win. The Barco team is prevailing. Also, congratulations on your MIT commencement speech. It is a high honor and well deserved. (Ø)

We have just finished the meeting with Gorbachev. But in my view that went pretty well. We made headway on a number of different fronts. We agreed on chemical weapons, a trade agreement, and we reached a grain agreement, for example. The man is quite different from any of his predecessors. We're quite pleased with the changes that he has brought about. We want to make progress, or to say it another way, not to act in ways that set things back. (Ø)

We've got some critics, particularly over issues like Lithuania. But we have a broad agenda, which includes Lithuania and many others. We are for self-determination, and trying to get things to move forward. (Ø)

I felt quite comfortable with Gorbachev. Embattled as he is at home, he showed confidence and courage that's exemplary. (Ø)

President Barco: That is very important. I have some points that I want to inform you about. The policy of opposition to drug trafficking shows that it is the right one. President-elect Gaviria has been very strong in his statements. The response to fighting drug trafficking has been very positive. Pablo Escobar is on the run. (Ø)

The President: Is he still in Colombia? You don't you have any way of knowing that, do you? (Ø)

President Barco: He is still in Colombia. He has many small houses in the country-side. Every night he goes to 3 houses. I hope that he'll be captured before August 7 when I leave office. In addition, many murderers and assassins have been captured. (Ø)

The President: Are they in prison? (Ø)

President Barco: Yes. There has also been a deterioration in coca leaf prices. The effect of Colombian policies has opened a window of opportunity for coca substitution programs. We need to move fast to take advantage of this opportunity. The biggest problem is narco-terrorism. We'll continue the struggle. Despite the campaign of violence the people will sustain the will to go forward with this policy. (Ø)

Mrs. Cuellar de Martinez, the Minister of Development, has been working with her counterparts on trade measures that will enhance trade relations. We understand that a package of measures on trade is advancing from the technical level on the U.S. side. (S)

Colombia recently signed the GATT Subsidies Code. We expect U.S. authorities will not object to Colombia's accession, because this will create a conflict with Colombia. We are also interested in the sugar quota, and some changes here. (S)

The President: I'm not up-to-date on all this. Brent, what about sugar? (S)

General Scowcroft: It looks very difficult. (S)

The President: We ran into a stone wall. The problem is a political lobby that's tougher than nails. (S)

Coffee-- is that still hung up? Oh, I want to comment on GATT. I think we've been having differences on this. Bob, how does this look. (S)

Mr. Kimmitt: I understand you've been having discussions with USTR on this. I'm told that this involves Article 19.9 of the GATT. Our position is that we'll have to reserve on Colombian accession if we can't reach agreement. I'm not sure whether in your discussions you've advanced. If we can reach agreement, we could accept Colombian accession, But we have so far not been able to. (S)

Minister Martinez: Yesterday I spoke with Mr. Katz. We have differences. We ask the U.S. to be flexible. The points are very important. We can't put down commitments (being sought by U.S.) on paper. (S)

Governor Sununu: We have to have some uniformity in the way we treat these questions. We could not make an exception for Colombia. It can't be done. We asked them to raise this issue when you talked. (S)

The President: Are we asking them to change certain practices? (S)

Mr. Kimmitt: As John said, the concern of USTR was creating a special exception for Colombia that would be inconsistent with what we do for others. (S)

Minister Martinez: You have signed these with others, including Pakistan. (S)

The President: It seems to me like you need to keep talking about this. If there room to work this out, we'll try to. Ambassador? (S)

Ambassador McNamara: We need to find some language that will allow a phase-out of subsidies. We always have such a time frame, or else we don't accept the injury test. We are down to one or two phrases or sentences. (S)

The President: Why don't we agree we'll keep working on this? (S)

Minister Martinez: Tomorrow is the last day. (S)

Ambassador McNamara: The U.S. is obligated to make its objection within 30 days of Colombia's signing of the Subsidies Code. The USTR is planning tomorrow to make this objection. Colombia will not obtain the terms of the GATT Subsidies Code insofar as trade with the U.S. is concerned. But as soon as we do, the terms will be applied. We're reaching a critical point tomorrow, but it is not one that can't be revoked if we reach agreement on an exchange of letters. (S)

The President: Are we asking things which you think are unreasonable? We're trying to be consistent. (S)

Minister Martinez: We need to reach compromise on dates. (S)

The President: Dates... (U)

Minister Martinez: For Colombia this is very difficult. For policy and everything else. (S)

The President: I gather we can't solve it right here. (U)

Ambassador McNamara: We'll keep working on it. (U)

The President: That's the important thing. What's your next agenda item? (U)

President Barco: The cost and difficulty of the drug fight prompted the U.S. to offer its support. While the U.S. has proved responsive, no complete proposal has been put forward on the economic side. I have a few points I would like to give you. (S)

The President: Will you leave that with me? (U)

President Barco: Yes. (U)

The President: Good. (U)

President Barco: The other point is our relations with the World Bank. We've had great difficulty in last fiscal year. The

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country has been able to deal with these problems from the bank due to the backlog of other financing. This cannot be sustained in the medium term. If Colombia is going to maintain its good status on payment of debt, we need help. Continued backtracking has consumed valuable time and threatened economic development. The problem has been recorded in a memo that has been given to Barber Conable of the World Bank. I'm going to give it to you, too. (C)

The U.S. could help on several points. The U.S. could help bring to success a program of \$500 million dollars. Expeditious action is necessary so that the coming government can take over smooth management of existing debt. Colombia has maintained stable policies and has been able to overcome many difficulties. (C)

The President: What you're asking is that we talk to the bank? (C)

President Barco: Yes. (U)

Mr. Kimmitt: We can do that. (U)

The President: We can help. (U)

President Barco: The bank position has been completely unjust and without reason. Colombia has been a borrower that has fulfilled its obligations. We feel discriminated against. (C)

The President: Why don't we ask-- Bob, you and Bob Gates take a look at this. (U)

Mr. Kimmitt: Through Treasury and our Executive Director on the World Bank. (C)

The President: We'll do that. (U)

President Barco: The same way that we have been able to deal with this. Our situation on debt is impeccable. (C)

The President: Sometimes we defer. In this case we ought to weigh in. (C)

President Barco: It is not the head of the bank. It is somebody in the bureaucracy. (C)

The President: We'll try to help. (U)

President Barco: (hands President the paper) (U)

The President: (To Kimmitt) Make sure it gets over to Brady and get someone to weigh in. Who will that be-- Mulford? (C)

Mr. Kimmitt: Mulford's operation at Treasury, yes. (U)

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President Barco: Here is another memo on trade issues. (S)

The President: I'll read this. (U)

President Barco: Since Cartagena, we've been working on bilateral agreements. We are almost ready to sign an agreement on asset sharing and money laundering. Others we are working on, such as precursor chemicals, and the media outreach. (S)

The President: Okay. On another subject, on shipboarding. Hope the new procedures are working to your satisfaction. We have asked for a prompt yes or no. We would like to speed this up. How is it working from your side? If we can get faster response; yes, Ambassador? (S)

Ambassador McNamara: The one area we see is that it takes so many hours to get approval that ships sometimes go into other ports. (S)

President Barco: We think we are can do this. (U)

The President: Your request is most understandable. Glad that we could respond. We don't want to come in with an arrogant attitude and try to bully somebody. (S)

President Barco: The rules and processes should be carried out as fast as possible. (S)

I want to say one more thing, Mr. President. Gaviria is brave, very well prepared, and has good moral convictions. He was my minister of police for three years. I believe that U.S.-Colombian relations will be in good hands. (S)

The President: His platform was well received here. He has big shoes to fill. He needs to know that we'll try to help. We want to follow up and help him face what he will be facing to develop his policies. (S)

President Barco: He will need your support. The forces that oppose the policy are getting stronger. (S)

The President: Not because they're in favor of drug trafficking, though? (S)

President Barco: We need to receive some voices saying that he will be backed. (S)

The President: Tell him from this country we'll try to help. We recognize the sensitivities involved. We don't want to over-embrace him. When is the inauguration? (S)

President Barco: August 7. (U)

The President: What do you plan to do after that? Rest a while?  
(C)

President Barco: I don't know yet. (U)

The President: You have my friendship and command my respect. I wish you the very best. When are you headed back down to Colombia? (C)

President Barco: This afternoon. (U)

The President: Didn't you bring a copy of your commencement speech? I heard it was well received. (U)

President Barco: Yes. I have a copy for you. (U)

The President: Thank God it's in English. Well, all the very best to you. (U)