

THE WHITE HOUSE
WASHINGTON

MEMCON

MEMORANDUM OF CONVERSATION

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

PARTICIPANTS: The President
The Vice President
James A. Baker III, Secretary of State
Nicholas F. Brady, Secretary of Treasury
John H. Sununu, Chief of Staff
William Bennett, Director of National Drug
Control Policy
Brent Scowcroft, Assistant to the President
for National Security Affairs
Paul Lambert, U.S. Ambassador to Ecuador
Bernard W. Aronson, Assistant Secretary of
State for Inter-American Affairs
William T. Pryce, Senior Director for Latin
American Affairs, NSC (Notetaker)
Stephanie van Reigersberg, Interpreter
Barbara Phillips, Interpreter

DECLASSIFIED
PER E.O. 12958,
AS AMENDED
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Rodrigo Borja, President of Ecuador
Diego Cordovez, Foreign Minister
Andres Vallejo, Minister of Government
Jorge Gallardo, Minister of Finance
Jacinto Jouvin, Minister of Industries
Abelardo Pachano, Presidential Adviser
Jaime Moncayo, Ecuadorian Ambassador to
the United States
Washington Herrera, Secretary General of
Public Administration
Pablo Williams, Interpreter

DATE, TIME July 23, 1990, 11:15 a.m. - 12:10 p.m. EST
AND PLACE: The Cabinet Room

The President: Welcome, welcome to the White House. We have already had a chance to play a little tennis, and I speak for myself and for my brother when I say for those of you who may not know, that President Borja has a very fast hand, very quick reactions, especially at the net. Don't ask who won. When he and my son took us on, he won. (Ø)

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On the family side, my staff has done a little research and they tell me that you have a daughter who is getting married on July 28. Congratulations! Barbara and I have sent her a little picture. (Ø)

We want you to feel that you are among friends. I have some economic matters to discuss, but first want to turn the floor over to you and to ask you for thoughts on any subject you would like to talk about. (Ø)

President Borja: I want to thank you for receiving us in the warmth of family in a framework of tennis. You made us feel at home with your brother and your wife and son. In our view, we made a tie. We lost one set and won another. (Ø)

Then I want to thank you for the invitation to visit, to be the first President from Latin America to visit after the announcement of the Enterprise of the Americans by President Bush. (Ø)

I would like to give a brief overview of my party. We have a party which has got the support of the majority of the people. It is a party of a Social Democratic orientation which I founded in 1970. We have received a cross-fire from the left and from the right. We consider that a party of this direction is the best kind to oppose the extreme left. History tells us this -- we see this in the example of Spain and Costa Rica. (Ø)

Here we have a party of Social Democrats. We fully coincide with the interest of the North American government in defending democracy. We think that this is the way, the direction of the Government we are taking, is the best way for democracy. But there are a series of threats. (Ø)

We must deal with economic problems -- the crisis of debt which runs the risk of reducing or destroying the foundation of democracy. There is a danger of placing democracy in a difficult situation of incompetence. This is dangerous because the people may then search for solutions of another nature. I'm concerned that absurd ideas like the non-payment of debt can flourish. This is very irresponsible, but the idea can take hold. They say to the poor people "you have not improved with the debt, you did not take it on, so why should you pay for it?" This type of talk could help the flow of Communism. (Ø)

President Bush, in his initiative, has faced fully the fact that this debt has political as well as financial implications. The solution of the debt problem is well phrased where he said that prosperity depends on trade and not on foreign assistance. This is important because trade is our work. To say that not all comes from abroad is correct. We have to put our own house in order. This is what President Bush said and this is correct. We wish to express our acceptance of your solution. (Ø)

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I would like to make a proposal. I think that it would be important to have President Bush meet with the Presidents of the Andean Group. If this is acceptable, I could convey this message to the five Andean Presidents on August 7 when I will see Gaviria (President elect of Colombia who will be inaugurated on August 7.) (Ø)

We should suggest the city of Quito as a site for the meeting. We continue to be an oasis of peace and calm and we will continue to defend this situation. (Ø)

The President: Are you suggesting a meeting on August 7, or is that when you would discuss a meeting? (Ø)

President Borja: The date of the meeting could be determined afterwards to the mutual convenience of all of us. (Ø)

The President: Let me respond. There has been talk of a follow-up meeting to Cartagena. Let me discuss this with my advisors. I can see merits for such a meeting. But let me discuss it with my advisors. I don't disagree with the idea, but worry about timing. It is an interesting concept. We will let it sit, and will get together with our people and discuss it. (Ø)

With your permission, I would like to go through a few talking points on our Andean Initiative. I will be requesting that Congress pass legislation providing CBI like provisions for Ecuador, Peru, Bolivia, and Colombia. This will allow duty free treatment for many goods. I'm taking this measure as a special step that will fulfill some of what I promised at Cartagena. I will announce two additional initiatives: a U.S. decision to grant GSP for a number of additional products for the Andean countries and, a proposal to promote agricultural exports in the region. I hope the combination of the three steps will be evidence of our carrying out our commitment at Cartagena. (Ø)

On the enterprise for the Americas, I am pleased with the reaction. I believe we must move forward. I don't want to go into details, we can talk more at lunch if you like, but I know you will talk with Secretary Brady about it. We are trying to show support for democratization. I commend you for your democratic leadership. I know there is a feeling south of the border that we are so enthralled with Eastern European events that we are neglecting our Hemisphere. I hope that with the Enterprise for the Americas we have shown that this is not the case. (Ø)

I remember a gesture by Carlos Andres Perez at the San Jose meeting. He wanted to give me a message, and arranged, through a very attractive Costa Rican chief of protocol, to change place cards at the dinner so he could sit beside me and berate me about Eastern Europe and the need to avoid neglecting this Hemisphere.

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It was a good lesson for us. We do not want to and will not neglect the Americas. (Ø)

Back to the initiative. The enterprise is a policy of trade, debt, and investment. They have to go all together. We are preparing legislation for the Hill. We appreciate that there is a framework agreement to be signed with Carla Hills. You know our position on the World Bank and the IMF. If this {legislation} goes forward, it will be applied to you. I can't give you numbers. Secretary Brady and his staff can consult. I want you to know that we support you. If you want to raise anything more with me on this subject, its okay by me. If not, I want to go to narcotics. Lunch will be a working lunch, and I would encourage the teams to talk up at the lunch. I think its more productive that way. (Ø)

President Borja: No, we can carry on. (Ø)

The President: I want to mention our Drug Czar, Mr. Bennett. He is a very impressive man. He takes a beating on the Hill sometimes, but often gets good results. He is doing pretty darned well. We know the view that if it wasn't for the problems of demand, we wouldn't have a problem. I understand, and you are right! But we are taking some progress on the problems we've had. A big part of our program is education. There are encouraging statistics I would like Bill to talk about at lunch. We want to have all join in the educational program to fight drugs. We want to salute you for what you have done on drugs. We know that you have proposed strong legislation and admire your courage. We want to conclude additional agreements on precursor chemicals and on money laundering. We are sorry that this hadn't been done prior to your visit. We would like to see you step up the pace. Money laundering is especially important. I'm told that Treasury is ready to talk. We want to make available an additional \$3 million in narcotics assistance in Fiscal '91 and are talking about three helicopters. Your experts can talk with Bill. (Ø)

Secretary Bennett: We will have the opportunity to talk about *that* this afternoon. We had a good meeting with your Attorney General. We are in the midst of an educational program. We have had to battle to get drug money back on the Hill. There is progress in that U.S. cocaine use is down: purity is down. The President's strategy is having the desired effect, particularly with cocaine. The news on cocaine right now is very encouraging. (Ø)

President Borja: Thank you. To speak about the drug issue, we must refer to Colombia because there, there is a late and unrelenting struggle. We must do things differently than the Colombians. In Colombia, the narco-traffickers were able to penetrate all levels of the Government and the State. They took over by corruption and threats. If it were not for the murder of Galan, they would have taken over. But with the murder there was a sort of unscheduled plebiscite. This showed that people wanted

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to get rid of the narco-traffickers. This shows we must fight drugs at an early time. Each minute lost means more power for the traffickers. My government is coming into a full force in the fight. My country does not tolerate drugs, and it also has a drug Czar. We have adopted a series of decisions. We have set up military barriers at the border. We will authorize extradition. This is a controversial problem. All politicians are aware that judges and prison wardens can not resist the bribe of 50,000 sucres -- so they let the king-pins escape. All they are worried about is justice of the larger industrial countries. We have not made it public yet, but we are suggesting legal and conditions reforms so it will be possible for extradition at the request of other countries. (Ø)

We are also saying there need to be new rules for *habeas corpus* because *habeas corpus* has been used to get traffickers out. We are establishing a new Tribunal of human rights which will decide at the last instance whether a request for *habeas corpus* for a drug trafficker will be granted. This is to assure you that we are all fighting drugs. (Ø)

We are struggling, and we need the U.S. support that I have personally requested. The time has come. Transit is a big problem. Air transit from Peru and Colombia. We need a radar so that the Ecuadorean Air Force can force planes to land or blow them out of the sky. (Ø)

Why do I mention this? There are two cases where two planes had mechanical trouble and had to land. In one case the Indians captured the plane and found over \$300,000 dollars in the plane. They were honest and gave the money to the government. In the other case, the plane was forced to land on an island on a river in the jungle. They were barely alive but had a huge quantity of drugs. Within hours there was a hydroplane from Colombia attempting to land in the river to rescue. They were shot down. I would thank the President if he would consider the possibility of a radar contribution to assist with air traffic. (Ø)

With your permission I will give the floor to Mr. Vallejos who I offer as our Czar. (Ø)

Minister Vallejos: The President has said it all. I would like to add that we don't have coca and still don't have infiltration in the police. A minor problem is precursor trade. There have been accounts of money laundering. There is still time for avoiding the open war that is now occurring in Colombia. We need equipment. The best thing is to start today and thus avoid problems in the future like the ones they have in Colombia. If we don't act now, the help needed will be much greater. The first request is to be aware that we are going into it by the police. We will have a meeting with Mr. Bennett and will give him ideas about the precise equipment we are asking for. (Ø)

The President: Anyone else? Bernie? (Ø)

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Assistant Secretary Aronson: No. (U)

The President: There are some general issues I want to mention. The strong record of Ecuador on Human rights in the region, I would say, is an example for the Hemisphere. We don't have problems. (Ø)

I wanted to mention the high esteem I had for Ecuador when I worked with your delegation at the United Nations. I understand that Ecuador will be a member of the Security Council. We will want to work very closely with you. We will ask Ambassador Pickering, who is not here, to be in close touch. (Ø)

Secretary Baker: As you know, we are working with the U.N. regarding El Salvador and the FMLN. We are also encouraging Cuba to stop sending arms to the FMLN. We see an opportunity to end the war. One way to help is if there is not a continual arms supply. (Ø)

The President: I was going to ask you about Cuba at lunch. Maybe now is a good time. (Ø)

President Borja: Yes. I want to thank the President for mentioning our scrupulous respect for human rights. I joked that we should have a rule that all leaders should be sportsmen. Leaders who are tennis players can take their aggression out against the ball and not human rights. (Ø)

Cuba depends completely upon Castro. Therefore we must carry out a specific policy for Castro. This is the thesis I expound. That is why I invited Castro. My theory is that if we isolate Castro, he will go to extremes. I was among the attendees of the meeting of Presidents in Quito and Venezuela. He had talks with men like Mario Suarez. Suarez is the enemy to him, but they talked and they realize that the tiger is not as harsh. Imperceptibly, Castro is changing. If we insult him, he will turn into a wild beast. His problem is psychological -- not political. How do we deal with the "owner" of Cuba so that he accepts reason and changes and we have a democratic process? (Ø)

His personality is too seductive for his people. He has charisma. He is an extraordinary man. He knows how to deal with people. He is very calculating. We must deal with him so that we get a favorable reaction. (Ø)

I am a Social Democrat. I am in full and absolute disagreement with Communism. In my country the Communists represent perhaps five percent. In poor neighborhoods, we get the most votes. If we were to disappear, the Communists would get the votes. We must be subtle -- Cuba is not a country, but a person. (Ø)

The President: Do you think he will ever agree to free elections? (Ø)

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President Borja: I don't think that he would like to be subject to criticism. I have no doubt that he would win. They say that Castro is a man of the future. He is above good and evil. It is difficult to convince him he should be subject to a vote. If he could withdraw and have other duties, this would save face. If he passed on administration to other people. The fundamental idea is not to corner him. He will not capitulate, not surrender. (Ø)

Secretary Baker: Now about giving him a way to adapt and change; this is different than asking that he stop supporting subversion in other countries. I would think that you don't need conditions on that. (Ø)

The President: Shall we go eat? (Ø)

President Borja: I would like to talk about foreign debt. We hope, first, that the debt reduction would cover not only concessionary credits, but also non-concessionary credits. (Ø)

Second, I asked for the support of the U.S. Government so that the private banks accept a global solution to debt, not fragmentation. We suggest a global basis on a long term. We need to and hope to have a global solution. If the U.S. Government could assist. (Ø)

The President: Secretary Brady will be glad to go into that at lunch. Why don't we move over to the other side where we can continue our conversations. (Ø)

-- End of Conversation --

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