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THE WHITE HOUSE
WASHINGTON

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PER E.O. 12958,
AS AMENDED
2000-0429-F
TR 8/21/09

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Violetta Chamorro of
Nicaragua (U)

PARTICIPANTS: The President
James A. Baker, Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Bernard Aronson, Assistant Secretary of State
for Inter-American Affairs
William T. Pryce, Senior Director for Latin
American Affairs, NSC (Notetaker)
Stephanie van Reigersberg, Interpreter

Violetta Chamorro, President
Morales Enrique Dreyfus, Minister of Foreign
Affairs
Ernesto Leal, Deputy Foreign Minister
Ernesto Palazzo, Ambassador to the United
States
Cristiana Chamorro, Mrs. Chamorro's Daughter
Jose Guerra, Interpreter

DATE, TIME September 29, 1990, 5:00 - 5:30 p.m. EST
AND PLACE: Waldorf Astoria Hotel, New York, N.Y.

The meeting began with a presentation of a framed AK-47 which had been cut in half with a blow torch symbolizing the return of peace in Nicaragua. (U)

President Chamorro: I know we have a short time, (in her original request, Mrs. Chamorro had asked for a short meeting).
(C)

The President: I want to know your priorities. I like the gift. I love it. I am not sure what Barbara will think. But I know just where I am going to put it. I have my own office in Camp David where it will fit so well. (C)

Tell me, how are things going? We try to follow things in your country closely. I take great satisfaction in seeing how well you are doing. I want to know what your problems are. (C)

President Chamorro: I have a few notes. Our biggest concern is the economic crisis. I am grateful for the millions we are receiving little by little. But, and here we talk as true friends, it is very little. I would like the \$200 million which

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has to go to Congress, I would like that approved not just for one year, but for four years. You know why? With the reduction in the size of the Army, we have to put all those boys to work. We have collected most of the weapons, but there are still a number uncollected. We have to put the people of the Resistance on a sound economic basis too. We have so many poor. We have an economic crisis which we inherited. I know that as a country which wants to help us, you will do everything you can. I have another point. I know that you are helping privatize in Costa Rica. I don't know if you know that we are also privatizing. We have turned over seventeen companies. Working with all concerned, we are turning over as fast as possible, but it takes time and I am the one who has to do it, as I said I would. (C)

Our friendship is so strong. We are so close. We want to be completely open. I want to tell you we got a piece of good news. Before I left for the U.S. I sent a decree to the legislature -- a decree which prohibits arms trafficking. The Assembly accepted my desires. So I feel we are not going to be protecting these organizations who use our country as a shelter to spread arms in other countries. (C)

The President: Do you think this will help with FMLN? (C)

President Chamorro: I do. President Cristiani does too. When we talked he thought there was now a situation where we can look to prevent trafficking. We don't want any two-way radios either. We won the war. With this new law we should be able to stop trafficking. (C)

The President: Are you confident that the army will help you? Will they support you in finding these weapons? (C)

President Chamorro: Yes. I told the Chief of Staff. (C)

The President: Does Humberto understand this? I understand from time to time they want to flex their muscles. (C)

This is not on the agenda, but there is a cruise ship which is going on a cruise where Daniel will participate. One of the other participants is very conservative. My son George has been chosen. The ship is an educational cruise for young presidents of companies. The faculty members include Jesse Jackson on the left and Daniel. It will be on the Queen Elizabeth. George checked it out ahead of time and it appears to be legitimate. They are advertising the cruise. Perhaps it will be good to have Daniel exposed to a conservative point of view. George, who is much more conservative than I am, called me and told me that Jesse and Ortega would be members of the panel and wondered if it was okay. I said sure -- why not? (C)

President Chamorro: Tell him to come to Nicaragua. (C)

The President: Why is our aid not moving -- is there a problem? (C)

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Assistant Secretary Aronson: This year's money is moving. I think Mrs. Chamorro is talking about next year's money. (C)

Foreign Minister Dreyfus: \$261 million of the \$300 million has been disbursed. Mrs. Chamorro wants the \$200 million for 1991, plus \$200 million for each of the next four years. This is necessary to put our democracy on course. (C)

The President: [Addresses the room.] How do you see it? (U)

Secretary Baker: I see a problem of earmarking. Nicaragua is a priority. As we discussed when we talked last time we were together, the ICJ case is a negative factor. You have to find a way to get over this thing. (C)

Foreign Minister Dreyfus: We are talking about this in a way to overcome it. If we can sign a trade framework agreement, that should help. (C)

Secretary Baker: I believe we can do this. We can do an agreement. This will be at the top of our priorities for next year. (C)

The President: You know that earmarking is a problem. They earmark funds for other countries and we do not have the flexibility we need. We do not want to let you down, and I will do all I can for you. (C)

President Chamorro: I know you have so many problems. (U)

The President: There is a hemispheric problem. We don't want to send a signal where people think we forget the problems of the Hemisphere. We want people to know that we are not neglecting our neighbors. I am afraid that some people may think we are doing this. I want our friends to know that we are not forgetting our neighbors while we are working on our problems in other areas. We do have our hands occupied with Persian Gulf problems. This is a very serious problem and I hope it will turn out peacefully. But who knows this man's mind? Anyway, I am delighted to see you. (C)

President Chamorro: I know you are so occupied. (U)

The President: Will you stay over? I want to send you a FAX with the information about the cruise. When to do you go back? (C)

President Chamorro: Wednesday. (U)

The President: If the budget works out, I may go back tomorrow to meet with the budget people and then come back. If you have a minute, why don't you go around to see Barbara in our apartment. I know she would love to see you. (C)

-- End of Conversation --

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