

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Luis Alberto Lacalle of Uruguay  
(U)

PARTICIPANTS:

The President  
 Richard Brown, U.S. Ambassador to Uruguay  
 Lawrence Eagleburger, Deputy Assistant Secretary of State  
 Andrew Card, Assistant to the President and Deputy Special Assistant to the Chief of Staff  
 Robert M. Gates, Assistant to the President and Deputy for National Security Affairs  
 D. Allan Bromley, Assistant to the President for Science and Technology  
 Marlin Fitzwater, Assistant to the President and Press Secretary  
 Bernard W. Aronson, Assistant Secretary of State for Inter-American Affairs  
 Hollis McLaughlin, Assistant Secretary of the Treasury  
 William T. Pryce, Senior Director for Latin American Affairs, NSC  
 Andrew Sens, Director, Southern Cone Affairs Department of State  
 Donald C. Johnson, Director, Latin American Affairs, NSC (Notetaker)  
 Stephanie Van Reigersberg, Interpreter

Luis Alberto Lacalle, President of Uruguay  
 Pintos Garcia, Chief of Staff to the President  
 Eduardo Mezzera, Acting Foreign Minister  
 Enrique Braga, Minister of Economy and Finance  
 Gustavo Ferres, Acting Minister of Agriculture  
 Conrado Hughes, Director of Planning and Budget  
 Mariano Brito, Minister of National Defense  
 Andres Ramirez, Minister of Intereio  
 Eduardo MacGillyCuddy, Ambassador to the United States  
 Ramon Diaz, President of Central Bank Reserve  
 Agustin de Urtubey, Vice President of Central Reserve Bank

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PER E.O. 12958,  
AS AMENDED

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DATE, TIME December 4, 1990, 2:10 - 2:25 p.m. EST  
AND PLACE: Placio La Libertad, Montevideo, Uruguay

The President and President Lacalle joined a meeting already in progress, which was being chaired by Deputy Secretary Eagleburger and Acting Foreign Minister Mezzera. (C)

President Lacalle: This is the place where ministers gather to work, and I hope you [speaking to U.S. and Uruguayan principals] have already solved all the problems. (C)

We won't enter into details that our advisers and technical officials are working on. I believe that we [presidents] have to provide the leadership and political will. We have a great deal of coincidence in our views, because we have the same purposes. I believed that our advisers know this and share the same spirit. (C)

We [presidents] are responsible for pushing things, so this [process] continues, so that the follow-up will be part of your visit here. (C)

The President: Mr. President, I think our advisers are all hard workers, and have solved all the problems while we were talking. Let me say again how pleased I am to be here. President Lacalle and I discussed the Gulf situation. I know it's having a very adverse effect on all countries. (C)

Allan Greenspan says the U.S. decline (or some would say recession) is being exacerbated by the Gulf. You are one of many countries affected. You told me about the effect it is having on your country. Two weeks ago, President Havel of Czechoslovakia told me that he estimated \$1.5 billion impact for one year. We have a lot at stake from the moral standpoint, from the standpoint of the role of the United Nations in the world, and from an economic standpoint. (C)

As the President of the country trying to hold this coalition together, I will not permit this to go on forever. You've seen the proposals for Aziz coming to Washington and Secretary Baker planning to go to Iraq. (C)

I'm not too optimistic, but as King Fahd of Saudi Arabia told me, "You're crossing every 'T' and dotting every 'I'." If there is military action, it will be very sad for Saddam. I don't think he understands this. (C)

We will all fail if we fail to bring about a solution. There can be no concessions. What he's done to Kuwait -- the brutality and killing he's committed -- is so fundamental, that it cannot be accepted. We can't stop short of a resolution that satisfies totally all the U.N. resolutions. (C)

The good news is -- and your President Lacalle looks broadly and with a vision of the future -- that this could lead to a new

world order. A lot of this is easier to work because of the changes in the Soviet Union. I would hate to try to solve this crisis if the Soviets still had the ambitions we used to assign to them for warm water ports and expansion of their control world-wide. That would not be helpful. Now we can manage this.

(S)

I know the situation is difficult, trying on families, and expensive. (S)

On bilateral issues, I'm very pleased with the Enterprise for the Americas initiative. This is not one more slogan. I don't want it to stop short of revitalization of all the economies of the region. (S)

I salute your quadripartite efforts to achieve a multilateral framework agreement with Brazil, Argentina, Paraguay, Uruguay, and the United States. (S)

We talked about a Bilateral Investment Treaty, and I urged that you go and we go the extra mile to finish this. (S)

It's nice to go to a place where I get such a warm welcome. I didn't see too many hand gestures. This is much better than what I get in San Francisco, I'll tell you! (S)

President Lacalle: It's because of you, not me, because of my standing in the polls. (S)

The President: I'd feel insulted if the leftists didn't come out and do something. (S)

I don't ever want to send a signal of neglect. I'm afraid that sometimes we do this inadvertently. If we send such a signal, you should let us know right away. When people see the activities in the Gulf and Eastern Europe, they wonder whether the U.S. will remain interested in this region, and the answer is most definitely that we will remain interested. (S)

Now we can manage this. All in all, this is a visit I've looked forward to. Thanks for your hospitality. (S)

President Lacalle: We need to go to the press conference. (U)

The President: I'll be glad to get that part over with. (S)

President Lacalle: I will ask that you let Dr. Bromley stay behind to meet with some of our advisers to talk about other science and technology issues, if that is all right with you.

(S)

The President: That will be just fine. (U)

-- End of Conversation --