

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Luncheon Meeting with Alfredo Cristiani,
President of the Republic of El Salvador (U)

PARTICIPANTS: The President
The Vice President
James A. Baker III, Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Robert M. Gates, Assistant to the President
and Deputy for National Security Affairs
Bernard W. Aronson, Assistant Secretary of
State for Inter-American Affairs
William Walker, U.S. Ambassador to
El Salvador
William T. Pryce, Senior Director for Latin
American and Caribbean Affairs, NSC Staff
(Notetaker)
Patricia Arizu, Interpreter

Alfredo Cristiani, President
Margarita de Cristiani, National Secretary
for Family Issues
Dr. Jose Manuel Pacas Castro, Minister of
Foreign Relations
Miguel A. Salaverria, Salvadoran Ambassador
to the U.S.
Dr. Oscar Santamaria, Minister of the
Presidency
Mirna Lievano de Marques, Minister of
Planning
Arturo Zablah, Minister of Economy
Saul Suster, President, National
Telecommunications Agency

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DATE, TIME AND PLACE: June 12, 1991, 12:10 - 1:15 p.m. EDT
The Roosevelt Room

The President: Well, we had a very good talk this morning. The President told me about the course of the negotiations and his future plans for bringing peace to Salvador. (Ø)

Secretary Baker: I'm not sure whether Bernie Aronson had a chance to talk about my meeting in Lisbon with UN Secretary General Perez De Cuellar where we were trying to get him to take a greater interest in the talks. I also talked about this with Perez De Cuellar when we were here and tried to get him more

energized. I'm not sure what effect we had. I hope that he at least knows where we stand on the talks. (Ø)

President Cristiani: De Soto, the UN leader, doesn't seem to understand the limitations the government is under. Last week when I met with him, he said that we should try to respond to the FMLN call for a dissolution of the armed forces and perhaps to send a letter to the FMLN, if possible. He doesn't understand that this is completely outside the realm of possibility. (Ø)

The President: I saw him too. I thought we were helpful when we said that the Secretary General needs to take a more active role in pushing for a solution in the negotiations. Sometimes a mediator can't just sit back but has to take an active role. (Ø)

Secretary Baker: We have also talked with the Soviets about arms. How do you see the arms situation? Are they getting arms from the Nicaraguans or from Castro? (Ø)

President Cristiani: We still think there are some weapons but they are coming at a lower pace; no rifles now. (Ø)

Secretary Baker: Where are they coming from? (Ø)

President Cristiani: We think from Cuba. We don't think that Nicaragua, after having been caught with SA-14s would take SA-16s out of their stock. We think they would not want that embarrassment now. Cuba is still very active in this situation. Villalobos goes to Cuba with regularity. (Ø)

The President: He is leaning on a falling star. Is Castro still trying to export his ideas? (Ø)

President Cristiani: Not so much. I think he is doing enough to keep other countries from trying to get him out of office. We will try to get a Central American resolution condemning Cuba's role in Central America at the next Central American Presidents' Meeting. (Ø)

The President: At some point Cuba will do like the other countries and move toward democracy. But that won't happen while Castro is there. I talked with CAP about this, telling him that to improve relations with Cuba we needed to see actions on their part which served as a basis for improving our relations. CAP says that we must find some carrot for Castro. I don't know what it would be. We need to see action. We are open to respond to action and we continue to probe. There seems to be some thought that he might try to relieve his situation with a new boat lift like Mariel. We would not permit that. He would not find reciprocity at all. Earlier on the Mariel, we permitted it; one time yes, two, no. If some poor guy on a raft was able to get to near our shores we would welcome him aboard and try to help him on to a new life, but we can't permit Castro to do what he did before, and we won't do it. I think there is broad understanding of our policy on this. We won't be put in the position like we were before. He might try something like Mariel to improve his

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economy, but this would not be acceptable for us. It would be a pure political ploy, and we won't let it happen. If he were to play with human beings like that, we just would not accept it. (C)

President Cristiani: We hope he goes soon. (U)

The President: Maybe we could have a package deal -- him and Saddam Hussein. I was talking with your Minister of Economy for several minutes. I am very impressed with the economic progress you are making and with the human capital in El Salvador. I know the people who come here do very well, they work very hard. They need to have a climate where there is open opportunity. I think the Soviets also want better relations with us, and they are willing to cut back. What do you think about that, Jim? (C)

Secretary Baker: They are cutting back because they have to. They have an interest in bartering sugar for oil but they are cutting their assistance from one-third to 40%. They are doing it, not because we asked, but because they intended to do it anyway for their own economic reasons. (C)

The President: They are the last hold-out of dictatorship in the hemisphere. (C)

Secretary Baker: It doesn't seem likely that they are moving to a market economy. (U)

The President: If he can't get aid from the Soviets, I don't know where he might get it. Bernie, you have any ideas on this? (C)

Assistant Secretary Aronson: Well, they are trying to attract some investment and tourism from private sources, some from Jamaica. (C)

The President: I'm told that Prime Minister Manley's health is better, but I don't know what that means. (C)

Secretary Baker: Has CAP been helpful in the negotiations? (C)

President Cristiani: My chief negotiator says that, yes, he has been helpful. (C)

The President: Do they have people in the meetings in Caracas? (C)

President Cristiani: CAP came in at the last minute. He wanted to have meetings with both sides without the UN mediator. (C)

Secretary Baker: What about the presence of the FMLN? (C)

President Cristiani: The FMLN needs to reside somewhere and it's best to have them reside somewhere where a government can contain them. We think that Mexico is the best place for the present. Salinas has said that if we believe their presence in Mexico is

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not convenient, that if we think Mexico should not allow them to remain there, he is ready to do the necessary. (Ø)

The President: Mrs. Chamorro was a real problem. But I talked with her and she is now doing much better. (Ø)

Secretary Baker: Do you think that the Mexican Foreign Ministry is on a different wave length than the President? (Ø)

President Cristiani: I think that under Salinas and perhaps Solana in the Foreign Office, there is a very different trend of thought. (Ø)

The President: I think that Salinas is trying to get control. Before President Salinas the Foreign Ministry was very difficult on almost every subject. (Ø)

Secretary Baker: It may be that Carlos (Salinas) lets them do some things to mollify the left domestically. (Ø)

The President: Yes, I think that could happen. That reminds me of an earlier time when a former Foreign Minister, who was it...? (Ø)

Mr. Pryce: Castañeda? (Ø)

The President: Yes, Castañeda. I am reminded that we were visiting Mexico at one point and Castañeda had some children. There was a party at the residence. The Mexicans invited Jeb and Columba down and they were at the party. I noticed these two attractive, well-dressed women were in an animated conversation with Jeb who was arguing with them. Castañeda was saying it looks like the young people are having an animated conversation. I could hear clearly Jeb saying "You with your Gucci pants and your Gucci loafers are no one to talk about turning to Communism." I told Jeb that he was not cut out to be a diplomat. (Ø)

The Vice President: Are some of the FMLN people in Nicaragua going to Mexico? (Ø)

President Cristiani: The FMLN had diminished in Nicaragua; now it is growing. (Ø)

The President: Mrs. Chamorro has very serious problems and we are trying to help her. (Ø)

How is Honduras doing? (Ø)

President Cristiani: Basically, they are doing fine. They have problems with stabilization. He needs to get beyond the period where people are affected badly by the economic measures. He's going through a very delicate period now like we went through previously. (Ø)

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The President: We just had our drug czar make a trip to Mexico, Colombia, Bolivia and Peru. I'm wondering what you think about the new Gaviria policy? We are concerned. We have great respect for him and don't doubt his sincerity, but worry about this move with the surrender of the drug baron. He has a judge problem in that the judges keep getting killed. Have you paid attention to this problem? We want to see this young attractive dedicated person succeed. But it looks like we are setting up a sanctuary for Escobar. This would cause real problems for us. (Ø)

President Cristiani: The problem is -- does he have a choice? If the drug lords give up, there must be conditions. Does he accept the conditions or does he let them remain free? Extradition would mean an increase in violence. I think he doesn't have many choices. (Ø)

The President: I guess we need to know what the choices are. If he is in a cell where he is able to continue his business, then that will not help at all and would cause problems for us. (Ø)

President Cristiani: We worry about the drug problem. We have now passed a good legislation for investigating drugs. (Ø)

The President: Do you have a user problem? (Ø)

President Cristiani: Yes. (U)

The President: We are making progress on reducing demand. In speaking with Latin Americans, we need to be able to tell them that we are making progress, because the first thing they say when we talk to them is that if there weren't any demand, there wouldn't be any problem. We are making progress in some areas, but not in all. In the poorest areas, there is a big problem and it's compounded by problems of AIDS and other sickness. Does anybody know what the reduction in demand is? (Ø)

Assistant Secretary Aronson: I think now 1.6 million fewer users. I don't know what percentage reduction that is. (Ø)

The President: I don't want to say we have no problems, because we certainly have a problem. I've got to say that the U.S. is reducing demand but that's only part of the problem because demand is increasing in Europe. (Ø)

President Cristiani: I think that the interest is growing to make a concerted effort across the board. I imagine that Colombia has problems with other countries. Now that they come down hard on drug traffickers, the traffickers are moving to other countries who don't have the apparatus to handle them. Those countries are telling Colombia not to export their drug traffickers. (Ø)

The President: We think that Carlos Salinas is making big progress and I think he is really getting credit for that progress in the United States. On free trade, we think that this is really good. Mexicans were superb in working with us on a

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team effort on this. Mexican Commerce Secretary Serra traveled with our Commerce Secretary Mosbacher to explain it to various people here. Their environmental people talked with our environmental people, their trade people talked with Carla Hills. It was an issue where we had an uphill fight but we got a victory which allows us to negotiate an up or down deal. This is great for Mexican-U.S. relations, but it's also great for the rest of Latin America. I was determined that the U.S. not deal differently with Mexico than we did with Canada. It was a good fight. Carlos Salinas' effort with our Congress and people made a difference. (Ø)

President Cristiani: He practically came on a speaking tour to the United States. (Ø)

The President: He had a lot at stake politically, he got out early and took a position and then fought for it. This was really a bipartisan operation. It was one of non-partisanship, very exceptional effort working with the Congress on this bipartisan program. Senator Bentsen was excellent on this. (Ø)

President Cristiani: We are watching closely. We would like to have a big free trade zone. We would like to have equal trade treatment for everybody. (Ø)

The President: A long range objective is just that. I'm excited about it because I believe it will lead to great things for the hemisphere. (Ø)

I'm worried about the Uruguay round. We're not willing to do something which doesn't deal with a wide-array of important issues. Agriculture is certainly important in this. Germany and France have not been very forthcoming but perhaps they will be. (Ø)

Secretary Baker: They wanted fast track and we got it but they haven't done much since then. There is no action-forcing event. There are other countries which are interested including Australia and New Zealand. We want to make progress meaningful for everyone. (Ø)

I should mention that this is the 28th anniversary of the President's 39th birthday. (U)

President Cristiani: It is an honor to be here. Congratulations, and happy birthday, Mr. President. (U)

The President: One thing I can say is how good it feels -- 67 doesn't seem to mean a thing. I thought when I was 50 that when I was in my late 60s I would feel decrepit, but it hasn't worked that way. (U)

There followed a discussion of the President and Secretary Baker receiving degrees at Yale and Princeton, respectively.

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Secretary Baker said that he was surprised that there were no boo's at his graduation. President Bush explained how he had the Dean who had delivered his commencement in Latin, to translate a quick phrase for him. The phrase which the President read in Latin, was basically, if you hold your protest signs high, you can't throw eggs. (U)

The President: Have we touched on all the substantive problems?
(U)

President Cristiani: When we end the conflict, we will need a lot of help on infrastructure for the peace. We need to improve our water, our schools and other services. This will need a lot of resources. We think we will need a new mechanism and we think that the Enterprise for the Americas could be very helpful. We would like to take advantage of the debt provisions of the Enterprise. (C)

The President: Will you be talking about this with the Treasury?
(C)

President Cristiani: We hadn't planned to. (C)

The President: We want to be helpful. What do we need to do?
(C)

Assistant Secretary Aronson: Under the Enterprise for the Americas, El Salvador is a prime candidate. (C)

The President: What do we need to do to help El Salvador? (C)

Assistant Secretary Aronson: Under the EAI, Salvador qualifies for debt reduction. We took a big hit on the Hill on the amount of debt we are authorized to cancel. We need to talk with Treasury about this to see what can be done. (C)

The President: What is the debt? (C)

Minister of Planning Lievano de Marques: The PL-480 debt is about \$180 million. Total debt is closer to \$300 million. (C)

The President: Do you have a lot of private debt? (C)

Minister of Economy Zablah: Not a great deal. (C)

Secretary Baker: Bernie, why don't you tell them about the PDD initiative. (C)

Assistant Secretary Aronson: Yes. The Japanese under PDD have talked about making new economic investments in Salvador. (C)

The President: I understand the press is waiting. We are to go out and give statements to them. (U)

--- End of Conversation ---

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