

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Carlos Andres Perez, President of the Republic of Venezuela at UNGA, Waldorf Astoria Hotel, New York (U)

PARTICIPANTS: The President
James A. Baker, Secretary of State
Andrew H. Card, Jr., Assistant to the President and Deputy Chief of Staff
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 and Caribbean Affairs, NSC (Notetaker)
Stephanie Van Reigersberg, Interpreter

Carlos Andres Perez, President of the Republic of Venezuela
Armando Duran, Foreign Minister
Simon Consalvi, Ambassador to the U.S.
Beatrice Rangel, Minister, Secretariat of the Presidency
Sonia Perez, Executive Director for Panama and Venezuela at IADB
Gisela Gomez, Director Minister, Secretariat of the Presidency

DATE, TIME AND PLACE: September 24, 1991, 2:45 - 3:15pm, D.S.T.
UNGA, Waldorf Astoria Hotel, New York, New York

The session began with a photo opportunity, during which time the President noted that Saddam Hussein doesn't play by the rules and confirmed that we were consulting with other members of the Security Council on the situation in Iraq, including President Perez. (U)

The following exchange, which is not verbatim, was not picked up by the press transcript. (U)

President Perez: Unfortunately, I think that since the end of the Middle East conflict, all the focus of opposition have been weakened and worry that the UN action against Iraq will be wasted. I think that the position of Secretary Baker in the Peace Talks is exhilarating and outstanding. (U)

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The President: He has certainly been doing an outstanding job.
(U)

Press Question: How does the United States intend to revitalize your trade within the Enterprise for the Americas? (U)

The President: First, I thank President Perez for all he has said in a positive way on this subject. I think we should move forward with Mexico and Canada at first. Move forward with this element for the Enterprise for the Americas. As President Perez has said, this will provide a base for further progress. We want to have free trade throughout the hemisphere, so I am very glad that you asked that question. This Treaty is not intended to stop with the countries concerned, but to be the first part of a plan for increased trade throughout the hemisphere. I have great praise and respect for this President who is a great democratic leader. (U)

The above was said publicly to the press, although it doesn't seem to be in the press account of that meeting. (U)

The President began Private Meeting. (U)

The President: What do we have to talk about? (U)

President Perez: First I want to give you greetings from Prime Minister Mulroney. (U)

The President: How is he? He is under great pressure from his Parliament. (C)

President Perez: He is doing well. He talked a great deal about you in very positive terms. (U)

The President: He is a great friend and I feel for him because he is having great political difficulties. (C)

President Perez: He said, tell George we need to talk about Haiti; that the money it will cost us now is money for peanuts; that we need to move and see if we can deal with the problem early on. We need to start a fund. It's terrible for the country to be in such dire economic straits. (C)

The President: I think we believe that he (Aristide) is doing fairly well, is that right Bernie? (C)

Assistant Secretary Aronson: We like the government, but there are human rights problems. We have funded a number of programs and are doing a large debt reduction program with Haiti. (C)

President Perez: France is not doing all it could. Perhaps we should have a multilateral group. Why not have France, the United States, Venezuela and Canada set up a support group? I will talk to Mitterrand about this. (C)

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The President: Why don't you talk to him? I called him but didn't discuss this situation. I don't want to commit us too much. (C)

President Perez: I am happy about Suriname. The President is a very good man. The Vice President is a Hindu and he is a strong man as well. We need to get together with the Dutch on this.

(C)

Your General in charge of the Southern Command told me how worried he was about Suriname. Now is the time to act. We need to get together with the Netherlands on this. (C)

The President: I hope the military will respect this new government. I hope that Bouterse will play by the new rules. This is important for democracy. (C)

President Perez: This will depend on the support the government gets from us. We would not want him to be a new situation like Noriega and Panama. We need to help. (C)

The President: I think that's right. Brazil also has a role.

(C)

President Perez: Yes, Brazil has an interest in this. We also should have a meeting. This is an urgent matter. (C)

The President: What can you tell me about another problem -- the FMLN? (C)

President Perez: Cristiani will stay until tomorrow. Maybe we can get an agreement. Things are going well. I am optimistic.

(C)

The President: You have worked like hell on this. You have done a great deal to bring a successful solution about. The Secretary General has been helpful, I understand. Although I also understand that de Soto has not been so good. (C)

President Perez: He has lost the confidence of President Cristiani. Perez de Cuellar is more positive. (C)

The President: I was impressed with his statement yesterday.

(C)

President Perez: I think that a draft agreement is about to be reached. (C)

The President: Do you think that the guerilla leaders will agree with it? (C)

President Perez: Yes, they have no choice. They are feeling the pressure of world opinion. I think we are in the homestretch. I think we are finally reaching a solution. (C)

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The President: How about Doña Violeta? The Assembly has been giving her a difficult time. There is a separation in the Sandinistas. The Brothers (Ortega) themselves are not together. I was going to ask. (c)

President Perez: Yes, there is a separation. They are coming closer and closer -- I was right. (c)

The President: How about Cristiani and the military, are they together? (c)

President Perez: Yes. (U)

The President: I sent word to Perez. I asked that they look at the problem objectively. (c)

President Perez: They are together. We do have to create a system. I'm happy for the help you have given Fujimori and Peru. He is a very serious person. (c)

The President: Much has been done, but we need to do more. (c)

General Scowcroft: I talked to Senator Leahy. He said he understood the problem and wanted to help, that he would try to get the money together. (c)

The President: Fujimori said that the total of all income from cocaine production from all farmers was \$100 million, and if you could get money for all those crops, this would be a good investment. We are spending a half billion dollars on our anti-narcotics program. It's almost a temptation to say okay, we'll buy the crop for \$400 million and see if that would work. We had a good visit from the Peruvians. We are impressed that de Soto's brother has a plan and we are going to try to help. The United States has 80% of the demand for cocaine. (c)

President Perez: Venezuela had a visit of the Chief of the U.S. Southern Command and he talked about the problems. I think there is a plan of some kind under way. I have open ideas. I think that the five countries of the Andes are all involved and we need to work together to fight the drug problem. At the last meeting of the Andean presidents, we invited you, but then the Middle East situation cropped up. Somehow we should review the invitation. The meeting, of course, would need to be carefully prepared. (c)

The President: We are open minded on that. I might get fired if I go to another international meeting. People claim that Bush is interested in international relations and not domestic problems. (c)

President Perez: The same is true for me. (U)

The President: They really get after me. They even have a man who comes to meetings with signs, saying Moscow, Middle East,

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various places -- that Bush is always travelling, never home.
(U)

President Perez: You can think about this for the future; it would be a useful meeting. (U)

The President: Yes, it would be useful, something that would be useful to do. (U)

President Perez: I would like to talk about three issues. We have talked with Carla Hills. Conversations with her are sometimes very direct. (U)

The President: We always want to send a bright, charming person. What are your main problems? (U)

President Perez: The problem with tuna is nearing a solution. A solution is coming from an International Congress. We share the U.S. position. On the cement problem, the attitude of the United States has been a bit tough. On the ship problem, they have accepted that there is progress but there is a surplus of five percent. We also have melleon problems, in terms of export. The Binational Trade Commission will be meeting soon and I'm hopeful that we can make progress on these items. We also want to make progress on a trade agreement between the United States and Venezuela. We know that the Mexico-Canada Agreement is the first thing, but you are quite well along on this. (U)

The President: We are trying to get it done this year -- that is what I am hoping for. (U)

President Perez: We are preparing to study the whole economic situation. I don't want to talk particulars now. We would like international financial agreements and a Brady Plan, and we are looking for a trade agreement in Venezuela. There is a big international interest in doing this. (U)

We have questions. The Prime Minister of Norway was just talking with you. We are going to have a meeting of all producers and consumer countries. I hope it will go the way the Paris meeting went. Such an undertaking could be positive without interfering with the market mechanism. (U)

The President: You know our position, that market forces should set prices. What do you think came out of the Paris meeting?
(U)

President Perez: We think it was positive. There was no talk about prices, we talked about how to improve exchanges of information on conditions in petroleum industry. (U)

Foreign Minister Duran: We recognized in Paris that markets should be ruled by market forces. (U)

President Perez: For certain, we are concerned that nothing has been discussed about the new Secretary General. Perez de Cuellar

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has said that he doesn't want to be considered for another term; that is a problem. There are a number of candidates. There is Boutros Ghali of Egypt, and the possibility of a Norwegian. We said that we are waiting to see the whole picture, because the nomination of the Secretary General is very important. The Africans have not agreed, they have six nominees. Boutros Ghali of Egypt is well qualified, but I'm not really sure he is African. (C)

Foreign Minister Duran: He is a Christian, married to a Jewish woman. (C)

The President: Is he left-handed? If he is left-handed, he may have everything we need. (U)

President Perez: The fact that he is married to a Jewish person, could be helpful. Some people say that there may be a European candidate -- the Norwegian is one person mentioned. (C)

The President: Prime Minister Brundtland of Norway just left and we didn't talk about her candidacy. Personally, I like Sadruddin Aga Kahn, but that doesn't have anything to do with our position. The Norwegian also has a lot of good credentials. But we really have no candidate. The French are being very French. Their bottom line is that they want someone who speaks French. (C)

President Perez: Boutros Ghali is very good. I have talked with a number of people and he is very qualified. (C)

Foreign Minister Duran: The Africans will present five or six candidates so that the Security Council will not support one. They don't want to pose just one because they are afraid the Security Council might reject it. (C)

The President: There is also the question of Eastern Europeans. They have never had a Secretary General. There is a Polish person. I understand he is very good, it is still a bit early. We will share with you when we make a decision. I agree that the Secretary General does not want to stay on. We thought perhaps he would, but that evidently is not the case. I am leveling with you when I say we are not focussing on any one candidate. (C)

President Perez: I worry about Yugoslavia. This is a real problem. Given the problems there, it could lead to others. As an example of what can happen of fractionalization. If you have a fractional in Yugoslavia, what about the Basques in Spain and other areas? (C)

The President: This is a real problem. (C)

President Perez: The most harmonious part of the world is Latin America. (C)

The President: Well, we would certainly like to see democracy come to Cuba. (C)

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Minister Duran: See, I said he would bring it up, and I was right. (C)

The President: There are now many people who would like to see a change in Cuba. (C)

President Perez: We were talking earlier about your position. (C)

The President: I haven't changed a bit. (C)

President Perez: I think Cuba is becoming irrelevant. I think that there is a problem which will solve itself. I think Castro was waiting for the KGB coup. He postponed his party congress from August to October. I had a very tough talk with him. I told him his time was up, he needed to think of his place in history. When if chaos followed him, violence was very possible and this would give him a very bad place in history. This talk was before the coup. He said that you think that all that could happen, has happened. I said that it's never true that everything has happened. But that there are certain irreversible directions. He didn't answer. (C)

I think he was counting on the KGB. He must have known from the KGB that they were going to make a move against Gorbachev. He said that was the first time. I think he has paranoia. I think that in the October meeting, he will start being open. I don't mean that there will be something drastic, I think there will be now a new consensus. Nothing will happen unless you have hope. We still hope we will be able to advance orderly change. (C)

The President: It can't be a half-way measure, unless you see what has happened in other areas. If change does come from Cuba, then there will be help enough even in Miami to build a whole new economic infrastructure. (C)

President Perez: When Gorbachev started, there was no way to see where he was going, but you were courageous enough to support him, and look where we have come. I said to Castro, a friend of yours, Garcia Markus, your confidant, now says that Cuba is a mess. Ricardo Vegas, who went to Cuba less than two months, he came to Venezuela to say that the Cuban people are fed up. Your economic system is a mess. He says there is no way for it to succeed. (C)

The President: What did Castro say? (C)

President Perez: He replied that we can't waste the revolution. It is not ready to be open, but when openness comes, it will be like Gorbachev. I said that we must give no signal to Castro that he can be helped economically. Because this would make him stay on his present course. We need to see if we can push him a little. Otherwise there will be a blowup. (C)

The President: I think it will happen without any outside help. Change comes from within not without. (C)

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Well, unfortunately I have to go. I always look forward to seeing you. (U)

-- End of Conversation --

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