



THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Jorge Serrano, President of Guatemala (U)

PARTICIPANTS: The President
The Vice President
James A. Baker, III, Secretary of State
John H. Sununu, Chief of Staff
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
Thomas F. Stroock, U.S. Ambassador to Guatemala
William T. Pryce, Senior Director for Latin American Affairs, National Security Council (Notetaker)
Barbara Phillips, Interpreter

Jorge Serrano, President of Guatemala
Roger Haroldo Rodas, Acting Minister of Foreign Affairs
Juan Jose Caso, Guatemalan Ambassador to the United States
Bernardo Neumann, Presidential Advisor and Economic Minister

DATE, TIME AND PLACE: October 2, 1991, 9:40 - 10:25 a.m., D.S.T. Oval Office

The President: First, I want to deliver a letter for your wife from mine. It is a delight to see you here. Before anything else, I want to inquire about your family. I understand that you have stopped in Houston and that your mother has been in the hospital there. How are things going? (U)

President Serrano: Oh, I wasn't expecting that. Thank you very much for inquiring.



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The President: That's the same problem I had -- a thyroid problem. Now I feel perfectly fine. How is your mother? (U)

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President Serrano: I talked with her this morning and she is great. (U)

The President: I thought that I would open up with a couple of points, and then we would like to have you bring up anything you would like to speak about. The important thing is that we would like to hear everything you may have on your mind. (U)

First, we were very pleased with your action in recognizing Belize. Every time I have been to Guatemala, and when the Vice President was there we always heard about this difficult problem and that it was difficult to solve. We want to congratulate you on the courageous stand that you took. (C)

On economic agreements, I know that we have talked about the measures that you are taking to improve Guatemala's economy. And that you have talked with the Banks. We are not in a very good position to talk about growth since our own growth is not nearly what I would like it to be. We admire what you are doing. I hope that things are going the way you want them to. I know that energy is a real problem for you. (C)

There are so many good things in our relationship. The only contentious problem we face is human rights. I would urge a solution to the Devine matter. Anything which can be done would be a help in enabling us to cooperate more fully with Guatemala. I don't want to be a preacher, but it is a very important matter to us. We worry about the rising level of violence. I know that you are new and not responsible for many problems and I felt that I owed you a frank discussion because this holds up what we want to do. (C)

There is no similarity but we have had tremendous problems involving the human rights situation in El Salvador. I felt I owed it to you to mention the problem. I didn't want not to mention it and then have it continue as a serious problem. (C)

On narcotics, we think the demand is down now. We wanted you to know that we realize that the narcotics problem is a two-way street and we will continue to work on the demand side as we cooperate with you on the supply side. (C)

You mentioned the military. This is tied to other questions. (C)

These are the points I wanted to mention to you. For the most part things are going pretty darn well. What I wanted to mention most is how pleased we are that you are here. We want you to feel at home, and there are so many positive things in our relationship. I would be interested in hearing from you anything you would like to say and knowing how you view our relationship. (C)

President Serrano: Thank you. I bring greetings from the people of Guatemala and from my government. It has been great to be in New York and Washington. One thing because it has been difficult

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(for people here) to understand how we are handling our situation. Guatemala has been under fire for 40 years. I am 46 and there has not been a single year of my life where there has not been violence. I have been in exile, and have suffered the problems of violence, personally. I have now been elected President and this is ending. To make a comparison between Guatemala and the United States, you must go back to the Civil War where your whole nation was torn by violence. And extraordinary measures and actions were taken under great stress. We are in the middle of a war. We are making our best effort to respect human rights, which has been difficult, and we have used restraint. (c)

Guatemala has been the country which has received the least help in the hemisphere. Also, we have the least debt. But we have paid our debt and our principal. Guatemalans are proud to be independent, but we need more help from the world, especially the United States. I received a government with 60% inflation. We have broken inflation. We now have only 4.5% inflation. (c)

The President: Do people appreciate this? (U)

President Serrano: Yes, people appreciate it. We are collecting more taxes and we are putting on an extra tax to help in education. We are making big strides in health care. I visited a hospital with a thousand beds recently, and gave them a check. And in the process, the director of the hospital told me they had not received money for maintenance of the building in 30 years. They have never received any money for maintenance. (c)

The President: Very impressive. (U)

President Serrano: When I came to the government, there were no reserves. We now have \$400 million in reserves. More than any other Central American country. This gives confidence to our investors and supports the return of capital. We are very happy with our economic accomplishments. I talked with businesses. We have enough serious people to invest but the question is can we have security in the United States market. They worry about the North American Free Trade Agreement. (c)

The President: Are they worried about their markets? We think along opposite lines. We think the North American Free Trade Agreement will open up the hemisphere and provide better markets for everybody. Maybe we need to do a better job of letting this be known. (c)

President Serrano: We do worry about the markets. We are much more interested in trade rather than aid. Aid is a one-time thing, trade goes on forever. If we could have a statement that the North American Free Trade Agreement will not restrict trade with other countries. (c)

The President: We'll do our best to get that out. (c)

President Serrano: On the Devine case? (c)

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The President: Yes, let us ... (U)

President Serrano: (Interrupts) We have in jail six persons. We are not going to cover (up) anybody. On the case of Mr. Devine, I saw (thought) that it would be the case for discussion. But, you are the first to mention it. Well, I was with a Congressman who had to look at his notes to get the name. I had a meeting with the human rights people and told them to come to us with the facts. We have been thorough. One army commander, Hugo Contreras is in jail. Four members of the army are in jail. (C)

The President: Does anybody want to speak a little more about this? (U)

Assistant Secretary Aronson: The problem is that the government has released several officers who are involved in the crime. It looks like a whitewash. There was a Captain and two Colonels -- Hugo Contreras and Colonels Portillo and Alpares. (C)

Mr. Neumann: I was told about the problem by Ambassador Stroock and Assistant Secretary Aronson. I believe he hoped he could talk to the Attorney General. There is a legal system which can cause difficulties. The Defense attorneys want to get them out. But they can't do it. We are determined that they can't get away with anything. They were freed, but now there is an appeal. (C)

The President: Are they let out? (C)

Assistant Secretary Aronson: The Minister of Defense absolved the Colonels. (C)

President Serrano: The Minister of Defense can't do that. Colonel Portillo is under missions of the court. They can present proofs in their defense. (C)

Secretary Baker: Mr. President, if I could interject. Mr. President, the purpose in mentioning this situation is to avoid problems so that we can do more. We have been down this road before. We know where it leads. We have been fighting the battle of El Salvador for years. The purpose is to nip it in the bud. Maybe the thing to do is to dig up more facts. (C)

The President: If the facts are different than we perceived, we must work together to make sure that Congress understands them. We have fought this battle over the years, and there is a serious problem with the Congress. Some in Congress are demagogues. Some are out to accommodate forces in the left. Some are serious people with problems. We had a hell of a time with the pro-Sandinistas in Congress. We want you to know you can be sure that we will try to get the facts. We know that there is something there and it needs to be dealt with. We need to get something done because we want to cooperate as much as possible. That means the facts need to be that there is a fair trial. It would be great if it comes out this way. (C)

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Secretary Baker: As we put problems to bed in one place, we have problems in another. People who raised cane about what happened in Nicaragua, when that problem was solved, moved to El Salvador. We knew that with the Nicaraguan solution, the impetus would shift to El Salvador. We knew it would happen and we don't want to let that happen in Guatemala. ~~(c)~~

President Serrano: We'll be fruitful. Our impression is that you are stuck on the Devine case. I am not covering (up). We can give you a real description, but we have other cases where we are working in the same way. We have seven cases of officers in jail. We have done a lot of things. We have changed the Chief of Staff of the Army, and I am willing to do it again. I have to say in all frankness, that we think that you are overemphasizing the Devine case. Nobody in our human rights discussions, mentioned Devine. Only one Congressman mentioned Devine and he needed notes to know the name. ~~(c)~~

The President: Don't interpret the need to look for a name by a Congressman, as a lack of interest. If we don't get the facts, it will snowball. I guarantee you that you are fighting a trend like Secretary Baker said. We can't get anything done without the Congress. I know he mentions it as a friend, as do I. If I let you think that there isn't a problem because I did not mention it, I would not be being your friend. I promise you that the people who worried about El Salvador operation, will also focus on Guatemala. I don't want you to feel that because only one Congressman mentioned the problem, it is not a serious problem. I want to help, but there are serious problems. If the people who supported the Sandinistas are saying that the Colonels are released and they are not, then we need to make this known. ~~(c)~~

President Serrano: If the court says they are scheduled to be released, that is not my government. There is a clear difference between the government and the courts. I want to respect the judicial difference. We are doing our part in the Congress. We are lobbying and people understand. ~~(c)~~

And they are doing a good job. The fact is that we have found no problems in the Congress because of Devine. The Army, I am ensuring, is helping in two ways. As I said to President Reagan at a meeting when you were there, we are fighting a war for you and against you. We have been fighting for forty years. We want to get relief. We are trying to control drugs. They, the drug barons, are moving to Guatemala. The Cartel people have 20 times our budget. We have an issue of Devine and we are handling it, but we have other problems and we are trying to help solve them. We are becoming a big drug target. ~~(c)~~

As I said on the telephone, my party is a conservative party. We are on the same approach. We sometimes think we are treated unfairly. We want to know what we can do to improve relations. You can be sure we will do whatever is necessary to better relations, but I know that if we resolve the Devine case, it will help. We need to build a better relationship. ~~(c)~~

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The President: This has been very helpful. Take a look at what happened in El Salvador. You can't be linked to them. Your case is an internal matter of Guatemala. Congress sees this as their bailiwick. El Salvador had a decision in court. One guy convicted, others let off. The left said: "what a mockery, this is a whitewash." I understand your need to have separation of powers. That there is a perception problem. I don't know what would happen if there is bad perception. (C)

If there is a false perception, and we have been unfair, we want to correct it. We want you to succeed. I want to convince you that we want you to succeed. I want to work with you together. Nevertheless, we do have a problem. (C)

Speaking of problems, we do have a real problem in Haiti. The last thing we want to do is to send U.S. troops, but there is a very serious situation there. (C)

The value of this conversation is that I can know from you that you don't think we appreciate the steps you have taken. I don't want you to think that there is a conspiracy not to support you. (C)

President Serrano: Take the case of eleven people who got murdered. I put them in jail, even without the proper evidence. People worried about this and I said tell the objectors to call me. I will testify myself. This is the first time this has ever been done. What we need is support. (C)

The President: We want to support you. (C)

President Serrano: We have had enough criticism. What we need is support; we need a hand. We want to build a society. We want to build along a conservative ideology that is improving. I don't know if I am transmitting the proper message. (C)

The President: I got the message. (U)

President Serrano: I'm not asking for more military aid. What we are looking for is respect, dignity. (C)

The President: I guarantee that this is not even a question. You have our greatest respect. I hope you don't think we are looking from a negative point of view. You have convinced me of the many positive things you are doing. The economic measures, your elections, growth democracy. But on human rights, I am trying to point out to you the facts of life. It is a tough way to build a consensus in the Congress -- it is tough. The way to build a consensus in the Congress is to be sure that your process is open and free, and then the U.S. people will understand. I really mean that. (C)

Secretary Baker: We can't turn over military aid if we wanted to without Congressional support. Let me go back to a previous experience. President Duarte and President Cristiani have done a

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great job in explaining the situations in their country. I wonder if you will be helping your cause on the Hill. I wonder if you will be meeting with various Congressmen. Do you have a series of meetings? (C)

President Serrano: Yes, we have had a meeting with Congressmen, and I am inviting Congressional staff tomorrow for breakfast. (C)

The President: Brilliant idea. If you follow up on the questions of people, it will have a very positive effect. (C)

Assistant Secretary Aronson: One point. Part of the problem we face is that your predecessor came up here with promises, and he didn't fulfill them. That creates a bad atmosphere. We understand you have changed things, and we have fought hard for aid to Guatemala. We have fought with Congress. We said that you had a strong commitment to human rights and we did all we could to defend aid to Guatemala. We don't want to leave the impression that we do not understand all you have done. (C)

The President: We know you have advanced the cause of democracy. Speaking of elections, I hear the helicopter coming to pick me up. I have to go to Pittsburgh, Kentucky and Tennessee. We do want to be helpful and we hope you think we have been helpful. I think your meeting with Congressional staffers is brilliant. Sometimes they are the tail wagging the dog. (C)

President Serrano: You will see a change in the Congress with my explanation. You should see a card of Bob White. It says "you did a great job, I will try to help." You know who Bob White is? (C)

The President: Yes, I certainly do. You want to keep that card and be sure that he helps as he said he would. (C)

President Serrano: On the case of drugs, we are fighting a war. We don't know what will happen. We are fighting on the U.S. side. Our army will succeed. We are committed to do battle with human rights. You have been very good in explaining what you have done on human rights. (C)

The conversation closed with the President expressing again his appreciation for President Serrano's visit and his appreciation for all he has done and his hope that Serrano understood that we were mentioning the human rights problems as friends; we want to resolve a common problem.

-- End of Conversation --

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