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53

National Security Council Meeting
May 5, 1987, 1:30 p.m. - 2:15 p.m., Cabinet Room

SUBJECT: Guatemala

PARTICIPANTS:

The President

The Vice President's Office:

Craig Fuller
Samuel Watson

White House:

Howard H. Baker
Frank C. Carlucci
Colin L. Powell
Marlin Fitzwater
Jose S. Sorzano
Jackie Tillman

State:

George P. Shultz
Elliott Abrams

Defense:

Caspar W. Weinberger
Robert Pastorina

Treasury:

James Baker

Justice:

Edwin Meese

OMB:

Wayne Army

CIA:

Richard J. Kerr
Robert Vickers

JCS:

General Robert T. Herres
General Dale A. Vesser

USIA:

Charles Z. Wick

AID:

Jay F. Morris
Dwight Ink

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BY RW NARA DATE 8/7/13

Minutes

The President: It appears that we have our work cut out regarding Cerezo's Working Visit. Guatemala's new democracy is further proof of the democratic gains in Central America and of the success of our policy in the area. It is worth repeating that the strengthening and consolidation of Guatemalan democracy is of critical importance to our interests in the region. So part of the motivation for inviting him to Washington is to celebrate Guatemala's new democracy and to stress our commitment to its survival. (C)

We also have more practical and immediate objectives for this visit. The position that Cerezo takes when he hosts the Central American presidents at Esquipulas in late June is critical to avoiding a bad negotiated outcome or one that fails to isolate the Sandinistas. I am particularly concerned by the ability of the Mexicans to apply significant pressure on Cerezo on behalf of the Sandinistas. The result might be Cerezo playing a role that could split the unity of the Central American democracies. This, of course, must not happen. And I am interested in exploring with you today what we might do to prevent this outcome and how we can use the Working Visit to that end. We want to see him lined up with the democracies in support of trying to get a democracy in Nicaragua instead of producing a division in the democracies. (C)

Mr. Carlucci: Thank you. Mr. President, I hope we can use our time today to discuss the issues you have raised and what we might do to influence Cerezo to do the right thing at Esquipulas. It is important to keep in mind the overall context in which the Cerezo visit is occurring. The Sandinista military power continues to grow. At the same time, their political image is deteriorating a bit. On the other hand, democracy has made significant gains in the area. But the democracies are under massive pressures from serious economic strains, internal political turmoil and genuine security threats from the Sandinistas. At the same time, the contras, the freedom fighters, are applying the kind of effective military pressure that we had hoped they could produce. That, coupled with a deteriorating economic situation may offer an opportunity. (C)

And all these trends seem to be converging in the diplomatic negotiating arena. Frustrated by the Contadora process and tired of being bullied by other Latin American countries, the Central

55

Americans decided to take matters into their own hands and start their own round of diplomatic talks. While we have welcomed this, and you mentioned the Arias plan in your speech Sunday, it has not been risk-free, nor did we anticipate that it would be. There have been some problems associated with it. Duarte and Azcona are doing their best to influence the Arias initiative in positive ways. Arias is resisting change and Cerezo is the swing vote, the man who could make a difference. (C)

What we want is that he not isolate Duarte and Azcona at Esquipulas and that he stays firm on the need for democracy in Nicaragua. He'll tell you all the right things, but some of his maneuvers raise questions. (C)

We need to be forthcoming with MAP funds. Cerezo has personally indicated that he needs five million in MAP funds to keep his military in line. This is a small amount of money. (C)

A word about the Working Visit. If this seems appropriate, I think we might try to keep Cerezo in the more intimate seating in the Oval Office for a while to discuss these sensitive political and security issues. We could discuss the broader bilateral and assistance issues at the expanded session during the working lunch perhaps. But we can determine this as we go along. (C)

Dick, your brief? (U)

Mr. Kerr: This is an important visit for Guatemala. Cerezo is the first democratically elected president of Guatemala in nineteen years. As a person, he is ambitious, confident but does feel some pressures from the military. He also feels pressure from his own ambitions and feels pressure from his desire to be a regional leader. He believes that his position on neutrality, active neutrality as they call it, can put Guatemala in the position as the most important, leading country in the region. (C)

Cerezo also wants to show his independence from the United States while at the same time demonstrating that he can deliver assistance. This is especially true with the military. He would like to show that he has demonstrated his influence with the U.S. and can deliver for the military. (C)

Cerezo is reluctant to offend Nicaragua. He is definitely pressured from Mexico and has agreements with the Mexicans for their help on keeping the Guatemalan insurgents under control. He may introduce a supplemental plan as a basis for negotiations, but the reports are ambivalent about this. He will not insist on democracy as an initial step in negotiations with Nicaragua. He may want to establish his own initiative, the Central American Parliament, but his main goal for this visit is assistance. (C)

Mr. Shultz: Most of the descriptions of Cerezo have already been said, so the question now is: what do we do about it? And I'll comment on that. But, just for fun, I'd like to mention a few descriptions. This is the first presidential level meeting with a Guatemalan president in over a century. That shows you how much attention we have been paying to Central America. And Guatemala is not the insignificant country of Central America. It is the most populous by a third of all the countries. Its gross domestic product is forty-five percent of the entire American area. So, it's the "colossus of the north" in Central America. (laughter) (C)

But Guatemala's image has been the bad guy. They have been ruled by the military, and have been corrupt, murderous, with a bad reputation. Cerezo is trying to do something about this. I remember when I was first Secretary of State and I appeared before you, Howard. We weren't even allowed to spell the word Guatemala. So Cerezo is trying to re-establish its credibility. (C)

On narcotics, we have signed our first joint aerial eradication program, so that's good. And we were able to help last weekend with the airlift, adding to the focus on the MAP program. Our assistance for Guatemala has risen. The MAP program was at five billion last year and is at two this year and we'd like to bring that up to five. (C)

Mr. Baker: Million, George, you've been saying billion. (U)

Mr. Shultz: Sorry, I thought I was in the Defense Department. (laughter) (U)

Mr. Weinberger: For a minute there, I thought you were talking about taking 5 billion away from us. (laughter) (U)

Mr. Shultz: Well, so, we can find another three for them, but can't find another five. (C)

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- 5 -

As far as the visit goes, beyond the bilateral issues, the big issue is peace in Central America and how Esquipulas comes out. As I sense it, intelligence reports suggest that Cerezo doesn't think the U.S. will be around long there. The Democrats lead him to believe that they will take over, turn their back on Central America and walk away. He thinks that is going to be U.S. policy, so he is afraid to totally commit. If we walk away and the Sandinistas knock over El Salvador and then Honduras, and since Mexico is pushing Nicaragua, he's feeling the pressure.
(C)

Our main task is to convince him that what he thinks is not so. Next, we can produce a lot of evidence about changing attitudes about Central America. The vote for the \$300 million supplemental seems to be the only thing the Congress may pass in the supplemental. He gets 60 million if the Senate version passes. El Salvador gets one hundred and twenty-five million. So this is evidence of our staying power. Also, to have an impact on him about this, there have been a series of newspapers articles, like the New York Times and Washington Post, about the contras that have been quite favorable. So we're putting together a little file for him to read, to say to him, if these newspapers are saying this... And I understand that the success of the contras over the weekend in overrunning that garrison was made public yesterday afternoon. And I understand that the networks ran the story, not entirely unfavorably, so we'll have a video tape of these to show him. (C)

Cerezo's position is ambiguous. If we can show him success, and that we are building on it, we can stress the need to work on the Arias plan, the need for changes in it, and the need for him to make common cause with the democracies. Guatemala wants to appear as a leader; what better way than in its association with the other democracies. If we build on that thought, we may be able to get him to change the Arias plan so El Salvador and Honduras, not to mention the United States, can live with it.
(C)

We've got to lay this out in a private, explicit way, and let him know clearly that we are ready for a negotiated solution if it is a good one, not a lousy one. I think that is the underlying problem in his attitude. Our staying power. It's like Grenada, the opposition all changed overnight. I remember, Howard, what a difficult session I had the day of the rescue mission. Two or three days later, everything had changed. I asked Howard, was I

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that persuasive? No, he said, they've heard from the folks back home. He needs to hear that we will prevail and that he doesn't want to be on the wrong side of Uncle Sam. (S)

The President: Is it correct that a great number of these countries down there are plagued by insurgencies? Backed by Cuba, which means the Soviets? (S)

Mr. Kerr: Yes sir.

The President: It's interesting that we never see any criticism of the other insurgents. Only the anti-communist ones. (S)

Mr. Kerr: We are aware of specific links between the Mexicans and the Guatemalan insurgents. Guatemala has a real fear of that. (S)

Mr. Carlucci: Cerezo has a tendency that is somewhat of a little trap. I've asked Elliott Abrams to comment on this. Cerezo has the knack of saying all the right things. When I was down there he said, "I can't say this publicly, but if you withdraw assistance from the contras, that will leave Guatemala vulnerable," while citing active neutrality in the same breath. (C)

Mr. Abrams: Well, Cerezo has recently talked to Habib, de la Madrid and Senator Kerry, and they all walked away saying Cerezo agreed with them. (laughter) (C)

Mr. Shultz: The trick is to talk to him just before Esquipulas starts. (laughter) (C)

Mr. Weinberger: Cerezo does want some things from us, he needs assistance. His military is in bad shape. Guatemala is plagued by insurgencies from ORPA and the Guerrilla Army of the Poor. This weekend we gave help, and gave it quickly. We lifted 318 Guatemalan soldiers in 12 sorties in 2 days. We can get 3 million more in MAP from the five million of El Salvador's that we have to withhold every year until the murderer of the American labor official is solved. That's the Harkin Amendment. The other two million went to Sudan to pay them back from the 2 million we took from them to give to Chad. We've been doing a lot of shuffling around. (C)

But while we are helping him, we ought to get something from him too. He should move to the West. Another item he may bring us is assistance with readjusting the borders with Belize. We don't need to do anything there. We should make clear to him the things we want from him. I believe in establishing clear linkage with him. (S)

Mr. Carlucci: If I can summarize from what we've heard up to now, we want to make sure that Esquipulas there is not a split between the democracies, that Cerezo sticks with Honduras and El Salvador, not Costa Rica or Nicaragua. A real bottom line message. (S)

Mr. Weinberger: Well, a 2-2-1 split won't help either. (S)

Mr. Baker: Well, to put it in a nutshell. Guatemala has a lower debt burden than most of the Latins. The economy is in bad shape and there is some pressure for him to liberalize. He may bring up a proposal to recycle surpluses, like the Japanese, in Central America. He's working with the IMF and the World Bank and is working on a standby with the Fund which will assist him with his commercial bank rescheduling. The price of coffee has declined. (C)

Mr. Meese: Just a word about narcotics. In your discussion with him I recommend that you raise the issue with him like you have with most of the heads of state with whom you meet. There are two problems. Opium and marijuana are grown in Guatemala and Guatemala is also a transit country for cocaine on its way to the United States. We have DEA agents working with the Guatemalans. (C)

Mr. Wick: I met with a nice young woman who is Cerezo's press person when she was up here doing advance. She said the President is concerned about the effect of the new immigration laws. He is meeting with Nelson of the Immigration Service on this. He'll appear at the National Press Club, breakfast with the editors of the Washington Post, appear on "Good Morning America" and on the MacNeil-Lehrer show. We are providing assistance to about 12 to 15 journalists that they'll be bringing. They are very concerned about how Cerezo appears here. (C)

60

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- 8 -

Mr. Carlucci: Well, Mr. President, I think we can give you back some of your time. The main thing regarding the visit is to let him know you are a winner, you will prevail and are determined to see this through. So he'll know that what he is hearing from the Dodds of the world is wrong. We welcome this Central America initiative, but at Esquipulas, to put it to the Nicaraguans, the four Central American democracies have to hang together on their own principles. We are counting on you, Mr. President, to give him the bottom line, simple and forceful. (S)

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