

THE WHITE HOUSE

WASHINGTON

MEETING WITH COLOMBIAN PRESIDENT

Alfonso LOPEZ Michelsen
Thursday, September 25, 1975
11:00 a.m. (one hour)

Friday, September 26, 1975
11:30 a.m. (thirty minutes)

The Oval Office

From: Henry A. Kissinger I. PURPOSE

- Demonstrate the importance we attach to our relations with Colombia and Latin America.
- Reinforce Colombia's democratic traditions and moderate stance in Hemispheric and world affairs.
- Assure President Lopez of our understanding of his desire to continue friendly relations while also maintaining an independence from U.S. policies.
- Solicit his views and discuss, in a candid, businesslike atmosphere, matters of bilateral and Hemispheric concern.

II. BACKGROUND, PARTICIPANTS AND PRESS ARRANGEMENTSA. Background

President Lopez (LOW-peez) wants a frank, businesslike meeting; something to which he can point as evidence of a mature relationship between equals and a demonstration of Colombia's friendly, but independent, relationship with the U.S. To dramatize this concept he has proposed that we take the occasion to announce a phase-out of the bilateral assistance relationship between the two countries. Over the past fourteen years U.S. aid has amounted to nearly a billion dollars and played a major role in Colombia's recent economic progress and growth. The success of the meeting will

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NSC Memo, 11/24/98, State Dept. Guidelines
By 4/HMM, NARA, Date 11/30/00

depend on how well we project an image of taking President Lopez seriously and treating the Colombians on a basis of equality. Our success in creating such an atmosphere will be more important than any specific substantive matters which are discussed.

In August 1974 Lopez began serving the four-year term to which he was overwhelmingly elected. In office, he and his programs have enjoyed the broad political support of his own majority Liberal Party as well as of the opposition Conservative Party. Political violence and common crime, however, continue to plague Colombia. The President declared a nationwide "state of siege" in June. Nevertheless, kidnapping and violence by leftist terrorist organizations have continued. A U.S. citizen executive with Sears, kidnapped in August, is still being held. Colombia's economy is still heavily dependent on agriculture, with coffee its most important export product. Its industrial sector is growing, however, and the country is largely self-sufficient in energy. Though Colombia has enjoyed marked economic progress in recent years, it remains poor and is faced with difficult problems of inflation, unemployment and maldistribution of income.

Though President Lopez will want to concentrate on issues of general concern to Latin America, he is also likely to raise a number of bilateral matters. The following are among the topics he can be expected to bring up: the Panama Canal treaty negotiations; the OPEC exclusion clause of our Trade Act on behalf of Ecuador and Venezuela; U.S.-Colombian trade; international coffee negotiations; the Darien Gap Highway; and the Quita Sueno treaty ratification. We will want to use the occasion to lay the foundation for a sympathetic understanding of our position on the Canal negotiations and to emphasize U.S.-Colombian and U.S.-Latin American cooperation on Hemispheric and global issues. Background on specific issues is as follows:

1. U.S.-Colombian cooperation in the Hemisphere. Democratic, progressive, with a tradition of inter-American statesmanship, Colombia is in a unique position to contribute to understanding between the U.S. and Latin America. It does not, however, wish to be regarded in the Hemisphere as a "chosen instrument" of our policy. We can express in public forums our recognition of its independent role, but appreciation for the constructive role it plays would be more welcome if stated privately.

2. Trade Act of 1974. Though the Trade Act is of great interest to the Colombians because of its provision for a generalized system of preferences (GSP), they are concerned about two problems. It excludes from GSP a number of products which are of particular interest to them, including textiles, footwear, meat and cut flowers. They are also concerned that provisions of the Trade Act could be applied against them in a coercive or discriminatory fashion. To meet these concerns we have held technical-level discussions with them and propose using your meeting with President Lopez to announce further policy-level trade discussions.

A second problem connected with the Trade Act is the exclusion of Ecuador and Venezuela from participation in GSP as a result of their membership in OPEC. In the interests of Latin American solidarity, President Lopez promised the two countries he would bring the matter up with you. His concern is with the discriminatory nature of the Act. As you know, we have repeatedly stated our support for the Green amendment which would give you discretionary authority to forgive non-embargoing OPEC members. Chances of Congressional passage of the amendment, however, are not good.

3. Panama Canal treaty negotiations. Deputy Secretary Clements and General Brown visited Panama earlier this month. They assured General Torrijos of our seriousness of purpose in pursuing the negotiations but explained to him our problems in concluding an agreement before the end of 1976. They pointed out that outbreaks of violence in the meantime would complicate the problem for us. Shortly thereafter Ambassador Bunker resumed the negotiations, which had been stalled since last March and presented our first-line position based on your instructions.

The Panamanians took advantage of press reports of my remarks in Orlando last week to release details of agreements made to date and Bunker's recent offer. Demonstrations have also occurred. They misinterpreted my comments about our requirements for defense of the Canal as backing away from two of the Principles, signed in 1974, to the effect that there will be a fixed termination date to the new treaty and that Panama will participate in protection and defense of the Canal. Torrijos paid an unexpected visit to Bogota Tuesday and, we understand, asked Lopez to bring a message to you. We can assure Lopez of our continued commitment to the Principles.

President Lopez will be interested in your assessment and views on the negotiations and will reaffirm Latin American support for a new treaty which permits full Panamanian participation in Canal

operation and defense. Colombia has a particular interest in the issue as a result of the Urrutia-Thomson Treaty of 1914 with the U.S., which gives Colombia the right of free passage of its ships and freight through the Canal. Colombia therefore feels that it has a special position in the negotiations and expects to be consulted before any final action is taken with regard to a treaty between the U.S. and Panama. We recognize Colombia's rights under the treaty as valid and will continue to honor them, as long as we are in a position to do so. You will want to assure Lopez we will consult with Colombia when treaty negotiations have reached a point that it would be appropriate and useful.

4. Quita-Sueno Treaty ratification. The United States and Colombia signed an agreement in 1972 under which we renounced claims to three uninhabited reefs in the Caribbean. Nicaragua also claims the Islands. The Administration position is that we are simply renouncing our claim without prejudice to the islands' disposition, but the Senate has moved slowly to consider the matter in the belief that arbitration is desirable. The Senate finally held hearings on the subjects on Tuesday of last week. We do not yet know what action it will take, but President Lopez will be lunching with the Foreign Relations Committee on Thursday, following your first meeting with him.

5. Darien Gap. During the 1969 State Visit of former Colombian President Lleras Restrepo, President Nixon agreed to help complete the Inter-American Highway through Colombia and Panama. Despite Colombian preference for a longer route, bilateral agreements were concluded in 1971 with Colombia and Panama for construction along the Darien Gap route. Further agreements were signed subsequently under which the United States agreed to assist Colombia and Panama in a control program designed to prevent the spread of foot-and-mouth disease northward into Central and North America, which are now free of it. The Colombians have been slow to implement their side of the foot-and-mouth disease program and construction of the road in Colombia has been stalled pending establishment of a viable control program. Simultaneous with your first conversation with President Lopez, members of his party will be meeting in the Cabinet Room with Secretaries Butz and Coleman on this problem.

6. Negotiations for a new international coffee agreement. The last series of meetings of the Council of the International Coffee Organization earlier this summer failed to produce a new draft coffee agreement. Negotiations are due to begin again in

November. We support a new coffee agreement, which we believe would be helpful to both consumers and producers, and are working towards its conclusion in November. The major problem seems to be difficulty among producers in agreeing on export quota shares.

7. Narcotics traffic from Colombia. Most of the cocaine consumed in the U.S. comes from Colombia where the coca leaves, grown in Peru and Bolivia, are processed. In spite of President Lopez' and the Colombian Government's efforts, it has proven difficult to control cocaine smugglers because of corruption, inadequate resources and ideal terrain for illegal operation. An editorial in the New York Times earlier this month, critical of Colombia's efforts, brought a sharp rejoinder from President Lopez on September 12. He publicly charged that U.S. citizens rather than Colombians were responsible for narcotics traffic between the two countries. The problem is growing, and we plan a substantial increase in our narcotics assistance to Colombia this year. Lopez may express an interest in increased cooperation in this field.

8. Re-establishment of a Consulate at Barranquilla. For budgetary reasons our Consulate at Barranquilla was closed in 1971. The Colombians have asked that it be reopened. There are good commercial and consular reasons for reopening it and we have requested \$55,000 to do so in the 1976 State Department Budget Presentation. We plan to use the visit to make a public announcement of this.

9. National City Bank problem. Bill Simon has sent a memo (Tab A) asking that you raise with President Lopez the matter of Colombian regulations which require American banks to divest themselves of majority ownership of banks in Colombia. First National City Bank, the largest U.S. bank in Colombia, operates branches rather than subsidiaries and is therefore resisting the order. However, other U.S. banks are complying with the Colombian regulations. Since the Colombian Finance Minister, Botero, will be meeting with Bill Simon during your meeting with President Lopez, I believe the matter can be satisfactorily handled in that forum. Furthermore, President Lopez will lunch with Henry Wriston, President of First National City, in New York, where the matter can be further discussed. I therefore recommend against your raising the matter with President Lopez.

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6

There are a few small concrete steps that should come out of the visit. The Colombians have been anxious that the serious nature of the discussions be underlined by a communique, and we have agreed to this. A general statement has been worked out between us and is attached at Tab B. The concrete steps which would be announced are: Initiation of policy-level trade talks; the mutual decision to terminate bilateral assistance; and reopening of the Consulate at Barranquilla.

B. Participants

President Lopez, Mr. Felipe Lopez, the President's son and private secretary, Secretary Kissinger, General Scowcroft.

C. Press Arrangements

There will be a photo opportunity at the beginning of your first meeting with President Lopez and following the second call. A press announcement will be made following each meeting, and a communique will be issued after the second meeting.

III. TALKING POINTS

A. General

-- It is good to welcome you to the United States. You know our country well and, I understand, participated as Foreign Minister in the State Visit here by former President Lleras (Yair-us).

-- I have particularly wanted to have worthwhile discussions with you. I hope we can discuss not only our bilateral relations, but Hemispheric and global problems. What we are not able to take up today we can consider tomorrow.

B. Specific Issues

1. U.S. -Colombian Relations

-- Your visit here is of great importance to us because of the high value we place on cooperation and friendship in our relations with Colombia.

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- We want to be able to maintain this close relationship through frank and friendly exchanges. At the same time we recognize that there are some issues where we will take different positions because our interests, though often similar, will not always be identical.
- We respect your independence of view and consider your frank expression of it to us to be a mark of friendship.

2. The Trade Act

- We are committed to continue development of an open world trading system of which the Trade Act is a vital part.
- The Act specifically recognizes the needs of developing countries. The generalized system of preferences provision provides opportunities for new exports from these countries.
- We want to consult fully with you on this matter. I believe technical-level talks have already been held and I will be interested in the policy-level discussions scheduled for next month.

3. Phase-out of U.S. bilateral economic aid

- We can both take pride in the cooperative aid program which served its purpose so well and can now be brought to an end.
- We welcome your initiative in proposing this phase-out and share your concern that scarce aid development resources be devoted to the poorer countries.
- We are prepared to continue examining ways to cooperate in facilitating transfers of U.S. technology to Colombia on a self-financing basis.

4. Panama Canal treaty negotiations

- I want to assure you of my firm intention to pursue these negotiations seriously and in good faith. We fully recognize the need to modernize our relationship with Panama over the Canal, based on the Principles signed in 1974.
- However, I think you ought to be aware that we are facing an extremely difficult problem domestically on this issue. We

need two-thirds of the Senate to ratify any treaty and a majority of both Houses to implement it. We already have over one-third of the Senate on record against the treaty and a majority of the House voting to deny funds for continuing the negotiations. While I don't believe either of these are final judgments, we will have to work hard for approval, and it will be important to keep the situation under control in Panama as well as here, in the meantime.

- I hope we can count on you as a sympathetic and understanding friend to counsel restraint and moderation. It will take a major effort by both sides to conclude a satisfactory agreement.
- We fully recognize Colombia's rights under the Urrutia-Thomson Treaty and will continue to respect them as long as we are in a position to do so.
- At the appropriate point in the process in our negotiations we will consult with you regarding these rights.

5. Quita Sueno (if raised)

- We hope the hearings just held by the Senate Committee on Foreign Relations will be helpful in completing the ratification process which, of course, we continue to support.

6. Darien Gap (if raised)

- I understand the initiation of construction in Colombia has been delayed because of the need to protect the cattle industries to the North of any possible spread of foot-and-mouth disease.
- (If Lopez suggests a reappraisal of the project)
We agree that it would make sense to sit down and take a new look at this project.

7. Illicit narcotics traffic

- We give a very high priority to the interdiction of illegal narcotics trafficking both at home and abroad, and are devoting substantial resources to this effort.

- Narcotics trafficking affects both our nations. It breeds crime and corruption wherever it exists. We recognize that it is a problem involving many U.S. nationals.
- We appreciate the firm commitment of your Government to combatting narcotics traffic and the progress made, and we stand ready to increase our cooperation with Colombia to do more to combat this traffic.

8. The new international economic order

- The initiatives that we outlined at the Seventh Special Session of the General Assembly represent, we believe, a sound approach to a solution of these problems.

Further background, talking points and biographical materials are included in the attached State Department briefing book.