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FOIA MARKER

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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: Presidential Correspondence Files
Subseries: Presidential Telcon Files

OA/ID Number: 91111
Folder ID Number: 91111-002

Folder Title:
Presidential Telephone Calls - Memorandum of Conversations 5/10/89 - 7/27/89

Stack:	Row:	Section:	Shelf:	Position:
G	34	3	1	5

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Telcon	Re: Telephone Call with Carlos Andres Perez of Venezuela (3 pp.)	5/10/89	(b)(1)	S
02. Telcon	Re: Telephone Conversation with Prime Minister Mulroney of Canada (2 pp.)	5/11/89	(b)(1)	S
03. Telcon	Re: Telephone Conversation with Prime Minister Felipe Gonzalez of Spain (2 pp.)	5/11/89	(b)(1)	S
04. Telcon	Re: Phone Call from President Bush to President Arias of Costa Rica re Panama (2 pp.)	5/11/89	(b)(1)	C
05. Telcon	Re: Telephone Conversation with President Alan Garcia of Peru (4 pp.)	5/13/89	(b)(1)	C
06. Telcon	Re: The President's Telephone Conversation with President Sanguinetti of Uruguay (3 pp.)	5/13/89	(b)(1)	C
07. Telcon	Re: The President's Telephone Conversation with Argentine President Raul Alfonsin (3 pp.)	5/13/89	(b)(1)	C
08. Cable	Re: Presidential Telephone Calls to Presidents Sanguinetti, Alfonsin, and Garcia on May 13 (2 pp.)	n.d.	(b)(1)	C

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Subseries: Presidential Telcon Files
WHORM Cat.:
File Location: Presidential Telephone Calls - Memorandum of Conversations 5/10/89 - 7/27/89

Pinksheet Number: cap937
OA/ID Number: 91111-002
Date Closed: 1/30/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

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09. Telcon	Re: The President's Telephone Conversation with President Salinas of Mexico (4 pp.)	5/15/89	(b)(1)	C
10. Telcon	Re: Telephone Conversation with Helmut Kohl of the Federal Republic of Germany (3 pp.)	5/16/89	(b)(1)	S
11. Telcon	Re: Telephone Conversation Between the President and President Barco of Colombia (3 pp.)	5/16/89	(b)(1)	C
12. Telcon	Re: Memorandum of Telephone Conversation (3 pp.)	5/17/89	(b)(1)	C
13. Telcon	Re: Telephone Conversation with Prime Minister Felipe Gonzalez of Spain (2 pp.)	5/23/89	(b)(1)	C
14. Telcon	Re: Telephone Conversation with Margaret Thatcher, Prime Minister of the United Kingdom (3 pp.)	6/5/89	(b)(1)	S
15. Telcon	Re: Telephone Conversation with West German Chancellor Helmut Kohl (2 pp.)	6/7/89	(b)(1)	C
16. Telcon	Re: Telephone Conversation with Guillermo Endara, President-elect of Panama (1 pp.)	6/7/89	(b)(1)	C
17a. Profile Sheet	Re: Telcon (1 pp.)	6/29/89	(b)(1)	S
17b. Telcon	Re: Presidential phone call to Prime Minister Gandhi (3 pp.)	6/8/89	(b)(1)	S

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18. Telcon	Re: Memorandum of Telephone Conversation (2 pp.)	6/9/89	(b)(1)	S
19. Telcon	Re: Telcon with Prime Minister Bhutto of Pakistan (1 pp.)	6/10/89	(b)(1)	S
20. Telcon	Re: Memorandum of Conversation with Prime Minister Margaret Thatcher (5 pp.)	6/11/89	(b)(1)	S
21. Telcon	Re: Memorandum of Telephone Conversation (2 pp.)	6/12/89	(b)(1)	S
22. Telcon	Re: Telephone Call from Helmut Kohl, Chancellor of the Federal Republic of Germany (3 pp.)	6/15/89	(b)(1)	S
23. Telcon	Re: Telephone Call from the President to Chancellor Helmut Kohl of West Germany (3 pp.)	6/23/89	(b)(1)	S
24. Telcon	Re: The President's Telephone Conversation with President Carlos Andres Perez of Venezuela (3 pp.)	6/23/89	(b)(1)	S
25. Telcon	Re: Telephone Call to Prime Minister Turgut Ozal of Turkey (2 pp.)	7/3/89	(b)(1)	S
26. Telcon	Re: Telephone Conversation with King Hassan of Morocco (2 pp.)	7/3/89	(b)(1)	S
27. Telcon	Re: Telephone Conversation with Prime Minister Gandhi of India (2 pp.)	7/4/89	(b)(1)	S

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28. Telcon	Re: Telephone Conversation with Robert Hawke, Prime Minister of Australia (3 pp.)	7/5/89	(b)(1)	C
29. Telcon	Re: Telephone Conversation with Prime Minister Mulroney of Canada (2 pp.)	7/6/89	(b)(1)	S
30. Telcon	Re: Telephone Conversation with King Hussein of Jordan (3 pp.)	7/7/89	(b)(1)	C
31. Telcon	Re: Telephone Conversation with Victor Paz Estenssoro of Bolivia (2 pp.)	7/7/89	(b)(1)	C
32. Telcon	Re: Telephone Conversation with King Fahd of Saudi Arabia (1 pp.)	7/18/89	(b)(1)	C
33. Telcon	Re: Telephone Conversation with Robert Hawke, Prime Minister of Australia (2 pp.)	7/19/89	(b)(1)	C
34. Telcon	Re: Telephone Conversation with President Arias of Costa Rica (3 pp.)	7/20/89	(b)(1)	S
35. Telcon	Re: Telephone Conversation with President Carlos Salinas de Gortari of Mexico (3 pp.)	7/24/89	(b)(1)	S
36. Telcon	Re: Telephone Conversation with President Jose Azcona Hoyo of Honduras (3 pp.)	7/27/89	(b)(1)	S
37. Telcon	Re: Telephone Conversation with Oscar Arias, President of Costa Rica (4 pp.)	7/27/89	(b)(1)	S

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38. Talking Points	Re: Points To Be Made for Telephone Call to Prime Minister Thatcher (3 pp.)	n.d.	(b)(1)	C

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3528

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

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PER E.O. 12958,
AS AMENDED
2000-0429-F
JL 8/21/09

MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Call with Carlos Andres Perez of
Venezuela

PARTICIPANTS: The President
David Pacelli, NSC Notetaker
Humberto Charneco, State, ARA, Translator
President Perez

DATE, TIME May 10, 1989, 2:50 - 3:03
AND PLACE: Oval Office - Presidential Residence

President Bush called President Perez to discuss the Panamanian situation.

The President: Hello, Mr. President, Como esta?

President Perez: Hello, who is speaking?

The President: George Bush.

President Perez: Mr. President, at your orders.

President Bush: It is nice to talk to you and touch base again on our favorite subject. I just talked with Felipe Gonzalez and he asked me to withhold any action that the United States might take for 24 hours. I told him of your position of leadership in trying to get a common statement from our neighbors and both of us think that what you are trying to do is important and could be very productive.

But I had one question and the question is -- do you think that these countries that you are working with will together recognize the opposition as a legitimate government, recognize Endara as the legitimate head of Panama? Will the 7 or 8 countries be prepared to do that?

[At this point communications were lost for about 30 seconds.]

President Perez: Hello, Mr. Bush, I am trying to respond to your question, we have a different situation here in Latin America. A meeting of the Group of Eight is not possible because I couldn't convince President Salinas. He says that the Estrada Doctrine does not permit him to support the initiative.

We have started a different initiative. I talked all last night and today with the presidents and the situation is as follows:

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Argentina, Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Peru, the Dominican Republic, Uruguay, and Venezuela are prepared to request a meeting of the OAS Council at the ministerial level to look at the situation in Panama and will publish a communique. I can read the communique to you later. [It could recognize Endara.]

Notetakers comment: The translator did not say the bracketed text, and the President said, "He said something about Endara."

President Bush: When do you visualize that taking place?

President Perez: I have provided the U.S. Embassy with a copy of the communique. I have answers from Argentina, Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Peru and Uruguay. I only need to make contact with El Salvador and the Dominican Republic and the rest are in agreement with the meeting.

President Bush: When do you plan on doing this?

President Perez: Monday at the foreign ministers level. (President Perez then read the text of his proposed announcement which said that an OAS ministerial meeting was being convoked because of the situation in Panama.)

President Bush: And where will that meeting be held, in Washington? On Monday?

President Perez: Yes, in Washington. I talked with Felipe Gonzalez and I agree with both of you to allow 24 hours and that will be our last chance.

President Bush: As I told him [Gonzalez], we must take some action and we are perfectly prepared to wait 24 hours if your effort has any chance to succeed. It would be worth a wait on our part.

President Perez: Great, I will inform you today about six or seven o'clock about the final outcome.

President Bush: Do you feel there is a chance Noriega will step down?

President Perez: No, I am not confident about his resignation. But he is receiving a lot of pressure even from his own people; many are in opposition. It is worth it to make this final effort.

President Bush: You are making a heroic effort for democracy and to respect the electoral process. Our government has respect for that. With respect to the recognition of Endara, we have been recognizing Delvalle but that is nothing but a charade and a myth but we are impressed with your concept of recognizing Endara. We don't want to unilaterally take action if your efforts in that regard are in a multilateral way.

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President Perez: Yes, we should wait until tomorrow and see what the outcome will be.

President Bush: You have my respect and admiration and I look forward to hearing from you.

President Perez: Thank you very much and we'll continue coordinating and supporting our efforts. I think at the end we will win.

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THE WHITE HOUSE
WASHINGTON

CHRON FILE

MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister
Mulroney of Canada (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for
National Security Affairs
Notetaker: Adrian Basora, NSC

Prime Minister Brian Mulroney

DATE, TIME May 11, 1989, 1:15 - 1:25 pm EST
AND PLACE: The Oval Office

The President said he would like to talk about Open Skies. The U.S. was in accord that it was a good idea. He wanted to thank Mulroney for his role in this and to inform him that he planned to propose the idea in a speech at Texas A&M the next day. He was renewing Eisenhower's proposal on a broader and more intrusive basis, and would include a call for members of both alliances to participate. (S)

Prime Minister Mulroney replied that this was excellent. (S)

The President said he gave great credit to Mulroney. (S)

Prime Minister Mulroney said he had only one interest in this matter -- to make sure that the President came out on top on the Alliance side. (S)

The President said he was making some headway on SNF. He was anxious to hear from his people when they came back after speaking with the Germans. The Dutch were close to them, and he thought the Canadians were comfortable with them as well. More work needed to be done with the UK. Given the posture of some, it was tempting to go public, but he was not approaching it that way. He was somewhat optimistic about having the kind of Summit that Mulroney had been calling for. (S)

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Prime Minister Mulroney said he would be reading the speech with great interest. (S)

The President said that they had talked about his problems -- but how were things with Mulroney? (S)

Prime Minister Mulroney said he had one transborder problem that day: people taking toxic wastes into Canada. "The Mob" had contracts to dispose of the wastes in the U.S. in a legal way, but in fact shipped the wastes to Canada, put them into gasoline to avoid tax, and then shipped them back to the U.S. where they were used as regular gasoline. (S)

The President asked if Mulroney was talking about the Mob. (S)

Prime Minister Mulroney said yes, but not to worry since he was solving this problem. (S)

The President said he had enjoyed the May 4th visit. They would stay in touch and he would go forward (on Open Skies) the next day. (S)

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THE WHITE HOUSE
WASHINGTON

CHRON FILE

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister Felipe Gonzalez of Spain (U)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Interpreter: Stephanie van Reigersberg, State
Notetaker: Adrian Basora, NSC

Prime Minister Felipe Gonzalez of Spain

DATE, TIME May 11, 1989, 1:20 - 1:30 pm EST
AND PLACE: The Oval Office

The President recalled that the 24-hour period was about over and wondered if there was anything new. (S)

Prime Minister Gonzalez replied that not only was there nothing new but the situation had gotten worse. He had been in touch the previous day with the Papal Nuncio and with the Spanish Ambassador and they had confirmed that there was no flexibility on the part of Noriega and even less on the part of the National Strategic Council. Prime Minister Gonzalez continued that, according to his information, the National Strategic Council had an even tougher stand than Noriega himself. In view of this, Gonzalez was giving up his attempt to find a reasonable solution. (S)

The President said this was very discouraging. He had talked with Carlos Andres Perez and was still hoping for statements in this hemisphere about the fraud and the fact that Endara had been elected. At one point Perez was willing to declare that Endara was President, but other Latin Americans had pulled back from that approach. (S)

Prime Minister Gonzalez said he had talked to Carlos Andres Perez that morning and learned that, because of difficulties posed by some countries, it would not be possible to go as far as he had desired. Instead, there will be a convocation of the OAS without going so far as to recognize the victory of Endara. (S)

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The President said he thought he knew the two countries that had been recalcitrant and unwilling to participate. (S)

Prime Minister Gonzalez replied that he knew who they were too. (S)

The President then spoke of the 40,000 Americans in Panama, and of U.S. obligations under the Canal Treaty. There was an Embassy and U.S. dependents about whose safety he was concerned. He would have to take some action very soon aimed at protecting the lives of Americans in Panama. He was not interested in abrogating the Canal Treaty, but he would insist that Panama live up to its obligations and he fully intended to exercise U.S. rights under the Treaty. (S)

Prime Minister Gonzalez said he understood perfectly and that this position was eminently correct. It was not an annulment of the Treaty but an insistence that the Treaty be complied with. That was a very good approach. (S)

The President confirmed that this was what he would be doing. He did not want to risk the brutality and unpredictability of Noriega. (S)

Prime Minister Gonzalez agreed and said he was working to ensure a very strong statement by the EC -- stronger than was made right after the electoral fraud. He hoped for a firm response from the EC. (S)

The President said this would be magnificent. It would focus world opinion on this travesty. He hoped Gonzalez would be able to bring it off. He then asked when the EC decision might be forthcoming. (S)

Prime Minister Gonzalez replied that it should be ready by the next day. (S)

The President said that was good news and he appreciated this effort. He expressed his respect for Gonzalez and looked forward to hearing from him again. (S)

Prime Minister Gonzalez agreed that they should maintain contact. (S)

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THE WHITE HOUSE
WASHINGTON

3557

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Phone Call from President Bush to President Arias
of Costa Rica re Panama

PARTICIPANTS: The President
Paul Lebras, Notetaker
Jacqueline Murphy, Stenographer

President Arias

DATE, TIME May 11, 1989, 3:35 p.m. - 4:00 p.m.
AND PLACE: The White House, Oval Office

After an initial exchange of greetings, The President stated that he was calling regarding the troubled situation in Panama. He said that he had been in touch with President Perez of Venezuela and hoped that some common statement could be made, and he wanted to touch base and see if President Arias had any new thoughts or views on the situation.

President Arias stated that he had been in touch with almost everyone, including Felipe Gonzalez of Spain. Arias said that he is trying to call a meeting of the OAS Foreign Ministers next Monday. He also stated that he had talked to President Perez this morning, along with some Central American countries. He had also offered to call Cerezo and Azcona, but not Nicaragua since they did not seem to be interested. He also stated that it was his understanding that Mexico also did not want to become involved.

The President then verified that the OAS meeting would be held on Monday.

President Arias replied in the affirmative, and The President urged that "the meeting be held as quickly as possible.

The President also said that Felipe González stated that the EC will have a strong statement and the President hoped that

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materialized quickly. The President went on to say that he will protect US interests and the lives of US citizens. When the President saw Endara beaten up as he was yesterday, he realized that the US must protect its 40,000 citizens in Panama. The US will wait 24 hours, then strengthen its forces, look at some economic measures, and pull our Ambassador out. It is clear that the US will support the Panama Canal Treaty, The President stated, but it will also enforce its legal rights under the treaty. The President went on to add that these measures have the full support of Republicans and Democrats in Congress.

President Arias stated that it was indeed important to have Congressional support.

The President said that he will keep in touch with Arias, and that he is sensitive to Arias' views about the use of military force. However, the President said that in view of such overt brutality, the US will be prepared to defend its citizens. As Commander-in-Chief, the President feels obliged to augment US forces to defend Americans, since they are in a unique position because Panama can take action against them.

President Arias then verified that the US planned to send in more troops.

The President replied that the US will deploy one brigade, less than 2,000 troops, just a fraction of the forces the US already has in Panama. The Panamanians picked up five American military yesterday, and the US will not allow Americans to be held hostage to "this thug."

President Arias then stated that he would try to arrange the OAS meeting as soon as possible.

The President said that Arias has made many contacts, such as the talks with Perez. The President thought that the election results were so clear that Noriega would step down. The President asked Felipe Gonzalez to send a message to Noriega, stating that if he stepped down, the US would not exert pressure, and would restore normal relations with Panama. The President stated that as long as Noriega was calling the shots, he could not do that.

President Arias said that they should stay in touch, and after an exchange of courtesies, the call was terminated.

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PEREZ

MAY 11, 1989 -- CALL CALL INITIATED 9:56 - ENDED 10:09
FROM OVAL OFFICE (NO ONE NOTED AS MONITORING)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Alan Garcia of Peru (U)

PARTICIPANTS: The President
Alan Garcia, President of Peru
Interpreter: Stephanie van Reigersberg
Notetaker: David A. Pacelli

DATE, TIME May 13, 1989, 7:18 - 7:44pm
AND PLACE: Air Force One - Presidential Residence

President Bush telephoned President Garcia from Air Force One shortly after taking off from Columbus Air Force Base, Mississippi, to talk about the troubled situation in Panama. (U)

The President began, "How are you, sir?" (U)

President Garcia said he could hear well and that he was fine. He wished the President a good afternoon and said he wanted to say hello. (U)

The President said he was delighted. He added that he was calling in the spirit of consultation about the troubled situation in Panama and the nullification of the election of Endara. He said that he would welcome any thoughts that President Garcia might have. (Ø)

President Garcia said that he has been following the President's statements very carefully. He stated that he believed it is very important that the United States have started from a firm position of defense of Panamanian democracy. Naturally, he continued, he believed it was his responsibility to point out that the firm and juridical position of the United States be very careful to avoid a conflict in Panama and with the rest of Latin America. For this reason, President Garcia said his first initiative was to reject the stealing of the election and second to look to the most important countries in Latin America for their rejection. Third, he said, was to give a comprehensive solution to democracy in Panama. (Ø)

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President Garcia continued, saying he believed there are three elements, and without exaggeration, any one of them may well come together and carry toward a solution. First, regarding the internal solution in Panama, he regarded the legitimacy of our friend Endara as the winner of the election. Second, is the legitimacy of the position of the United States. Third, the necessity of Latin America and the Group of Eight to have better pressures in the OAS in attempting to help Panama toward a solution. (Ø)

President Garcia said his suggestion is to let the situation mature a bit more in Panama. According to his information, the new situation is not being accepted in Panama. Within the Panama Defense Forces, there are people who do not accept the situation. More precisely because of the enormous importance of U.S. pressures, he suggested that the President wait a few days or at least a few hours. (Ø)

The President asked, "Wait in what sense, sir?" We are in a consultation phase. Do you mean wait for any other actions? (Ø)

President Garcia said he was assuming that in the perspective of the United States there are a series of steps that will be given before any hypothesis of using force. What I am saying is to wait before going through those steps. During the first days of the coming week, Monday and Tuesday, there will be meetings of the Latin American countries most interested in this affair to determine how to make pressures felt inside Panama. (Ø)

The President observed that the comments were very interesting and very helpful. He stated that in his view there was no expectation of any early [military] action by the United States unless U.S. citizens are put in jeopardy. Then, the President said, he would have the responsibility to protect them. After watching on Noriega's thugs on television, the President said he felt he had to move reinforcements without any other intention than to be available to protect U.S. citizens. He said he appreciated President Garcia's advice in that regard. (Ø)

President Garcia said he would like to say that this is an important opportunity for the United States and for the President's administration. Because depending on the intensity of your action, you can get a great deal of support from the governments of Latin America and the peoples of the democracies. Nevertheless, Noriega may try to provoke you to harsh reaction to force governments to take his side. "But I trust in the good judgment ["tino"] of President Bush." He added that he wanted the President to know for certain that we are able to distinguish when Noriega is engaging in provocations. Noriega has set on an irreversible course with this election. Even though he has cancelled the election, he has awakened the thirst for democracy in Panama in an irreversible way. (Ø)

The President said he thought was President Garcia had said was very true. The President said he would be very prudent. He stated that he recognized the importance of making and full and open consultation with President Garcia and the other democratic leaders of the hemisphere. (Ø)

President Garcia said he would wait for any new communication from the President to contribute to ending the problems in Panama. (Ø)

The President said he appreciated that. He went on to say that he would like to tell of a statement that he made to the press today. (Ø)

President Garcia said, "yes, yes." (U)

The President said that today he said that if Noriega left Panama it would, first, lead to the instant normalization of relations with Panama. Second, he said that there could be a useful role for the Panama Defense Forces. We have no fight with the Panama Defense Forces. Under the newly elected regime of Endara, the Defense Forces would have a useful role to play. Third, if Noriega went to a country with no extradition agreement with the United States, "that would be okay with us." The President summed up, saying that the most important signal that we want to send is that there can be normal relations, recognition of Endara as the legitimately elected leader, and that we have no quarrel with the Defense Forces as an institution. (Ø)

President Garcia said he thought the President's statement was well thought out and precise ["atinado y preciso"]. The importance of the statement is very great. Permit me to say, however, that you should say nothing more of what might happen to Noriega. A second suggestion is that the statement amounts to a clear signal to Latin America about the defense of democracy. (Ø)

The President said he appreciated Garcia's support. The President stated that we would like to see Noriega "just take off." He said he wanted to make our position clear about the Panama Defense Forces because we have learned that some in the Defense Forces believe we oppose it as an institution, and that isn't true. (Ø)

President Garcia said he thought that the President's point was justified, to separate out Noriega from the Panama Defense Forces as such. It could be limited to one mention. He went on to clarify his second point above. You need to give Latin American opinion a clear signal that you are not just interested in democracy in Panama, because of your historical interest there, which you know too well, but that you have an interest in democracy everywhere in Latin America. (Ø)

The President said that President Garcia had made a good and useful point. He thanked him for his suggestion. He also hoped for something important to come from the OAS meeting. He recognized the need for something important for Latin America, not just for the United States. In this spirit, he said he wanted to continue the consultations. The President asked President Garcia to please tell him if he had anything important to say. (Ø)

President Garcia said he just wanted to thank the President for his consultation with him and the rest of the leadership in Latin America, that he was very pleased and surprised. This nuance and new perspective would be very important to strengthening ties with Latin America. President Garcia said he was at the President's disposal and would definitely get in touch with him to tell him what we are going to do. (Ø)

The President said thanks and good luck. He enjoyed the consultation. (U)

President Garcia thanked the President, saying he hoped to talk to him soon. (U)

The President asked if President Garcia was going to Paraguay for the inauguration. (Ø)

President Garcia said it was not possible; he was sending his foreign minister. He would be in Bogota in a few days for a state visit, then he would go to a meeting of the presidents of the Andean Group. He said he could not travel more with that schedule. (Ø)

The President agreed that it was a lot of travel. He concluded by saying, "Contact me, or I'll contact you," and said thanks once more. (Ø)

President Garcia said "bye-bye" (in English). (U)

The President said goodbye and the conversation was concluded. (U)

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Telephone Conversation with
President Sanguinetti of Uruguay (U)

PARTICIPANTS: The President
Stephanie Van Reigersberg (State Department,
translator)
David Pacelli (NSC, notetaker)

President Sanguinetti

DATE, TIME May 13, 1989, 6:12 p.m. - 6:33 p.m.
AND PLACE: Air Force One at Columbus Air Force Base,
Mississippi - Presidential Residence

The President initiated the call from his aircraft which was on the ground at Columbus Air Force Base. (U)

The President began by saying, "Mr. President, how are you?" (U)

President Sanguinetti said it was very good to hear from the President. (U)

The President said that he was calling from his airplane that was on the ground in Mississippi. He said that he wanted to talk about the situation in Panama, if President Sanguinetti had a moment. (U)

President Sanguinetti said that it was a great pleasure to hear from the President. He approved of the concern that the President had for the situation in Panama. (U)

The President said that he knew from his good friend Ambassador Wilkie that Sanguinetti was also concerned about Panama. He said that he was trying to avoid acting alone, but rather to consult with the other hemispheric leaders. The President said he was interested in the views of President Sanguinetti, saying he wondered if there was anything we should do; anything specifically that we can do now. The President also inquired whether the Uruguayan Foreign Minister would attend the OAS meeting next week, adding that Secretary Baker would attend. (U)

President Sanguinetti replied that his Foreign Minister would attend the meeting. He said that his Foreign Minister would first accompany him to Paraguay for the presidential

inauguration, then we would go directly to Washington. Sanguinetti added that he gave much importance to the subject of Panama. (Ø)

The President said that he remembered, and he was sure President Sanguinetti did too, that in 1979 the OAS was very helpful in removing [Nicaraguan President] Somoza. The OAS took a position against Somoza playing a major role in his departure. The President added, "We didn't like what came after that, as you know." Nevertheless, we would like the OAS to say something important. We would like to see recognition of Endara as victor in the election. The President concluded by asking for Sanguinetti's views on this. (Ø)

President Sanguinetti said that he agreed that we have to work within the OAS. His commentary on that was as follows: First, we must continue to maintain great pressure on Panama, both politically and through the press as well. Second, we need a mechanism of negotiation at some point. Naturally, he was not thinking of negotiations before an OAS decision or resolution, but perhaps afterwards. Third, as far as the resolution itself, Sanguinetti did not yet have a definitive position. But he agreed that the position against Panama should be as tough as possible. (Ø)

President Sanguinetti commented that the Venezuelans and Argentines had a position similar to his own, but that that of Brazil and Mexico was somewhat different. He said that he was disposed to work as hard as possible to reach a common agreement between the United States and the Latin American countries. He concluded by saying, "These are the general terms from which we are looking at the situation from here." (Ø)

The President said that he wanted to make one last point, that he thought it would be useful that Endara be recognized by as many countries as possible. He said, "It seems to me that this could be an important point. But I wonder if you think that is possible?" (Ø)

President Sanguinetti said that he did not know if it would be possible to come to a position like that, since it is not clear that a consensus can be reached. Uruguay could, and some other countries do agree, but others did not. From a practical standpoint, he said that he did not know if it would solve anything. We would then enter into a situation like that of Delvalle. (Ø)

The President said he would think about Sanguinetti's views about that. (U)

The President then said he had made a statement to the press earlier today that we would immediately normalize relations with Panama after Endara is recognized as President and if Noriega

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left Panama. This would involve normalization of relations, recognition that the Panama Defense Forces could have a useful role in Panamanian society, and lifting the sanctions. This would mean a move to instant normalization. He did not know if this would be helpful or not, but he felt strongly about it. The President said that he wanted President Sanguinetti to know that he had told the press that today. (Ø)

President Sanguinetti said, "I think that was a good and useful statement you made, Mr. President." His feelings about Noriega was much the same. The important thing was to get as large a consensus as possible to make pressure on Noriega effective. For this, he believed we ought to work hard with some countries like Mexico. (Ø)

The President said he couldn't be more in agreement. He said that he didn't know to the degree to which we can try with Mexico; we haven't so far. We know the historical differences that Mexico has. But any place we can be useful, we want to be. Second, we want to be cooperative with the Latin Americans. The President said he was very sensitive to [the perception of] overt intervention by the United States. He was most anxious to stay in touch with President Sanguinetti in this effort, to hear his ideas and to do nothing that would give the toughs and the bad groups in Panama something to rally the people about in the way of anti-United States sentiments. (Ø)

The President said that his very last point was when President Sanguinetti went to Paraguay, if he saw a beautiful girl with the U.S. delegation, he should know that she was his daughter. We are sending her as a symbol of our great interest in democracy in Paraguay. (Ø)

President Sanguinetti said that he would try to talk to her if he saw her. He stated that he agreed with the comments that the President made to the press. What the President said about prudence and cautiousness was a very important point. He thanked the President and said that he would make all efforts to maintain contact with him. (Ø)

The President thanked him, and thanked him for his time in taking the call. Any suggestions that he had, the President said, he would be open to your advice. The President said he appreciated it and had great respect for President Sanguinetti. (Ø)

President Sanguinetti thanked the President for his kindness and his respect. (U)

The President thanked him again, and the conversation was concluded. (U)

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Telephone Conversation with
Argentine President Raul Alfonsin

PARTICIPANTS: The President
Stephanie Van Reigersberg (State Department,
Translator)
David Pacelli (NSC, Notetaker)

DATE, TIME May 13, 1989, 6:38 p.m. - 6:51 p.m.
AND PLACE: Air Force One at Columbus Air Force Base,
Mississippi - Presidential Residence

The President initiated the call from his aircraft which was on the ground at Columbus Air Force Base.

The President began by saying, "How are you, sir?"

President Alfonsin said he was delighted to hear from the President, asking, "How are you?"

The President said he was fine. He said he was calling from his airplane which was on the ground; he hoped the connection was good.

President Alfonsin said that he could hear very well.

The President said he first wanted to convey his respects and to simply ask for any thoughts President Alfonsin might have on Panama. The President said he had been talking to various other leaders and was happy to have the opportunity to talk to President Alfonsin. He said he recognized the need for other leaders to be taking the lead for solutions in Panama. He added that he wanted President Alfonsin to know that we are looking for the OAS meeting to be successful. If you have any ideas or advice, he said, please tell me in the spirit of consultations. The President said he was very sensitive to the United States not being dominant in the search for a solution with respect to democracy in Panama. The President again asked if President Alfonsin had any thoughts to share on the subject.

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President Alfonsin said that he agreed ["coincido"] with the President's thoughts on Panama. He thought that we would be able to work together for a solution in the OAS, saying that he believed the meeting would take place on Wednesday. President Alfonsin stated that he thought the meeting would be very important. Monday, he and his foreign minister would be in Asuncion for the Paraguayan presidential inauguration. He hoped to get the opportunity to speak to U.S. State Department people there and to come up with some suggestions. He would be delighted to call the President and discuss his ideas.

The President said he appreciated that and said he would contact U.S. officials attending the inauguration. The President said, incidentally, his daughter would be in the U.S. delegation at Asuncion. The reason for that is to convey in a personal way our commitment to democracy in Paraguay. He added, "If you see a beautiful girl in our delegation, it is my daughter, Dorothy."

President Alfonsin said, "Good, I'll have the pleasure of giving her a kiss."

The President said that he appreciated that. The President asked President Alfonsin to telephone him after the visit or send a written message with his thoughts, whichever was easier.

The President continued by saying that he wanted to raise a last point, some remarks he made to the press today. "I said that if Noriega left Panama" there would be an instant normalization of relations. The President also stated that he had said there could be a useful role for the Panama Defense Forces in the future. There is nothing in the Noriega problem which is a repudiation of the Panama Defense Force as an institution. Of course, he said, we want to see the recognition of Endara as the legitimate victor of the election. "I made a public statement, not in an inflammatory way, so that the people will know that there can be an instant betterment of relations with the United States, including the lifting of sanctions and improvement in economic relations as well."

President Alfonsin said it seemed like a very intelligent statement. It opens the path to negotiations that can be fruitful. Anything I can get, he said, I will call you. President Alfonsin said, in reality, it seemed that Panama is a special case. Noriega's actions are anti-democratic, but the "moral aspect" is important as well.

The President thanked President Alfonsin for his comments and said he appreciated Alfonsin's leadership. He wished President Alfonsin all the best, told Alfonsin of his respect for him, and asked him to please call with his ideas.

President Alfonsin thanked the President, saying he was very kind. He sent his warmest greeting to Mrs. Bush.

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The President said he would, adding that she is doing very well. He repeated that he would convey Alfonsin's good wishes and said good bye, whereupon the conversation was concluded.

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WHITE HOUSE CABLE

SUBJECT: Presidential Telephone Calls to Presidents Sanguinetti, Alfonsin, and Garcia on May 13

The following should be distributed to Ambassadors only in Montevideo, Buenos Aires, Lima, and Asuncion, and the head of the U.S. delegation to the Rodriguez inauguration, Mrs. Dorothy Bush.

The President telephoned Presidents Sanguinetti, Alfonsin, and Garcia on May 13 between 6 p.m. and 7:45 p.m. EDT to discuss the situation in Panama. All three calls were made from Air Force One, the first two while on the ground at Columbus Air Force Base, Mississippi and the Garcia call shortly after takeoff from that location.

The President solicited the views of each leader and asked each if there was anything that we could or should do. He emphasized that he valued consultations and was trying to avoid acting alone in this case. In all three conversations, the President referred to a statement he gave to a press conference on Air Force One while enroute to Mississippi for a speech (SEPTTEL). All three recipients of the calls welcomed the consultation in warm terms and indicated a willingness to follow up by maintaining contact with the President. The only other subject discussed in the conversations was the President's noting that the pretty woman in the U.S. delegation to the Rodriguez inauguration was his daughter. She was sent to indicate his personal interest in Paraguayan democracy.

In the conversation with Sanguinetti (21 minutes), the President indicated that the OAS might take action now as it did in 1979 when it paved the way for the downfall of Somoza. The President stated that we would like to see recognition of Endara as victor in the election. Sanguinetti agreed on the necessity of maintaining pressure on Noriega. Although he was favorable to recognizing Endara, he did not have a definitive position on an OAS resolution and did not know if a consensus could be reached. From a practical standpoint, he wondered if recognition would solve anything, since we would have a new situation like that of Delvalle. Sanguinetti briefly commented that we would need a mechanism of negotiation at some point, although not before the OAS session.

The President summarized his press statement: if Noriega leaves Panama, we would instantly normalize relations and lift the sanctions. We also said that he had stated that we had no quarrel with the Panama Defense Force as an institution; it could have a useful role in the future. Sanguinetti regarded this as a good and useful statement. He suggested that the U.S. approach Mexico since it was an obstacle to consensus. The President said he did not know the degree to which Mexico would be receptive given its historical position on this issue.

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In the conversation with President Alfonsin (13 minutes), Alfonsin said that he agreed with the President's thoughts on Panama. He hoped to be able to talk to State Department representatives attending the Rodriguez inauguration. The President said he would contact them with the results of his conversation.

Alfonsin called the President's statement to the press "a very intelligent statement." He also noted, "It opens the path to negotiations which can be fruitful." He made no specific comment on endorsing Endara or on the content of an OAS resolution.

The President's call to President Garcia was the longest (26 minutes). Garcia said he was following the President's comments very carefully. He regarded Endara as the legitimate winner of the election. He saw the necessity for the United States and the Group of Eight to have more pressures on Panama in the OAS, but he did not volunteer any specifics on an OAS resolution.

Garcia apparently was under the impression that U.S. military measures in Panama were imminent. He suggested that the President let the situation mature a bit, since his information was that there were splits in the Panama Defense Forces. He urged the President to wait a few days. The President replied that he had no early expectation of military action unless U.S. citizens were jeopardized. Then, he would have a responsibility to protect them. He referred to watching Noriega's thugs on television, saying that it demonstrated the need for his decision to send U.S. reinforcements.

Garcia also warned about a Noriega provocation to force the governments of the hemisphere to line up with him. Nevertheless, he trusted in the good judgment of the President to avoid overreaction. He commented that the events in Panama had an irreversible course, for they awakened the thirst for democracy; the President agreed.

In his reference to the press statement, the President also stated in the Garcia conversation that it would be a good thing if Noriega went to a country with which the United States did not have an extradition treaty. Garcia thought the President's remarks to be well thought out and precise. Although he agreed it was correct to separate out U.S. opposition to Noriega from its position toward the Defense Forces, he advised that it would be better to say nothing more about what will happen to Noriega himself. His second suggestion was that the United States ensure that its policy be put in a broader context of support for democracy everywhere in the hemisphere, not just support for democracy in a country where the United States has a historical and specific interest.

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Telephone Conversation with
President Salinas of Mexico (U)

PARTICIPANTS: The President
Shelly Dionne, NSC, Notetaker
Ralph Sigler, White House Situation
Support Staff, Notetaker

President Salinas

DATE, TIME May 15, 1989, 10:58 a.m. - 11:09 a.m.
AND PLACE: Oval Office

The President initiated this call after he was unable to come to the phone when President Salinas called earlier in the morning.
(Ø)

The President began by saying that it was nice to hear from President Salinas. (Ø)

President Salinas replied that the pleasure was his. (Ø)

The President said, " How are you? I have been thinking about you a lot lately and hope all is coming along well." The President asked if Salinas was calling about Panama. (Ø)

President Salinas said yes, that he had been following closely and with great attention the problem in Panama. He said that he was looking forward to the meeting of the OAS in Washington on Wednesday. Mexico's Minister of Foreign Relations would attend that meeting. He said that Mexico had presented today a public declaration in relation to the problems in Panama in which it stated that even though the OAS is a body which is aware of the problems, it cannot act directly, as its principles so state. At the same time, Mexico says clearly in its declaration that Noriega is an obstacle to the development of democracy in Panama. His lack of prestige and lousy reputation and areas of moral decay are hindrances to democracy in Panama. (Ø)

The President asked if that statement was in the declaration. (Ø)

President Salinas said that it was. (Ø)

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The President stated that it would be very helpful. He said he had been planning on calling Salinas today to discuss this. The President asked when the declaration was to come out. (Ø)

President Salinas replied that it is in today's papers and that it had been sent to the State Department yesterday. (Ø)

The President said that the statement will come over here to the White House. He asked if it says that Noriega is a clear obstacle to the will of the people. (Ø)

President Salinas said, "Yes, by name." (Ø)

The President stated that this is great progress. The President said also that after meeting with Salinas he had been determined to try to understand and to be helpful to the problems that Mexico has. He said that he knew Mexico stands as a proud, sovereign nation and has its own problems with what the U.S. wants. The President was pleased that the statement would be published. He stated that Mexico is an important country in this subject and he knew Salinas had to chart his course on this. (Ø)

The President said he was going to urge that we get a strong public statement out of the OAS. He had been encouraging others in Latin America to get the strongest possible consensus against Noriega. The President stated he believed this is a historic chance to help people and democracy in Panama. He made it clear that the United States has no grudge against the Panamanian people or the Panama Defense Force, saying that they have a useful role to play. He declared that the U.S. wants a strong post-Noriega regime and that the only reason for sending additional forces to Panama was because we saw all the bloody beatings on television and five American servicemen were detained, although only for a short period. I have a solemn obligation to protect the 40,000 Americans down there, he said. Nevertheless, the President said he didn't want people to think we were engaging in a macho, gun-boat sort of diplomacy. He concluded by saying that he hoped Salinas' actions, and those of others in the hemisphere, plus the stark reality of the election, will result in Noriega leaving. (Ø)

President Salinas said that Mexico stated in its declaration that the OAS cannot intervene itself in the work of the electoral tribunal. He said that we must leave to the Panamanians the chance to decide their future. Salinas emphasized that with Noriega there it is almost impossible. (Ø)

The President asked what does Salinas think could come out of the OAS. (Ø)

President Salinas replied that he thought the OAS should stay to a resolution citing its key articles and not intervene with the

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local problems of Panama. At the same time, Latin America must walk toward democracy and the nations of Latin America must walk together to create an international climate for democracy in Panama. (Ø)

The President said that if the OAS has an impotent resolution that does not comment on election fraud or the worldwide offense over the stealing of the Panamanian election and the brutality to the candidates elected, it will send a very bad signal. The Church sent a signal of its outrage. The EC has done the same. The President said he would urge that the OAS be as strong as possible. (Ø)

President Salinas said the Mexican statement is a very strong declaration against Noriega. (Ø)

The President asked if President Salinas meant at the OAS. (Ø)

President Salinas said yes, that Mexico will firmly support a resolution. (Ø)

The President said, "Well, let me look at your declaration." He told Salinas that he appreciated the call saying that he knew that the issue is not an easy one for anybody. "Let me assure you," he said, "that as a friend and as a leader, we do not want to be the big stick up in the North." The President said he knew enough about history, and particularly about Mexico's history, that the United States did not want to look like some macho power dictating to Panama. (Ø)

President Salinas said he appreciated the President's sensitivity and prudence on this. (Ø)

The President said that President Salinas should understand why U.S. troops were sent down there. He said that he had been in contact with Latin leaders to be sure that they understood and added that he hoped Panamanians themselves (or the Panama Defense Force) would do something about this. He wanted to be up front and say we see a useful role for the Defense Force. The other militaries in the hemisphere are watching what we do. (Ø)

President Salinas said that he had recalled his Ambassador to Panama. He was already in Mexico City. (Ø)

The President said he commended President Salinas for that, adding it is a good step. (Ø)

President Salinas said that some people in Mexico are surprised that we condemned Noriega explicitly. It is not in Mexico's tradition, but he was convinced that Noriega is a man of low reputation. He did not want anyone to think Mexico is siding with Noriega. (Ø)

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The President said that he would love to talk to Salinas about the behind-the-scene things our team went through up here on Panama. It is not easy and we all respect that. He expressed confidence that Mexico's declaration will be a good one. The President said, "Given your historic study of how the OAS ought to operate, the stronger the OAS is, the more there will be change in Panama." The President asked Salinas if he thought there was any chance Noriega could leave. (Ø)

President Salinas replied that if there is enough diplomatic pressure from the Latin American countries, he believed Noriega would pull himself out of there. (Ø)

The President said that would be good. He added that we would do our level best to have sound relations with the new regime. If the will of the Panamanian people is respected, he believed there would be a great sigh of relief in the hemisphere. (Ø)

President Salinas said that was why he was sending the Minister of Foreign Relations to this meeting because, "he will be good at the proceedings." (Ø)

The President said he had a lot of respect for the Foreign Minister and knew Secretary Baker looked forward to working with him. The President thanked Salinas for the call and said that he was looking forward to reading Mexico's declaration. He said that he looked forward to working with Mexico's Foreign Minister here at the OAS meeting. He concluded by saying that he enjoyed talking to Salinas. (Ø)

President Salinas ended the conversation by also saying that he enjoyed the conversation. (U)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with Helmut Kohl of
the Federal Republic of Germany

PARTICIPANTS: U.S.
The President
Philip Zelikow, NSC Staff (notetaker)
Pat Battenfield, NSC Staff (stenographer)
Gisela Marcuse, State (interpreter)

FRG
Chancellor Helmut Kohl
Mrs. Weber (interpreter)

DATE, TIME May 16, 1989, 8:07 a.m. - 8:18 a.m.
AND PLACE: Oval Office

Chancellor Kohl began by complimenting the President on his recent speech on U.S.-Soviet relations. Although the West German press had not received the speech as well as might have been wished, the Chancellor thought the statement was very good and he had made a strong positive statement about it. He urged the President to pursue his policy toward the Soviet Union along the lines described in the speech. (Ø)

The President said he was not too concerned about the press reaction. He noted that generally there was now a growing wave of understanding for the speech's forward-looking character. (Ø)

The Chancellor said one should not be too impressed with the press comments, since they expect miracles every day. What was important was for friends to stand together and do a good job. That was why the Chancellor had called. (Ø)

Defense Minister Stoltenberg, the Chancellor continued, would be arriving in Washington on Wednesday night (May 17). The government had just drawn up its proposal on the SNF issue, and it needed the President's attention. The Chancellor asked if the President might have an opportunity to meet Stoltenberg personally on Thursday, May 18, or at least meet with Secretary of State Baker, a meeting already scheduled for Friday, and National Security Adviser Scowcroft. Stoltenberg would of course be seeing the Secretary of Defense and others in connection with

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the normal business of his trip. On Saturday the Defense Minister would return to Bonn and the Chancellor would see him on Sunday morning. (S)

The Chancellor offered, if the President agreed and if it seemed necessary, to send Horst Teltschik to Washington on Monday (May 22) with one or two other responsible officials. The Chancellor wanted to arrange matters so that, by the beginning of next week, the Federal Republic and the U.S. were making headway on this issue. The Chancellor continued to believe that the issue should be "arranged" before the NATO Summit and had told his people that this had top priority over anything else. (S)

The President said he was pleased with the Chancellor's remarks. He noted that Robert Gates had reported to him the day before and brought him up to date. He had also talked to Secretary Baker. The President welcomed Stoltenberg's visit and knew Secretary Baker and General Scowcroft would be delighted to see him. (S)

The Chancellor asked if the President could see Stoltenberg on Thursday, in order to gain time and accelerate the discussions. (S)

The President replied that he needed to go up to New England early Thursday morning to prepare for his meeting with French President Mitterrand. But if, after Stoltenberg met with Secretary Baker, Secretary Cheney, and General Scowcroft, he felt he needed to see the President, then Stoltenberg could come up to Maine. The President said the issue was very important to the U.S. and to him. (S)

The Chancellor thanked the President and said he would tell Stoltenberg to decide how to proceed once he was in the U.S. The Chancellor did not want to be a nuisance. But he would arrange matters in Bonn so that, if necessary, Horst Teltschik and two other gentlemen would be in position to travel to the U.S. on Monday. Next week he and the President would get in contact again. (S)

The President asked the Chancellor to tell Minister Stoltenberg that he, the President, would be pleased to see him if he felt it was necessary after his meetings with the President's top officials. Teltschik was most welcome. The President also liked to think that the SNF matter could be resolved before the NATO Summit. He appreciated the Chancellor's call very much. (S)

The Chancellor said he wanted to do something too, and he was very optimistic that the U.S. and the FRG would be successful. (S)

The President said the U.S. would be working very hard on the SNF issue and that it might be necessary for the President to call

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the Chancellor next week, but the Chancellor's effort today was a very good step. (Ø)

The Chancellor said that, in any case, he would call again next week. It was good to stay in close contact and talk. The President should remember that he had good friends in Bonn. (Ø)

The President said he knew that, and thanked the Chancellor. (Ø)

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THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

May 16, 1989

At 3:52 p.m. the President called Guillermo Endara, the true victor in Panama's recent elections. The President expressed his sympathy for the vicious assault which Mr. Endara and his fellow leaders of the democratic forces in Panama suffered at the hands of Noriega-regime thugs, and his pleasure at Mr. Endara's recuperation from his injuries.

The President made clear his solidarity with the Panamanian people's cause and his confidence that the legitimate electoral victory which Noriega has stolen would be restored to him and his colleagues. He expressed satisfaction at the wave of outrage which has swept the hemisphere in the wake of Noriega's effort to steal the election, by force and fraud.

Mr. Endara thanked the President, both for himself and for the Panamanian people. He stated that the Panamanian people had gone to the elections with the faith that their victory will be recognized by hemispheric leaders.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506
May 16, 1989

Natl Sec Advisor
has seen

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

FROM: DAVID A. PACELLI *DAP*

SUBJECT: White House Statement on the President's Telephone
Call to Guillermo Endara

The President's telephone call to Endara was very successful.
Attached at Tab I is a press statement for your approval.

RPO
Popadiuk concurs.

RECOMMENDATION:

That you approve the statement at Tab I.

Approve *S*

Disapprove _____

Attachment

Tab I Press Statement

THE WHITE HOUSE
WASHINGTON

May 31, 1989

MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation Between the President and President Barco of Colombia

PARTICIPANTS: The President
Paul Lebras, White House Situation Support Staff,
Notetaker
Rita Boren, Interpreter
Brenda Hilliard, NSC Steno

President Barco

DATE, TIME May 16, 1989, 6:35 P.M.- 6:43 P.M.
AND PLACE: Residence, White House

The President initiated the call, following up an unsuccessful attempt to make the call in mid-afternoon. After an initial exchange of greetings, the President asked President Barco how he was. President Barco responded that he was very well. The President said he was calling to consult about the present situation in Panama.

President Barco said fine.

The President said that he was hoping that the OAS resolution shaped by countries south of the United States would be strong. He said he didn't know President Barco's feeling but clearly the abuses were so strong that strong OAS action was needed.

President Barco said he had some information on the situation. He said his information was not official, but that he had heard that Peru and the Central Americans -- Guatemala, El Salvador and Honduras -- were engaged. He said he thought there were several things in the air at this time. The Foreign Minister (of Colombia), who is a very able man and a career diplomat, will be in Washington tomorrow. The Foreign Minister has invited 17 or 18 other Foreign Ministers, who have accepted, to breakfast at the Colombian Embassy. President Barco then said that the Colombian Foreign Minister arrives tonight at 9 p.m. The Foreign Minister will try to get a feel and see what are the best possible parts of the proposal that can be put together.

President Bush said he has great respect for him (the Colombian Foreign Minister) and the US is hoping for something strong. He also said that he thinks there is a chance that with concerted effort Noriega will recognize the will of the people.

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Barco said that there were rumors in the news today that Perez of Venezuela said that if Noreiga would step down, he would give Noriega permission to live in Venezuela. (Unidentified interruption on the line at this time.) Barco reiterated that Carlos Andres Perez of Venezuela had offered to give asylum to Noriega if he leaves.

President Bush thanked him for his leadership and said it is very important. He told President Barco that the US is trying to consult with other leaders to get action and that maybe the OAS meeting will be a turning point.

Barco said we will be able to see the possibility more clearly after the breakfast meeting.

The President said he had spoken with President (Elect) Endara. He stated that Endara's health is good. The President said he had his doubts about Endara's health after the injuries to his head. He also wanted to make one other point. He wanted to make clear that the US is not opposed to the Panamanian Defense Forces. They have a useful role to play under a democratic regime. That is important because some Panamanian Defense Force members think that the US has a vendetta, but that is not so.

Barco said yes, the record over the years is clear on that.

The President then told President Barco that he was looking forward to seeing him soon and that his staff is looking into scheduling possibilities. President Barco then said he had a long talk yesterday with the Foreign Minister and Ambassador McNamara and that it is hard trying to predict results, but that he had told the Ambassador of all his efforts to reach a viable solution in Panama.

President Bush said "good", to which Barco replied that he was trying his best and that he was trying to be helpful. The President then responded that if Noriega goes, we will make every effort to improve our relations with Panama.

Barco said that he will tell the Foreign Minister to keep in touch with someone from the President's office, and inquired who from the President's office would be at the breakfast.

The President said he had just learned of the breakfast while talking with President Barco and said he would check.

Barco asked for a name to pass to the Foreign Minister.

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The President said Bernie Aronson is handling this for him.

Barco said he would give that to his Foreign Minister and tell him to keep in touch with Mr. Aronson.

After an exchange of courtesies, the call was terminated.

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Call from President Bush to
President Sarney of Brazil Reference
Panama (Ø)

PARTICIPANTS: The President
Notetaker: Paul Lebras
Stenographer: Pat Battenfield
Interpreter: Neil Seidenman

President Sarney

DATE: May 17, 1989
LOCATION: White House Oval Office
TIME: 9:28 a.m. - 9:51 a.m.

After an initial exchange of greetings, the President said that his daughter very much enjoyed seeing President Sarney. (U)

President Sarney replied that he was honored to hear from the President, and gratified to welcome the President's daughter to Brazil and send the President a message via his daughter. (U)

The President stated that his daughter delivered the message faithfully last night. He then indicated that he wanted to talk about Panama for just a minute. The President said that the United States wants to talk to leaders like President Sarney so that any action that comes out of the OAS is not seen as an action that is driven by the United States. (Ø)

The President went on to say that he appreciated Brazil's support for the OAS Foreign Ministers meeting, and that he had talked last night to the President of Colombia. President Barco told him of a meeting of the Foreign Ministers, which the President believed would be at the Colombian Embassy. The President said that if there is anything that President Sarney feels strongly about, he would welcome a telephone call. The President stated that he wanted to conduct U.S. policy after serious consultations with those that the United States respects in this hemisphere. (Ø)

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President Sarney replied that he had received the President's letter, and that he had given it a good deal of thought. He said that he did not know whether the President had received his reply. Sarney stated joint action is needed which will reflect respect for the will of the Panamanian people. (Ø)

The President said that he had not yet seen Sarney's cable, but that he will be sure that the State Department sends it to the White House. He said that the U.S. hoped that the OAS resolution would do the same as happened ten years ago when an OAS resolution hastened the departure of Somoza. The President said that he would like to send a stronger resolution -- one that would encourage Noriega to leave and be replaced by a democratic government. The U.S. would instantly normalize relations and try to help because the U.S. has no animosity against the Panamanian Defense Forces or the people of Panama. (Ø)

President Sarney responded that his position has been to consistently condemn what has happened in Panama, especially recently. He stated that the moral situation compels Brazil to condemn what Noriega is doing. Also, there is a need to ensure compliance and implementation of the agreements concerning Panama. Sarney said that he understands the difficulties, but believes that a solution must be brought about on the basis of friendship among our countries. He has issued instructions to the Brazilian delegation to seek concurrence with other countries to bring about a solution consistent with non-intervention in other states. Sarney stated that he saw the issue in the same light as the President. (Ø)

The President said that he appreciates Sarney's forthright condemnation of the aborting of the electoral process. He stated that the only thing he would like to encourage is a strong OAS resolution because if this election can be stolen, it sends a bad signal for every other country going through the democratic process. The Mexicans have told the United States privately they would consider a 1979-like statement as long as it does not specifically recognize Endara because of the non-intervention concerns that Sarney mentioned. If the OAS gets a strong resolution, the President stated that he believed the pressure from Noriega's neighbors can force him to step aside and democracy would be the winner. (Ø)

President Sarney responded that he will do everything in his power to cooperate with the United States government to attain the kind of resolution the President is talking about. Sarney also said that almost all the countries he has consulted with are not against this objective. Regarding what the President said about Mexico's statement to the United States, Sarney said that this is encouraging because of all the countries that he has consulted with, Mexico has put up the most resistance. Sarney reiterated that he will cooperate with the President, and he is prepared to take any action to bring about a solution. (Ø)

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The President said that he appreciated Sarney's understanding. He said that the Mexicans have been recalcitrant, but they did tell the United States privately they would consider a statement such as 1979 if it did not call for recognition of Endara. The President said that is positive and therefore the lowest common denominator will not drive a resolution. (Ø)

President Sarney next stated that he would discuss this conversation with Brazil's Foreign Minister. He also said he will strengthen or reinforce his instructions to the Foreign Minister concerning the Panama issue. With regard to Endara, Sarney stated that this issue was decided upon by Brazil's tribunal, which poses some reservations. However, Sarney said he did not see anything against a strong statement. (Ø)

The President replied that this would be helpful. He also said that he had understood Sarney's message on keeping agreements, and assumed that Sarney was referring to the Panama Canal Treaty. The President stated that there is some pressure because of outrage over events in Panama, but he will keep the word of the United States. He went on to say that the United States has certain rights under the treaty, and he cannot permit them to be violated. In terms of Sarney's call to keep agreements, the President wanted to let him know that he has no intention of abrogating the Panama Canal Treaty. (Ø)

President Sarney replied that he appreciated the President stating his position so clearly. He believes this goes a long way toward helping to press for a Latin American approach based on solidarity and a firm commitment to defend democratic institutions. In this way, this particular situation will not be a regressive example for other nations. (Ø)

The President said that the door is open if Sarney wants to talk, and the United States will try to be constructive. It is out of respect for Sarney's creative efforts for a transition to democracy that the President was calling. (Ø)

President Sarney stated that he was very grateful for such remarks. He also said that he was honored to have this opportunity to talk with the President. Sarney indicated he always stands ready to cooperate with the President, and to be of help to him in any of these endeavors. Sarney then extended his personal greetings, best wishes, and congratulations to the President for the direction of his Administration. He closed by saying the United States is in good hands. (Ø)

After an exchange of courtesies, the telephone call was terminated. (U)

-- End of Conversation --

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister
Felipe Gonzalez of Spain (U)

PARTICIPANTS: The President
Interpreter: Stephanie van Reigersberg
Notetaker: Adrian Basora, NSC

Prime Minister Felipe Gonzalez

DATE, TIME May 23, 1989, 12:30 - 12:41 pm EST
AND PLACE: The Oval Office

Prime Minister Gonzalez initiated the call, saying that he wanted to share his impressions from his visit the previous day to the Federal Republic of Germany and to Chancellor Kohl. President Gonzalez said that with the NATO Summit so close he wanted to convey the great concern and great tension he saw in Chancellor Kohl. He wanted to ask the President to make a special effort so there might be agreement on the SNF matter. Disagreement at the Summit would be terribly negative. (Ø)

The President said he wouldn't want to exaggerate the negative impact. There were still some German differences not just with the United States but with the British and perhaps the French. But, the President said, he would be interested in hearing Prime Minister Gonzalez' impressions from seeing Chancellor Kohl. (Ø)

Prime Minister Gonzalez said he really thought that when you looked at the current German situation closely the limit of any positive action within NATO was really defined by Chancellor Kohl himself. If NATO positions that have been stipulated up to now are maintained, a good road to solution could be found. (Ø)

The President said he appreciated Prime Minister Gonzalez' views and that the U.S. and Kohl were not too far apart. In fact, when Stoltenberg was here and met with Secretary Baker and Brent

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Scowcroft and others, we were very close. Then the Germans went home and pulled back a little from what was discussed. The President said we would keep working on this matter and he appreciated Prime Minister Gonzalez's advice and sound counsel. (Ø)

Prime Minister Gonzalez said that the next day he would see Mr. Shamir, and also the King of Morocco dealing with the problem of the Arab Summit. (Ø)

The President said that would be very interesting. He asked Prime Minister Gonzalez to take a look at a statement by Secretary of State Baker the previous day on the Middle East situation. It was a very balanced statement and one that he strongly supports. The U.S. is trying to encourage dialogues and to stop the violence, and encouraging the Israelis not to move forward with settlements. Secretary Baker's speech might be helpful to review so as to know the U.S. position before Shamir arrives. (Ø)

Prime Minister Gonzalez said he would be certain to look at the speech. He added that he was continuing contacts with certain persons on the Panamanian scene to see if they could provide some impetus toward a solution. (Ø)

The President added that the U.S. had no intention of escalating military action. But anything Prime Minister Gonzalez could do to use his prestige to get others to follow through on the OAS resolution would be helpful. We would be extremely grateful and the people who want peace in Panama would be too. The President appreciated Prime Minister Gonzalez' continued interest in that tough situation. (Ø)

Prime Minister Gonzalez thanked the President and said that he wanted him to know that he would continue his work in this direction. If there was any news worth reporting he would be in touch. (Ø)

The President said that if he had any thoughts, he would like to feel that he could call Prime Minister Gonzalez. (U)

Prime Minister Gonzalez said he would be delighted and also thanked the President. (U)

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THE WHITE HOUSE
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MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with Margaret Thatcher, Prime Minister of the United Kingdom

PARTICIPANTS: The President
Prime Minister Margaret Thatcher
Philip Zelikow, NSC Staff (notetaker)
Kay LaPlante, NSC Staff (stenographer)

DATE, TIME June 5, 1989, 12:02 p.m. - 12:09 p.m.
AND PLACE: Oval Office

The President, after thanking the Prime Minister again for her hospitality during the President's stay in London, said he wanted to discuss the situation in China. (U)

Prime Minister Thatcher congratulated the President on his trip to Europe and called it a marvelous success. On China, she mentioned her particular worry about the future of Hong Kong. (S)

The President called attention to the statement he had issued today (June 5) which, while it might not satisfy critics to the right or the left, deplored the violence and suspended certain military transactions. Before going further, the President wanted to "touch base" with the Prime Minister, knowing her sensitivities about the Hong Kong issue. (S)

Prime Minister Thatcher welcomed the call. She said she would strongly condemn the outrages perpetrated by the government and commented that "people here" were appalled. Hong Kong needed to be reassured; one can imagine the alarm there about these developments. The Prime Minister hoped that China would honor its agreement. If the Chinese did not, there would be no hope at all. She thought the President's actions had been absolutely right. (S)

The President said that he had talked to the U.S. Ambassador in Beijing about his concern for the lives of American students studying in China. There were rumors of a possible move by the military against the universities. The President said he was assured not to worry about the Americans. The President was reluctant to do more at this time because he did not know what was really happening inside the capital. (S)

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Prime Minister Thatcher observed that there was no one to talk to. (S)

The President agreed. (S)

Prime Minister Thatcher said that there was only a small number of British students in China, about 50-60, and they were all now in the British Embassy. She recalled, however, that, during the Cultural Revolution, the Embassy had not been safe either. (S)

The President said he thought the authorities would find a way to control any danger to foreign students. He also noted the factional divisions within the Chinese army. He assured the Prime Minister that, if the U.S. came across information that affected British interests, especially on Hong Kong, he would let the Prime Minister know about it. (S)

Prime Minister Thatcher commented that she had little information about what was going on, and most of it was from the press. Her impression was that the situation was reminiscent of the old warlord era, with rival groups vying for power. She reiterated her concern about the situation in Hong Kong, noting that the Hong Kong stock exchange had dropped sharply. She said that, the moment either she or the President prepared to move in responding to the situation, they should be in touch with each other. (S)

The President said that he had issued a modest statement. He emphasized the need to preserve the U.S.-China relationship. (S)

Prime Minister Thatcher suggested that the U.S. and the U.K. should condemn the violence, offer to help those who were suffering from it, and try to talk to someone in authority. The Chinese charge' d'affaires in London knew nothing. Until lines of communication were restored, it was hard to know what to do next. The Prime Minister said much was unknown, and uncertain. She thought such a situation was astonishing for a permanent member of the UN Security Council and wondered if UN Secretary General Perez de Cuellar might be able to help. (S)

The President said this was possible. He would talk to Secretary Baker and General Scowcroft about it. The situation in China was indeed appalling. (S)

Prime Minister Thatcher thought that Perez de Cuellar might be able to make some "inquiries." (S)

The President speculated about Deng Xiaoping's cancer condition. (S)

Prime Minister Thatcher observed that, when he met with Gorbachev, Deng had not appeared to be a fraction of the person he had been when the Prime Minister had met with him. (S)

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The President assured the Prime Minister that he would stay in touch. He wanted the Prime Minister to know that the U.S. was sensitive to the Hong Kong problem. If he saw something of general concern, or specifically pertaining to the Hong Kong issue, he would let the Prime Minister know. (S)

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MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with West German
Chancellor Helmut Kohl

PARTICIPANTS: The President
Robert Hutchings, NSC Staff (Notetaker)
Rachelle Dionne, NSC Staff (Stenographer)

Chancellor Helmut Kohl

DATE, TIME June 7, 1989, 9:46 - 9:52 am EDT
AND PLACE: The Oval Office

Chancellor Kohl, who initiated the call from New York, said he was paying a courtesy call and had no specific problems to discuss. He said he had praised the President during a speech at the Council on Foreign Relations and was also scheduled to give an interview to the New York Times before going on to Harvard and MIT. The Chancellor added that his wife, Hannelore, joined him in extending best wishes to the President and Mrs. Bush. (U)

The President said he very much appreciated the call and the Chancellor's kind words before the Council on Foreign Relations. The President said he was still aglow with the hospitality the Chancellor provided during his visit to Germany. (U)

The President noted that he had a good visit with Pakistani President Bhutto, who will be speaking at Harvard. He noted that she is holding her own despite major problems at home, and that she came across very well in her many meetings in Washington. The President also mentioned his very good visit with President von Weizsaecker. (U)

The President then asked what the Chancellor was saying about developments in China. (U)

Chancellor Kohl replied that the situation was very hard to gauge. The military assault on the Chinese protesters was a dreadful thing, but the Chancellor was warning against forming a

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definitive judgment at this point. For example, he said, there is no way of knowing what Deng Xiao Ping is going to do or who may have usurped power. The Chancellor said that he and the President should stay in close touch until things become clearer in China. (Ø)

Chancellor Kohl said that he would call the President next week after Chairman Gorbachev had completed his visit to Bonn on Thursday. The Chancellor wanted to continue the tradition of calling one another on key issues. (Ø)

The President said he would appreciate the call and would be anxious to hear about Gorbachev's visit. The President said he had received a reasonably positive response [to the conventional force reductions initiative] the previous day from the Soviet Ambassador, who said he had come at the request of Chairman Gorbachev. The response did not constitute an acceptance of anything, the President noted, but it was not negative. The President and the Chancellor then concluded the call with the usual courtesies. (Ø)

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Guillermo Endara,
President-elect of Panama (U)

PARTICIPANTS: The President
Guillermo Endara, President-elect of Panama
Notetaker: William Pryce

DATE, TIME June 7, 1989, 6:42-6:44 P.M. EDT
AND PLACE: South Grounds

The President telephoned President-elect Endara concerning the death of his wife.

The President initiated the call and began by telling President-elect Endara how sorry he was about the death of Endara's wife. Endara said that the death had been sad and sudden and thanked the President for his expression of sympathy. (U)

The President then asked about Endara's health and Endara replied that he had been taking care of himself and was perfectly all right. (U)

The President said "wonderful" and asked whether there was anything new on the political scene, commenting that the line they were using was probably not a very good one to talk about it. (U)

President-elect Endara replied saying that there was not much new, that they had been following the OAS action regarding General Noriega, and that there was some disappointment in Panama regarding the delay (in the due date for the OAS' Commission's report on its new efforts to achieve a transfer of power to a democratic government.) Endara said that a month and a half seemed like a long time, but added that they were taking a philosophical view of the matter, and making the best of the situation. They hoped that the extra time would allow things to be done well. (U)

The President said that we still want to see the will of the people fulfilled in Panama and that meant Endara becoming President. He added that he wasn't sure what we could do about this but we were available for suggestions. He then repeated he had just wanted to pay his respects to Endara and his family on their terrible loss. (U)

President-elect Endara thanked the President who ended the conversation by saying that they would stay in touch and wishing Endara good luck. (U)

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NSC/S PROFILE

RECORD ID: 8905021
RECEIVED: 26 JUN 89 14

TO: HAASS

FROM: SCOWCROFT

DOC DATE: 08 JUN 89
SOURCE REF:

KEYWORDS: INDIA

MEMCON

PERSONS:

SUBJECT: TELCON BTW PRES & PM GANDHI ON JUN 8 RE SUPER 301 / PM BHUTTO VISIT

ACTION: ANY ACTION NECESSARY	DUE DATE: 29 JUN 89	STATUS: S
STAFF OFFICER: HAASS	LOGREF: 8904390	8904872
FILES: PA	NSCIF:	CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
HAASS

FOR CONCURRENCE
CHARLES

FOR INFO
HILLIARD
WELCH

COMMENTS: No Action Required - DOC # 4390 add-on - GANDHI *memcon*

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSGAD

CLOSED BY:

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E.O. 12958, SEC 3.4 (B) September 11, 2006
By CS NARA, Date 8/3/10

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Presidential phone call to PM Gandhi, June 8, 1989

Flower -
as requested.

President -- Rajiv how are you?

Sam
Thanks D

Prime Minister Gandhi -- Fine George, and you?

President -- I'm just fine, better now that I am talking to you. I hope my calling so late is not too inconvenient. What time is it there?

Prime Minister Gandhi -- About midnight.

President -- Oh gosh. I wanted to give you a fill on the Bhutto visit about how that visit went. I told her I would be calling you so this is not behind her back. We had a good discussion. There was some talks on South Asia security, so I told her I would call you. I also wanted a reason to talk with you after the Super 301 trade action. I know there are disagreements on both sides. Our people need to resolve it. But under existing law I had little choice. We don't want to exacerbate trade problems.

Prime Minister Gandhi -- I agree. We need to sit down and sort this out. One problem I have is elections coming up. I want you to understand because of this our public maneuverability will be much less than our internal maneuverability. We need you to be sensitive to this. Your people must understand about our elections.

President -- I want to be very sensitive to that and I will discuss this with the national security people and Jim Baker to insure anything that is done on the trade side would be constructive and sensitive to the political side.

Prime Minister -- Thank you.

President -- On the visit, Prime Minister Bhutto seemed to me, and I have met her once or twice before, to be both sincere and constructive in discussing her approach to India. She said she has a close relationship with you and that there is good chemistry between you. Her hopes are based on the civil way you have treated her.

Prime Minister -- Yes, thank you.

President -- She looks forward to the defense ministers meeting and is hopeful that an agreement can be reached on the Siachen Glacier.

Prime Minister -- I am having some difficulty with that.

President -- Can you hear me, I know this is not ...

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Prime Minister -- I can hear you very clearly.

President -- Oh, I see. It though you were have problems with the phone; you were referring to difficulties with the Siachen Glacier. We discussed the importance of avoiding a nuclear arms race in South Asia. You know we have some problems with Pakistan in dealing with the nuclear arms question. We had some very frank discussions about it and just for your own edification, she gave me her strong personal reassurance about Pakistan's unclear program that they do not intend to develop nuclear explosive devices. And she indicated that she is prepared to go further beyond the (no-attack) agreement with other reciprocal measures to curb proliferation and she repeated her interest in a nuclear test ban treaty if that appeals there.

Prime Minister -- I have been in touch with her. We have had meetings and discussed this and we will be seeing her next month, about the 16th, I think it is.

President -- There was a good feeling to that effect and I wanted you to know about it.

President -- There also was a little discussion about the internal situation in Pakistan. You know as much as we do. I touched on the interest of the United States and I suspect India in hoping she succeeds. She has moved along a new democratic path. And I assured her we aren't antagonistic. If she thought we were, then I told her she should call me to reassure her. I told her we want her to succeed, but I did not think I should get involved in the internal affairs of Pakistan. Those were the main issues we discussed. We also discussed some trade problems as you and I had discussed. She was very interested in East-West questions, and I know of your interest. I can only tell you for a personal our NATO alliance is very strong now and we are together. And I hope that with our new proposal, the START talks and Baker's meetings with Shevardnadze we can move forward with the Soviets.

I made clear to Mr. Gorbachev that I want to see the success of Perestroika. Mr. Gorbachev was concerned that some elements want him to fail. Knowing of your interest in these matters I want you to know my frame of mind is better than ever. Our studies are done, we have a sound proposal at NATO, and I hope this will be the catalyst so we can constructively move forward.

Prime Minister -- We are very happy about your proposal and we want them moved forward and we hope that it does break the impasse(?) in the process.

President -- Well I think it will. Baker and Shevardnadze have had to meeting and I want that in good shape.

At some point I will meet with Gorbachev whom I respect. He knows there is no animosity despite previous speculation. I have

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gone out of my way to assure him of that.

In sum, Rajiv, I am not naively optimistic, but things are in reasonable shape for more progress between Soviets and U.S. which affects all countries in the subcontinent and elsewhere.

Prime Minister -- Yes.

President -- Again, I will talk here with my top people and I can assure you I damn sure do not want inadvertently to do anything that will be a political burden to you. I will keep it in a technical way and I recognize that as politics come into the forefront it will be more difficult to work.. If you feel some specific point is too tough, let me know.

Prime Minister Gandhi -- I will do so.

President -- Again, I'm sorry to wake you up. I just wanted to let you know you handled Pakistan well. She reflected this in our talks. Between the United States and Pakistan relations are also on a better par. I have eased some of her wonderings and suspicions which she tends to have. She knows of my affection for you and Sonia. We get along so if we can help let me know.

Prime Minister Gandhi -- I feel like you do. She is the best hope for the subcontinent, for Pakistan, and our bilateral relationship. However we must be cautious. Our over enthusiasm could cause her problems.

President -- Political problems as well as problems with the military. Good talking to you. I look forward to seeing you sometime, I don't know when that will be.

Prime Minister Gandhi -- I understand today is Barbara's birthday. Please give her our warm wishes.

President -- Thank you so much. She will be so pleased that you remembered. I gave her a tennis racket and she's out there swinging it. She is just like a spring colt. It's so nice of you to mention it.

Prime Minister Gandhi -- Good-bye George.

President -- Good-bye.

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President
Mohammad Hosni Mubarak of Egypt (Ø)

PARTICIPANTS: The President
Mohammad Hosni Mubarak, President
Notetaker: C. David Welch, NSC

DATE, TIME June 9, 1989, 1:20 p.m. - 1:26 p.m. EDT
AND PLACE: Oval Office

After opening pleasantries, the President offered a brief readout of the visit of Prime Minister Bhutto of Pakistan. He stated that relations were good with Pakistan; he was impressed by Bhutto. PM Bhutto was firm on Afghanistan in their talks. There had been a frank discussion of Pakistan's nuclear program. PM Bhutto had asked for help in bringing India to accept a non-proliferation treaty. The President said that he had called Prime Minister Rajiv Gandhi afterwards, but it did not seem that there was that much Indian interest in such arrangements. However, Indian-Pakistani relations are better, and there is some chance that the two will meet again soon. (Ø)

President Mubarak said that Gandhi is a good man. He said that he had advised the two leaders to keep in close touch and that he also had advised Gandhi to visit Pakistan. (Ø)

The President asked how the Casablanca Summit had gone. (Ø)

President Mubarak replied that it was a very good meeting and they were doing their best. Concerning Egypt's "neighbor", President Mubarak said "don't worry." Egypt was doing its best to contain Qadhafi, he added. (Ø)

The President urged caution, saying that he knew how Mubarak felt in his heart, but he did not believe a leopard could change its spots. (Ø)

President Mubarak responded that he was cautious and that he would keep the President in the picture. (Ø)

The President said that the United States will keep pressing Libya on the Rabta chemical weapons facility. It is an international embarrassment. He pointed out that Qadhafi insists that Rabta is an "aspirin plant," but the President noted that this would be the first aspirin plant he had ever seen that is protected by 20 foot berms. (Ø)

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President Mubarak mentioned that he had a very good meeting with Ambassador Wisner where he had laid out Egypt's approach. (Ø)

The President noted that Secretary Baker had just walked in, and they both had read Wisner's report. The President said he had gotten a good readout from it. He expressed his confidence in Wisner and said he thought that President Mubarak also trusted him. (Ø)

President Mubarak said that he had discussed the chemical plant with him (Qadhafi) and terrorism as well. President Mubarak stated that he thought he might meet with him (Qadhafi) after a while to try to come to an agreement on these points. (Ø)

The President said that Mubarak should watch his wallet. (Ø)

After some further pleasantries and family talk, the President raised the peace process. He reported to Mubarak that we had another meeting in Tunis with the PLO and that we had been staying in close touch with Israel also. He asked if Mubarak had seen Secretary Baker's forthright statement recently. The President said he would welcome any suggestion from President Mubarak. (Ø)

What you are doing and Baker's statement were very good, President Mubarak replied. He said that he was sending his Minister of State for Foreign Affairs (Boutros Ghali) to Israel on Sunday, June 11. He promised to keep lines open to Israel. (Ø)

After more pleasantries, the conversation closed with the President saying he would like to continue to stay in touch and would call from time to time. (Ø)

THE WHITE HOUSE
WASHINGTON

June 12, 1989

RECEIVED

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: TELCON with Prime Minister Bhutto of Pakistan

PARTICIPANTS: The President
Prime Minister Bhutto
Notetaker: Alan Peterson

DATE, TIME June 10, 1989, 5:59 - 6:02 pm
AND PLACE: Camp David

Prime Minister Bhutto initiated the telephone call from New York City to the President staying at Camp David concerning her visit with the President, and the Prime Minister's commencement address at Harvard University.

The President and Prime Minister Bhutto exchanged greetings and pleasantries concerning her visit and stay in the United States.

The President noted his recent conversation with Indian Prime Minister Gandhi and relayed to him a very positive view of Prime Minister Bhutto's recent visit. Prime Minister Bhutto expressed some surprise at learning of the Gandhi/President Bush conversation and requested details. The President said he told Gandhi that Prime Minister Bhutto was willing to work on the Treaty and that the President was very pleased with what the two were trying to accomplish.

Prime Minister Bhutto discussed her recent address at Harvard University where she spoke about the Association of Democratic Countries. The President acknowledged the speech, but had not reviewed the material. Prime Minister Bhutto offered to send specifics concerning the Association to the President. The President expressed his pleasure at having the opportunity to review it.

Prime Minister Bhutto expressed her wish that the President would be able to accept her invitation to visit Pakistan. The President thanked her for the offer.

The President asked Prime Minister Bhutto for any additional thoughts she might have on Afghanistan and assured her that the US would like to stay with Pakistan in that area, and help were possible.

The two parties wished each other well and concluded the call.

-- End of Conversation --

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister
Margaret Thatcher of the United Kingdom (P)

PARTICIPANTS: The President
Margaret Thatcher, Prime Minister
Notetaker: Philip Zelikow, NSC Staff

DATE, TIME June 11, 1989, 8:07 a.m. - 8:24 a.m.
AND PLACE: Camp David

Prime Minister Thatcher, after thanking the President for his kind letter, said she had called to discuss three subjects: China, including Hong Kong; Vietnamese boat people; and Poland. (P)

First, on China. Prime Minister Thatcher was following the President's lead on curtailing visits and arms sales to China. The shock to Hong Kong from the recent repression was absolutely massive. The confidence of people in Hong Kong had been completely shattered. They obviously wondered what would happen to them in 1997. The Hong Kong government had been in London and had told the Prime Minister that citizens of the Crown Colony wanted guarantees that they could come into Britain. There were, however, 3 to 5 million people in Hong Kong. The British government would enlarge the numbers who were allowed to come to include police, critical government employees, and some business entrepreneurs. This was a change in policy. In the past the UK had urged Hong Kong businessmen to stay and try to work with the PRC. Then, if it did not work out, they could apply to immigrate to Britain. Now, the businessmen were only likely to stay in Hong Kong if they knew they had an insurance policy -- the right to come to Britain. This was still, unfortunately, not much help to the rest of the people in Hong Kong. (P)

There was no point, Prime Minister Thatcher said, in going to the Chinese about this now. Anything to steady the nerves was welcome for the time being; the UK would see how to work on this problem with China later. Democratic institutions must now be put in place in Hong Kong as quickly as possible. The people there were feeling no differently than the Prime Minister or the President would if they were living there. (P)

Prime Minister Thatcher knew the UK could not defend Hong Kong. But it was a real human problem, about which the Prime Minister felt deeply. The main points were to be calm, be more flexible

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about the numbers of people who could come to Britain, and reapproach China or get international guarantees for Hong Kong's status later. It was not possible to normalize relations with China or otherwise show that the recent outrages were forgotten. (Ø)

The President said that he was watching the situation in Hong Kong. He liked what the Prime Minister had said about steadiness. It was now clear that the Chinese authorities were making a wider crackdown against dissent. The country was in a real state of flux. The President was trying to preserve the relationship with China while speaking out against abuses. There was also a problem with dissidents being sheltered in the American Embassy. Relations could not be normal, but all involved had a stake in continued U.S. involvement, which could encourage reform and progress toward democracy. (Ø)

Prime Minister Thatcher agreed that the U.S. and UK had a big stake in keeping lines of contact open to China. The UK would keep its good ambassador in Beijing in place and do what was possible to influence the Chinese government. (Ø)

The second subject Prime Minister Thatcher wished to address was the problem of boat people. They were still flooding into Hong Kong. Britain had sent tents and other supplies to try to accommodate the influx. The boat people were coming from north Vietnam. They were not refugees, but people seeking a better economic future. This was a very tough problem, since the UK was already sending Chinese migrants to Hong Kong back to China, 35,000 in the previous year even before the current unrest. The situation could not go on this way with the Vietnamese. The Prime Minister had therefore sent the President a message on this subject explaining that if the UK could not win assurances of the potential for full repatriation of the boat people, the UK would abandon the principle of first asylum. Forty-four thousand boat people had arrived already in Hong Kong and more were pouring in. (Ø)

The President asked if it was possible to separate the economic migrants from the political refugees. (Ø)

Prime Minister Thatcher said that they were interviewed now, but the only option was involuntary repatriation. Vietnam was overcrowded and did not mind pushing out a million of its people a year. China allowed them to go to Hong Kong. They were not, she repeated, genuine refugees, and only Hong Kong would take them. (Ø)

The President said he would try to help. Deputy Secretary of State Eagleburger was going to the conference on this subject in Geneva. (Ø)

Prime Minister Thatcher repeated that she had sent a message to the President on this issue and that she had only acted because she was driven to it. (Ø)

The President said he would talk to Secretary Baker and be on the alert for Prime Minister Thatcher's message. Prime Minister Thatcher could be sure that the President understood her position. Like the UK, the U.S. had historically received refugees, as an important humanitarian commitment. Yet the U.S. had a similar problem on its borders in differentiating between economic and politically-motivated migrants. It was difficult to move away from the historic position. (Ø)

Prime Minister Thatcher said that the historic position for asylum was being exploited by people who were not refugees at all. It was appalling to have to send people back to Vietnam, but the UK might have to do it. It was already being done with Chinese coming from the mainland. It was awful to tell the Chinese in Hong Kong that Chinese from the PRC could not be allowed in but the Vietnamese would be accepted. (Ø)

Turning to the subject of Poland, Prime Minister Thatcher said General Jaruzelski had arrived in Britain the day before and would be there today as well. General Jaruzelski, she said, was quite a personality and a great Polish patriot. He had been very wounded by the extent of the electoral defeat but had accepted the results magnanimously. Solidarity had been good in allowing those senior party officials who had been defeated while running unopposed to stand again for election during the next round of balloting. Jaruzelski felt that he had Gorbachev's support for his policies and was very hopeful. (Ø)

Poland was anxious for economic help. Prime Minister Thatcher had said that the key was an IMF agreement which would be exacting but not intolerable. The IMF should not require the impossible or the Polish economy would never get off the ground. It should push the Poles toward a free market but not be intolerable, because one should realize that Poland was suffering. Then, after an agreement was concluded with the IMF, there could be credits and World Bank help. (Ø)

Prime Minister Thatcher continued, saying the Poles had an immediate rescheduling problem with their 1989 debt payments. Prime Minister Thatcher was ready to negotiate a rescheduling of the 1989 debt payments and not wait for conclusion of an IMF agreement, if the IMF said the Poles were seriously negotiating a standby agreement. Prime Minister Thatcher was ready to consider rescheduling the 1989 debt payments over the next ten years, with no payments required during the first five years. (Ø)

Poland was also having trouble with quantitative restrictions on Polish exports to the EC. The UK would try to see that these restrictions were removed, as had been done for Hungary. (Ø)

The UK would also spend five million pounds a year for the next five years to set up a school for management in Poland. A mission would also be sent to Poland to explore opportunities for investment. General Jaruzelski would be given something to carry on with. (Ø)

Prime Minister Thatcher said Jaruzelski and the Polish people were really looking forward to seeing the President. Jaruzelski had made some very warm comments about the President as well. (Ø)

The President said he was fascinated by these developments. He was so pleased that Prime Minister Thatcher felt this way about General Jaruzelski and Poland. General Jaruzelski had a terrible image in America. Perhaps a way could be found to give him some exposure in the United States to help his image, which was that of a symbol of repression. General Jaruzelski's visit to the UK would be helpful in America. (Ø)

Prime Minister Thatcher again praised General Jaruzelski's response to the Polish elections and his cooperation with Solidarity. She said General Jaruzelski feared Solidarity might not be constructive in solving Poland's problems, demanding more than the government could give. Prime Minister Thatcher hoped Polish emigres in Britain and America realized that General Jaruzelski was a real Polish patriot, who prevented the Russians from intervening in 1980 or 1981. (Ø)

The President said that, though it was a cosmetic matter, General Jaruzelski should change his glasses. (Ø)

Prime Minister Thatcher agreed, and commented on the medical condition that forced him to wear those glasses. The U.S. and UK should mobilize support for his efforts. Prime Minister Thatcher briefly described General Jaruzelski's remaining schedule in England and noted his request for a transfer of the remains of Sikorski back to Warsaw. She was prepared to grant this request if the Polish Church, Solidarity, and Polish emigre groups agreed. (Ø)

The President observed that the world had certainly been in turmoil during the past week. (Ø)

Prime Minister Thatcher agreed and said, "Didn't we get it right at NATO!" (Ø)

The President agreed. He said there would be no surprises on China. There was no clear four-point program, but the U.S. would

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try to keep the doors open while being sure that the Chinese government knew of U.S. disapproval for its actions. (Ø)

Prime Minister Thatcher thought this point was particularly true for such actions by a permanent member of the Security Council. She complimented the U.S. for its role in getting a statement from Perez de Cuellar. (Ø)

Prime Minister Thatcher thanked the President for not opposing a conferral of honors upon President Reagan. (U)

The President asked if the Prime Minister had told President Reagan about this yet. (U)

Prime Minister Minister said she had not. It would be a marvelous occasion, she said, and President Reagan would see the Queen. (U)

The President said the American people would rejoice in such an honor being given to President Reagan. (U)

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Brian Mulroney,
Prime Minister of Canada (Ø)

PARTICIPANTS: The President
Brian Mulroney, Prime Minister of Canada
Notetaker: Adrian Basora

DATE, TIME June 12, 1989, 9:00 - 9:08am EDT
AND PLACE: The Oval Office

The President initiated the telephone call, but as part of the salutation Prime Minister Mulroney congratulated the President on his leadership at Brussels and on the success of his European visits after the Summit. (Ø)

The President thanked Prime Minister Mulroney for his supportive message and said that the USIA poll taken after the Summit was most gratifying. (Ø)

Prime Minister Mulroney repeated his praise. (U)

The President then turned to the environmental issue, saying he knew how sensitive this issue was in Canada and that acid rain was a genuine issue. He said he would make an announcement that same day at a White House ceremony with environmentalists, business people and Members of Congress. He was taking steps to achieve broad support. His target was 10 million tons of sulfur dioxide reduction by the year 2000, plus 2 million tons of nitrogen oxide; of that total, 5 million tons would be achieved by 1995. (Ø)

The President continued that this would be costly for US electric utilities, for older coal-burning power plants. In order to keep the costs from escalating, he had introduced an element of flexibility and market incentive which would allow the utilities to trade required reductions so as to achieve them in the least costly way. Even so, it would be a tough issue politically. Congress had not moved on clear air legislation in 12 years, and this would enable Congress to go forward. Ambassador Burney would receive a more detailed Fact Sheet and would FAX it to Prime Minister Mulroney. (Ø)

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Prime Minister Mulroney said he appreciated this major step forward on the environment and on acid rain. He looked forward, after Congress had a chance to work on the legislation, to discussing a bilateral accord which would be politically good for both Canada and the US. (Ø)

The President suggested that they talk at a later time. He wanted to see how this legislation went down. (Ø)

Prime Minister Mulroney said he appreciated the call and the President's strong leadership. He added that he would welcome it if the President could mention their cooperation on this issue. This would mean more coming from a friend and would have more credibility than coming from a politician in Canada. (Ø)

The President mentioned that he had been in touch with his predecessor, and that he was generally in agreement. (Ø)

Prime Minister Mulroney said that he had suffered in silence on this issue for the last 5 years. He would not criticize the President's esteemed predecessor, but every time he had gone back to Canada he had nothing to show for his visits and he had had to bite his tongue and take a lot of flack. He wouldn't criticize, but if the President could get this done, it would be a major accomplishment. (Ø)

The President said he would keep working on the issue. (Ø)

Prime Minister Mulroney concluded, saying that, as an observer, he wanted to say how extremely effective the President was in Brussels and how delighted he was with the effective control of the Alliance which the President had established. (Ø)

The President thanked Prime Minister Mulroney for his comments. (Ø)

THE WHITE HOUSE
WASHINGTON

June 13, 1989

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Memorandum of Telephone Conversation with
King Hussein of Jordan

PARTICIPANTS: The President
King Hussein
Notetaker: Paul Lebras

DATE, TIME: June 12, 1989, 3:15 - 3:16 pm
AND PLACE: Air Force One

King Hussein telephoned the President aboard Air Force One to present him birthday greetings.

After an exchange of pleasantries, King Hussein stated that he was calling to wish the President a very happy birthday. The President replied that it was very thoughtful of the King, and that being 65 years old does not hurt a bit.

King Hussein stated that Queen Noor also sends her love. The President asked if the King was in Amman, to which King Hussein replied in the affirmative.

The President stated that it was very nice of the King to call and indicated that he (the President) had delivered a big environmental message.

After an exchange of courtesies, the call was terminated.

-- End of Conversation --

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Call from Helmut Kohl, Chancellor
of the Federal Republic of Germany

PARTICIPANTS: The President
Helmut Kohl, Chancellor
Interpreter: Gisela Marcuse
Notetaker: Robert Hutchings

DATE, TIME June 15, 1989, 7:01 a.m. - 7:19am EDT
AND PLACE The Oval Office

Chancellor Kohl initiated the call, as he said he would do in his June 7 telephone conversation with the President. After opening greetings, Chancellor Kohl gave a lengthy debrief of Chairman Gorbachev's just-concluded visit to the Federal Republic. He found Gorbachev in very good shape, much more optimistic than when the Chancellor had visited Moscow in October. The Chancellor said Gorbachev is in a stronger position following his election to the presidency and the structural reorganization of the Supreme Soviet. These general impressions were echoed by Aleksandr Yakovlev, who accompanied Gorbachev on the visit. (Ø)

Chancellor Kohl then turned to a discussion of Eastern Europe, which he thought the President would find useful in light of his forthcoming trip to Poland and Hungary. The Chancellor emphasized Gorbachev's very close personal relationship with General Jaruzelski and their common approach toward developments in Poland. No such personal relationship exists with any one Hungarian leader, the Chancellor added, but Gorbachev also supports Hungary's reform efforts. By contrast, there is an enormous distance between Moscow and Bucharest, and also East Berlin. (Ø)

Chancellor Kohl said that Gorbachev was dismayed about developments in China but offered no elaboration. On the Middle East, the Chancellor found it interesting that Gorbachev is very eager to find a settlement -- partly because he thinks he will have a problem with Islamic fundamentalism in the Soviet Union. (Ø)

Chancellor Kohl noted that he and Gorbachev had talked for quite some time about the President. It was clearly apparent, Kohl said, that Gorbachev has greater hope for establishing good

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contact with the President than he had with President Reagan. At an intellectual level, Gorbachev sees eye to eye with the President and wants to deepen contacts with the U.S. and the President personally. The Chancellor said he had told Gorbachev that there will be no opportunities for driving wedges between the U.S. and the Federal Republic or between the President and the Chancellor. Gorbachev, the Chancellor reported, said emphatically that wedge-driving was not his intention, and that the Soviet Union does not want destabilization in Europe, because this would mean disruption in the USSR as well. (C)

Chancellor Kohl said again that it was his impression that Gorbachev is seeking ways of establishing personal contact with the President, adding that Gorbachev also has a favorable impression of Secretary Baker. Kohl thought that if the President moves forward with talks, there will be a good basis for progress. While noting that there is lingering Soviet mistrust toward the U.S., Kohl felt nonetheless that Gorbachev was serious in his desire for establishing better relations and moving forward on the issues. (C)

Chancellor Kohl said that he was somewhat surprised that Gorbachev does not seem to think that a twelve-month timetable (for a CFE agreement) is a problem. Gorbachev thought there could be rapid progress. The Chancellor said he had agreed with this view, citing the INF Treaty as an example of how fast progress can come when there is real political determination. (C)

Chancellor Kohl then made a suggestion and a request. Once negotiations are underway in Vienna and work has begun through official negotiating channels, the Chancellor said, it would be a good idea for the President to send direct messages to Gorbachev from time to time. This would signal the President's confidence, which is a key word for Gorbachev, who places a high premium on "personal chemistry." (C)

Chancellor Kohl found it interesting that Gorbachev spoke openly about Soviet domestic problems and about the crimes of the Stalin era. Gorbachev said he was resolved to make all the facts available to the (Soviet) public and to bring the truth out, as the Hungarians were doing (with regard to the 1956 revolution). Gorbachev had been frank in admitting Soviet economic problems and anticipated a few tough years ahead. (C)

Chancellor Kohl said that Gorbachev's most important message to the Germans had been that the war is over and a new generation has come to the fore. The Soviet Union and the Federal Republic have their differences but want reasonable cooperation. Gorbachev acknowledged that the two countries have different views on central issues like Berlin, but Kohl found him much more restrained than he had been in October. (C)

Chancellor Kohl, summing up, said he was very satisfied with the visit. Gorbachev knows which side the FRG is on, Kohl said, and knows he must respect that. But Gorbachev is trying to make improvements and has created a reasonable basis for future work. (Ø)

The President thanked the Chancellor for his debrief and said he had listened very carefully, adding that if the Chancellor had further thoughts the President would like to hear them. (Ø)

Chancellor Kohl said he would call again in a couple of weeks to discuss preparations for the Economic Summit. (Ø)

The President welcomed the idea and proposed that he call the Chancellor at the end of the following week. It would be his nickel, the President said. (Ø)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: Telephone Call from the President to
Chancellor Helmut Kohl of West Germany (U)

PARTICIPANTS: The President
Helmut Kohl, Chancellor
Interpreter: Gisela Marcuse
Notetaker: Robert Hutchings

DATE, TIME June 23, 1989, 7:26 - 7:42am EDT
AND PLACE: The Oval Office

The President said he was calling back, as he promised he would do during the previous week's telephone conversation. The President mentioned that he had a very pleasant visit with Foreign Minister Genscher (on June 21). (U)

Chancellor Kohl said he would be talking with Genscher in two days. They would be going to Madrid for a European Community meeting and had a lot of work ahead of them. The Chancellor also noted that this was the last week before the parliament took its summer break. In this context, the Chancellor wanted to reassure the President about the results of the June 18 elections to the European Parliament. These are unusual elections, he said. There is no European government, no European opposition, and none of the normal give and take of politics. The Christian Democratic Union and Christian Social Union once again emerged in the strongest position. The Chancellor also assured the President that the Republikaner were not Nazis. Their top leaders were nationalists, but not National Socialists, and those who voted for them were expressing anger rather than real support for the Republikaner. The Chancellor was confident that these voters could be won back. This would not be easy, but it could be done. (C)

The President noted that experts here concluded that the Chancellor's party came out better than had been predicted a couple of months ago, before the NATO Summit. The President said he was pleased with that. (C)

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The President said he wanted to raise two other subjects: follow-up to the NATO Summit and preparations for the Paris Economic Summit. As he had told Foreign Minister Genscher, the President said it would be a big mistake to divide the Vienna talks into phases. This would undermine the Alliance's CFE initiative. The Alliance's first priority must be an agreement at Vienna on conventional reductions. For that reason, the US does not want to see discussions within NATO on SNF negotiations. The Alliance has a good formula, the President said, and should stick with it. (Ø)

Chancellor Kohl agreed, saying he was very much against taking up the SNF issue again. The Alliance should continue with what was agreed to at Brussels. (Ø)

The President then turned to the Economic Summit, saying that U.S. priorities would be to discuss the international debt situation and macro-economic policy coordination. The Summit Seven need to get back to the level of policy coordination they had in the past. This pattern produced good results and should be followed once again. On the Polish situation, the President noted that he would be going to Poland soon and would welcome any suggestions the Chancellor might have. The President observed that President Mitterrand had called for the Paris Club to be more "imaginative" and "flexible" on the Polish debt. This will be discussed at the Economic Summit, but the President also welcomed Chancellor Kohl's personal views on what the West should do to help on the economic side and also on facilitating the transition the democracy in Eastern Europe, especially in Poland and Hungary. The President added that he would be arriving in Poland on July 9 and would go to Budapest the following Tuesday. (Ø)

Chancellor Kohl said he would send a letter to the President laying out his views on Poland and Hungary. He would prepare the letter by the middle of the next week, following his return from Madrid. (Ø)

The President said he would look forward to receiving the letter, which he would treat with strict confidence. He noted that emotions run high regarding Poland. While the President shared those emotions, he also felt it important to act carefully and to avoid pouring money down a rat-hole. (Ø)

The President said he wanted to raise two additional points regarding the Economic Summit. He felt it important to work hard to complete the Uruguay Round by the end of next year. This is essential to stave off protectionist pressures everywhere. The President also wanted to have intensive discussions on the environment, urging that the Summit participants be realistic in their approaches. (Ø)

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Chancellor Kohl said that raising those issues was his intention as well. He saw no problems between the U.S. and the Federal Republic at the Uruguay Round, but felt that other countries would be more difficult. The Chancellor agreed that the environment and rain forests were among the most important issues that needed to be discussed at the Summit. (Ø)

The President, before concluding the conversation, said that he might have specifics to propose to Poland bilaterally and would keep the Chancellor informed. (Ø)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: The President's Telephone Conversation with
President Carlos Andres Perez of Venezuela (U)

PARTICIPANTS: The President
Carlos Andres Perez, President of Venezuela
Interpreter: Rita Boren
Stenographer: Rachelle Dionne
Notetaker: David Pacelli, NSC

DATE, TIME June 23, 1989, 9:15 a.m., - 9:37 a.m.
AND PLACE: Oval Office - Presidential Office

The President initiated the call.

The President said, "Hello, Mr. President." (U)

President Perez replied, "Hello, I am pleased to hear from you."
(U)

The President said, "Mr. President, I am calling to continue our fruitful consultations and I am worried, in this call, about the failure of the OAS mission on Panama." The President said there will be some serious consequences if it fails. He added that the other reason for his call, "my unfavorable subject," was his view that the Sandinistas are failing to comply with their commitments to democracy. The President said that President Arias told Vice President Quayle last week that under present conditions, free elections are impossible in Nicaragua. The President said he agreed with that view, but he was interested in President Perez's views. The President referred to a letter that he wrote to Perez regarding Nicaragua which the U.S. Ambassador delivered last Friday, although he suggested it was perhaps too soon for Perez to reply. (S)

President Perez said, yes, he had received the letter and he shared the President's concern regarding Panama. "I am also very confused and concerned regarding Panama and the failure of the OAS Mission," he said. (S)

The President said, "Yes." (U)

President Perez said "I have taken advantage of the presence here in Venezuela of some of the foreign ministers. They are here for the meeting of the Group of 77. I met with them to express my concern regarding the situation in Panama." Perez said that the Foreign Minister of Trinidad and Tobago and Guatemala attended, but Ecuador did not. They, too, are very concerned with the failure of the mission to Panama thus far. (S)

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The President said, "It worries me, given the fact that I seem to be turning to you all the time as the key leader in the area. The more you can continue your forthright situation of leadership, the better. Overkill from the U.S. can be very counterproductive in a rhetorical sense and I hate to have to impose on friends, but these consultations are with a man for whom I have great respect and want to encourage that your views be expressed to the other leaders." (S)

President Perez said, "I have been working in that direction." (S)

The President replied, "That is great." He added that he knew it was difficult and we appreciated it. Again, he said, the more that can be done, the better. The President went on to say that he appreciated President Perez mentioning the importance of the Brady plan to the meeting of the Group of 77. He said, "I will continue to push on our end to get a deal that is productive for Venezuela." The President expressed his hope for an agreement now with the private commercial banks, saying he thought we are very close. (S)

President Perez replied, "Regarding this issue, I think it is necessary for the U.S. Government to pressure the banks more." Perez said he had spoken to the Mexican Foreign Minister, who was concerned regarding the hard line by the banks against Venezuela. Perez said he also had asked the Mexican Foreign Minister to ask President Salinas to make a statement regarding the departure of Noriega. He believed that the Mexicans would not be able to vote sanctions against Panama at the OAS. (S)

The President said it would be helpful if Salinas does what President Perez has asked him to do. But the purpose of this call, he said, is to say I will continue to turn to you as the real leader on these very important issues. "I do not want to be offensive and I do not want to push too hard but you have a certain standing that makes me feel very comfortable. I want you to tell me on Nicaragua or Panama if you feel there is something we can do." The President said he recognized the history of the area and did not want to overstate things from the U.S. perspective. The President added that it is far better to have leaders such as President Perez taking forceful OAS action to bring Noriega out and guarantee free elections in Nicaragua. It is with that spirit, the President said, that he was making this phone call, and with President Perez's permission will make other phone calls. (S)

The Interpreter said that the interpreter would like to let the President know that the signal has interruptions. (U)

President Perez said, "I agree wholeheartedly." He added that both the Foreign Ministers of Trinidad and Tobago and Guatemala complained that when the OAS mission arrived in Panama there were U.S. helicopter overflights in the Canal Zone. Noriega used this

as an excuse that there could be no serious discussion with this type of intervention. Regarding Nicaragua, President Perez stated his concern with the electoral procedures, but said he was convinced that elections must be held. Perez said he told Daniel Ortega to send Vice President Sergio Ramirez to talk to him to try to put this process back on track and guarantee participation of the opposition in the elections. (S)

[Notetakers comment: The translator said "Noriega" instead of Daniel Ortega, prompting the President to seek clarification.] (S)

The President said, "Did you talk about new elections in Nicaragua?" (S)

President Perez said, "Yes, I was referring to elections in Nicaragua, and I was also saying I wanted Sergio Ramirez to come to Venezuela to discuss our concern regarding the recent decisions made by the Sandinista Government." (S)

The President said, "OK sir. Thank you very much for this. I would welcome your thoughts as to what we might do or might not." The President took note of Perez's comments about the overflights in Panama, saying that they were not threatening and that we are expressing our proper Treaty rights. "If there is an excessive amount of that, I would be glad to have your opinions because we do not want it to look like we are threatening invasion or anything like that. On the other hand, they have interfered with the exercise of our Treaty rights and he [Noriega] must know we are not going to acquiesce in that." (S)

President Perez said, "Very good, Mr. President." President Perez said he understood the situation, but recommended all the prudence possible while these negotiations are going on. In meetings with the Foreign Ministers of Latin America and the Caribbean, he said, it was decided that each country could exercise discrete pressure, while cooperating with the OAS mission. "I will continue consulting with the presidents because we are approaching July 19 without having made much headway." Regarding Nicaragua, he said, he would insist on talking to Ramirez. Perez said he would respond to the President's letter and make his position known after the meeting. (S)

The President said, "That is fine, sir. Thank you very much and good luck." The President closed by saying that he couldn't tell Perez how much he valued these consultations. (S)

President Perez closed by saying, "Thank you very much and I will be talking to you soon." (U)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Call to Prime Minister Turgut Ozal of Turkey (U)

PARTICIPANTS: The President
Turgut Ozal, Prime Minister
Notetaker: Robert Hutchings

DATE, TIME July 3, 1989, 7:36 - 7:42 a.m. EDT
AND PLACE: The Oval Office

The President said he wanted to check in to follow up on the brief talk he and Prime Minister Ozal had at the NATO Summit. The President thanked the Prime Minister for his strong support for the CFE initiative, adding that the U.S. would be working hard to meet the timetable NATO had set for the Vienna talks and would appreciate Turkey's continuing support. The President also noted that Gorbachev had not been at all pessimistic about meeting the timetable. (Ø)

The President said that his main reason for calling was to express his personal concern over the situation of the Turkish minority in Bulgaria. (U)

Prime Minister Ozal noted that the number of Turkish refugees from Bulgaria had now risen to 100,000. (U)

The President mentioned that he had issued a statement on June 26, condemning in very strong words the Bulgarian Government's treatment of its Turkish minority. The President said he hoped the Prime Minister had seen a copy of the statement, which the White House staff had sent to the Turkish Charge in Washington. (U)

Prime Minister Ozal replied that he had seen the statement and thanked the President for it. (U)

The President expressed the hope that international pressure would bring some relief to the plight of Turks in Bulgaria and to those who have already sought refuge in Turkey. He added that he knew what a burden this must be for Turkey and expressed once again his personal concern. (U)

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Prime Minister Ozal thanked the President, adding that there must also be considerable pressure on Gorbachev, who may be able to use his influence on Bulgaria to bring some results. (Ø)

The President replied that he hoped that would be the case, adding that the U.S. would weigh in again if there is an opportunity to exert influence. (Ø)

Prime Minister Ozal commented that the Soviets have a big problem: they are interested in the situation in Bulgaria, because it bears on the credibility of glasnost. (Ø)

The President, turning to another topic, asked how the results of the Greek election would affect negotiations on Cyprus. (Ø)

Prime Minister Ozal said it was hard to know. It appeared to him that the Greek government would be a temporary one, and could remain so for as long as a year. (Ø)

The President said he appreciated Turkey's support for the U.N. Secretary General's mediation efforts, which offer the best hope for a settlement. (Ø)

Prime Minister Ozal agreed, but expressed concern that the Greek situation will put negotiations on hold. (Ø)

The President concluded by saying that Ambassador Abramowitz had been sworn in and would be leaving for Ankara in mid-July, adding that he is a very able man who will do a superb job. (U)

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with King Hassan
of Morocco

PARTICIPANTS: The President
King Hassan
Notetaker: C. David Welch
Interpreter: Alec Toumayan

DATE, TIME July 3, 1989, 7:53 a.m. - 8:04 a.m. EDT
AND PLACE: Kennebunkport, Maine

The President, pointing out that he would be traveling on July 9, King Hassan's birthday, said that he was calling to wish King Hassan an early "Happy Birthday." (Ø)

King Hassan thanked the President, and added his best wishes for the United States on the occasion of its birthday. (Ø)

After further pleasantries and talk of each other's family, the President mentioned that his close friend Admiral Bill Crowe, a respected public servant, would be representing the President at King Hassan's birthday celebrations. (Ø)

King Hassan said that he was deeply touched by this gesture. (Ø)

The President raised the Middle East. He said that King Hassan's leadership was critically important to the success of the Arab League initiative. The President noted that he had met with Saudi Foreign Minister Saud al-Faysal, and that he had told him that the United States wanted to see the Arab League initiative succeed. The President said that this effort was the only one on the horizon with any chances of success for dealing with the Lebanon crisis. (Ø)

King Hassan reported that the Arab League (Lebanon Committee) foreign ministers had traveled to Baghdad to see Iraqi President Saddam Hussein; yesterday the ministers had gone to see Syrian President Hafiz al-Asad. The ministers had "firm instructions." They were carrying a letter of several pages that spelled everything out very clearly. King Hassan stated that the Arab League had said very clearly that if the effort failed, then "we will point fingers at who is at fault." (Ø)

Continuing, King Hassan said that the Soviets had behaved very well with his Foreign Minister. Gorbachev had assured him of the fullest support. Gorbachev had sent his deputy Foreign Minister to Syria and Iraq, where he had met the Presidents of these two

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nations. Concluding, King Hassan said that obviously anything the United States can do "to keep Israel quiet in South Lebanon" would be good. (C)

The President added that the United States also wished to see movement in the peace process. The peace process was a priority issue for the United States. The President said that we would continue on the path laid out by Secretary Baker. We wanted to encourage the PLO to permit a dialogue between West Bankers and Gazans and Israelis. We hoped that this process could move forward. (C)

King Hassan replied that he would be available to help for anything. He noted that he was chairing a committee, along with "President Arafat," on the Middle East problem. King Hassan closed by saying that the sooner we had discussions the better. (C)

After closing pleasantries, the conversation concluded. (C)

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THE WHITE HOUSE
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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Prime
Minister Gandhi of India

PARTICIPANTS: The President
Prime Minister Gandhi
Notetaker: Daniel Rhea

DATE, TIME July 4, 1989, 8:44 - 8:47 EDT
AND PLACE: Kennebunkport

The President was called by Prime Minister Gandhi concerning the Fourth of July holiday.

The President and Prime Minister Gandhi exchanged greetings with the Prime Minister congratulating the President on the Fourth of July.

The President noted how nice it was for the Prime Minister to call and that the President and his family were enjoying the holiday.

Prime Minister Gandhi said he was calling since this was the President's first Fourth of July as President and that it is an important day for all democracies.

The President said how very, very much he appreciated the call and that he would tell our people about the Prime Minister's congratulatory call.

Prime Minister Gandhi noted how our Founding Fathers had a great impact on the Indian constitution.

The President asked how things were at home.

Prime Minister Gandhi noted things were okay and mentioned how helpful the recent visit of the Indian Defense Minister to the U.S. had been.

The President noted his pleasure with the Defense Minister's visit and passed on a greeting from Mrs. Bush.

Prime Minister Gandhi passed on greeting to Mrs. Bush from he and his wife Sonja.

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The President indicated he was looking forward to having the Prime Minister visit the U.S. and asked if he would be coming to the UN in the fall.

Prime Minister Gandhi noted that this timeframe would be difficult due to elections, but noted he would like to meet with the President in Paris.

The President said he would look forward to meeting the Prime Minister in Paris and thanked him for his thoughtful phone call.

The President and Prime Minister exchanged goodbyes.

-- End of Conversation --

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Robert Hawke, Prime Minister of Australia (U)

PARTICIPANTS: The President
Robert Hawke, Prime Minister of Australia
Notetaker: Ralph Sigler
Stenographer: Susan Bunch

DATE, TIME July 5, 1989, 6:35 - 6:50 pm EDT
AND PLACE: The Residence

The President returned the Prime Minister's call and asked how was his trip to Hungary. (U)

Prime Minister Hawke replied that it was a tremendous trip. He had a good meeting with Chancellor Helmut Kohl in Bonn, but thought the President would like to hear about Hungary. The first thing to say is obviously it is unbelievable, exciting, and real. The Prime Minister had the opportunity to talk with Hungary's four leaders, and several others and afterwards with Pozsgay, who is the most popular and will be designated to become President after elections, and Nyers and Grosz together. Grosz is the one who is regarded as more conservative, Nyers has the economic position. In addition to the four, the Prime Minister had long talks with 20 - 25 members of the opposition. At the dinner they gave on Friday in the Parliament House, the first time they had a dinner for a foreign state representative in the Parliament House, the opposition was invited to dinner and Nemeth went out of his way to make sure the Prime Minister met leaders of the opposition. On Saturday morning July 1, he arranged a meeting at the Australian Embassy with a whole range of oppositionists with no hindrance, entirely unfettered. (Ø)

The President responded that this is fascinating. (U)

Prime Minister Hawke then offered to talk about opposition people first, then government people. He said that what the opposition represents are the following things: First, there was absolute unanimity among them about complete integrity and commitment of the government to establish a democratic process. None of them questions the government's intention to do that. Second, the opposition said they are not equipped to fight an election campaign, but Nemeth told the Prime Minister that he planned to provide them with actual physical facilities such as buildings and telephones to make the task of fighting an election easier. (Ø)

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Prime Minister Hawke continued that they were all appropriately cautious about wanting to have a platform of withdrawing from the Warsaw Pact, referring back to what happened in 1956. One problem was that they jumped too dramatically. And all took the view that they want to have a much different society and would over time be developing a society which was not a Warsaw Pact type society. With an appropriate degree of caution, they would move in a way that would not unduly create problems with their neighbors. Overall, the Prime Minister said, meeting these people pressed home a commitment for the government to establish free party elections. (C)

With respect to the government people, Prime Minister Hawke said: First, the Prime Minister was a very impressive, young man and the Prime Minister liked him very much, as he knows the President will. He had integrity and confidence and honesty. It was a long session in which the Prime Minister questioned him unmercifully, almost cross-examined and he was totally graceful and accepted the notion that the party could finish in opposition. He accepted fully the logical outcome of what they were doing. The opposition has doubts about socialism because the life of socialism in the Warsaw Pact makes socialism a dirty word. But what Nemeth seemed to hope for was to get agreement or consensus about the concept of a democratic socialist society. This is theoretically nice -- but that word suggests post-war regimes under Stalin and Brezhnev. The government hopes in regard to elections to get agreement and conceive a democratic socialist society. The Prime Minister's view is the best he will get on that is some formal sort of acknowledgement from the opposition but they do not accept socialism as it has emerged in post-war Europe. Nemeth believes they will go ahead with fully free elections, win outright, or win in a coalition situation, but he also accepts that the Party may end up in opposition. (C)

Prime Minister Hawke said that the talks with Nyers were interesting in that he accepted the fundamental economic problems Hungary has. They want to establish a mixed economy, with the government fully committed to the process of selling off public sectors, legally creating a framework in which private operatives are welcome to come in and buy their enterprises and operate fully as private sector enterprises and look to people to come in and help economic development. And they are much further down the road on price reform than the Soviet Union. They want to see themselves fully integrated with the world economy. Down the track they see integration with the European Community as a real possibility. The Prime Minister envisioned problems with that. He said to the President that he could go on a lot longer, but in the final analysis the West would be crazy if it does not do everything to assist them. (C)

The President replied that he wants to assist but it is a lot of money. He said he looks forward to visiting and offering Hungary and Poland continued support. Poland presents a tougher

situation than Hungary because Hungary is ahead of Poland in sound economic progress. (Ø)

Prime Minister Hawke said he thinks whatever the West is going to do involves not only money. They are in a situation where considerable credit is provided by Japan, 50 percent. The Prime Minister said he thinks it is essential that the West get the essential money but it is also important to encourage United States enterprises to go in and develop joint ventures, helping them with expertise, experience and so on, any assistance of that kind as well as financial, and a total commitment to an economic society that would sell their government. (Ø)

The President said he was grateful to get the Prime Minister's report. He added that he had enjoyed the Prime Minister's visit to Washington. (U)

Prime Minister Hawke added that he could not express enough his thanks, not only for the President's time, but for the spirit of the meetings. (U)

The President and Prime Minister Hawke concluded with an exchange of pleasantries and the President's promise to call the Prime Minister after returning from Poland and Hungary. (U)

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THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister
Mulroney of Canada (U)

PARTICIPANTS: The President
Brian Mulroney, Prime Minister
Notetaker: Adrian A. Basora

DATE, TIME July 6, 1989, 2:47 - 3:00pm EDT
AND PLACE: The Oval Office

The President opened the conversation by mentioning Ambassador Burney's recent calls on Governor Sununu and on General Scowcroft, and his suggestion that Prime Minister Mulroney might serve as an intermediary with President Mitterrand. The President wondered if Mulroney had been in contact with Mitterrand recently. He himself did not foresee any major problems at the Paris Summit, but he wondered whether Prime Minister Mulroney anticipated any. It was important to keep the lines of communication open. (S)

Prime Minister Mulroney responded that he did not expect any special problems, but that Mitterrand was always somewhat unpredictable. He recounted an anecdote from the 1987 Quebec Francophone Summit at which Mulroney had mentioned to Mitterrand that Canada was considering writing off the Official Development Assistance (ODA) debt of the African countries, about \$1 billion. Mitterrand said there was nothing he himself could do along these lines, since Chirac was in control of the government at the time. Last spring, however, when Mitterrand was in Senegal he announced that France was cancelling African ODA Debt in the amount of \$2-3 billion. He did so without notifying Prime Minister Mulroney in advance, and he presented the French gesture in a way that implied that France was the first to do this. Mitterrand was not very good at giving credit where credit was due. (S)

Prime Minister Mulroney continued, saying that he had spoken with Mitterrand recently and gotten assurances that there would be no surprises at the Summit. Mitterrand's main interest was in the environment and in Third World debt, but in Prime Minister Mulroney's own opinion the Brady plan was the proper approach on the latter issue. (S)

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The President asked whether Mitterrand would be raising the SDR issue. (S)

Prime Minister Mulroney replied that he might well, but that it was not inappropriate for him to do so since this was an issue that could be debated on technical grounds. Prime Minister Mulroney also wondered whether Mitterrand would have the energy to carry out the very ambitious Summit/Bicentennial program which had been planned. (S)

The President then asked how long Prime Minister Mulroney would be in Europe and there were exchanges as to respective travel plans. (U)

Prime Minister Mulroney asked whether the President planned any major moves at the July 14 working dinner. (S)

The President said he planned no major new initiatives, although he was seeking modest sums with which to assist Poland and Hungary. He would also be seeking to engage the other Summit partners in helping these countries, but he did not plan anything as a major initiative for the Summit itself. (S)

Prime Minister Mulroney said that he did not either, but it was important to encourage reform in Eastern Europe. (S)

The President agreed, but said that this encouragement could not take the form of a new Marshall Plan. (S)

Prime Minister Mulroney said that he thought Mitterrand would press the US for debt forgiveness for the developing countries, and that he would also push for endorsement of the concepts on environment produced at the Hague. (S)

The President commented that it was important that the price tag not be excessive. One had to show interest and concern without making major new financial commitments. (S)

Prime Minister Mulroney suggested that the US find a way of simply taking off the books those ODA debts that would never be paid in any case. It would cost nothing. (S)

The President agreed, but mentioned Congressional accounting requirements. (S)

Prime Minister Mulroney mentioned that he had seen former President Reagan recently. Reagan had been interested in how the Brussels Summit had gone and both agreed that the President had done a wonderful job. Reagan was very supportive of the President. (S)

The President said he looked forward to seeing Prime Minister Mulroney in Paris. (U)

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THE WHITE HOUSE

WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with King Hussein of Jordan

PARTICIPANTS: The President
King Hussein
Notetaker: Richard Haass

DATE, TIME July 7, 1989, 2:30 - 2:38 P.M. EST
Oval Office

King Hussein telephoned the President concerning the Middle East situation.

The President. Good afternoon, your Majesty. (U)

King Hussein. Good afternoon, Mr. President. It is a privilege to hear from you. (U)

The President. It is good to hear from you. I have been told we need to speak slowly. Let me say you have warm respects from me and Barbara. (U)

King Hussein. Thank you very much indeed for the opportunity to speak to you. Noor and I send respects to Barbara and yourself. I thank you very much for giving me a chance to call. I would like to be there myself. (U)

The President. What can we discuss? (U)

King Hussein. There are two areas I would very much like to talk about. (U)

One, thank you very much for your assistance and for your letter about the situation in Jordan. I hope we can count on help and support not only from the U.S. but from our Arab colleagues. We are trying to stabilize the Dinar. We hope to receive deposits in Jordan's central bank of some 1/2 billion dollars from colleagues in the area in the next five years. We will be on good terms if we can do that. And we hope to have parliamentary elections by November. The country will be moving in a good direction. (U)

The President. That is encouraging and I hope we can help. (U)

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King Hussein. We are trying our best with our colleagues in the area. Anything from your side will be valuable in coming years. (Ø)

The President. Let me see what we can do. I appreciate the inquiry and we will try. (Ø)

King Hussein. Thank you very much indeed. The other area is the Palestinian problem. What you have recently heard out of Israel corresponds with what I feared. Elections will not be held until the uprising ends, no promise of a Palestinian state, more settlements -- these terms are a recipe for disaster. (Ø)

The President. We are concerned on this end. A current theory is that what took place is a party position and not a government position. Our policy here has not changed. We want to see and facilitate elections, but the four points Likud agreed to, including additional settlements, go against U.S. policy. We are endeavoring to be helpful, but given the situation inside Israel, I don't know if an outside force -- even the U.S. -- can change the four-point declaration. I hope there is still room to move forward on policy. We want elections and talks with Palestinians. I agree recent developments do not facilitate matters, they complicate them. We are regrouping to see what we can do. (Ø)

King Hussein. I know that you are concerned and that you will help. All of us remain hostage to the extremists. (Ø)

The President. Have the Likud statements been badly received in the Arab world? (Ø)

King Hussein. Indeed they have. (Ø)

The President. Our policy has not changed. The frustration level here is high as I am sure you can imagine. (Ø)

King Hussein. We will continue to do what we can. I am very much involved. We would welcome U.S. views. (Ø)

The President. I still think you hold a very important key to eventual peace in the Middle East. I am glad we have had an opportunity to discuss Jordan's situation and I hope we can go forward on the election plan -- free, certified elections with people that are elected going forward to negotiate. If it fails, we are back to square one. (Ø)

King Hussein. We always need some idea of what the end result is. (Ø)

The President. Yes, I would welcome hearing from you at any time. I am leaving in 48 hours for Eastern Europe and France, but anywhere you want to talk on specific ideas, I would be delighted to hear from you. (U)

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King Hussein. I could never thank you enough. I hope you have a successful trip. (U)

The President. Are you in London? (U)

King Hussein. Yes, I am in London and will be here for another two weeks. (U)

The President. I hope all is well with your health and you are feeling good. (U)

King Hussein. Everything is fine. I am having an angiogram only because the last one was five years ago. (U)

The President. That is prudent and smart. It was good talking to you. I look forward to seeing you when we see you. Goodbye. (U)

King Hussein. Thank you. (U)

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Victor Paz Estenssoro of Bolivia

PARTICIPANTS: The President
Victor Paz Estenssoro, President of Bolivia
Notetaker: William T. Pryce

DATE, TIME July 7, 1989,
AND PLACE: The Oval Office

The President: "Mr. President, George Bush aqui, como esta."

President Paz: I was calling you Mr. President to talk about the bridge credit request being negotiated with the Treasury Department. Originally they said \$100 million, now they are saying \$70 million. I was calling to see if you could use your influence--because it is an ear mark, the loan is important psychologically. I think that the credit of \$100 million is important and that reduction would have a bad psychological effect.

The President: Mr. President, I will look into the amount. They are doing this because they are impressed with what you are doing. The escrow loan can be counted in your reserves and this will have a good influence on the foreign exchange market. They did not talk to me about the amount. I will get back to the Treasury about that.

President Paz: Yes, that is exactly what I was referring to--a loan the amount of \$100 million which would not be spent but that would have an important effect on the reserves of the bank. I hope it will be in the amount of \$100 million. I want to thank you and insist that it be in this amount. Let them have no doubt on the amount.

The President: I will check on the amount and will certainly convey to the Secretary your desire about the amount.

President Paz: Thank you very much Mr. President.

The President: If I could talk to you one more minute, I would like to make two or three points while I have you on the line, sir.

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The President: Hello?

President Paz: Yes, I would have time to listen.

The President: First, we appreciate your anti-narcotic efforts. As you know, it is difficult, and I did not want to hang up without telling you of my personal appreciation for all you have done.

And secondly, I just want to say again on a very personal level of personal respect, to tell you how much we value your efforts over these last four years to maintain a liberal economy with democracy. We respect that and we do want to be helpful on the matter you raised with me.

And the third point, Mr. President, relates to Noriega and Panama. I recognize very clearly that the solution to this difficult problem must not be a solution imposed by the U.S. through force. And I have tried to encourage leaders in Central and South America to do what their natural intentions would have them do--to speak out to see that the election not remain stolen from the people. I just want to encourage you to continue, if you had any thoughts, to continue to do what Bolivia is doing, to advance democracy with the other leaders in the area. This man must not be permitted to abort the will of the people. I support the OAS and welcome your leadership and your principled stand for democracy regarding the situation in Panama.

President Paz: Thank you very much for what you said about our efforts on drugs and our economic area. Regarding Panama, we are going to support the mission of the OAS with the hope that something will be done to solve this complex situation. You can count on us.

The President: Thank you Mr. President and I will talk to the Secretary of the Treasury. I hope our paths cross soon again.

President Paz: It has been nice talking to you Mr. President and I thank you in advance for talking to the Department of Treasury.

The President: Good bye, Adios.

-- End of Conversation --

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with King Fahd of Saudi Arabia (U)

PARTICIPANTS: The President
King Fahd
Interpreter: Prince Bandar, Saudi Ambassador
Notetaker: Sandra Charles, NSC

DATE, TIME July 18, 1989; 5:30 - 5:35 p.m. EST
AND PLACE: The Oval Office

The President began, asking about the King's health. He commented that thanks to their able Ambassador the call was placed so quickly. The President stated that the Ambassador had explained why it was not an opportune time for the King to leave, stating that this would create no inconvenience on our part. (U)

King Fahd responded, explaining that he was trying to bring about results, to help as he could. (U)

The President accepted his explanation on the condition that the King come to Washington at the earliest convenient time. (U)

King Fahd agreed, stating it would be his great pleasure to do so, promising to come as soon as he could. (U)

The President said that we would work out a convenient time to reschedule the visit. He continued that he and Mrs. Bush would be ready then to receive the King with appropriate honors. He understood and respected the King's commitment on Middle East peace and wished him the best in his endeavor. He also requested that if the King had any suggestions on a role the United States might play he would be pleased to hear them. (U)

King Fahd replied that he was grateful for the President's words, that he hoped the President would have the opportunity to rest after his trip, and that he would keep the President informed of the Tripartite Committee's efforts. (U)

The President then mentioned that they had just returned a few hours ago from a very successful visit to Europe. He reiterated his deep respect for the King and his appreciation for Saudi efforts in this difficult time. (U)

King Fahd acknowledged that he had followed the President's recent return on television and recommended that the President take a rest. (U)

The President agreed, concluding that it was time for him to go home to get some sleep. (U)

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Robert Hawke, Prime
Minister of Australia (U)

PARTICIPANTS: The President
Robert Hawke, Prime Minister of Australia
Interpreter: None
Notetaker: Karl Jackson

DATE, TIME July 19, 1989, 5:31-5:35pm EST
AND PLACE: The Oval Office

The President telephoned Prime Minister Hawke concerning the East European trip. (U)

The President began by referring to his just completed trip to Poland and Hungary which he characterized as having gone very well. He indicated that what he found coincided exactly with the Prime Minister's earlier assessment. The Polish situation is complex. However, the young leaders in Hungary were very attractive and forthcoming. The President expressed his optimism about overall prospects for success in policies toward Eastern Europe. (U)

Prime Minister Hawke indicated his agreement and expressed how pleasantly surprised he was to find communist leaders talking about the problems of arranging democratic elections. (U)

The President agreed that the situation was very open and extraordinary. The President thanked Hawke for an earlier conversation that was very helpful in preparing the President for his trip to Eastern Europe. (U)

Prime Minister Hawke opined that together with others we must do as much as we can to assist these developments. He said that Australia had been asked for particular tariff arrangements that would not be appropriate on an objective basis alone but that he had asked his officials to bend the normal rules a little to encourage further positive developments. (U)

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The President said that they should stay in touch on these matters but that he had real hope for the situation in Hungary. He characterized the situation in Poland as more complex economically and politically. He said Jaruzelski was in a far different position from just a few years ago. The President opined that we are living in fascinating times and said he just wanted to keep Prime Minister Hawke informed. (C)

Prime Minister Hawke agreed, affirming that this could be a real turning point if handled properly. (U)

The President indicated that we must proceed cautiously, working together on these matters. He said the Prime Minister should not hesitate to share his thoughts on this or other matters. (U)

Prime Minister Hawke closed by expressing his sympathies for the air crash that had just occurred in the United States. (U)

The President thanked the Prime Minister and signed off.
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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Arias
of Costa Rica

PARTICIPANTS: The President
Oscar Sanchez Arias, President of the
Republic of Costa Rica
Notetaker: David A. Pacelli
Stenographer: Pat Battenfield

DATE, TIME July 20, 1989, 11:05 to 11:14 EDT
AND PLACE: The Oval Office - Arias Residence

The President, who initiated the call, began by saying, "Mr. President, how are you today?" (U)

President Arias replied, "Fine, thank you." (U)

The President said that he had told Arias that he would get back to him after an earlier phone call. The President asked Arias to pardon the delay, saying that he had just returned from Europe. The President said he was calling to simply say that he was very pleased to be able to accept Arias's invitation to come to San Jose in October to celebrate 100 years of Costa Rican democracy. The President congratulated Arias on this initiative, saying there is no better place than Costa Rica to have a hemispheric meeting, particularly given its tradition of democracy. The President said that he had given the invitation some thought and had checked the schedule. He added that he had heard from Ambassador Hinton telling about a recent exchange with Arias talking about democracy being the centerpiece of the meeting, commenting that, "without that, we are not in very good shape." He concluded by saying that he was very pleased. (Ø)

President Arias said, "Thank you, thank you, President Bush. It is quite an honor for us, and Costa Ricans will be delighted with your acceptance to visit us." He noted that it will be the President's first visit to Latin America, and it is quite an honor to be the first country to host the President. (Ø)

The President said, "We look forward to coming." The President then asked if President Arias had time for him to mention some concerns about some of our neighbors. First, he said he was

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interested in Arias's view on Nicaragua. The President said he was disappointed. Yesterday was their 10th anniversary -- unfortunately, not of democracy. We were dismayed by the lack of actions to keep their commitment to the OAS to establish a democracy. The President questioned whether Arias believed there had been any progress. The President said he knew that Arias had talked to Nicaraguan President Ortega last week, and as a result of those discussions, Ortega had agreed to renewed dialogue with the internal opposition. He asked Arias if he thought that they will agree to anything. (S)

President Arias responded, "I hope so." He commented that Ortega is dogmatic and very inflexible--a good Marxist. But Arias was optimistic in the sense that Ortega says he will allow political polls to be conducted. He won't be able to fool the Nicaraguan electorate because the polls will reveal that he is not popular, that the opposition has very good chance to win. Arias said he insisted on the necessity of authorizing Gallup polls, and many other firms are interested in conducting polls in Nicaragua. Arias concluded that it would be very difficult for Ortega and for the Sandinistas in general to fool the electorate. Arias said he was optimistic because the polls he had in his hands show how strong the opposition is. (S)

The President said, "Is that right? That is good." (S)

President Arias said, "Yes, What I got from Ortega was a promise to sit down and negotiate with UNO--the United Nicaraguan Opposition--changes to the [electoral] legislation. This is the first time he has agreed to negotiate with the UNO opposition. Arias believed that they will be able to reach some agreements. (S)

The President said, "We commend you for that." The President said Arias was "a major force" and he relied on his knowledge of the area. With Arias's credibility that kind of push is very helpful. Switching subjects, the President thanked Arias for his efforts to help the Panamanian people restore democracy to their country. We still feel Noriega has to go, given his manipulation of the election and his involvement in narcotics. The President asked if Arias saw any reasons to be optimistic. There were some talks with the OAS group. The President asked for Arias's views. (S)

President Arias said that he was not very optimistic on Panama. On Panama, he conceded that he was not up to date, since the Foreign Ministers are holding meetings now in Washington and he had not communicated with his Foreign Minister. On Panama, he concluded, he was not very optimistic, unfortunately. (S)

The President said he wished we could get something going there. There is some talk about both sides realizing that Noriega has to get out if there is to be a resolution of the problem. Once that happens, we can improve our relations. The President urged Arias not to hesitate to call if he had any thoughts. (S)

President Arias said he would be in touch with Assistant Secretary of State Bernard Aronson and Ambassador Hinton. (Ø)

The President repeated his invitation for Arias to call him directly with his views. Saying he wanted to turn back to the first subject, the President stated he was looking forward to the summit meeting. The President said one of the reasons he was thrilled about the meeting is that he still remembered walking proudly around the stadium where the inauguration was held and the warmth of the greeting by the Costa Rican people. It made a profound impression on the President and other Americans who were walking proudly behind our flag. (Ø)

President Arias said he was sure that it will be a very successful trip and a successful meeting, as was the President's recent trip to Poland and Hungary. Arias said he wanted to congratulate the President on that trip as Costa Ricans had followed it through CNN coverage. It was incredible to see how you were received in those two countries, he said. (Ø)

The President said that we have got to follow up and help them. There are people working for democracy that we believe in and you believe in, he said. They have a long way to go but they're on the move. (Ø)

President Arias agreed, saying that he told Ortega that he was isolated in Latin America because he, along with Castro, were the only two dictators left. (Ø)

The President said, "Exactly," adding that it looked like Chile is moving toward democracy. (Ø)

President Arias said, "Yes, that's for sure." (Ø)

The President concluded by saying that it was nice to talk to President Arias and that he sent his best regards to Mrs. Arias. (Ø)

President Arias thanked the President and said he would make public the announcement that the President would attend the summit and that the President had called, if the President had no objection. He added that this will be received with a lot of enthusiasm. "We all want you to come." (Ø)

The President said anything President Arias wanted to say was fine with him and that he was looking forward to the trip very much. (Ø)

President Arias thanked the President. (Ø)

The President and President Arias then each said goodbye and the conversation was concluded. (Ø)

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Carlos Salinas de Gortari of Mexico

PARTICIPANTS: The President
Carlos Salinas de Gortari, President of Mexico
Notetaker: William T. Pryce

DATE, TIME July 24, 1989, 2:49 - 2:54 pm EST
AND PLACE: Oval Office

President Salinas greeted the President in English with "Hello Mr. President, this is Carlos Salinas de Gortari." (U)

The President acknowledged by affirming "This is George Bush." (U)

President Salinas stated that he wanted to call to share with the President the satisfaction he and the Mexican Government felt with the finalization of the Debt Agreement. (C)

The President responded that he was very pleased to hear of President Salinas' satisfaction; that Mexico had come a long way and that President Salinas had his respect for the way he had approached the situation. The President expressed his delight in knowing that President Salinas was in a position to express his satisfaction with the way things worked out. (C)

President Salinas replied that he wanted to express his personal recognition and thanks for the unfailing support that the President and United States Government officials had given in this matter. He mentioned that Secretary Brady had been especially helpful. (C)

The President reiterated his delight over the situation and said that both countries needed to do what was necessary so that the deal would come to a close. He said that President Salinas must be relieved, and that they both should monitor the situation and see to it that no bilateral problems cropped up which would get in the way of the economic progress which is greatly needed. The President said that he would do what was needed on the U.S. side and that there shouldn't be much of a problem. (C)

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President Salinas replied that the relationship between Mexico and the United States was such a good one that if any minor problems surfaced, they should be easily worked out. (Ø)

The President continued that his people had been thrilled with the work the Mexican negotiators did. He said that from what he had read and heard, things were moving better on the narcotics front where he felt we were now making better progress. The President said that both sides had some "tough guys." (Ø)

President Salinas agreed with the President and informed him that within the last six months, Mexico had seized at least 15 tons of cocaine with a street value of over \$15 billion. (Ø)

The President expressed awe at the quantity. He then said that before President Salinas got off the phone, he wanted to say something about having him come for a visit, and wondered if it would work out for President Salinas to come to Kennebunkport. He said that he and Mrs. Bush would be up there for the last two weeks in August over the Labor Day weekend. (Ø)

When President Salinas did not respond, the President mentioned the possibility of an informal visit to Camp David if that were preferable, adding the he just wanted to renew the offer of an informal visit which would show the special friendship that exists between the two of them. (Ø)

President Salinas said that he had heard that the State Department had invited him for early October. (Ø)

The President said that General Scowcroft had mentioned that to him, and that whatever they worked out would be fine. The President suggested to President Salinas that if he were to come for a visit in October, perhaps they could have supper at Camp David, that the details could be worked out later. He added that he did want to do something special, rather than the usual formal thing. (Ø)

The President added, when President Salinas did not respond, that he thought that if President Salinas were going to New York, or somewhere else in the United States, they could get the Bush and Salinas families together at Kennebunkport. The Bushes would ask Jeb and their daughter-in-law and it could be very informal and relaxing. The President added that if President Salinas were in New York, he could perhaps fly up to Kennebunkport for the evening. He added that he thought it was important to demonstrate the special friendship that the two men felt toward each other, or at least, what he felt for President Salinas. (Ø)

President Salinas responded by saying the President was very kind, that he too felt that they had a very special relationship; that he was sure that Mrs. Salinas would enjoy an informal visit;

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that anything which could be worked out would be fine with him; and that he very much appreciated the President's sentiments. (C)

The President asked President Salinas to please say hello to Mrs. Salinas and reiterated his congratulations for the debt settlement. The President said that because of President Salinas' persistence and firmness, the banks had set a pattern that would be helpful in other countries of the hemisphere. (S)

President Salinas thanked the President again for his cooperation on the debt situation and the conversation ended on a cheerful note. (C)

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Jose Azcona Hoyo of Honduras

PARTICIPANTS: The President
Jose Azcona Hoyo, President of Honduras
Interpreter: Stephanie Van Reigersberg
Notetaker: Everett Ellis Briggs

DATE, TIME: July 27, 1989, 1:07 - 1:25 p.m.
AND PLACE: The Oval Office - Azcona's Office

The President, who initiated the call, began by saying, "Mr. President, how are you, sir?" (U)

President Azcona replied, "How are you, Mr. President?" (U)

The President said, "I'm doing fine. I wanted to call to say a word about the Central American Summit on August 6, if I may." (S)

President Azcona said he would be delighted. (U)

The President said we look at the Summit as presenting a critical opportunity to keep the pressure for democracy on the Sandinistas. He added that he knows that some people in President Azcona's part of the world share his view that the Sandinistas are failing to show progress on democratizing, and are discouraged by the lack of progress on conditions for truly free elections. The President expressed his hope that the democracies will demand that the Sandinistas do more, when they meet with Ortega. (S)

The President said he wished to point out something of direct concern to President Azcona, that the Sandinistas want to adopt a plan to demobilize the Resistance before the February elections, without first taking steps for real democracy. The President said that in his view, that is "clearly unacceptable." (S)

The President said that it was also his view that the plan should link demobilization of the Resistance to the establishment of safe, democratic conditions inside Nicaragua. He said that we still feel that direct talks between the Sandinistas and the Resistance are necessary to take into account the needs of the Resistance. (S)

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The President said he knows the Resistance has been a "burden" for Honduras, and that he understands this. He assured President Azcona that the U.S. government intends to provide the necessary support so that Honduras does not have to carry the burden alone. He said, "I am absolutely sure Congress will support me in this." He said he hoped we are together on this issue, and that if we can stay together on these points, this will be very important to the eventual democratization of Nicaragua. (S)

President Azcona said, "I agree with the views you have expressed. We here in Honduras have been discussing the possibilities regarding demobilization. We believe in the principle that the demobilization and repatriation must be voluntary." President Azcona said he was talking about the repatriation of the Resistance, their families, and refugees. To achieve these ends, he said, Honduras agreed that there must be consultation with the Nicaraguan Resistance. Further, he said that this consultation should be carried out in Nicaragua, based on the principle of national reconciliation and democratization, as provided for in Esquipulas II. He said Honduras also thinks there has to be a judgment made by an international or supranational organization stating that the Nicaraguan government is complying with the principles of Esquipulas II, and certifying that the conditions exist for the demobilization and repatriation of the contras. Then, he said, there would have to be support from an international commission to supervise the repatriation of these people. He added that together with the Nicaraguan government and the Resistance, the conditions would have to be established to guarantee the personal freedom and the economic and political security of the persons being repatriated. President Azcona said that this could in no way be something done in an "overly precipitous" manner. (S)

The President said, "It is good to hear you say that." The President added that we hope all of the democracies will stay united on this, that he agreed with what President Azcona had said, and considered it "very good news." What worried us, he said, was if demobilization took place before the elections and if the conditions had not been established, the Sandinistas would walk away from free elections and also democratization. (S)

President Azcona said Honduras wanted to talk about the various stages in the process and to propose the mechanisms to deal with them. First, he said, there should be an evaluation as to whether Nicaragua is complying with the commitments of Esquipulas II, Alajuela and Costa del Sol; and then, if approved, if Nicaragua is complying, then Central Americans would ask the

Secretaries General of the OAS and the UN to establish the international support and verification commission. This, he said, is going to take time. "We are going to stick to the principle that repatriation must always be voluntary," he said, adding that the Hondurans are very worried that this whole problem will linger in Honduras and continue to cause them difficulty. (S)

The President said he could identify with that. He said we want to help on the humane costs involved. He said he thought that if Nicaragua can be held to their timetable of elections, it looks as if the problem is "not forever." (S)

President Azcona said, "That is our thought as well." (U)

The President said, "It's nice talking to you." He said he would talk to the other Central American democratic presidents, while trying to not be a burden and recognizing that the key democratic leaders have the major responsibility. He said, "We do not want to impose a burden, but it is also very important to the Resistance that these people not be thrown to the wolves before the conditions are ripe for their return." (S)

President Azcona said, "Please rest assured. We would not follow any such line." (C)

The President asked President Azcona if he has any vacation plans this summer. (U)

President Azcona said he will visit New York September 2-4, to see his son who has just entered West Point. (U)

The President expressed great pleasure talking to President Azcona, who echoed the sentiment. (U)

The President and President Azcona then each said goodbye and the conversation ended. (U)

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WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Oscar Arias, President of Costa Rica

PARTICIPANTS: The President
Oscar Arias, President of Costa Rica
Notetaker: David Pacelli
Stenographer: Barbara Desina

DATE, TIME July 27, 1989, 3:17 p.m. - 3:28 p.m.
AND PLACE: Oval Office - Arias Residence

The President telephoned President Arias concerning the Central American summit which will take place on August 5-7 in Honduras.
(S)

The President began by asking President Arias how he was. (U)

President Arias replied, "Fine, fine. How are you?" (U)

The President said he was sorry to be calling again so soon, but he wanted another opportunity to consult on the Central American summit. The President said he felt that the summit presented a critical opportunity to let the Sandinistas know that their lack of progress in creating conditions for truly free elections is disappointing. They have got to do more. The President said he hoped that everybody [the democracies] will be together on this. Although he recognized that the meeting is the business of the Central Americans, the President said he hoped that the democracies will demand action of [Nicaraguan President] Ortega when the meeting is held. The specific thing I am concerned about, the President continued, was the Sandinista objective of gaining approval for a plan to demobilize the Nicaraguan Resistance before the election in February. "I just feel that would be very, very bad," the President said. He added that he did not know what President Arias's view was, but his opinion was that if the Sandinistas succeeded in demobilizing the Contras now, they would not go forward at all with democratization. (S)

President Arias said that his impression was that they both must be parallel. (S)

The President said, "Yes." (U)

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President Arias said that he did not think the Contras wanted to go back to Nicaragua. It is a very difficult process for them to go back. There is nothing to do in Nicaragua and it is "so chaotic." They don't want to go back unless the Sandinistas go ahead with the democratization process and offer them economic opportunities. President Arias commented that [Assistant Secretary of State] Aronson came to visit recently and arranged a meeting with the Contras. He had just met with them. (S)

President Arias continued that he agreed with the President about the need for pressure on the Sandinistas. He said that he had asked his Latin American and West European friends to put the pressure on the Sandinistas for the next election to be free. (S)

President Arias continued that he had just seen some polling data on Nicaragua. The Sandinistas do very badly in those polls. Arias said he had told Ortega that if polls are allowed in Nicaragua, they would show that the Sandinistas have no chance to win at all. This is what I want the world to know, he said, just like in Panama. The majority of the Nicaraguan electorate are not registered for the election and "the conditions for a free election are not the best." But he asserted that the vast majority of Nicaraguans are against the Sandinistas. This is why the Sandinistas are reluctant to go ahead with changes to the electoral code. They won't be able to hide the evidence that the vast majority of the people don't want to stay five more years under a Sandinista government. (S)

The President emphasized that demobilization should not happen before the election process. He said that we would try to keep pressure on. He had told President Azcona that, and that we would try to help Honduras and try to keep the Contras alive. This would bring pressure and it would be useful. I haven't seen the polls, he said, but if everybody is pushing, then maybe democracy will have a chance. Maybe the Sandinistas will be voted out, if the people have a chance to speak up in a fair vote. But if the Contras are demobilized, if the Contras are disbanded, then the Sandinistas will be free to do whatever they want. (S)

President Arias asked what President Azcona had said. (S)

The President replied that Azcona said that he agreed with me. He did not believe the Contras should be dismantled before the elections. The President said that Azcona's government had been under great pressure, but nevertheless the President did not sense any difference in views. The President conceded that Azcona was talking in Spanish, and it had to be translated. But the President said he wanted to be sure what he told Arias was correct and he had repeated his views to Azcona two or three times. The President asked Arias if he believed that Azcona felt differently. (S)

President Arias remarked that he knew that Honduras was holding elections soon. Arias said he knew there was a lot of pressure on Azcona's government for the Contras to go back to Nicaragua.

(Ø)

The President said, true, but Azcona made the point that we could rest assured that Honduras will not follow any such line until the [Nicaraguan] election took place. The President said he told Azcona that it is very important that the Resistance not be thrown to the wolves before conditions are ripe for their return, and he agreed with that. The President said he was encouraged by that. Azcona also talked a little about international verification of the elections. The President concluded that he and Azcona "are on the same wave length." It would be very bad to let the pressure off by demobilizing these people while conditions for demobilization have not been met. The President said this is a matter that you [the Central American Presidents] will decide. But to send a signal to the Contras that they will be forced back into Nicaragua now, without democracy, would be saying to the Sandinistas that they can "clutch victory out of the jaws of defeat." (Ø)

President Arias said that demobilization must be voluntary. "If they don't want to go back, there is nothing we can do." He said that the Contras will not go back unless they are offered something. (Ø)

The President said yes, the fact that the Contras are there [in Honduras] and together keeps the pressure on the Sandinistas to offer the Contras what they want. These are the same type of things that Costa Rica and the United States want to see happen. The President said that he had said publicly that if there is a free and fair election, we will have to live with that, even if we do not like the results. (Ø)

President Arias said again that if the election is free and fair, the Sandinistas would lose; "that is for sure." He said he trusted the results of the polls. (Ø)

The President said, "Yes, yes." (Ø)

President Arias continued, saying that this is why there is some reluctance by the Sandinistas to make changes. (Ø)

The President said that if you keep the pressure on for changes, the Sandinistas may not be able to stand it. The President observed that he had found that out on his recent trip. There is change in Europe and people are waking up to reality. Some who were for the Sandinistas are now seeing something else. The President reaffirmed his commitment to keep the pressure on the Sandinistas. He mentioned once again the importance of not demobilizing the Contras before the election, telling President Arias, "We would appreciate anything you can do." (Ø)

President Arias responded, "Ok, ok." (Ø)

The President asked Arias to let him know if he had further thoughts about this, and to stay in touch. (Ø)

President Arias replied, "Ok." (Ø)

The President continued, jokingly, "And when you got that all figured out, then tell me what to do about getting rid of Noriega." (Ø)

President Arias [not understanding] said, "I'm sorry." (Ø)

The President repeated himself, observing that Panama was a difficult issue. (Ø)

President Arias said, yes, it was a very difficult problem. (Ø)

The President concluded by saying that it was nice talking to President Arias and that he sent his best wishes. (U)

President Arias thanked the President, said goodbye, and the conversation ended. (U)

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POINTS TO BE MADE FOR TELEPHONE CALL
TO PRIME MINISTER THATCHER

- I just received your letter on assistance to Poland. I welcome your views and will reply soon on this issue. However, today I would like to talk to you about the situation in Colombia.
- As you know, the situation in Colombia is a serious concern for us.
- The traffickers there have sought to undermine the legal and social fabric of that nation by threatening and killing judges, corrupting and intimidating the police, the military and other institutions. The attack on one of the leading newspapers (El Espectador) over the weekend is but one sickening example.
- I therefore very much appreciated your timely letter last week on your readiness to join in supporting Colombia.
- President Barco has shown great courage in deciding to stand up to the cartels. I have spoken with President Barco several times, and we intend to give him all the support possible. The \$65 million in emergency military aid which I offered two weeks ago was but a first step. Tonight I will announce a \$260 million program for Colombia, Peru, and Bolivia for next year and a \$2 billion program over the next five years.

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-- I know you agree that Colombia must not fail in its effort to attack the drug cartels. We cannot stand by and let Barco succumb, lest we wish the chaos of Lebanon, with a drug cartel overlay, to be recreated in Latin America.

-- I agree that we should coordinate our assistance for maximum effect, and we will welcome and work closely with your team of senior officials when they arrive here for consultations on this subject. In fact, I am told we are talking with some of your folks today.

✓ -- You also suggested a combined European effort to do more to help Colombia, citing our commitment along these lines at the Paris Summit in July. One approach might be for the rest of the G-7 to provide a counternarcotics assistance package to Colombia, or to the region more broadly, perhaps on the order of \$250-300 million, of the sort of aid with which you and our partners will be comfortable.

-- I have spoken to Brian Mulroney and Helmut Kohl about the idea of President Mitterrand announcing such a G-7 initiative from Paris, in his role as chairman at the recent Summit.

-- { In addition, I think your idea for a UN Security Council resolution of support for Colombia is an excellent idea.

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- I wanted to talk to you before I talk to the American public this evening. I am glad that we both see the urgency of the situation and the need for concerted action.
- ✓ By the way, I just want to let you know that I am looking forward to meeting John Major on Monday, and I hope to have a good discussion with him.

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