

Originally Processed With FOIA(s):
2009-0275-S

FOIA Number:
2009-0275-S

FOIA MARKER

**This is not a textual record. This is used as an
administrative marker by the George Bush Presidential
Library Staff.**

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Scowcroft, Brent, Collection
Series: Latin American Files
Subseries: Panama Chronological Files

OA/ID Number: 91140
Folder ID Number: 91140-003

Folder Title:
Latin America - Panama (December 1989 - April 1990)

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

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Memo	Eric Melby to Robert Gates Re: Economic Recovery for Panama (2 pp.)	12/21/89	(b)(1)	
02a. Memo	G. Philip Hughes to J. Stapleton Roy Re: Transmittal of Memorandum of Conversation of the President's Telephone Call to President Francois Mitterrand of France (1 pp.)	12/22/89	(b)(1)	✓
02b. Telcon	Re: Telephone Conversation with President Francois Mitterrand of France (3 pp.)	12/20/89	(b)(1)	✓
02c. Memo	David Pacelli to Brent Scowcroft Re: Memorandum of Telephone Conversation with President Francois Mitterrand of France (1 pp.)	12/21/89	(b)(1)	✓
03. Cable	American Embassy to Caracas to Secretary of State Washington DC Re: Letter from Venezuelan President Carlos Andres Perez to President Bush on Panama -- English Translation (4 pp.)	1/2/90	(b)(1)	C
04. Memo	Adrian Basora to Brent Scowcroft Re: Your Meeting with Jacques Attali (2 pp.)	1/5/90	(b)(1)	S
05a. Summary	Re: Heads of State Correspondence Summary (1 pp.)	n.d.	(b)(1)	✓

Page 1 of 4

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Files
Series: Latin American Files
Subseries: Panama Chronological Files
WHORM Cat.:
File Location: Latin America - Panama (December 1989 - April 1990)

Pinksheet Number: cap1169
OA/ID Number: 91140-003
Date Closed: 5/18/2009
FOIA/Sys Case #: 2009-0275-S
Re-review Case #:
P-2/P-5 Review Case #:

Withdrawal/Redaction Sheet

(George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
05b. Cable	From American Embassy Panama Re: President Endara's Letter to President Bush Outlining Panama's Economic Situation and Assistance Required (7 pp.)	1/11/90	(b)(1)	
06a. Talking Points	Re: Points To Be Made for Telephone Conversation with President Guillermo Endara (2 pp.)	n.d.	(b)(1)	
06b. Memo	Eric Melby to Brent Scowcroft Re: Telephone Call to President Guillermo Endara of Panama (1 pp.)	1/24/90	(b)(1)	
07. Memo	David A. Pacelli to Brent Scowcroft Re: Your Meeting with the Vice President on His Latin American Trip (2 pp.)	1/24/90	(b)(1)	S
08a. Memo	Brent Scowcroft to POTUS Re: Your Reply to a Letter from President Endara of Panama (1 pp.)	1/27/90	(b)(1)	✓
08b. Letter	Re: Informal State Translation President Endara to President Bush (4 pp.)	n.d.	(b)(1)	
08c. Letter	President Bush to President Guillermo Endara Galimany (3 pp.)	1/27/90	(b)(1)	
08d. Memo	William T. Pryce to Brent Scowcroft Re: The President's Response to Panamanian President Endara's Letter (1 pp.)	1/26/90	(b)(1)	✓

Page 2 of 4

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
08e. Draft Letter	Re: State Department Draft Response to President Guillermo Endara Galimany (5 pp.)	n.d.	(b)(1)	
09a. Memo	David A. Pacelli to Brent Scowcroft Re: Talking Points for the President on the Nicaragua/Panama Aid Package (1 pp.)	4/3/90	(b)(1)	✓
09b. Talking Points	Re: Points To Be Made for Meeting with the Press on the Nicaragua/Panama Aid Bill (2 pp.)	n.d.	(b)(1)	✓
09c. Talking Points	Re: Points To Be Made for Telephone Calls to Senate Leaders on Nicaragua/Panama Aid Bill (2 pp.)	n.d.	(b)(1)	✓
10a. Memo	Brent Scowcroft to Frederick D. McClure Re: Points To Be Made on Panama/Nicaragua Supplemental for Bipartisan Leadership Meeting, May 1, 1990 (1 pp.)	4/30/90	(b)(1)	✓
10b. Talking Points	Re: Points To Be Made Panama/Nicaragua Supplemental (1 pp.)	n.d.	(b)(1)	✓
10c. Memo	William T. Pryce to Brent Scowcroft Re: Points To Be Made on Panama/Nicaragua Supplemental for Bipartisan Leadership Meeting, May 1, 1990 (1 pp.)	4/30/90	(b)(1)	✓
11a. Memcon	Re: Memorandum of Conversation (2 pp.)	4/30/90	(b)(1)	✓
11b. Draft Memcon	Re: Memorandum of Conversation (2 pp.)	4/1/90	(b)(1)	✓

Page 3 of 4

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Withdrawal/Redaction Sheet

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Doc. No. / Type	Subject/Title	Date	Restriction	Classification
11c. Handwritten Notes	Re: 1 on 1 (2 pp.)	4/30/90	(b)(1)	
11d. Memo	Wendy to Bill Sittmann Re: Presidential Memorandum of Conversation (1 pp.)	5/3/90	(b)(1)	

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

10295



December 21, 1989

INFORMATION

MEMORANDUM FOR ROBERT GATES

THROUGH: TIMOTHY E. DEAL *CD*
FROM: ERIC MELBY *EM*
SUBJECT: Economic Recovery for Panama

There was an interagency meeting at State this afternoon to review steps to dismantle the economic sanctions and to promote economic recovery in Panama. Highlights requiring discussion by Deputies include:

(1) Fed Escrow Accounts

Unblocking accounts #2 (\$9.5 million) and #3 (\$190 million) requires:

- finding by the Secretary of State that democratic order has been restored in Panama;
- certification of GOP representative in the U.S.;
- recognized GOP signatures on file to draw down the account.

Sec. 509 accounts, accounts U.S. companies set up to self-escrow tax payments to the GOP, contain \$141 million. Companies will want to settle payments due them by GOP before handing money over (e.g., Texaco is owed millions by GOP). This is likely to be contentious issue requiring clear U.S. position.

(2) Restoring Business Confidence

Endara needs to issue quickly statement which would:

- give general views on economic policy (endorsing market forces) and indicate key economic officials;
- cite willingness to work with IMF, IBRD and IADB;
- welcome foreign, particularly U.S., investment;
- take stand against narcotics;
- warn foreign banks not to permit unauthorized transfer of GOP funds to other accounts.

(3) Key Steps U.S. Should Take

- (a) Trade: State and USTR are working on certification necessary to grant CBI and GSP coverage and to restore sugar quota. State preparing announcement concerning ship registry. State and USTR working on removing textile restrictions.
- (b) Banking: U.S. should offer Fed/Treasury technical assistance to GOP to deal with liquidity problems of Panamanian banks. DEA and DOD working to secure bank records in Panama to help in narcotics/money laundering investigations.
- (c) Disaster Assistance: AID preparing to send team to Panama to assess needs. AID is preparing necessary Sec. 614 waivers. It believes immediate priorities are to get public services and credit institutions functioning.
- (d) Economic reform: U.S. should urge Endara to open immediate dialogue with IMF. Main advice on restructuring of economy should come from IMF.

cc: William Pryce

**National Security Council
The White House**

PROOFED BY: _____

LOG # 10295

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOS AM A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Dep Exec	<u>1</u>	<u>W</u>	<u>I</u>
Philip Hughes	<u>2</u>	<u>APX</u>	
Bob Gates	<u>3</u>	<u>8</u>	
Brent Scowcroft	<u>4</u>		
Philip Hughes			
Situation Room			
West Wing Desk	<u>4</u>		<u>N</u>
NSC Secretariat	<u>5</u>		<u>N</u>

A = Action	<u>I</u> = Information	D = Dispatch	R = Retain	N = No further Action
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cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

CONFIDENTIAL

CHRON FILE

10277

NATIONAL SECURITY COUNCIL
WASHINGTON, D C 20506

December 22, 1989



MEMORANDUM FOR MR. J. STAPLETON ROY
Executive Secretary
Department of State

SUBJECT: Transmittal of Memorandum of Conversation of the
President's Telephone Call to President Francois
Mitterrand of France (U)

The memorandum of conversation of the President's telephone call to President Mitterrand of France on December 20, 1989, attached at Tab A, should be forwarded to Assistant Secretary Bernard Aronson and Ambassador Walter J. P. Curley. The transmittal must be handled in NODIS channels. (C)


G. Philip Hughes
Executive Secretary

Attachment
Tab A Memorandum of Telephone Conversation

CONFIDENTIAL

Declassify on: OADR

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By 25 NARA, Date 7/23/13

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

10277

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President
Francois Mitterrand of France (U)

PARTICIPANTS: The President
President Francois Mitterrand
Interpreter: Carol Wolter
Notetaker: David Pacelli

DATE, TIME December 20, 1989, 7:41 - 7:56 a.m. EST
AND PLACE: The Oval Office

The President: Francois, how are you? (U)

President Mitterrand: Fine. I am going in a few minutes to the
German Democratic Republic. (Ø)

The President: I know you are. It will be a very important
trip. (Ø)

President Mitterrand: I am going to spend two and a half days
there. I will give you a call on any progress. (Ø)

The President: I agree that that would be very useful. Before I
get into discussing Panama, I want to thank you again for your
trip to St. Martin. I learned a lot from that meeting. I really
appreciated your coming such a long way, and I appreciated your
hospitality. (Ø)

President Mitterrand: That was the least I could do after I had
the benefit of your hospitality earlier in Maine. (Ø)

The President: I would like to raise another subject if you have
three minutes. (U)

President Mitterrand: Yes, Yes. (U)

The President: We have tried very hard to consult with
hemispheric leaders, and other leaders such as the Federal
Republic, to peacefully resolve the situation and help bring
democracy to Panama. (Ø)

President Mitterrand: Yes, yes, yes. (U)

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

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

The President: Last Friday, Noriega declared a state of war with the United States. The next day, the PDF shot to death an unarmed serviceman. They wounded another. They seized and brutally beat another and sexually threatened the wife of the last one. So to make a long story short, I decided we had to take military action to protect the lives of Americans and to restore democratic government to Panama (or helping to do that). Endara and his two elected Vice Presidents, Calderon and Ford, were sworn in by Panamanian magistrates. Noriega has gone underground. (Ø)

President Mitterrand: Where is he now? (Ø)

The President: I'm not sure. We are still looking. (Ø)

President Mitterrand: What is the situation in Panama City? (Ø)

The President: The situation is mostly under control. Secretary Cheney will be giving a briefing in a few minutes on CNN. I'm sure that your people will get it. It's mostly calm, with pockets of resistance. The majority of the PDF, if not in disarray, then it is heading in that direction, which is a good sign. The officers who opposed Noriega in the coup have now been released from prison by our soldiers. They are very happy, understandably. (Ø)

And now, I am in the process of sending our Ambassador back, of lifting all the economic sanctions off Panama, and, of course, we have recognized the government of Endara, Calderon, and Ford. I am hoping that after the dust settles, others will recognize Endara's government. I think a lot will in this hemisphere. (Ø)

There are a lot of unsubstantiated reports of the numbers of dead. We have some American servicemen -- we think it is nine. There have been some Panamanian deaths. So far, it doesn't appear to be many. I hope not. (Ø)

President Mitterrand: Yes, yes, yes. (U)

The President: I wanted to bring you up to date. There is sufficient force to bring the situation under control in a short period of time. That is where we stand. I appreciate your taking the call before heading off to the GDR. (Ø)

President Mitterrand: Thank you. Obviously, to have to intervene in a sovereign country is always delicate. The initiative taken by Noriega -- or his Army -- to kill U.S. officers is an important contribution to explaining this situation, not forgetting the drug situation. (Ø)

The President: Francois, what gets me the most was the interrogation and sexual abuse of the wife of a Navy lieutenant. That got to me almost as much as the death of the Marine. (Ø)

President Mitterrand: Yes, I understand all of this. What is necessary is for the United States position to be clearly expressed regarding the safeguarding of U.S. men and women, as well as the war against drugs. The democracy element is important, but not sufficient, because there are lots of dictatorships in the world, and it does not justify acting against all of them. (C)

The President: That is a very good point. I've just been on American television. And as I said, it just came to a situation where I said "enough is enough" to protect American lives. Francois, I do worry about intervention and what it will do to us in the hemisphere. I do worry also about the drugs and the threats to civilians. But I appreciate your words of caution and your words of advice. (C)

President Mitterrand: I know you, my dear George, and you are concerned about democracy and the rights of peoples, and so I am not one of those to criticize these things. You probably thought of this. You know all too well the predictable reactions in Latin America. As for recognizing the government, I will get all the documents, but France will not cause you any problems. (C)

The President: Thank you. It sounds like a wonderful trip you have planned to the GDR. I would love to hear about it. (C)

President Mitterrand: I will send you a diplomatic note on it. (C)

The President: Sounds good. (U)

President Mitterrand: Good luck to you and good luck to the American people. (C)

The President: Thanks and have a good holiday season. Au revoir. (U)

President Mitterrand: Au revoir. (U)

CONFIDENTIAL

10277

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

December 21, 1989

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH:

WILLIAM T. PRYCE *WTP*

FROM:

DAVID PACELLI *DP*

SUBJECT:

Memorandum of Telephone Conversation with
President Francois Mitterrand of France

SIGNED

Attached at Tab A is the Memorandum of Telephone Conversation between the President and President Mitterrand of France on December 20, 1989. The memorandum at Tab I transmits the memorandum of telephone conversation to the State Department for use by Assistant Secretary Aronson and Ambassador Curley.

RECOMMENDATION

That you file the Memorandum of Telephone Conversation for record purposes.

That you sign the memorandum at Tab I transmitting the Memorandum of Telephone Conversation to the State Department.

Approve *APL*

Disapprove _____

Attachments

Tab I Hughes Memorandum to Roy

Tab A Memorandum of Telephone Conversation

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By ES NARA, Date 7/23/13

CONFIDENTIAL

Declassify on: OADR

~~CONFIDENTIAL~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
03. Cable	American Embassy to Caracas to Secretary of State Washington DC Re: Letter from Venezuelan President Carlos Andres Perez to President Bush on Panama -- English Translation (4 pp.)	1/2/90	(b)(1)	C

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P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-3 Release would violate a Federal statute [(a)(3) of the PRA]
P-4 Release would disclose trade secrets or confidential commercial or
financial information [(a)(4) of the PRA]
P-5 Release would disclose confidential advice between the President
and his advisors, or between such advisors [(a)(5) of the PRA]
P-6 Release would constitute a clearly unwarranted invasion of
personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of
gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
(b)(2) Release would disclose internal personnel rules and practices of an
agency [(b)(2) of the FOIA]
(b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
(b)(4) Release would disclose trade secrets or confidential or financial
information [(b)(4) of the FOIA]
(b)(6) Release would constitute a clearly unwarranted invasion of
personal privacy [(b)(6) of the FOIA]
(b)(7) Release would disclose information compiled for law enforcement
purposes [(b)(7) of the FOIA]
(b)(8) Release would disclose information concerning the regulation of
financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

~~SECRET~~
NSC/S PROFILE

RECORD ID: 9000091
RECEIVED: 05 JAN 90 11

TO: SCOWCROFT

CHRON FILE

FROM: BASORA

DOC DATE: 05 JAN 90
SOURCE REF:

KEYWORDS: FRANCE
ECONOMICS

ANSA

PERSONS: ATTALI, JACQUES

SUBJECT: SCOWCROFT MTG W/ JACQUES ATTALI IN FLORIDA KEYS RE UPCOMING ECONOMIC
SUMMIT

ACTION: NOTED BY SCOWCROFT

DUE DATE: 09 JAN 90

STATUS: C

STAFF OFFICER: BASORA

LOGREF:

FILES: PA

NSCP:

CODES:

DOCUMENT DISTRIBUTION

FOR ACTION

FOR CONCURRENCE

FOR INFO

BASORA

BLACKWILL

DECLASSIFIED

White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cap NARA, Date 5/18/2009

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSRLG

CLOSED BY: NSAMM

DOC 1 OF 1

~~SECRET~~

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(b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
(b)(9) Release would disclose geological or geophysical information

FRANCE: MITTERRAND DELIVERS NEW YEAR ADDRESS (TAKE 1 OF 2)

LD3112211989 PARIS ANTENNE 2 TELEVISION IN FRENCH 1900 GMT
31 DEC 89

[NEW YEAR GREETINGS DELIVERED BY PRESIDENT FRANCOIS MITTERRAND
AT THE ELYSEE PALACE ON 31 DECEMBER -- LIVE OR RECORDED]

[TEXT] [VIDEO SHOWS ELYSEE FACADE, WITH SCREEN CAPTION: THE GREETINGS OF FRANCOIS MITTERRAND, PRESIDENT OF THE REPUBLIC. VIDEO THEN CUTS TO INTERIOR, WITH MITTERRAND SITTING AT TABLE, SPEAKING TO CAMERA.] MY DEAR FELLOW COUNTRYMEN, WE WERE PROUD TO CELEBRATE THE BICENTENARY OF OUR REVOLUTION THIS YEAR, TO COMMEMORATE THE ROLE PLAYED BY FRANCE IN THE STRUGGLE FOR FREEDOM AND EQUALITY, AND FOR THE DEFENSE OF HUMAN RIGHTS.

NOW, 200 YEARS LATER, THE SAME WORDS, BEARING THE SAME HOPES, HAVE OVERTHROWN OTHER BASTILLES, IN PLACES WHERE DICTATORSHIP STILL REIGNED IN EUROPE. EVERYONE KNOWS THE CHANGE THAT HAS OCCURRED IN THESE LAST FEW MONTHS IN THE COUNTRIES OF THE EAST SURPASSES IN IMPORTANCE EVERYTHING WE HAVE SEEN SINCE WORLD WAR II, AND WITHOUT DOUBT IS TO BE NUMBERED AMONG THE GREAT EVENTS OF HISTORY.

FOR THIS THERE HAD TO BE A CONJUNCTION OF IRREVOCABLE ECONOMIC AND POLITICAL FAILURE, OF THE INTUITION AND WILL OF MIKHAIL GORBACHEV, OF THE STRENGTH OF CONVICTION AND MORAL COURAGE OF THOSE WHO RESISTED OPPRESSION, AND, FINALLY, OF THE ASTONISHING MATURITY OF THE PEOPLES REVOLTING AGAINST TYRANNY. HOWEVER, IT MAY BE WE HAVE JUST WITNESSED THE MOST SHATTERING VICTORY OF DEMOCRACY. 1789-1989. NO ONE WOULD HAVE DARED DREAM OF SUCH A CELEBRATION FOR SUCH A FINE ANNIVERSARY.

BUT THE ROMANIAN DRAMA REMINDS US THAT HISTORY IS TRAGIC, AND THE PRICE OF LIBERTY IS SUFFERING. DO NOT LET US FORGET WHAT MILLIONS AND MILLIONS OF WOMEN AND MEN HAVE UNDERGONE DURING THAT LONG NIGHT. THEIR SUDDEN LIBERATION CANNOT CREATE ILLUSIONS: THEY ARE FACED WITH MANY OBSTACLES TO OVERCOME, AND THEY WILL NEED US.

EUROPE, OBVIOUSLY, WILL NO LONGER BE THE ONE WE HAVE KNOWN FOR HALF A CENTURY. YESTERDAY DEPENDENT ON THE TWO SUPERPOWERS, NOW, LIKE ONE GOING HOME, IT WILL GO BACK TO ITS HISTORY AND ITS GEOGRAPHY. NEW QUESTIONS START TO BE ASKED, WHICH IT WILL TAKE MORE THAN 1 DAY TO ANSWER, BUT THEY HAVE BEEN ASKED. THE FUTURE OF THE ALLIANCES -- THE ATLANTIC ALLIANCE AND THE WARSAW TREATY; HOW FAST IS DISARMAMENT TO BE PURSUED? IN WHAT FORM AND IN WHAT CIRCUMSTANCES WILL THE GERMAN PEOPLE BE REUNITED? WHAT KIND OF COOPERATION WILL THERE BE BETWEEN EAST AND WEST? THE INVIOABILITY OR OTHERWISE OF EXISTING FRONTIERS; HOW FAR WILL THE AWAKENING OF THE NATIONALITIES GO? EITHER THE TREND FOR BREAKING-UP, FOR CRUMBLING, WILL INCREASE, AND WE WILL FIND OURSELVES BACK WITH THE EUROPE OF 1919 -- AND WE KNOW WHAT THAT LED TO -- OR ELSE EUROPE WILL BE BUILT. IT CAN DO THIS IN TWO STAGES: FIRST, THANKS TO OUR COMMUNITY OF THE TWELVE, WHICH MUST AT ALL COSTS STRENGTHEN ITS STRUCTURES AS IT JUST DECIDED TO DO AT STRASBOURG, I AM CONVINCED

THAT BY ITS VERY EXISTENCE IT MADE A POWERFUL CONTRIBUTION TO THE UPSURGE OF THE
A POLE OF ATTRACTION FOR THEM. THE SECOND STAGE IS STILL TO BE
FOUND. STARTING FROM THE HELSINKI ACCORDS, I EXPECT TO SEE A
EUROPEAN CONFEDERATION IN THE REAL SENSE OF THE TERM BEING BORN IN
THE 1990S. IT WILL LINK ALL THE STATES OF OUR CONTINENT IN A COMMON
AND PERMANENT ORGANIZATION OF EXCHANGE, PEACE, AND SECURITY.

EVIDENTLY, THAT WILL ONLY BE POSSIBLE AFTER THE INSTITUTION IN
EASTERN EUROPE OF PARTY PLURALISM AND FREE ELECTIONS, OF A
REPRESENTATIVE SYSTEM AND FREEDOM OF INFORMATION. AT THE RATE AT
WHICH THINGS ARE GOING, PERHAPS WE ARE NOT SO FAR FROM THIS.

[TEXT] IT IS OFTEN SAID THE CROWDS IN PRAGUE, BUCHAREST, WARSAW
OR BERLIN WERE CASTING DOWN WALLS OF ALL KINDS, WALLS BEHIND WHICH
PEOPLE HAD WANTED TO ENCLOSE THEM. I SAID TO MYSELF THAT WE FRENCH
PEOPLE ARE LUCKY TO LIVE IN A COUNTRY LIKE OURS, SHAPED BY THE
PRINCIPLES OF 1789 AND BY 120 YEARS OF REPUBLICANISM. BUT I ALSO
THOUGHT THAT WE MUST BE WORTHY OF THIS. THE LIBERATED PEOPLES ARE
NOT ASKING US FOR CHARITY, BUT FOR REASONS TO BELIEVE IN A REGIME OF
LIBERTY AND OF JUSTICE, THAT IS TO SAY, A CERTAIN MODEL OF LIFE
WITHIN A SOCIETY BASED ON LAW.

IT IS MY WISH THAT FRANCE SHOULD ESCAPE THE IMPULSES OF RACISM,
THAT SHE SHOULD SHOW HERSELF OPEN AND FRATERNAL TOWARD ANY WHO LIVE
ON HER SOIL AND PUT THEMSELVES UNDER THE PROTECTION OF HER LAWS. I
INTEND HER TO REMAIN AMONG THE FRONT RANKS OF NATIONS FIGHTING
AGAINST POVERTY, UNDERDEVELOPMENT AND POLLUTION, AT HOME AND IN THE
WORLD.

IT IS MY WISH, AND THE GOVERNMENT IS WORKING TOWARD THIS, THAT
THE GROWTH OF OUR ECONOMY, WHICH HAS ALREADY MADE IT POSSIBLE TO
CREATE MORE THAN 350,000 JOBS IN 1989, SHOULD FINALLY DRIVE BACK
UNEMPLOYMENT AND THAT THE PROFITS THAT THE COUNTRY DRAWS FROM THIS
SHOULD BE DIVIDED MORE FAIRLY.

IT IS MY WISH THAT GREAT WORKS, SUCH AS SUBSIDIZED HOUSING, THE
CIVIL SERVICE, VOCATIONAL TRAINING, THE APPLICATION AND THE
EXTENSION OF THE AUROUX LAWS, THE RENOVATION OF THE UNIVERSITIES,
AND MANY OTHERS AS WELL SHOULD RECEIVE THE TRADE UNION AND POLITICAL
SUPPORT THAT THEY DESERVE.

MY WISHES, DEAR COMPATRIOTS, GO OUT ALSO TO YOU WHO ARE LISTENING
TO ME, AND ESPECIALLY TO THOSE AMONG YOU WHO ARE ALONE OR SUFFERING.
I WISH, WITH ALL MY MIGHT, THAT FRANCE SHOULD SHOW TO THOSE WHO LOVE
HER, THE APPEARANCE THEY EXPECT FROM HER.

A GOOD AND HAPPY 1990 TO ALL OF YOU. LONG LIVE THE REPUBLIC!
LONG LIVE FRANCE!

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

CHRON FILE

0251

DECLASSIFIED

PER NSC WAIVER, 1500 2021-02

By SS NARA, Date 3/1/84

Heads of State Correspondence Summary

President Endara of Panama - January 8, 1990
(Received January 11)

President Endara understands that it was not your preference to risk U.S. lives but that you were compelled by events to send U.S. troops. He extends his condolences to the families of the U.S. servicemen.

→ He outlines Panama's many problems and requests urgent U.S. support and economic assistance for social programs, bank systems, business enterprise programs, and government fun to help restore democracy. He also requests that the U.S. preside over an international support group to develop an assistance plan to refinance Panama's debt arrearages.

→ The Departments of State and Justice have been tasked to these requests.

P/s copy only:

Endara 1/.

President Babangida of Nigeria - January 8, 1990
(Received January 11)

- President Babangida introduces his new Minister of Extern Affairs and trusted envoy, Dr. Rilwanu Lukman, who hopes meet with you to discuss mutual bilateral issues.

President Babangida of Nigeria - January 6, 1990
(Received January 11)

✓ President Babangida informs you that his government is undergoing transition from military to civil rule and, though this project is very secure, the reshuffling of senior government officials warrants his presence at home. He regrets cancelling his visits abroad and especially to the U.S. He assures you that this postponement does not reduce his esteem for you and hopes that his visit can be rescheduled in the future.

Prime Minister Kaifu of Japan - January 6, 1990
(Received January 12)

PM Kaifu appreciates your efforts to promote world freedom and peace. Japan wishes to work with the U.S. in promoting economic reforms abroad and offers its full support. Japan is also ready to become a major importing country. Kaifu will continue to collaborate closely on matters of external economic policy.

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Declassify on: OADR

~~CONFIDENTIAL~~

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0239

WHITE HOUSE SITUATION ROOM

PAGE 01 OF 07

PRES NOTED SUMMARY

PRT: COMM

<PREC> IMMEDIATE <CLAS> UNCLASSIFIED <DTG> 110110Z JAN 90

FM AMEMBASSY PANAMA

TO RUEHC/SECSTATE WASHDC IMMEDIATE 7611
INFO RUEHDC/USDOC WASHDC
RUEATRS/DEPTREAS WASHDC

UNCLAS SECTION 01 OF 03 PANAMA 00198

STATE FOR ARA/PAN

AIDAC FOR LAC

E.O. 12356: N/A

TAGS: EFIN, ECON, EAID, PM

SUBJECT: PRESIDENT ENDARA'S LETTER TO PRESIDENT BUSH
- OUTLINING PANAMA'S ECONOMIC SITUATION AND
- ASSISTANCE REQUIRED

REF: PANAMA 191

1. THE FOLLOWING LETTER WAS PRESENTED TO AMBASSADOR
HINTON BY PRESIDENT ENDARA ON JANUARY 9. REFTEL
CONTAINS OFFICIAL SPANISH TEXT. UNOFFICIAL ENGLISH
TRANSLATION IS PROVIDED BELOW.

BEGIN TEXT:

- JANUARY 8, 1990

HIS EXCELLENCY

GEORGE BUSH

PRESIDENT OF THE UNITED STATES OF AMERICA

WHITE HOUSE

WASHINGTON, D.C.

EXCELLENCY:

AM WRITING TO YOU ON THIS FIRST OCCASION AS PRESIDENT
OF THE REPUBLIC OF PANAMA, NOW THAT THE OBJECTIVES
ANNOUNCED FOR THE ACTION THAT YOU WERE COMPELLED TO
TAKE ON DECEMBER 20, 1989 WERE ACHIEVED. WE TOTALLY
UNDERSTAND THE SERIOUSNESS OF YOUR DECISION, WE ARE

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PAGE 02 OF 07

CERTAIN THAT THIS WAS NOT YOUR PREFERENCE AS IT WAS NOT OURS. BEING CONSCIOUS OF THE PAINFUL LOSS OF IRREPLACEABLE HUMAN LIVES OF NATIONALS FROM OUR TWO COUNTRIES. I TAKE THIS OPPORTUNITY TO EXPRESS MY CONDOLENCES AND TO REQUEST THAT YOU EXTEND THESE SENTIMENTS OF SORROW TO THE FAMILIES OF THE U. S. VICTIMS. WE ARE ALSO SURE THAT THINGS HAD REACHED A POINT WHERE THERE WAS NO OTHER WAY TO GET RID OF NORIEGA AND TO DESTROY THE CRIMINAL APPARATUS HE HAD ESTABLISHED AT SUCH A HIGH COST FOR YOUR COUNTRY'S YOUTH. AND TO RESTORE DEMOCRACY, FREEDOM, JUSTICE AND DECENCY IN PANAMA.

-
IN UNDERTAKING THE GOVERNMENT OF THIS NATION, WE FIND OURSELVES WITH A COUNTRY IN RUINS AS A CONSEQUENCE OF TWENTY-ONE YEARS OF MILITARY RULE, THE OUTRAGES OF DICTATORSHIP DURING THE LAST THIRTY MONTHS, THE SANCTIONS OF THE U. S. GOVERNMENT, AND THE DAMAGES PRODUCED BY THE MILITARY ACTION WHICH BEGAN LAST DECEMBER 20. PLUS THE LOOTING AND DESTRUCTION WHICH

ENSUED WHEN THE FORMER DEFENSE FORCES COLLAPSED AND POLICE PROTECTION VANISHED FOR A FEW DAYS. SOME OF THE SIGNALS OF THE COLLAPSE ARE AS FOLLOWS:

- DURING THE LAST TWO AND A HALF YEARS PANAMA'S GROSS NATIONAL PRODUCT HAS FALLEN MORE THAN 25 PERCENT, WHICH IS EQUAL TO YOUR COUNTRY'S DEPRESSION BETWEEN 1929 AND 1933.

- UNEMPLOYMENT IN THE URBAN AREAS, WHICH AT THE BEGINNING OF DECEMBER WAS 25 PERCENT OF THE LABOR FORCE, AT THIS MOMENT IS NEARING 33 PERCENT AND IT WILL CONTINUE INCREASING UNLESS WE TAKE DRASTIC MEASURES TO STOP THE BLEEDING.

- THE BANKING SYSTEM IS FUNCTIONING AT LESS THAN HALF OF ITS CAPACITY AND MORE THAN 80 PERCENT OF THE

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PAGE 03 OF 07

DEPOSITS ARE FROZEN.

- THE PUBLIC ADMINISTRATION IS PHYSICALLY DESTROYED AND ITS PERSONNEL DISORIENTED AND DISHEARTENED.
- THE PHYSICAL DESTRUCTION OF THE BUSINESSES IN PANAMA AND COLON AND THE SURROUNDINGS IS WIDESPREAD.
- PERSONAL SECURITY IS STILL PRECARIOUS.
- THE PANAMANIAN PEOPLE ARE TORN BETWEEN THE PERSPECTIVE OF A DEMOCRATIC LIFE AND THE ECONOMIC RECONSTRUCTION IN THE FACE OF A MORAL APATHY AFTER SO MANY YEARS OF GENERALIZED CORRUPTION, PROTECTION FOR WRONGDOING, AND PERSECUTION.

FORTUNATELY, WE HAVE RECEIVED HUMANITARIAN ASSISTANCE WHICH WE APPRECIATE, BOTH FROM YOUR GOVERNMENT AND FROM
BT

#0198

BT

UNCLAS SECTION 02 OF 03 PANAMA 00198

STATE FOR ARA/PAN

AIDAC FOR LAC

E.O. 12356: N/A

TAGS: EFIN, ECON, EAID, PM

SUBJECT: PRESIDENT ENDARA'S LETTER TO PRESIDENT BUSH
U.S. PRIVATE ORGANIZATIONS, AS WELL AS FROM FRIENDLY
COUNTRIES. THE UNFREEZING OF FUNDS, WHICH WERE PLACED
IN ESCROW AS A RESULT OF THE SANCTIONS, HAS BEEN QUICK
AND IT IS NECESSARY THAT THE UNITED STATES ACT WITH THE
SAME SPEED TO LIFT OTHER SANCTIONS WHICH WERE
ESTABLISHED BY LAW IN YOUR COUNTRY. NEVERTHELESS, WE
NEED MUCH MORE GENEROUS AND TIMELY AID FROM THE UNITED
STATES. IF WE CANNOT QUICKLY START RECONSTRUCTING THE
ECONOMY, IT IS LIKELY THAT THE SACRIFICE OF HUMAN LIVES
WILL BE IN VAIN. WITHOUT TIMELY ACTION, THE SURVIVAL
OF DEMOCRACY IN PANAMA, WHICH HAS BEEN SO COSTLY TO
ESTABLISH, COULD BE JEOPARDIZED. WE CANNOT AFFORD TO
LOSE DEMOCRACY DUE TO THE LACK OF ECONOMIC SUPPORT.
ON OUR PART, WE HAVE MADE EXTREMELY HARD AND DIFFICULT

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DECISIONS TO CONFRONT THE ECONOMIC AND FISCAL SITUATION, BUT YOUR GOVERNMENT'S SUPPORT, BOTH DIRECTLY AND THROUGH MULTILATERAL CREDIT INSTITUTIONS, IN COORDINATION WITH FRIENDLY COUNTRIES, IS ESSENTIAL. TO CONFRONT ECONOMIC RECONSTRUCTION, WE HAVE A PROGRAM THAT WE DEVELOPED IN THE BEGINNING OF LAST YEAR AND WHICH HAS BEEN UPDATED TO TAKE INTO CONSIDERATION THE EFFECTS OF THE MILITARY ACTION. THIS PROGRAM, WHICH WE HAVE ALREADY DISCUSSED WITH U.S. GOVERNMENT OFFICIALS,

ATTEMPTS TO MAKE A DIRECT IMPACT ON EMPLOYMENT THROUGH NON-GOVERNMENT ORGANIZATIONS AND PRIVATE BUSINESSES, TO NORMALIZE THE BANKING SYSTEM, TO REESTABLISH FISCAL DISCIPLINE, AND TO LIFT THE MONOPOLISTIC CONCESSIONS AND OBSTACLES ESTABLISHED BY THE DICTATORSHIP TO A FREE OPERATION OF THE ECONOMY. IN SHORT, WE NEED YOUR ECONOMIC SUPPORT FOR THE FOLLOWING ELEMENTS IN OUR PROGRAM:

1. CHORRILLO: ITS DESTRUCTION HAS LEFT 2,500 FAMILIES HOMELESS. THE CONSTRUCTION OF HOUSING AND THE COMPLEMENTARY INFRASTRUCTURE REQUIRES A DONATION OF 40 MILLION US DOLLARS.

2. SOCIAL EMERGENCY FUND: WE NEED TO CREATE 20,000 JOBS OVER THE NEXT TWO YEARS UNTIL THE ECONOMY IS BACK ON TRACK AND IS ABLE TO SIGNIFICANTLY REDUCE UNEMPLOYMENT. THE PROJECT CONSISTS OF A MECHANISM TO MAKE A DONATION TO SOCIAL PROJECTS THROUGH NON-GOVERNMENT ORGANIZATIONS TO GENERATE JOBS AT THE BOTTOM OF THE SOCIAL PYRAMID. WE NEED A DONATION OF 200 MILLION US DOLLARS OVER THE NEXT TWENTY-FOUR MONTHS.

3. THE BANKING SYSTEM: WE HAVE REQUESTED THAT THE U.S. TREASURY DEPARTMENT, TOGETHER WITH THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK, CREATE A TASK FORCE TO COME TO PANAMA AND HELP US DEVELOP A PLAN TO RESTORE THE OPERATION OF THE PANAMANIAN BANKING

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PAGE 05 OF 07

SYSTEM. THIS IS ESSENTIAL TO THE BANKING SYSTEM'S RECOVERY. THE PLAN TO BE DEVELOPED WILL CERTAINLY REQUIRE CONTINGENCY LINES OF CREDIT TO SUPPORT THE BANKS' LIQUIDITY WHEN THE RESTRICTIONS, WHICH EXIST ON CERTAIN TYPES OF BANK DEPOSITS, ARE LIFTED. WE ASK THAT YOU APPROVE THE PARTICIPATION OF THE TREASURY DEPARTMENT IN THIS MISSION AND FOR AN OPEN ATTITUDE TOWARD FINANCIAL SUPPORT WHICH WILL BE NECESSARY IN THE SHORT TERM AS A CONSEQUENCE OF THE PLAN THAT WE WILL DEVELOP WITH THE ASSISTANCE OF THE REQUESTED MISSION.

4. A PROGRAM FOR BUSINESS ENTERPRISES: AS A RESULT OF THE DESTRUCTION AND LOOTING, PRIVATE BUSINESSES LOST INVENTORIES AND OTHER ASSETS. OUR EXPERTS ESTIMATE THE LOSSES TO BE BETWEEN 700 AND 1.200 MILLION US DOLLARS. WE HAVE DESIGNED A PROGRAM FOR THESE BUSINESSES TO START OPERATING AGAIN THROUGH A COMBINATION OF DONATIONS AND LOANS WHICH WILL BE MADE THROUGH LOCAL AND FOREIGN PRIVATE BANKS (PRIMARILY FROM THE U. S.) OPERATING IN PANAMA. THESE BANKS WILL ASSUME THE RISK FOR THESE LOANS. FOR THIS PROGRAM, WE NEED AID TO MAKE UP FOR THE LOSSES -- 50 PERCENT IN LOANS UNDER CONCESSIONARY TERMS AND 50 PERCENT IN DONATIONS.

5. GOVERNMENT LOSSES: AS A RESULT OF THE EVENTS OF DECEMBER 20, THE PANAMANIAN GOVERNMENT SUFFERED LOSSES SUCH AS DESTRUCTION OF BUILDINGS, EQUIPMENT, INSTALLATIONS, AND CIVILIAN MATERIALS WHICH HAVE BEEN ACCOUNTED FOR IN A PRELIMINARY REPORT IN THE AMOUNT OF 35 MILLION US DOLLARS. WE REQUEST FROM YOU A DONATION

BT

*0198

BT

UNCLAS SECTION 03 OF 03 PANAMA 00198

STATE FOR ARA/PAN

AIDAC FOR LAC

E. O. 12356: N/A

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PAGE 06 OF 07

TAGS: EFIN. ECON. EAID. PM

SUBJECT: PRESIDENT ENDARA'S LETTER TO PRESIDENT BUSH TO COVER THE FINAL AMOUNT WHICH WILL BE ESTABLISHED TO COVER LOSSES.

6. SUPPORT GROUP: THE NORIEGA REGIME BEGAN A PHASE OF NOT FULFILLING (THEIR OBLIGATIONS) WITH THE MULTILATERAL FINANCIAL INSTITUTIONS AT THE END OF 1987 AND IN THE BEGINNING OF 1988, COINCIDING IN PART WITH THE U.S. SANCTIONS. ON DECEMBER 31, 1989, THE ARREARAGES IN PRINCIPAL AND INTEREST WITH THE THREE MAIN ENTITIES WAS 536 MILLION US DOLLARS. THE GOVERNMENT, OVER WHICH I PRESIDE, IS COMMITTED TO NORMALIZING RELATIONS WITH THESE ENTITIES IN A RESPONSIBLE MANNER SINCE THESE (ENTITIES) ARE THE BASIC MECHANISM TO FINANCE A RATIONAL PROGRAM OF PUBLIC INVESTMENT WHICH THE GOVERNMENT CANNOT DO ON ITS OWN. FOR THIS REASON, WE REQUEST THAT YOUR GOVERNMENT PRESIDE OVER A SUPPORT GROUP, FORMED BY THE U.S. AND OTHER FRIENDLY COUNTRIES, TO CONFRONT WITH OUR SUPPORT OVER THE SHORT TERM THE EXISTING ARREARAGES, COMMITTING OURSELVES TO KEEP UP TO DATE, STARTING THIS YEAR. FINALLY, WE MUST MENTION THAT THE U.S. SOUTHERN COMMAND HAS BEEN AN IMPORTANT CONTRIBUTOR TO THE LOCAL ECONOMY. IN THIS SENSE, AN EFFECTIVE WAY TO CONTRIBUTE TO THE RECOVERY IS TO RESTORE THE LEVEL OF PURCHASES WHICH WERE MADE PREVIOUSLY TO THE LOCAL ECONOMY, AND TO BRING US MILITARY DEPENDENTS BACK TO PANAMA AS SOON AS POSSIBLE. AMERICANS TRADITIONALLY HAVE LIVED WITH THE PANAMANIAN IN HARMONY UNTIL THE HARRASMENT BEGAN BY THE THUGS OF THE DEPOSED DICTATOR. WE ARE CONVINCED, MR. PRESIDENT, THAT THIS REQUEST WILL BE RECEIVED BY YOU IN THE SPIRIT OF GENEROSITY AND JUSTICE WHICH HAS ALWAYS CHARACTERIZED THAT GREAT NATION OVER WHICH YOU PRESIDE, AND WITH THE ASSURANCES THAT ECONOMIC SUPPORT IS ABSOLUTELY ESSENTIAL TO RECONSTRUCT OUR COUNTRY AND TO SAVE IT FOR DEMOCRACY.

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PAGE 07 OF 07

THUS THE SACRIFICE MADE BY OUR TWO NATIONS WILL BE
MEANINGFUL.

/SIGNED/ GUILLERMO ENDARA-GALIMANY
PRESIDENT OF THE REPUBLIC OF PANAMA

-

HINTON

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THE PRESIDENT HAS SEEN
0583

THE WHITE HOUSE

WASHINGTON 1990 JAN 24 PM 9:31

CHRON FILE

January 24, 1990

Done
10 AM
1-26



FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT *B*

SUBJECT: Telephone Call to President Guillermo Endara of Panama

DATE: January 25, 1990 *07*

PURPOSE: To inform him on U.S. economic package

SECURE OR OPEN: Open Line Call

INTERPRETER: None Required

PHONE NUMBER: 270013 or 274025 (Minister Harris)
274157 or 274062 (Ms. Morales)

CONTACT PERSON: Minister Julio Harris or
Ms. Morales (Endara's Personal Secretary)

TIME DIFFERENCE: None

SUGGESTED TIMES: Before public announcement in Washington

TOPICS OF DISCUSSION:

1. Express appreciation for Endara's letter
2. Outline key points of U.S. economic package

Date of Submission:

Action:

Attachment

Tab A Points to be Made

cc: Vice President
Chief of Staff

TAB A

POINTS TO BE MADE FOR
TELEPHONE CONVERSATION WITH
PRESIDENT GUILLERMO ENDARA

- I wanted to thank you for your letter of January 9 about Panama's economic needs.
- And I also want to assure you of my continuing support of your efforts to firmly establish democracy in Panama.
- Following Larry Eagleburger and John Robson's visit with you, we have been working hard to develop an economic assistance package to help stimulate Panama's economic recovery.
- First, let me say how impressed we are with your commitment to reform Panama's economy and your recognition of the important role of the private sector in Panama's future.
- But you have a tough road ahead. And today I intend to announce what we are prepared to do to help.
- Our plan, valued at over \$1 billion, has four main parts:
 - humanitarian assistance for housing, for emergency public works and to help businesses (\$42 million);
 - loans, guarantees and export opportunities to strengthen Panama's private sector and to help create jobs (\$500 million);
 - a \$500 million assistance package for balance of payments support, public investment and restructuring and to help Panama normalize its relations with the international financial institutions; and
 - rebuilding the U.S. Government working relationship with Panama.

- In addition, I have asked Secretary Cheney to resume purchases of Panamanian goods and services by the U.S. military authorities in Panama, the Panama Canal Commission, and other U.S. entities.
- And we shall return our military dependents to Panama as soon as the military situation permits.
- We will work closely with Congress on this package to ensure its prompt implementation.
- Ambassador Hinton will be able to provide you with details. I look to him to advise me on additional ways we can help.
- In that regard, we will make sure that our efforts in the economic realm and other areas are always responsive to your ideas about how things should be done.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 24, 1990

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: *tu for* TIMOTHY E. DEAL/*WTP* WILLIAM T. PRYCE

FROM: ERIC MELBY *M.*

SUBJECT: Telephone Call to President Guillermo Endara
of Panama

We recommend that the President call President Endara before he announces the economic package for Panama. Endara gave Deane Hinton a letter January 9 requesting economic assistance. The President's program covers all the areas Endara mentions, although we cannot accomodate his requests for large grants.

Points for the President to make are at Tab A.

RECOMMENDATION:

That you sign the Telephone Call Proposal to the President at Tab I.

Attachments

Tab I Telephone Call Proposal
Tab A Points to be Made

~~SECRET~~
NSC/S PROFILE

RECORD ID: 9000592
RECEIVED: 24 JAN 90 17

TO: SCOWCROFT

CHRON FILE

FROM: PACELLI
PRYCE

DOC DATE: 24 JAN 90
SOURCE REF:

KEYWORDS: HONDURAS
JAMAICA

PANAMA
ANSA

PERSONS: QUAYLE, D

SUBJECT: SCOWCROFT MTG W/ VP RE HIS LATIN AMER TRIP

ACTION: NOTED BY SCOWCROFT

DUE DATE: 27 JAN 90

STATUS: C

STAFF OFFICER: PACELLI

LOGREF:

FILES: WH

NSCP:

CODES:

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

FOR ACTION

FOR CONCURRENCE

FOR INFO

PACELLI

PRYCE

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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cop NARA, Date 5/18/2009

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSJWD

CLOSED BY: NSJRP

DOC 1 OF 1

~~SECRET~~

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
07. Memo	David A. Pacelli to Brent Scowcroft Re: Your Meeting with the Vice President on His Latin American Trip (2 pp.)	1/24/90	(b)(1)	S

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Latin American Files
Subseries: Panama Chronological Files
WHORM Cat.:
File Location: Latin America - Panama (December 1989 - April 1990)

Date Closed:	5/18/2009	OA/ID Number:	91140-003
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Removed as a personal record misfile.

Freedom of Information Act - [5 U.S.C. 552(b)]

(b)(1) National security classified information [(b)(1) of the FOIA]
 (b)(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
 (b)(3) Release would violate a Federal statute [(b)(3) of the FOIA]
 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

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~~CONFIDENTIAL~~

CHRON FILE 0650

THE WHITE HOUSE
WASHINGTON

January 27, 1990

ACTION

MEMORANDUM FOR THE PRESIDENT

SIGNED

FROM: BRENT SCOWCROFT *BS for*
SUBJECT: Your Reply to a Letter from President Endara of
Panama

Purpose

To reply to Panamanian President Endara's January 9 letter requesting economic assistance.

Background

Panamanian President Guillermo Endara wrote to you on January 9 to request U.S. economic assistance (Tab B). Your reply at Tab A follows up on yesterday's public announcement and telephone conversation with President Endara. We hope that the Vice President can deliver it when he sees Endara this weekend.

Although our response is less than Endara asked for, it covers all the areas he mentioned.

Our Embassy in Panama has told the Department of State that U.S. press reports that Endara is dissatisfied with the program are distorted and exaggerated. Endara has publicly termed the package as "extremely generous." His observations that the U.S. program does not cover the totality of Panama's needs is accurate; he is hoping also for help from Europe and Japan.

RECOMMENDATION

That you sign the letter to President Endara at Tab A.

Attachments

Tab A The President's Reply to President Endara
Tab B President Endara's Letter to the President

DECLASSIFIED
PER NSC WAIVER, 1500 2021-02
By SS NARA, Date 3/1/24

~~CONFIDENTIAL~~

Declassify on: OADR

cc: Vice President
Chief of Staff

~~CONFIDENTIAL~~

Informal State Translation
President Endara Letter to President Bush

Your Excellency:

This is the first occasion I have had as President of the Republic of Panama to address you, since the objectives established for the action which you were obliged to undertake on December 20, 1989 have been accomplished. We understand completely the seriousness of your decision, and are convinced that it was not your preference--as it was not ours--given the painful and irreplaceable loss of life of citizens of both our countries. I take this opportunity to express our condolences, and we ask that you convey them to the families of the American casualties. We know the situation had deteriorated so much that there was no other path to take to get rid of Noriega, destroying the criminal enterprise which he had established at the expense of the youth of your country, while restoring democracy, liberty, justice, and decency to Panama.

As we take office, we face a country in ruins as a consequence of twenty-one years of military control, the ravages of the dictatorship of the last thirty months, the sanctions of the United States Government, the damages produced by the military action which began on December 20, and the looting and destruction which occurred when the old Defense Forces disintegrated and police protection disappeared for a few days. Some of the signs of the collapse are the following:

- * In the last two and a half years, the Gross Domestic Product of Panama has fallen more than 25%, which is equivalent to the contraction which your country experienced between 1929 and 1933.
- * Urban unemployment which was close to 25% at the beginning of December, is now approaching a third of the workforce, and will continue to rise unless we take drastic steps to stop the hemorrhage.
- * The banking system is functioning at less than half its capacity and more than four-fifths of deposits are frozen.
- * Public administration is physically destroyed and personnel are disoriented and demoralized.
- * The physical destruction of businesses in Panama and Colon and their surroundings is generalized.

* Personal security is still precarious.

* ~~██████████~~ Citizens are debating prospects of democratic life and economic reconstruction while confronting the moral devastation which has resulted from so many years of generalized corruption, paternalism, and persecution.

Fortunately, we have received humanitarian assistance for which we are grateful, from your Government and private organizations in your country, as well as from other friendly nations. The unfreezing of assets blocked by the sanctions has been swift, and it is necessary for the United States to act with similar speed to do away with other sanctions established through legislative channels in your country. We need, however, still more opportune and generous assistance from the United States. If we cannot begin our economic reconstruction quickly, it is possible that the sacrifice of human lives will have been in vain. The lack of opportune action could put into play the survival of democracy in Panama, the installation of which was so costly, and the loss of which would be unjustifiable if it were due to a lack of economic support.

We have, for our part, already made extremely difficult decisions to confront the economic and fiscal situation, but the support of your government, directly, through multilateral lending institutions, and in coordination with friendly nations, is essential.

In order to address economic reconstruction, we have a program we put together at the beginning of last year and which has been brought up-to-date to take into account the effects of the military action. The program, which we have discussed with officials of your government, seeks to impact directly on employment through non-governmental agencies and private businesses, normalize the banking system, re-establish fiscal discipline, and disassemble the monopolies and obstacles to a free functioning of the economy which had been established by the dictatorship. In concrete terms, we need your economic support for the following elements of our program:

1. Chorillo: Its destruction has left 2,500 families homeless. The construction of housing and accompanying infrastructure requires a donation of \$40 million.

2. Emergency Social Fund: 20,000 jobs must be created for two years, until the economy is sufficiently reactivated to achieve a significant reduction in unemployment. The project consists of a mechanism to make donations to social works, through non-governmental agencies, which generate employment at the base of the social pyramid. We need a donation of \$200 million to be used in the next 24 months.

3. Banking System: We have asked the Treasury Department of your government to, together with the IMF and the World Bank, ~~send~~ set up an urgent mission to travel to Panama to help us put together a plan to re-establish the Panamanian banking system, which is essential for recovery. The plan will clearly require contingency lines of credit to support bank liquidity when restrictions on certain types of bank deposits are lifted. We ask that you approve the participation of the Treasury Department in this mission, and maintain an open attitude toward the financial support which will be needed in the short term as a consequence of the plan we will put together with the mission.

4. Business Program: Destruction and looting have caused loss of inventory and other assets in private businesses which our experts estimate at between \$700 and \$1,200 million. We have conceived a program to put those businesses back to work with a combination of loans and donations, to be made through private national and international banks operating in Panama (with important contributions from the United States), with those banks to assume the risk involved. For this we require support for the total lost, in the form of 50% in loans with concessional conditions, and 50% in the form of donations.

5. State Losses: As a result of the events of December 20, the Panamanian government has suffered losses from the destruction of buildings, equipment, and military and civilian installations, which preliminary reports put at \$35 million. We ask you to donate the funds necessary to cover the final total.

6. Support Group: The Noriega government entered into arrearages with multilateral financial institutions between the end of 1987 and the beginning of 1988, coinciding in part with the imposition of U.S. sanctions. By December 31, 1989, the arrearages in principal and interest with the three principal entities come to \$536 million. My government has the objective of responsibly normalizing its relations with those entities, being as they are the fundamental mechanism for the financing of a rational program of public investment which we cannot handle alone. To this end, we have asked your government to preside over a Support Group integrated by the United States and other friendly countries to confront the arrearages problem with contributions from us in the short term, and a commitment from us to remain current starting this year.

Finally, we must mention that the Southern Command of the United States has provided an important source of revenues for the domestic Panamanian economy. In this sense, an effective way of contributing to recovery would be to reinstate

purchasing from Panamanian suppliers; and return to Panama, as soon as possible, the dependents of Armed Forces personnel stationed in Panama, who had traditionally lived with Panamanians in harmony until a wave of persecution was unleashed by the fallen dictator.

We are convinced, Mr. President, that this request will be met by you with the spirit of generosity and justice which has always characterized the great nation over which you preside, and with the certainty that efficient economic support for the reconstruction of our nation is necessary for the salvation of its democracy; such support would justify the sacrifice which has been made by both our peoples.

Guillermo Endara Galimany
President of the Republic of Panama

NATIONAL SECURITY COUNCIL DISTRIBUTION RECORD

Log Number 0650
Date January 27, 1990

Subject: ENDARA

DOCUMENT CLASSIFICATION: ☒ TOP SECRET ☐ SECRET ☒ CONFIDENTIAL ☐ UNCLASSIFIED

EXTERNAL DISTRIBUTION:

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THE SECRETARY OF THE TREASURY Main Bldg/Room 3422				
THE SECRETARY OF DEFENSE The Pentagon				
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CHAIRMAN US START DELEGATION % ACDA, 5933 State				
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THE SECRETARY OF HHS 200 Independence Avenue, NW, Room 615F				
THE SECRETARY OF HUD 451 7th Street SW, Room 10000				
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White House Guidelines

E.O. 12958, SEC 3.4 (B) September 11, 2006

By cap NARA, Date 5/18/2009

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Page 1 of 1 Pages

DISTRIBUTION RECORD

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Subject: ENDARA

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Page 1 of 1 Pages

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ITUATION ROOM

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THE WHITE HOUSE

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MESSAGE NO. 0154 CLASSIFICATION _____ PAGES 1

FROM G. PHILIP HUGHES (NAME) _____ (EXTENSION) _____ (ROOM NUMBER) _____

MESSAGE DESCRIPTION PRES REPLY TO LTR FM PRES ENDARA OF PANAMA

LOG # 0850

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
STATE	J. STAPLETON ROY	EXEC SEC	

REMARKS FOR IMMEDIATE CABLEING. SIGNED ORIGINAL TO FOLLOW

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THE WHITE HOUSE

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10 JAN 27 AM 10

SITUATION ROOM

MESSAGE NO. 0154 CLASSIFICATION CONFIDENTIAL PAGES 3

FROM G. PHILIP HUGHES (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION PRES REPLY TO LTR FM PRES ENDARA OF PANAMA

LOG # 0650

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
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STATE	J. STAPLETON ROY	EXEC SEC	
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E.O. 12958, SEC 3.4 (B) September 11, 2006

By Cap NARA, Date 5/10/2009

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MESSAGE NO. _____ CLASSIFICATION CONFIDENTIAL PAGES 3

FROM G. PHILIP HUGHES
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION PRES REPLY TO LTR FM PRES ENDARA OF PANAMA

LOG # 0650

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
<u>STATE</u>	<u>J. STAPLETON ROY</u>	<u>EXEC SEC</u>	_____
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Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
08c. Letter	President Bush to President Guillermo Endara Galimany (3 pp.)	1/27/90	(b)(1)	

Collection:

Record Group: Bush Presidential Records
Office: Scowcroft, Brent, Collection
Series: Latin American Files
Subseries: Panama Chronological Files
WHORM Cat.:
File Location: Latin America - Panama (December 1989 - April 1990)

Date Closed:	5/18/2009	OA/ID Number:	91140-003
FOIA/SYS Case #:	2009-0275-S	Appeal Case #:	
Re-review Case #:		Appeal Disposition:	
P-2/P-5 Review Case #:		Disposition Date:	
AR Case #:		MR Case #:	
AR Disposition:		MR Disposition:	
AR Disposition Date:		MR Disposition Date:	

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P-1 National Security Classified Information [(a)(1) of the PRA]
 P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
 P-3 Release would violate a Federal statute [(a)(3) of the PRA]
 P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
 P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
 P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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 (b)(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
 (b)(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
 (b)(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
 (b)(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
 (b)(9) Release would disclose geological or geophysical information

CONFIDENTIAL

0650

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 26, 1990

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

FROM: WILLIAM T. PRYCE *WTP*

SUBJECT: The President's Response to Panamanian President
Endara's Letter

Attached at Tab I is your memorandum to the President covering his reply to President Endara's letter requesting financial assistance. The suggested Presidential response is an edited version of a State Department draft (Tab II) which was cleared with Treasury. We hope the President can sign this letter today so that it can be cabled for the Vice President to deliver a copy over the weekend.

Concurrence by: Eric Melby *EM*

RECOMMENDATION

That you sign the memorandum to the President at Tab I.

Attachments

Tab I Scowcroft Memorandum to the President
Tab A The President's Reply to President Endara
Tab B President Endara's Letter to the President
Tab II State Department Draft Response

DECLASSIFIED
White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By *ES* NARA, Date *7/23/13*

CONFIDENTIAL

Declassify on: OADR

STATE DEPARTMENT

DRAFT RESPONSE

Dear Mr. President,

I have asked Vice President Quayle to deliver this letter to you in person. I am sure you will agree that his visit is an important signal to the world that the United States will stand behind Panama in its quest for democracy, stability, and economic recovery. I look forward to hearing from the Vice President more about your views on the future of Panama as you work to institutionalize democracy in your country.

It was a great pleasure to speak with you on January 25 and to inform you about our plans to assist in Panama's economic recovery. Much has happened in the weeks that followed my decision to take action to help to restore democracy to your nation. While it is true that achieving democracy is worthy of great sacrifices, the loss of Panamanian and American

His Excellency

Guillermo Endara Galimany,

President of the Republic of Panama.

lives weighs heavily upon me, as I know it does upon you. I would be grateful to you for transmitting my deepest and most sincere condolences to the families of your compatriots who died so that your country could be free.

The sacrifices of Panamanians and Americans would be in vain if Panama were unable to meet the challenges of rebuilding. My government is committed to helping Panama on the road to renewal. To that end, we have already disbursed more than nine million dollars in emergency humanitarian assistance. I am pleased to hear that this assistance has been helpful.

As we discussed on the telephone, my Administration is moving quickly to restore economic assistance and other benefits to Panama. I would like to provide you with more details in this letter. Our plan for fostering economic recovery in Panama, which has now been announced, provides an immediate \$42 million for humanitarian assistance for rebuilding El Chorrillo, emergency public works, small business rehabilitation, and technical assistance to your Government.

The second stage of the plan aims to strengthen Panama's private sector, create jobs, and help Panama normalize its relationship with the international financial institutions by eliminating arrears. The private sector will play a key role. The plan provides up to \$400 million in short- and medium-term guarantees from the Export-Import Bank for the purchase of American products. This stage of the plan also includes up to \$50 million in insurance and finance programs by the Overseas Private Investment Corporation to support private U.S. investment in Panama. \$15 million will be made available in a P.L. 480 food assistance program, and another \$15 million in a Commodity Credit Corporation program.

As an additional means of stimulating the private sector, Panama's sugar quota will be restored, with additional amounts being made available to compensate for the foregone 1989 quota. The program provides for a number of technical negotiations and assistance to various sectors of the economy. As requested by you, I have ordered the preferential purchase of Panamanian goods and services by U.S. Government entities in Panama.

The second stage of the program also involves a request to the Congress for an additional \$500 million to be used to help Panama normalize its relations with the international financial institutions, for balance of payments support, for a public investment program, for public sector restructuring, and for development support. As you requested, a joint International Monetary Fund (IMF) and World Bank team, accompanied by New York Federal Reserve banking experts and observers from the Inter-American Development bank, is already at work in Panama. During this visit, negotiations are beginning on policies that would form the basis of an economic adjustment program. My Administration will establish the Support Group you requested. In addition, once you have reached agreement with the IMF on an economic adjustment program, the U.S. will seek an early and generous rescheduling of Panama's debt to foreign governments under the auspices of the Paris Club. The IMF program will also provide the basis for discussions with

commercial banks on an eventual commercial bank financing program. I am persuaded that there is strong bipartisan, bicameral support for a significant amount of assistance to Panama and thus hope that the Congress will appropriate the requested money.

Complimentary closing.

With best wishes,

Sincerely,

National Security Council
The White House

0650
0605

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LOG # _____

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	SEQUENCE TO	HAS SEEN	DISPOSITION
Dep Exec	<u>1</u>	<u>W</u>	<u>A</u>
Philip Hughes	<u>1/5</u>	<u>APK</u>	
Bob Gates	<u>3</u>	<u>8</u>	
Brent Scowcroft	<u>X</u>		
Philip Hughes			
Situation Room			
West Wing Desk	<u>5</u>	<u>1/27 AC</u>	<u>D/LDX</u>
NSC Secretariat	<u>6</u>		<u>N</u>

RECEIVED

90 JAN 26 P 5: 20

4 To Pres 1/27 Lunder
by General Scowcroft

A = Action

I = Information

D = Dispatch

R = Retain

N = No further Action

For dispatch
via cable

VP Quayle would
like to deliver
text of letter when
he meets w/ Endara

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2542



April 3, 1990

CHRON FILE

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

THROUGH: WILLIAM T. PRYCE

FROM: DAVID A. PACELLI

SUBJECT: Talking Points for the President on the
Nicaragua/Panama Aid Package

Attached at Tab I are points to be made for the President for his remarks to the press on Air Force One this afternoon following the expected passage in the House of the Nicaragua/Panama aid bill. Attached at Tab II are points to be made for the President's subsequent telephone calls to Senate leaders to spur Senate action. Informal State Department suggestions for the telephone calls (Tab III) were taken into account, but we have avoided the pleading tone.

Concurrence by: Virginia Lampley

RECOMMENDATION:

That you approve the points to be made at Tabs I and II.

Approve _____

Disapprove _____

Attachments

Tab I Points to be Made to the Press
Tab II Points to be Made to the Senate Leadership
Tab III State Department Suggestions

~~CONFIDENTIAL~~

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PER E.O. 13526

2010-1518-MR

3/24/2014 MM

NATIONAL SECURITY COUNCIL

4-5-90

FOR MARY BLAIR

Ginny Lampley said the
attached points were
passed on to Air Force
One.

Package never ~~went~~ through
system.



CHRIS FUNCHES

Put in system ^{on} 4-5-90
by TLGerry

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

POINTS TO BE MADE FOR MEETING WITH
THE PRESS ON THE NICARAGUA/PANAMA AID BILL

- *Even as we speak the House is voting on the*
~~I am pleased to tell you that the House has just approved~~
the supplemental appropriation which I requested for
Nicaragua and Panama.
- The House version ^{currently} includes \$300 million for Nicaragua and
\$420 million for Panama.
- The House's action received bipartisan support. I think
this reflects the desires of all of us, Republicans and
Democrats, to provide emergency aid to help these fledgling
democracies.
- As I have said before, their needs are great and they are
urgent.
- In Nicaragua, Mrs. Chamorro takes office in less than three
weeks. This fledgling democracy is bankrupt and the
planting season is about to begin.
- Moreover, we need to support the peace process there. We
must provide the critical support for demobilizing the
Resistance and demilitarizing the country.
- In Panama, the economy desperately needs the boost that our
assistance package can provide. If we wait, this "jump
start" approach won't work. We must move now to take
advantage of the psychological moment of political freedom
and optimism.
- I am asking for Senate action before recess and in the same
bipartisan spirit shown by the House.

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AS AMENDED
1999-0186-F12
ES 7/9/02

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- I am sensitive to Congress' desire to recess, but this issue has overwhelming importance.
- This is not the time or the bill to dicker over other issues or differences.
- Failure to act quickly will put these young democracies at risk.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

POINTS TO BE MADE FOR TELEPHONE CALLS TO
SENATE LEADERS ON NICARAGUA/PANAMA AID BILL

- I am calling you about my request for prompt action on the supplemental aid package for Nicaragua and Panama.
- I was pleased that the House passed a version of the bill with bipartisan support. We need prompt Senate action now -- before recess. These young democracies will be at risk unless we can get our aid flowing immediately. This is not the time or the bill to dicker over other issues.
- Mrs. Chamorro takes office in less than three weeks. The country is bankrupt. The planting season starts in April and Nicaragua will run out of oil perhaps as early as June.
- Mrs. Chamorro will be under enormous political and social pressures if she takes office without our assistance. That alone could doom her to failure, and we all know that the Sandinistas are just waiting for that to happen.
- And we need to support the peace process, which is at a critical point. The Resistance has promised to demobilize and the UN is willing to separate the forces. We need to support this process as quickly as possible.
- In Panama, the expectations are enormous. But one in three is unemployed. In rural areas, people can't get enough to eat in some instances. This is social dynamite -- a serious threat to a new democracy.
- Our "jump start" approach to helping the economy will work, but a delay will make it much more difficult. And just like in Nicaragua, if we do not act quickly, it will be difficult to get other donors to do their share.

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2010-1518-MR
3/24/2014 MM

- [FOR SENATOR MITCHELL, **if needed**] I have seen your statement that we need to relate this request to a long term global aid strategy. I agree with you that the world is rapidly changing and we have to look at these changes comprehensively and with a definite strategy.
- We are doing that. And we will consult with you and the Congress.
- But this bill is not the time and place for that. These needs are truly immediate. We may not have the opportunity for a long term strategy for democracy in Nicaragua and Panama unless we can help get these governments off the ground quickly.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

CHRON FILE

3384

THE WHITE HOUSE

WASHINGTON

April 30, 1990

3

MEMORANDUM FOR FREDRICK D. MCCLURE

FROM: BRENT SCOWCROFT *RS for*

SUBJECT: Points to be Made on Panama/Nicaragua Supplemental
for Bipartisan Leadership Meeting, May 1, 1990

Attached are Points to be Made on the Panama/Nicaragua
Supplemental for the President's meeting with the bipartisan
leadership on May 1, 1990, at 10:00 a.m.

Attachment

Tab A Points to be Made

cc: James Cicconi

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White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By 26 NARA, Date 7/23/13

POINTS TO BE MADE
PANAMA/NICARAGUA SUPPLEMENTAL

- TO START OFF, I WANT TO URGE, AS STRONGLY AS I CAN, THE NEED FOR RAPID PASSAGE OF THE AID PACKAGE FOR NICARAGUA AND PANAMA.
- PRESIDENT ENDARA VISITED ME YESTERDAY, AND I HAD TO TELL HIM THAT I FELT WE HAD LET THE PEOPLE OF PANAMA DOWN FOR UNDEFENSIBLE PARTISAN, POLITICAL REASONS. HE EMPHASIZED THIS IS THE FIRST TIME MANY PANAMANIAN'S HAVE LIVED UNDER DEMOCRACY. IF HE CAN'T SHOW ECONOMIC PROGRESS, DEMOCRACY WILL BE ENDANGERED.
- PRESIDENT CHAMORRO HAS JUST ASSUMED OFFICE UNDER VERY DIFFICULT CIRCUMSTANCES. SHE DESPERATELY NEEDS OUR AID NOW TO HELP HER THROUGH HER FIRST DIFFICULT DAYS.
- WE HAVE WORKED SO HARD AND SUCCESSFULLY IN A BIPARTISAN MANNER TO BRING DEMOCRACY TO PANAMA AND NICARAGUA. GREAT SACRIFICES HAVE BEEN MADE. IT IS UNCONSCIONABLE TO RISK WHAT WE HAVE ACHIEVED SO FAR BY LETTING THIS VITAL AID LEGISLATION LANGUISH.
- IT IS CLEAR THAT THE AMERICAN PEOPLE AND THE CONGRESS WANT THIS AID PACKAGE. I URGE YOU AS STRONGLY AS I CAN TO STRIP THIS BILL OF EXTRANEIOUS PROVISIONS AND ALLOW A VOTE ON ITS MERITS AT ONCE.

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PER E.O. 13526
2609-1136-MR
E8 6/22/15

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3384

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 30, 1990

SIGNED

ACTION

MEMORANDUM FOR BRENT SCOWCROFT

FROM: WILLIAM T. PRYCE *WTP*

SUBJECT: Points to be Made on Panama/Nicaragua Supplemental
for Bipartisan Leadership Meeting, May 1, 1990

Attached is a memorandum to Fred McClure containing Points to be Made on the Panama/Nicaragua Supplemental for the President's meeting with the bipartisan leadership, May 1 at 10:00 a.m.

Concurrence by: Ms. *Mal*ampley

RECOMMENDATION

That you sign the memorandum at Tab I.

Attachments

Tab I Memorandum to Mr. McClure
Tab A Points to be Made

~~CONFIDENTIAL~~

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~~CONFIDENTIAL~~

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White House Guidelines
E.O. 13526, SEC 3.4 (b), September 11, 2006
By *EB* NARA, Date *7/23/13*

~~SECRET~~

CHRON FILE

THE WHITE HOUSE
WASHINGTON

3514

~~SECRET~~

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Endara of Panama (S)

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President
for National Security Affairs
Guillermo Endara, President

DATE, TIME April 30, 1990, 11:00 - 11:15am EST
AND PLACE: The Oval Office

The President: Anything sensitive you want to discuss we can do it alone. I was so upset with our Congress on the legislation. It is not Panama, it is petty maneuvering. (S)

President Endara: I and the Panamanian people understand this. It is the price of democracy. (S)

The President: Anything sensitive? (S)

President Endara: Yes. I spoke to Thurman. All intelligence should be under Panama, not the Army or anywhere else. We have been talking about this off and on with Hinton, who is an excellent man. But this leaves a void and I fear it will be filled by the police force. (S)

The President: Brent, will you call Webster and find out where it stands. (S)

President Endara: I will see him this afternoon. (S)

The President: It is important you get it straightened out. It is vital to you and should come directly to you. What have you done with our friends the Cubans and Libyans? (S)

President Endara: We are just waiting to break relations with Cuba. Libya is more difficult. They have been very quiet and to break relations without a reason is tough. (S)

President: No, you can't do that. How are things within the government? The Troika's getting along? (S)

~~SECRET~~

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AS AMENDED
2000-0429-F
ES 8/21/09

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2

President Endara: Very well. We have different interests but we work very well together. My party had a conference recently. (Gives the President a party card and button.) (S)

The President: How are you coming with recognition? (S)

President Endara: Very well. CAP is helpful and being a good friend. Garcia is being friendly. Bolivia is a problem because of a leftist environment -- they will be quiet for now. (S)

The President: Any pro-Noriega sentiment? (S)

President Endara: None. There is no opposition. Democracy needs an opposition government. Right now there is none. The government is getting high marks from everyone. (S)

The President: I would like to accept your invitation to visit. I think it would send good signals, both here and in Panama. (S)

-- End of Conversation --

~~SECRET~~

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

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with President Endara of Panama

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President
for National Security Affairs

Guillermo Endara, President

DATE, TIME April 1, 1990, _____
AND PLACE: The Oval Office

The President: Anything sensitive you want to discuss we can do alone. I was so upset with our Congress on the legislation. It is not Panama, it is petty maneuvering.

President Endara: I and the Panamanian people understand this. It is the price of democracy.

The President: Anything sensitive?

President Endara: Yes. I spoke to Thurman. All intelligence should be under Panama, not the Army or anywhere else. We have been talking about this off and on with Hinton, who is an excellent man. But this leaves a void and I fear it will be filled by the police force.

The President: Brent, will you call Webster and find out where it stands.

President Endara: I will see him this afternoon.

~~SECRET~~

~~SECRET~~

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The President: It is important you get it straightened out. It is vital to you and should come directly to you. What have you done with our friends the Cubans and Libyans?

President Endara: We are just waiting to break relations with Cuba. Libya is more difficult. They have been very quiet and to break relations without a reason is tough.

The President: No, you can't do that. How are things within the government? The Troika's getting along?

President Endara: Very well. We have different interests but we work very well together. My party had a conference recently. (Gives the President a party card and button.)

The President: How are you coming with recognition?

President Endara: Very well. CAP is helpful and being a good friend. Garcia is being friendly. Bolivia is a problem because of a leftist environment -- they will be quiet for now.

The President: Any pro-Noriega sentiment?

President Endara: None. There is no opposition. Democracy needs an opposition government. Right now there is none. The government is getting high marks from everyone.

The President: I would like to accept your invitation to visit. I think it would send good signals, both here and in Panama.

~~SECRET~~

Endara Mtg (1 on 1)

4/30/90

P Anything ~~just~~ sensitive you want to discuss we can do it here. I am so upset w/ our Cong on a legis. It is not Panama, it is pretty newsworthy.

E 2 - + Panamanian people - understand this. It is a price of demo.

P Anything sensitive

E Yes. I spoke to Thurman. All intel should be under P, not a Cong or anywhere else. We have been talking about this off & on - w/ Hinton, who is an excellent man. But this leaves a void & I fear it will be filled by a police force.

X P Brent will give a call to Slater & find out where it stands.

E I will see him this afternoon.

P It is important you get it straight out. It is vital to you & ~~must~~ ^{should} come directly to you.

- What have you done w/ our friends a Cubans & a by as

E We just waiting to break relations w/ Cuba. Libya is more diff. They have been very quiet & to break relations w/ a reason is tough.

P No, you can't do that.
Humb are there w/ in a govt

E The Trocha getting along
Very well. We have dif
interests but we ~~work~~
work very well together.

My party had a conf. recently
Gives P a party card & button.

P How are you coming w/ recognition?

E Very well. CAP is helping & being
a good friend. Garcia is being
friendly. Bolivia is a prob because
of a leftist movement - they will
be quiet for now.

P any pro-Varela sentiment?

E None. There is no opposition.
Democracy needs an opposition but
right now there is none. The
Govt getting high marks from
every one.

P I would like to accept your
invite to visit. I think it
would send good signals, both
here & in Panama.

**National Security Council
The White House**

PROOFED BY: _____

LOG # 3514

URGENT NOT PROOFED: _____

SYSTEM PRS NSC INT

BYPASSED WW DESK: _____

DOCLOG _____ A/O _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bill Sittmann	_____	_____	_____
Bob Gates	_____	_____	_____
Brent Scowcroft	_____	_____	_____
Bill Sittmann	_____	_____	_____
Situation Room	_____	_____	_____
West Wing Desk	<u>1</u>	_____	<u>✓</u>
NSC Secretariat	<u>2</u>	_____	<u>N</u>
_____	_____	_____	_____
_____	_____	_____	_____

A = Action	I = Information	D = Dispatch	R = Retain	N = No further Action
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cc: VP Sununu Other _____

Should be seen by: _____
(Date/Time)

COMMENTS

NATIONAL SECURITY COUNCIL

May 3, 1990

NOTE FOR BILL SITTMAN

FROM: WENDY *How*

SUBJECT: Presidential Memorandum of
Conversation

Bill, Dona Proctor provided the typed draft of the General's notes from the President's meeting with President Endara on April 30, 1990. They would like them entered into the system for record purposes.

Approve

W

Disapprove