

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Telephone Conversation with President Carlos Andres Perez of Venezuela on March 3, 1989 (U)

PARTICIPANTS: The President
Venezuelan President Perez

DATE, TIME March 3, 1989, 9:12 a.m. - 9:26 a.m.
AND PLACE: Oval Office - Presidential Palace

The President and President Perez spoke for 14 minutes. The connection was poor, necessitating frequent repetition of President Perez's words. President Perez spoke in Spanish. (Ø)

The President began by saying, "Hello, Mr. President." (Ø)

President Perez said hello and said he was delighted to hear from the President. (Ø)

The President said he was calling to express the concern he felt about the recent difficulties in Caracas and the rest of Venezuela. He stated, "I have been thinking of you and sincerely hope that those difficulties come to an end quickly." (Ø)

President Perez thanked the President for his thoughts. (Ø)

The President said he wanted to mention some other problems. He stated, "I have been thoroughly briefed on your economic situation and I applaud the difficult measures you have taken. I know that devaluation and price increases are difficult medicines to take." The President added that he was convinced that the measures President Perez was taking will lead to economic recovery. (Ø)

The President added that he would like to inform President Perez that the United States would make a bridge loan to the Venezuelan Government in the amount of \$450 million. The President said he hoped it would provide the appropriate support while you await disbursement from the International Monetary Fund. (Ø)

The President asked how are things going in Venezuela now. (Ø)

President Perez thanked the President for his words. He added that he and his people were very pleased by the President's response and concern for the people of Venezuela. President Perez continued by saying, "But I want to tell you, Mr. President, that the serious events in Venezuela show how grave the problem is in Latin America." (Ø)

President Perez went on to say that President Sarney of Brazil had called him recently to tell of his conversation with the President when they were both in Japan recently. President Perez said he shared the observations and comments that were made by President Sarney to the President. (Ø)

President Perez said he sent the President a letter on the day that the disturbances began [February 27]. He stated, "I want to tell you if there is no change in [international] debt policy then whatever we may do here may be useless." President Perez said he would thank the President if he would read the letter he is sending. (Ø)

The President said he would read the letter. (Ø)

President Perez thanked the President. (Ø)

The President asked when the letter was sent. (Ø)

President Perez said he just delivered it to Ambassador Reich. (Ø)

The President said, "good," and asked if President Perez had time for one subject more. (Ø)

President Perez said, "of course." (Ø)

The President said we do understand the debt problem. A study by the Secretary of the Treasury is now underway. The President said, "Your concerns are being taken into account." The President added that he hoped that before long we will come up with solutions for this problem. (Ø)

The President said, on another subject, President Cerezo of Guatemala had just visited him. They had a good talk on the recent Central American summit. The President said he saw some positive elements in the summit agreement, but we had some problems with parts of it. He said he would ask our Ambassador to inform President Perez about the talk with Cerezo. There was no breakthrough, but it was a good talk. (Ø)

The President said he would like to make one last point relating to Cuba and the human rights situation there. A recent report by the Cuban Working Group noted continued violations of human rights, even though there were some improvements. We believe that the situation should continue to be monitored. Certainly, those people who spoke to the Working Group should be protected against retaliation by the Cuban Government. The President concluded by saying he would appreciate President Perez's support on this issue if he agreed. (Ø)

President Perez replied that he had some papers that were just brought to him about Cuba that were sitting on his desk. He had not had time to read them. (Ø)

The President said, "Very good. Thank you and good luck." The President added, "I wish the best to you, my friend." Sometimes it was best that we call from time to time to discuss these issues. The President repeated his great personal regard for the tough decisions Perez had to take in this difficult time. He concluded by saying that we want to help if we possibly can. (Ø)

President Perez thanked the President, saying that he would be maintaining his position [on austerity issues]. But he said he wanted to say once more that Venezuela's future depends upon the decisions the United States takes on debt issues. (Ø)

The President said he understood, wished President Perez good luck, and thanked him again. (Ø)

President Perez thanked the President and said it was a great pleasure for him as well. (Ø)

The President concluded the conversation with an "adios." (Ø)