MEMORANDUM OF CONVERSATION

SUBJECT: The President's Meeting with Spanish and EC Foreign Minister Francisco Fernandez Ordonez

PARTICIPANTS: US
The President
Secretary of State James Baker
Brent Scowcroft, Assistant to the President for National Security Affairs
Robert D. Blackwill, NSC
Adrian Basora, NSC (Notetaker)

Spain
Francisco Fernandez Ordonez, Foreign Minister
Eudaldo Mirapeix, Director General for North America, Foreign Ministry
Julian Santamaria, Ambassador to the US

DATE, TIME AND PLACE: March 14, 1989, 1:35 p.m. - 1:50 p.m., Oval Office

The session began with a photo opportunity, during which Foreign Minister Ordonez mentioned his visit with US Trade Representative Hills and his earlier contact with Secretary Yeutter.

The President said he was counting on both of them to handle the difficult trade problems we face.

Foreign Minister Ordonez said he was aware of US public opinion concerns on trade with the EC.

The President described the great public concern on trade issues that he had encountered during the campaign, although he remains in favor of open trade. In order to control the "bubbling cauldron of protectionism," there should be as much US-EC cooperation as possible, keeping in mind that we both have political problems.

Foreign Minister Ordonez referred to his earlier discussion with General Scowcroft, stressing that the time had come to revamp the
bilateral US-Spanish relationship. A visit soon by Prime Minister Gonzalez would thus be of special value.

The President said he wanted to see Gonzalez. He has great respect for him and for the King. In principle, he is very anxious to see the Prime Minister, but we will have to get back to the Foreign Minister on the specifics of scheduling.

The President then recalled earlier discussions on Central America, and said that Spain could play a very useful role in view of its own experience with transition to democracy. The US intention is not to overthrow Ortega, but rather to assure that the Nicaraguan people have a right to democracy. We would welcome Spain's support on insisting that the Sandinistas stop exporting revolution and do what they said they would do on democratization.

Foreign Minister Ordonez said Spain was doing this; Gonzalez had told Ortega democracy was not just a bargaining chip.

The President said that, if Gonzalez is on the same wavelength, he has the stature to help. Because of his respect for Gonzalez, the President felt Gonzalez had a unique role to play. Other countries in Central America are progressing. Nicaragua must also progress.

The President then addressed the Foreign Minister "wearing his EC hat" and said we will not let Gorbachev capture the high ground either in propaganda or in imagination. But the US needed a little time to review, which was natural at the start of a new Administration.

The President said that relations between Spain and the US were excellent and that he had chosen a very good man as his new Ambassador to Spain. He stressed that the new Ambassador was very close to him personally, very successful in the private sector, and instrumental in setting up an exemplary anti-narcotics program. He might have some things to learn in his new role, but the President knew that the Foreign Minister would be understanding and assist him. He would find the new Ambassador very compatible, a very warm human being.

Foreign Minister Ordonez responded positively, noting that the Government of Spain had given its agreement "within 24 hours."