MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Arias of Costa Rica

PARTICIPANTS: The President
                Notetaker: David Pacelli, NSC
                Notetaker: Susan Bunch, NSC
                President Arias

DATE, TIME AND PLACE: April 28, 1989, 5:21 - 5:33 P.M.
Oval Office - Presidential Office

President Arias was called by President Bush. The President and Arias greeted each other and began the conversation by asking how each other was.

The President said he was calling to let Arias know that he appreciated his speaking out on the Sandinista electoral law and media reform law. Jim Baker told me of your outstanding efforts in contacting foreign leaders, the President stated, adding that it was wonderful and he appreciated it very much. ( smelled)

President Arias said that the President didn’t have to thank him for that. It is my strong belief, he said, that the Sandinistas are not complying with what they have promised. He had been in touch with Carlos Andres Perez, the Germans, Norwegians, and Swedes, adding, "As you know, the Nordic governments are very difficult. They don’t seem to care about democracy in this part of the world." Arias said he had no problem with the rest of the countries. The Sandinistas win the battle in the media but not with the governments. The governments are very unhappy, unsatisfied with the electoral law. Unfortunately, the Sandinistas are very good at propaganda. They have obtained some support in the mass media in Western Europe, but not in the governments, for sure. ( smelled)

President Arias said he was going to write Nicaraguan President Ortega and would mention how unhappy and dissatisfied he was with the election loss. ( smelled)

The President said he thought that would be helpful. Ortega could not fail to acknowledge that and the President thought it would be helpful. We are very pleased you are doing this he said, thanking Arias. The President said he wanted to discuss this subject and he welcomed suggestions on how they could work together on this. The President added that Arias has more credibility than we did [to publicly chastise the Sandinistas]. The President explained that that is why he was thanking Arias. We are on the same wavelength, and share the same beliefs. ( smelled)
President Arias said he was very much in touch with U.S.
Ambassador Deane Hinton, saying, "You know he is in Washington
today." (U)

The President said no, he didn’t know that. (?!)

President Arias asked if he could take this opportunity to
mention one idea -- that Costa Rica was celebrating 100 years of
democracy this year. Costa Rica is the oldest democracy in all
of Latin America. We are planning to commemorate this occasion
with several activities, he said. I have talked with Ambassador
Hinton, he added, and have mentioned this to some Latin American
presidents, and they all approved it. (?!)

President Arias said the idea is to hold a meeting of all OAS
presidents in Costa Rica. The last time there was such a meeting
was in 1967. Arias said he understood President Johnson attended
at Punta del Este. Arias believed a meeting would be successful
since the President had changed U.S. policy not only in Central
America but because there will be substantial change in the whole
of Latin America. Arias said it would be very convenient for
both governments and many democracies in Latin America (which
were weak and vulnerable) to hold this conference to discuss four
major issues. Arias said the issues all start with the letter
"D": democracy, development, debt, and drugs. Arias said he had
read in the American press the speech the President gave in Miami
on drugs. Arias said he was satisfied with what the President
said and believed a meeting would be convenient and important for
many countries in Latin America. Arias was working it out with
Venezuela now, as well as with the democracies of Argentina,
Brazil, Peru and the whole of Latin America, so he wanted to
share it with the President. Arias declared, "I think the time
is right for such a meeting and I think Costa Rica is the right
place." Arias believed that the Costa Rican celebration of a 100
years of democracy could serve as a good excuse if the President
could attend such a meeting. Arias reminded the President that
Costa Rica was a country that loved and admired him, recalling an
earlier visit. Arias said, he had checked with the most
important countries, including President Alfonsin in Argentina,
Sarney in Brazil, Salinas in Mexico, and Perez in Venezuela, and
all of them will accept if Arias called for the meeting. (?!)

The President said, "I’ll tell you what, it is very interesting.
Let me discuss this with folks here. Have you a date set?" (?!)

President Arias said because President Sarney in Brazil has
elections at the beginning of November the best time for him is
the end of September. All Latin American countries celebrate
independence from Spain in mid-September. A meeting would be
within the framework of the OAS. Castro would be excluded
because Arias said, he didn’t want Castro to come. (?!)

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The President said, "Let me discuss it here." On a personal basis, the President said, it sounds very interesting. The President asked if Arias had discussed this in detail with Ambassador Hinton. (F)

President Arias said, yes, I have discussed it with Ambassador Hinton and have the approval of 12 heads of state including Prime Minister Gonzalez of Spain and President Soares of Portugal. Arias said they are very much interested and were pushing him to go ahead with the idea. Arias said he thought it would be a good idea if the President agreed to invite them even though they are not OAS members because both are very much in touch with Latin America. Portugal and Spain are very interested in Latin America and also support democracy. (F)

The President said, "Very interesting in that light, let me get back to you as soon as I have discussed this with Ambassador Hinton, Brent Scowcroft, and Jim Baker." The President said it would involve a good deal of planning. (F)

The President asked if he could mention another thing. President Arias said, "Sure." (U)

The President said he'd like to mention one other very important concern about the Panama elections. Intelligence reports from there look like Noriega is not going to let them be free or fair, as the people of Panama should have and are entitled to. The President said he didn't know what can be done. We are really for democracy, he declared. If there is anything that you could do—or others; it would be desirable because we don't want the status quo to continue. If the status quo continues after the election, the United States can't continue in this position. I don't know what we will do, he said, but I know what we won't do, and can't do, and that is accept the status quo. (F)

The President said he hoped that Arias would continue to share his views on the need for democracy and that Arias would be able to publicly assert it. (F)

President Arias said that he was prepared to do that. (U)

The President said, "That is good." (U)

President Arias said he had talked to [Guatemalan President] Vinicio Cerezo that day about a draft letter concerning Panama by the Central American Presidents. Arias termed it weak. Arias said he urged Cerezo to strengthen it. (F)

The President thanked Arias and said he wanted to commend him on his forthright statement. The President said he welcomed any further comments or suggestions and concluded by pledging to continue to work closely with President Arias. (F)
President Arias asked the President to give his regards to Mrs. Bush. (U)

The President wished the same to Mrs. Arias, mentioning that he caught a glimpse of her at a luncheon and was pleased to see her. The conversation then ended. (U)