MEMORANDUM OF CONVERSATION

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

PARTICIPANTS: The President
Brent Scowcroft, Assistant to the President for National Security Affairs
Interpreter/Notetaker: Adrian Basora, NSC
Prime Minister Felipe Gonzalez

DATE, TIME AND PLACE: May 8, 1989, 2:16 - 2:30 pm EST
The Oval Office

The President said he was calling on a specific subject near and dear to his heart, and one in which he knew that Prime Minister Gonzalez has great interest: the elections in Panama. Former President Jimmy Carter was down in Panama, although he was there on his own. (F)

Prime Minister Gonzalez told the President that he already knew this, as he had been following President Carter's statements in Panama. (F)

The President went on to say that Jimmy Carter had told General Scowcroft that the opposition forces had in fact won a victory. There was some fear on his part that at this very minute Noriega was deliberating on whether or not to allow the election results to stand, or whether to manipulate them into a victory for himself. As a result of these events, he wanted to run the following idea by the Prime Minister. In view of the respect everybody in Central America has for the Prime Minister, would he be willing to talk to General Noriega on the following basis? Recalling that he had offered asylum to General Noriega in March of 1988, he might call and tell him that the U.S. would not seek to extradite Noriega in Panama, or in Spain or in any other country. The U.S. would make the same stipulation now as it had before, if Noriega respects the results of the elections. (F)

Prime Minister Gonzalez asked the President directly if his proposal was that whether Noriega stays in Panama or goes to
Spain or a third country, the United States would not seek to extradite him as long as he abandons power? (7)

The President confirmed this. In addition, the U.S. would be willing quickly to restore normal relations with the new government of Panama. If Noriega agrees to step down, the U.S. would not seek extradition and the U.S. would move immediately to restore relations, which would benefit Panama very much. This last point would also be conveyed by Jimmy Carter. Noriega should know that, if he insists on manipulating the results, the U.S. simply could not have business as usual with Panama. The U.S. could not even continue the relationship it had recently had with Panama. (7)

Prime Minister Gonzalez asked if he had understood correctly that the message consists of three points: the first point is that if Noriega recognizes the election results and gives up power, the U.S. would not seek to extradite him. Secondly, if Noriega leaves power there would be immediate normalization of relations with Panama. Thirdly, if he stays in power, even the precarious relations which now exist with Panama would not continue. (7)

The President stated that this was a correct understanding of his message. (7)

Prime Minister Gonzalez said that in that case he would do it. He would call Noriega and transmit this message, in addition to what Carter would do. (7)

The President went on to say that the reason he had asked the Prime Minister to do this is because of the universal respect he enjoys in that area. The President could not think of anyone better to convey this message with authority, and he personally appreciated the Prime Minister's willingness to do so. (7)

Prime Minister Gonzalez said he would immediately make this démarche to Noriega, and that he would monitor the situation closely over the next two or three hours. He would be back in touch in a day or two. (7)

The President told the Prime Minister that he was looking forward to hearing from him and thanked him very much. (7)

Prime Minister Gonzalez said that he did this with great pleasure. (7)

The President then asked the Prime Minister if he had plans for any private visit to the U.S. over the next few months. If so, he would love to see him on a private basis. Perhaps he could also talk Gonzalez into coming in the fall on an official basis as well. (7)
Prime Minister Gonzalez thanked the President very much. He told the President that, if he has occasion to come, he will let him know. In any case, he would see the President in Brussels at the end of this month. (§)

The President said he would see him for sure, although it would be a little hectic. (§)

Prime Minister Gonzalez ended saying that time would be short, but that at least they would have an occasion to see each other. (§)

The President ended the conversation by saying that he was looking forward to that too. (§)