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THE WHITE HOUSE
WASHINGTON

3557

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Phone Call from President Bush to President Arias
of Costa Rica re Panama

PARTICIPANTS: The President
Paul Lebras, Notetaker
Jacqueline Murphy, Stenographer

President Arias

DATE, TIME May 11, 1989, 3:35 p.m. - 4:00 p.m.
AND PLACE: The White House, Oval Office

After an initial exchange of greetings, The President stated that he was calling regarding the troubled situation in Panama. He said that he had been in touch with President Perez of Venezuela and hoped that some common statement could be made, and he wanted to touch base and see if President Arias had any new thoughts or views on the situation.

President Arias stated that he had been in touch with almost everyone, including Felipe Gonzalez of Spain. Arias said that he is trying to call a meeting of the OAS Foreign Ministers next Monday. He also stated that he had talked to President Perez this morning, along with some Central American countries. He had also offered to call Cerezo and Azcona, but not Nicaragua since they did not seem to be interested. He also stated that it was his understanding that Mexico also did not want to become involved.

The President then verified that the OAS meeting would be held on Monday.

President Arias replied in the affirmative, and The President urged that "the meeting be held as quickly as possible.

The President also said that Felipe González stated that the EC will have a strong statement and the President hoped that

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materialized quickly. The President went on to say that he will protect US interests and the lives of US citizens. When the President saw Endara beaten up as he was yesterday, he realized that the US must protect its 40,000 citizens in Panama. The US will wait 24 hours, then strengthen its forces, look at some economic measures, and pull our Ambassador out. It is clear that the US will support the Panama Canal Treaty, The President stated, but it will also enforce its legal rights under the treaty. The President went on to add that these measures have the full support of Republicans and Democrats in Congress.

President Arias stated that it was indeed important to have Congressional support.

The President said that he will keep in touch with Arias, and that he is sensitive to Arias' views about the use of military force. However, the President said that in view of such overt brutality, the US will be prepared to defend its citizens. As Commander-in-Chief, the President feels obliged to augment US forces to defend Americans, since they are in a unique position because Panama can take action against them.

President Arias then verified that the US planned to send in more troops.

The President replied that the US will deploy one brigade, less than 2,000 troops, just a fraction of the forces the US already has in Panama. The Panamanians picked up five American military yesterday, and the US will not allow Americans to be held hostage to "this thug."

President Arias then stated that he would try to arrange the OAS meeting as soon as possible.

The President said that Arias has made many contacts, such as the talks with Perez. The President thought that the election results were so clear that Noriega would step down. The President asked Felipe Gonzalez to send a message to Noriega, stating that if he stepped down, the US would not exert pressure, and would restore normal relations with Panama. The President stated that as long as Noriega was calling the shots, he could not do that.

President Arias said that they should stay in touch, and after an exchange of courtesies, the call was terminated.