

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE 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: Stephanie van Reigersberg, State
Notetaker: Adrian Basora, NSC

Prime Minister Felipe Gonzalez of Spain

DATE, TIME May 11, 1989, 1:20 - 1:30 pm EST
AND PLACE: The Oval Office

The President recalled that the 24-hour period was about over and wondered if there was anything new. (S)

Prime Minister Gonzalez replied that not only was there nothing new but the situation had gotten worse. He had been in touch the previous day with the Papal Nuncio and with the Spanish Ambassador and they had confirmed that there was no flexibility on the part of Noriega and even less on the part of the National Strategic Council. Prime Minister Gonzalez continued that, according to his information, the National Strategic Council had an even tougher stand than Noriega himself. In view of this, Gonzalez was giving up his attempt to find a reasonable solution. (S)

The President said this was very discouraging. He had talked with Carlos Andres Perez and was still hoping for statements in this hemisphere about the fraud and the fact that Endara had been elected. At one point Perez was willing to declare that Endara was President, but other Latin Americans had pulled back from that approach. (S)

Prime Minister Gonzalez said he had talked to Carlos Andres Perez that morning and learned that, because of difficulties posed by some countries, it would not be possible to go as far as he had desired. Instead, there will be a convocation of the OAS without going so far as to recognize the victory of Endara. (S)

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The President said he thought he knew the two countries that had been recalcitrant and unwilling to participate. (S)

Prime Minister Gonzalez replied that he knew who they were too. (S)

The President then spoke of the 40,000 Americans in Panama, and of U.S. obligations under the Canal Treaty. There was an Embassy and U.S. dependents about whose safety he was concerned. He would have to take some action very soon aimed at protecting the lives of Americans in Panama. He was not interested in abrogating the Canal Treaty, but he would insist that Panama live up to its obligations and he fully intended to exercise U.S. rights under the Treaty. (S)

Prime Minister Gonzalez said he understood perfectly and that this position was eminently correct. It was not an annulment of the Treaty but an insistence that the Treaty be complied with. That was a very good approach. (S)

The President confirmed that this was what he would be doing. He did not want to risk the brutality and unpredictability of Noriega. (S)

Prime Minister Gonzalez agreed and said he was working to ensure a very strong statement by the EC -- stronger than was made right after the electoral fraud. He hoped for a firm response from the EC. (S)

The President said this would be magnificent. It would focus world opinion on this travesty. He hoped Gonzalez would be able to bring it off. He then asked when the EC decision might be forthcoming. (S)

Prime Minister Gonzalez replied that it should be ready by the next day. (S)

The President said that was good news and he appreciated this effort. He expressed his respect for Gonzalez and looked forward to hearing from him again. (S)

Prime Minister Gonzalez agreed that they should maintain contact. (S)