

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Call from President Bush to
President Sarney of Brazil Reference
Panama (Ø)

PARTICIPANTS: The President
Notetaker: Paul Lebras
Stenographer: Pat Battenfield
Interpreter: Neil Seidenman

President Sarney

DATE: May 17, 1989
LOCATION: White House Oval Office
TIME: 9:28 a.m. - 9:51 a.m.

After an initial exchange of greetings, the President said that his daughter very much enjoyed seeing President Sarney. (U)

President Sarney replied that he was honored to hear from the President, and gratified to welcome the President's daughter to Brazil and send the President a message via his daughter. (U)

The President stated that his daughter delivered the message faithfully last night. He then indicated that he wanted to talk about Panama for just a minute. The President said that the United States wants to talk to leaders like President Sarney so that any action that comes out of the OAS is not seen as an action that is driven by the United States. (Ø)

The President went on to say that he appreciated Brazil's support for the OAS Foreign Ministers meeting, and that he had talked last night to the President of Colombia. President Barco told him of a meeting of the Foreign Ministers, which the President believed would be at the Colombian Embassy. The President said that if there is anything that President Sarney feels strongly about, he would welcome a telephone call. The President stated that he wanted to conduct U.S. policy after serious consultations with those that the United States respects in this hemisphere. (Ø)

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President Sarney replied that he had received the President's letter, and that he had given it a good deal of thought. He said that he did not know whether the President had received his reply. Sarney stated joint action is needed which will reflect respect for the will of the Panamanian people. (Ø)

The President said that he had not yet seen Sarney's cable, but that he will be sure that the State Department sends it to the White House. He said that the U.S. hoped that the OAS resolution would do the same as happened ten years ago when an OAS resolution hastened the departure of Somoza. The President said that he would like to send a stronger resolution -- one that would encourage Noriega to leave and be replaced by a democratic government. The U.S. would instantly normalize relations and try to help because the U.S. has no animosity against the Panamanian Defense Forces or the people of Panama. (Ø)

President Sarney responded that his position has been to consistently condemn what has happened in Panama, especially recently. He stated that the moral situation compels Brazil to condemn what Noriega is doing. Also, there is a need to ensure compliance and implementation of the agreements concerning Panama. Sarney said that he understands the difficulties, but believes that a solution must be brought about on the basis of friendship among our countries. He has issued instructions to the Brazilian delegation to seek concurrence with other countries to bring about a solution consistent with non-intervention in other states. Sarney stated that he saw the issue in the same light as the President. (Ø)

The President said that he appreciates Sarney's forthright condemnation of the aborting of the electoral process. He stated that the only thing he would like to encourage is a strong OAS resolution because if this election can be stolen, it sends a bad signal for every other country going through the democratic process. The Mexicans have told the United States privately they would consider a 1979-like statement as long as it does not specifically recognize Endara because of the non-intervention concerns that Sarney mentioned. If the OAS gets a strong resolution, the President stated that he believed the pressure from Noriega's neighbors can force him to step aside and democracy would be the winner. (Ø)

President Sarney responded that he will do everything in his power to cooperate with the United States government to attain the kind of resolution the President is talking about. Sarney also said that almost all the countries he has consulted with are not against this objective. Regarding what the President said about Mexico's statement to the United States, Sarney said that this is encouraging because of all the countries that he has consulted with, Mexico has put up the most resistance. Sarney reiterated that he will cooperate with the President, and he is prepared to take any action to bring about a solution. (Ø)

The President said that he appreciated Sarney's understanding. He said that the Mexicans have been recalcitrant, but they did tell the United States privately they would consider a statement such as 1979 if it did not call for recognition of Endara. The President said that is positive and therefore the lowest common denominator will not drive a resolution. (Ø)

President Sarney next stated that he would discuss this conversation with Brazil's Foreign Minister. He also said he will strengthen or reinforce his instructions to the Foreign Minister concerning the Panama issue. With regard to Endara, Sarney stated that this issue was decided upon by Brazil's tribunal, which poses some reservations. However, Sarney said he did not see anything against a strong statement. (Ø)

The President replied that this would be helpful. He also said that he had understood Sarney's message on keeping agreements, and assumed that Sarney was referring to the Panama Canal Treaty. The President stated that there is some pressure because of outrage over events in Panama, but he will keep the word of the United States. He went on to say that the United States has certain rights under the treaty, and he cannot permit them to be violated. In terms of Sarney's call to keep agreements, the President wanted to let him know that he has no intention of abrogating the Panama Canal Treaty. (Ø)

President Sarney replied that he appreciated the President stating his position so clearly. He believes this goes a long way toward helping to press for a Latin American approach based on solidarity and a firm commitment to defend democratic institutions. In this way, this particular situation will not be a regressive example for other nations. (Ø)

The President said that the door is open if Sarney wants to talk, and the United States will try to be constructive. It is out of respect for Sarney's creative efforts for a transition to democracy that the President was calling. (Ø)

President Sarney stated that he was very grateful for such remarks. He also said that he was honored to have this opportunity to talk with the President. Sarney indicated he always stands ready to cooperate with the President, and to be of help to him in any of these endeavors. Sarney then extended his personal greetings, best wishes, and congratulations to the President for the direction of his Administration. He closed by saying the United States is in good hands. (Ø)

After an exchange of courtesies, the telephone call was terminated. (U)

-- End of Conversation --