MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Arias of Costa Rica

PARTICIPANTS: The President
Oscar Sanchez Arias, President of the Republic of Costa Rica
Notetaker: David A. Pacelli
Stenographer: Pat Battenfield

DATE, TIME AND PLACE: July 20, 1989, 11:05 to 11:14 EDT
The Oval Office - Arias Residence

The President, who initiated the call, began by saying, "Mr. President, how are you today?" (U)

President Arias replied, "Fine, thank you." (U)

The President said that he had told Arias that he would get back to him after an earlier phone call. The President asked Arias to pardon the delay, saying that he had just returned from Europe. The President said he was calling to simply say that he was very pleased to be able to accept Arias's invitation to come to San Jose in October to celebrate 100 years of Costa Rican democracy. The President congratulated Arias on this initiative, saying there is no better place than Costa Rica to have a hemispheric meeting, particularly given its tradition of democracy. The President said that he had given the invitation some thought and had checked the schedule. He added that he had heard from Ambassador Hinton telling about a recent exchange with Arias talking about democracy being the centerpiece of the meeting, commenting that, "without that, we are not in very good shape." He concluded by saying that he was very pleased. (G)

President Arias said, "Thank you, thank you, President Bush. It is quite an honor for us, and Costa Ricans will be delighted with your acceptance to visit us." He noted that it will be the President's first visit to Latin America, and it is quite an honor to be the first country to host the President. (G)

The President said, "We look forward to coming." The President then asked if President Arias had time for him to mention some concerns about some of our neighbors. First, he said he was
interested in Arias's view on Nicaragua. The President said he was disappointed. Yesterday was their 10th anniversary -- unfortunately, not of democracy. We were dismayed by the lack of actions to keep their commitment to the OAS to establish a democracy. The President questioned whether Arias believed there had been any progress. The President said he knew that Arias had talked to Nicaraguan President Ortega last week, and as a result of those discussions, Ortega had agreed to renewed dialogue with the internal opposition. He asked Arias if he thought that they will agree to anything.

President Arias responded, "I hope so." He commented that Ortega is dogmatic and very inflexible--a good Marxist. But Arias was optimistic in the sense that Ortega says he will allow political polls to be conducted. He won't be able to fool the Nicaraguan electorate because the polls will reveal that he is not popular, that the opposition has very good chance to win. Arias said he insisted on the necessity of authorizing Gallup polls, and many other firms are interested in conducting polls in Nicaragua. Arias concluded that it would be very difficult for Ortega and for the Sandinistas in general to fool the electorate. Arias said he was optimistic because the polls he had in his hands show how strong the opposition is.

The President said, "Is that right? That is good." President Arias said, "Yes, What I got from Ortega was a promise to sit down and negotiate with UNO--the United Nicaraguan Opposition--changes to the [electoral] legislation. This is the first time he has agreed to negotiate with the UNO opposition. Arias believed that they will be able to reach some agreements.

The President said, "We commend you for that." The President said Arias was "a major force" and he relied on his knowledge of the area. With Arias's credibility that kind of push is very helpful. Switching subjects, the President thanked Arias for his efforts to help the Panamanian people restore democracy to their country. We still feel Noriega has to go, given his manipulation of the election and his involvement in narcotics. The President asked if Arias saw any reasons to be optimistic. There were some talks with the OAS group. The President asked for Arias's views.

President Arias said that he was not very optimistic on Panama. On Panama, he conceded that he was not up to date, since the Foreign Ministers are holding meetings now in Washington and he had not communicated with his Foreign Minister. On Panama, he concluded, he was not very optimistic, unfortunately.

The President said he wished we could get something going there. There is some talk about both sides realizing that Noriega has to get out if there is to be a resolution of the problem. Once that happens, we can improve our relations. The President urged Arias not to hesitate to call if he had any thoughts.
President Arias said he would be in touch with Assistant Secretary of State Bernard Aronson and Ambassador Hinton. (†)

The President repeated his invitation for Arias to call him directly with his views. Saying he wanted to turn back to the first subject, the President stated he was looking forward to the summit meeting. The President said one of the reasons he was thrilled about the meeting is that he still remembered walking proudly around the stadium where the inauguration was held and the warmth of the greeting by the Costa Rican people. It made a profound impression on the President and other Americans who were walking proudly behind our flag. (†)

President Arias said he was sure that it will be a very successful trip and a successful meeting, as was the President’s recent trip to Poland and Hungary. Arias said he wanted to congratulate the President on that trip as Costa Ricans had followed it through CNN coverage. It was incredible to see how you were received in those two countries, he said. (†)

The President said that we have got to follow up and help them. There are people working for democracy that we believe in and you believe in, he said. They have a long way to go but they’re on the move. (†)

President Arias agreed, saying that he told Ortega that he was isolated in Latin America because he, along with Castro, were the only two dictators left. (†)

The President said, "Exactly," adding that it looked like Chile is moving toward democracy. (†)

President Arias said, "Yes, that’s for sure." (†)

The President concluded by saying that is was nice to talk to President Arias and that he sent his best regards to Mrs. Arias. (†)

President Arias thanked the President and said he would make public the announcement that the President would attend the summit and that the President had called, if the President had no objection. He added that this will be received with a lot of enthusiasm. "We all want you to come." (†)

The President said anything President Arias wanted to say was fine with him and that he was looking forward to the trip very much. (†)

President Arias thanked the President. (†)

The President and President Arias then each said goodbye and the conversation was concluded. (†)