MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Guillermo Endara of Panama

PARTICIPANTS: The President
Guillermo Endara, winner of the May 7, 1989 election in Panama
Notetaker: David Pacelli
Stenographer: Pat Battenfield

DATE, TIME, AND PLACE: August 7, 1989, 2:40 - 2:45 p.m., EDT
Oval Office - Endara Residence

The President telephoned Mr. Endara concerning the political situation in Panama. (U)

The President began by saying, "Mr. President-elect, how are you doing?" (U)

Mr. Endara replied, "Very good, so great to hear from you." (U)

The President said that he wanted to call and say although so much has happened in Panama and the OAS, as far as we are concerned, one element remains constant -- that Mr. Endara and his two Vice Presidents continue to have the unyielding support and admiration of the people. The President clarified that he was referring to the people here in the United States, and he hoped it was true in Panama. (U)

Mr. Endara said, "Thank you very much." (U)

The President said that we are committed to a democratic transition and that he will stand by Mr. Endara and the democratic opposition until somehow this crisis is resolved. The President said he hoped the OAS can insist on the will of the people being adhered to, adding that he sought Mr. Endara's views on that subject. The OAS Commission made clear that Noriega must go if the crisis is to be resolved and if the reconstruction of Panama could begin. Reports make clear that many of Noriega's own supporters want him out. The President concluded by saying that he had not talked to Mr. Endara for a while and wanted to learn what he thought. (U)

Mr. Endara said the opposition still thinks the main point in this struggle is Mr. Noriega's ouster from the Defense Forces. That is our main point, he asserted. As to a democratic solution, we still think the May 7 election is valid, he said.
and people would like to see it accomplish what it promised to accomplish. Mr. Endara said the opposition proposed last Friday to the government under the OAS dialogue’s watchful eye that this issue be resolved by plebiscite or referendum. The government feels that it has weak support and is thinking of ways not to go to the plebiscite. Mr. Endara said that he and his two Vice Presidents will probably go on August 23 to Washington, where the meeting of the OAS will reconvene. (¢)

The President asked if the OAS would let the opposition present its case in Washington? (¢)

Mr. Endara said they probably won’t allow us a formal presentation but will allow us to talk informally to all the Foreign Ministers. (¢)

The President said that unfortunately, he was going to be out of town, but that the meeting will be interesting. The President said he hopes the OAS makes headway, asking, "Didn’t the OAS call for Noriega’s being out by September 1?" (¢)

Mr. Endara answered that the OAS had asked for a transfer of power by September 1. It did not mention exactly the ouster of Noriega. Of course, Mr. Endara said, the way we interpret transfer of power is that it can’t be transferred without Noriega leaving Panama. (¢)

The President said that our intention in going along with the OAS resolution is that Noriega leave. We are willing to back the OAS view but it is predicated on Noriega’s getting out on September 1. The President observed that there was not much chance of that, and he asked for Mr. Endara’s view. (¢)

Mr. Endara said we should try to get it by September 1, or continue this struggle. One main objective in going to the OAS meeting is that the OAS recognize the need for the ouster of Noriega and that it be mentioned explicitly—not implicitly as it did last time. (¢)

The President said, "I see." The President then inquired about Mr. Endara’s health. (¢)

Mr. Endara said he was fine, and he inquired about Mrs. Bush’s health. (¢)

The President said that she was fine and on vacation, adding that he was going up to Maine for a little rest. The President commented that this is a trying time, not only with the problems in Panama, where we’d like to be helpful, but also with the events in the Middle East. (¢)

Mr. Endara said that events there were a sorrowful matter. (¢)
The President said, yes, they were a "sorrowful matter"—that's a good way to put it. We'll keep trying there to do what we can, he said. The President said he wanted to pass his respects to Mr. Endara and asked that Mr. Endara pass along his respects to his Vice Presidents. If you have any thoughts, he added feel free to pass them on. (RF)

Mr. Endara said that at the moment they were in Venezuela visiting Carlos Andres Perez. (RF)

The President said that President Perez has been pretty good and that he hoped he stays with us on this. (RF)

The President and Mr. Endara then exchanged good-byes and the call was concluded. (U)