MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Venezuelan President Carlos Andres Perez (U)

PARTICIPANTS:
The President
John H. Sununu, Chief of Staff
Brent Scowcroft, Assistant to the President for National Security Affairs
Bernard Aronson, Assistant Secretary of State for Inter-American Affairs
William T. Pryce, Director, Latin American Affairs, NSC Staff
Stephanie Van Reigersberg, Interpreter

Carlos Andres Perez, President
Reinaldo Figueredo, Foreign Minister
Simon Alberto Consalvi, Ambassador
Andreas Aguilar, Permanent Representative to the United Nations
Danute Rosales, Interpreter

DATE, TIME AND PLACE:
September 25, 1989, 5:30-6:00 p.m. EDT
Presidential Suite
Waldorf Astoria Hotel, New York City

The President and Venezuelan President Perez met in The President’s Suite to discuss regional problems. (F)

The President: Welcome, Mr. President. It’s so good to see you. I always look forward to talking with you and getting good free advice. (F)

President Perez: I don’t give any free advice. (Z)

The President: We have been involved in lots of work lately with the domestic educational summit and people coming to Washington. How about you? (Z)

President Perez: Very busy also. I have been working on my U.N. speech. (Z)

The President: When do you give your speech? (Z)
President Perez: Today. Mr. President, I bring a present from the people of Venezuela. (U)

The President: Should I open it now? (U)

President Perez: Yes, please do. (U)

The President: (Opens and admires present which is a round rug or hanging which is brightly embroidered by hand.) (U)

The President: We have a million things to talk about in a short period of time. I'd like to talk about Panama and Nicaragua. What would you like to talk about? (U)

President Perez: I think that the most important problem we have now in the Hemisphere is Panama. In spite of the problems in Central America, things are going in the right direction there. I think that we have to react to Panama. Unfortunately, we had a bad experience with the OAS. The Commission didn't do a thing. The meeting is still open. We have to clear it up if we go back. I don't think there's much opportunity there. I have thought about a number of things. One thing is that we have another meeting of the Group of 8 coming up and that Panama should be on the agenda. We should expel Panama from the group. We should have the group that is going consult ahead of time, so that if we can agree on what should happen, we can take action. It would be absurd to have met and let another date go by without doing anything about Panama. The whole constitution of Panama has been destroyed. (U)

President Perez: We have to ignore the case of Haiti, but in the rest of Latin America there is progress, but the countries have been hard pressed. We have helped prevent coups in Argentina, Ecuador and Peru, and allowing a military coup in Panama is very dangerous. It could be the beginning of a new phase of coups. (U)

The President: It could have a bad effect on Nicaragua. If the elections are close, the Sandinistas will say, "What the hell. If Panama can overturn elections, why can't we do the same?" (U)

President Perez: The events in Panama can act as a stimulant for the Guatemalan army. At the group of 8 meeting we must move to find a solution. I have been talking with a number of leaders. One who is most firm is Menem. He sent a special delegate to me to ask what position should we adopt regarding Panama. I suggested the group of 8 where it would be agreed. (U)

President Perez: I think it is essential that we agree on what happens in Venezuela. On the third of November there will be a big meeting for the defense of democracy that will specifically
deal with the Panama problem. I hope to stimulate advocacy for the Panamanian opposition. The independence day of Panama (November 3) is an important date. We need to get more international interest in Panama. We need action by the Socialist International, the Christian Democratic International, the Liberal International, and the Conservative International. This would be important because we would cover the whole political gamut. We are working on this idea. I'm thinking of phoning important political leaders. I haven’t decided whether to invite the U.S. Democrats and Republicans. We have to think about this. It may be better not to invite them in order to keep the Latin flavor. (2)

The President: I'd like to ask a frank question. Has our exercise of treaty rights been counter productive? We have not tried to have confrontations. I wonder what you are getting on feedback. Have we been too muscular? (2)

President Perez: There may have been some excesses when there was a process of negotiations. This was exploited by Noriega. Unfortunately the action of the commission had no weight. We discuss the problem of treaties. January 1 is a crucial date in the treaties. No matter what the circumstances, we will have the problem of giving the administration of the canal to the representative of an illegal government. Can we pressure them enough to make a democratic government? In my speech, I talk about his. Noriega has a problem of sustaining or not sustaining the treaties. (2)

The President: Noriega is smart. He maintains the treaties. (2)

Secretary Baker: A Panamanian Administrator nominated by Noriega would never be ratified if nominated. We've got to get him out. (2)

President Perez: That is the problem. I think the key error is to make Noriega the problem. It is, but the problem of democratization is crucial, from that - if you get a democratic president, Noriega would have to leave. Noriega may be part of the problem. (2)

The President: The question is, where do we go from here? What can or should we do? (2)

President Perez: First, at the group of 8, have concrete action taken on Panama. See the position of all the presidents. We know the Mexican position. But perhaps we could get them not to be an obstacle. We could have a program to: (1) expel Panama; (2) recall all ambassadors and military attaches; (3) get others to take similar action; (4) have a meeting of democratic forces in Caracas. This could create a climate and solidify opposition. (2)
Secretary Baker: A question. Would Mexico not be amenable to seeing Panama removed? (f)

President Perez: We haven’t brought it up yet. I’m going to talk to him. (f)

Secretary Baker: President Salinas has sent a message to Noriega and sent a message to the government saying it is time you left office. We think there is evolution in Mexican thinking. (f)

Foreign Minister Figueredo: I met the Foreign Minister of Mexico. He said they shared the same view but would not say so publicly. They would not withdraw their Ambassador but would continue to provide pressure. (f)

Secretary Baker: Does it take a unanimous vote to exclude? (f)

President Perez: No, we can try. I will say we can look to the time of Samoza. There is a precedent. (f)

Mr. Aronson: If the group of 8 takes action, if the group presents a strong position, you could go to Panama, you and other Presidents could go to Panama and pressure for a democratic government. (f)

The President: If Noriega does go, we don’t want to have a similar government take his place. (f)

Secretary Baker: You could ask for instant removal. (f)

The President: I wonder if there is not a widespread feeling that all people in the Guard would suffer if Noriega went. That is not so. I was troubled at a recent Coast Guard Academy graduation where we could not play the Panamanian national anthem for the Panamanian graduates who were fine young men. Our problem is with Noriega not the PDF as an institution. (f)

The President: I understand that you want to talk with me privately for a few minutes. (f)

President Perez: Yes, for a few minutes if is not inconvenient. (f)

The President: Let’s go over here. (U)

NOTE: During this part of conversation, President Perez told the President that the Foreign Ministers of Peru, Ecuador and Colombia had been very unhelpful on the Panama question at the recent non-aligned conference in Yugoslavia and had contravened instructions from their Presidents after the Presidents left. They had supported a very soft Cuban resolution on Panama, instead of a resolution by the Yugoslavs, the hosts, which was much stronger. Perez suggested that the President mention this to the Presidents of Peru, Colombia and Ecuador. (f)

-- End of Conversation --