MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Prime Minister Shamir of Israel

PARTICIPANTS: The President
Prime Minister Shamir
Notetaker: Sandra Charles

DATE, TIME AND PLACE: December 26, 1989, 10:05 a.m. - 10:11 a.m.
Camp David

Prime Minister Shamir telephoned the President to convey holiday greetings and to discuss recent developments in Europe and Panama. (U)

The President: Mr. Prime Minister, how are you? (U)

The Prime Minister: I am happy to listen to your voice. I want to wish you, Mrs. Bush and your family a happy holiday and a successful new year. (U)

The President: Thank you. It's very thoughtful of you to call. We are up at Camp David, all five children and eleven grandchildren. I hope you had a nice holiday. (U)

The Prime Minister: I did, thank you. It must be paradise to be at Camp David with your family there. (U)

The President: I hope you got some time off to celebrate. (U)

The Prime Minister: I took a few days off. I have also been following the dramatic events in Romania and Panamanian. (U)

The President: I am relieved that it is all over in Panama. I am pleased with the results. The big question is will this drug dealer be brought to justice in the United States? I don't know the answer but there is jubilation in Panama out in the streets. People are showing strong support for democracy and liberation. We are happy that it seems to be working out. I regret that lives were lost. You know how you feel when Israel loses its soldiers. I am deeply unhappy with both U.S. and Panamanian loses. But we did the right thing and I believe people will understand that. (C)

The Prime Minister: I share your grief, and I am pleased with your victory, a victory of democracy. And there is now a new democracy in Europe, and closer to the United States for the first time in Panama. (U)
The President: I hope there will be opportunities for Israel in all this activity in Europe. (U)

The Prime Minister: We are sending medical help. We hope to have new relations with these countries. And we hope the situation will improve all over the world. (U)

The President: We will work with you to get recognition from those countries. (U)

The Prime Minister: We are continuing our efforts to achieve further progress in the peace process... (U)

The President: Good. (U)

The Prime Minister: ... in cooperation with you. We hope to reach our goals. It is important that we move it forward. (U)

The President: I am happy that at the year's end there seems to be a little progress. Let's stay in touch. (U)

The Prime Minister: Thank you. I admire you greatly and wish you success. And my best to your family. (U)

The President: Thank you. It was sweet of you to call. Please pass my regards to your family. This was a very thoughtful call. (U)