January 8, 1990

ACTION

MEMORANDUM FOR G. PHILIP HUGHES

FROM: ADRIAN BASORA

SUBJECT: Telephone Conversation with Prime Minister Felipe Gonzalez of Spain, January 4, 1990

At Tab A is the Memorandum of Telephone Conversation for the President's telephone call to Prime Minister Felipe Gonzalez of Spain on January 4. The memorandum at Tab I transmits the Telcon to State.

RECOMMENDATION:

That the Memorandum of Telephone Conversation at Tab A be filed for the record.

Approve _ Disapprove __

That you sign the memo at Tab I which transmits the Memorandum of Telephone Conversation to State.

Attachments
Tab I Hughes Memorandum for Roy
Tab A Memorandum of Conversation with Gonzalez
January 8, 1990

MEMORANDUM OF TELEPHONE CONVERSATION

The President telephoned Prime Minister Felipe Gonzalez of Spain concerning the Panama situation. (U)

The President: How are you? (U)

Prime Minister Gonzalez: Fine. I just returned from four days of vacation. (U)

The President: I know that because I had tried to call you earlier in the week to wish you a happy new year. (U)

Prime Minister Gonzalez: The same to you and to Mrs. Bush. (U)

The President: Do you have a few minutes to discuss Panama? (P)

Prime Minister Gonzalez: Yes, I have been following the situation closely. (P)

The President: We have moved forward on all of the fronts that we discussed 10 days ago. Civil authority has been reestablished and certified by the electoral commission. A significant number of PDF officers have been reincorporated and the new Panamanian security forces are maintaining law and order. And, on the point you so strongly made, we have provided humanitarian aid, especially medical assistance. We are pleased to have Noriega in custody. He will be given a fair trial and treated as innocent until proven guilty. I called the Pope today to thank him for the magnificent work of the Vatican and to single out Monsignor Laboa who, I understand, is a Spaniard. (P)

Prime Minister Gonzalez: Yes, yes, he is a Spaniard. (P)
The President: I just met with Colin Powell who is on his way to Panama. His mission is to establish a timetable for the prompt return of U.S. forces. I have assured the new government that we have every intention of carrying out the Panama Canal Treaty. We've just had an economic mission in Panama looking into their problems and we will be making as generous as possible an effort to solve them. The process has already begun with the lifting of U.S. economic sanctions. I realize that both I and the U.S. Government have much diplomacy to do in Central America and Latin America, because of the past history of use of force. But given the almost euphoric reaction of the Panamanian people, this task should be made somewhat easier. I value your judgment and want to solicit your help in this effort. I would consider it a personal favor if you would keep in touch and give me your views. That is my message. I would be happy to discuss any reaction you have now, or to hear your thoughts later after further reflection. 

Prime Minister Gonzalez: Thanks for your words. There is a need to normalize the situation in Panama, and we want to help. There are 20,000 Spanish citizens in Panama, and Spain is, therefore, engaged. I think the climate will improve as normalization proceeds, but I will reflect further and give you my comments, perhaps in a written note.

The President: As I have said, the Latin Americans put you and Spain on a pedestal. I hope that when you talk to Latin American leaders, you will help to make it clear that the U.S. intervened for two reasons: to restore democracy and to protect U.S. lives. I am not sure that the latter point is fully understood by most Latin Americans.

Prime Minister Gonzalez: Yes, I will be talking with some Latin American leaders.

The President: Adios.

Prime Minister Minister: Thank you.