MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with President Mubarak of Egypt

PARTICIPANTS: The President
               President Mubarak
               Dennis W. Cheney, Situation Room, Notetaker
               William Owen, Situation Room, Notetaker

DATE, TIME AND PLACE: March 17, 1990; 7:27 - 7:32 a.m. EST
                       The Oval Office

President Hosni Mubarak initiated the call to the President. (U)

President Mubarak: George, how are you? (U)

The President: Fine Hosni, and you? I'm pleased that democracy is on the move everywhere. (U)

President Mubarak: It's due to your efforts. (U)

The President: What's going on in the Middle East? With all the changes in Israel the peace process appears to be in a hiatus. (C)

President Mubarak: Peace is coming. (U)

The President: We hold to our positions. Egypt is very important to the process; you are a most reliable and sure friend to us. (U)

President Mubarak: We will continue our efforts. We consider you a sincere friend. (U)

The President: Did you get our message about that place in your neighborhood? (C)

President Mubarak: We told Qadhafi that the U.S. was not involved. (C)

The President: I wanted you to be dealing with the truth. If we were involved I would tell you. It looks like it was an accident. We didn't like the plant and believed it was producing chemicals. (C)
President Mubarak: I received your message. We told Qadhafi that the U.S. was not involved even before I received the message. (G)

The President: It looks like he is now suspicious of Germany. (G)

President Mubarak: I told him not to go on suspicions without proof; he appears calmer now. After I return from Namibia, I will meet with Qadhafi. I'm trying to contain him. (G)

The President: Jim Baker is looking forward to seeing you there. (G)

President Mubarak: I saw your press conference on television. It was remarkable. How is Barbara? (U)

The President: She is fine. (U)

President Mubarak: And your family? (U)

The President: Everyone is well here. How is Susie? (U)

President Mubarak: She is well. She is coming for lunch, it is lunch time here. George, thank you for your support with the IMF and at the GATT. (U)

The President: We will keep trying on that and on the peace process. (U)

President Mubarak: Good bye, George. (U)

The President: Good bye. (U)