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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone conversation with President Carlos Andres Perez of Venezuela (U)

PARTICIPANTS: The President
Carlos Andres Perez, President of Venezuela
Interpreter: Barbara Phillips
Notetaker: Donald C. Johnson

DATE, TIME March 21, 1990, 4:31 - 4:55 pm EST
AND PLACE: The Oval Office

President Bush telephoned the President Perez to congratulate him on the Brady Plan agreement and to discuss Central America. (U)

The President: Hello. (U)

President Perez: Good to hear you. (U)

The President: How are you, my friend? Listen, Secretary of the Treasury Brady told me that Venezuela has worked out a debt reduction plan based on the Brady Plan. I'm very pleased and hope it's good for you. And I wanted to say congratulations. (Ø)

President Perez: Many thanks. I had the temptation to call you yesterday, but I held off knowing how very busy you are. But in a press conference yesterday I publicly said how pleased I was for the help of the US and for your help personally. (Ø)

The President: Well, I'm delighted you feel that way. We'll continue to work closely with you to have this complied with fully and faithfully. We must follow through. I hope you'll encourage others to have the courage to take this step. Many thanks for your kind words. We think this has been an extraordinary achievement. (Ø)

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President Perez: I agree, Mr. President. We'll continue to press ahead as quickly as possible. Very soon we'll present a letter of terms to the IMF that are necessary to the implementation. I will encourage others, as well. I'll be having a talk next week with Collor, who's implemented a very strong economic program. I'll also talk to Menem. They have to be encouraged. (P)

The President: Well, I think that's right. Can I raise a question on Central America? (P)

President Perez: Go ahead. (U)

The President: Dan briefed me on the meetings he had with you during his trip. Thank you for the many courtesies you extended to him. You were extraordinarily generous with your time. (P)

We're trying to demobilize these contras. This is a difficult task and there is no mechanical solution in sight. We think the first step is to separate the two armies, so no new violence breaks out. ONUCA can help to carry out this effort. I hope you'll send some troops to contribute to this. (P)

You've been very generous with Violeta, and I hope you'll be generous with oil purchases. We're trying to get through our Congress a significant aid package that will also help her. (P)

We have some reports that Dona Violeta, whom we love and respect, is relying on too narrow a circle of advisers. Is this correct? If true, maybe you could help widen it. But how do you feel the process is going, and what should we be doing that we're not doing? (P)

President Perez: The problem has some aspects that concern me greatly. The contra has become a difficult obstacle. I spoke to Quayle during his trip, and explained to him why it is necessary that the contra begin to dissolve and that it be seen that there is US cooperation. (P)

Cardinal Obando, the Archbishop of Managua, is going to Tegucigalpa tomorrow together with Lacayo, to speak to contra leaders, and ask them in the name of the Nicaraguan people to disband. (P)

The problem of UNO is that it is a group disparate not only in terms of people, but also of parties. Dona Violeta has indeed closed her circle. The only members really close to her are Lacayo and Cesar. She does not rely on many other people. If you wanted, I could invite Lacayo and Cesar to talk about this. (P)

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The President: It is very important for her to rely on a broad spectrum of people, and it would help to talk to Lacayo and Cesar. (S)

President Perez: Venezuela is willing to send 700 troops in a battalion to support ONUCA. (S)

The President: That's a very generous assignment of people on your part. We respect the level of influence you have. A talk with them would be good. Dona Violeta risks isolation if she keeps her amount of close advisers only from one group. (S)

President Perez: Another thing I want to say is that if the contra is not disbanded by April 25, it will become the biggest problem that will face Mrs. Chamorro. The contras would try to be violent with her government. We Latins know each other well. The contras are not a threat to the Sandinistas; they are a threat to Violeta Chamorro. (S)

The President: I don't disagree with this. She told me that she's concerned about contra radical elements. We have no interest in them continuing in business after April 25. We'll do what we can to help. The problem is they don't want to do this unilaterally. I worry about the same problem you do. We also worry about more radical elements in Sandinismo. This is not a one-way street. (S)

President Perez: We have to make an effort now to obtain a withdrawal. (S)

The President: I agree. (U)

President Perez: The meeting on 30-31 March of the five presidents of Central America in Managua is useful. This will strengthen the peaceful transfer of power. It would allow us to be in a position to deal with the conflict in El Salvador with the FMLN. (S)

The President: So you'll not be going. (S)

President Perez: If necessary, I could participate. (S)

The President: Yes, let's stay in touch. I don't think we're apart at all. We've made some suggestions to Violeta which I hope she shares with you on how to separate the two forces and disband. But I think it is very difficult. (S)

President Perez: There is a final point I want to raise. I have a profound interest in speaking with you and visiting you. But my visit would coincide with the inauguration of Dona Violeta. I believe it would be good for me to be in Managua on the day prior to the inauguration. (S)

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The President: I understand. What you're doing is extremely important. We'll get our staffs to work out a convenient date. Please don't worry about the 24th. We'll work on a date that will get you and me together in a relaxed way here. (P)

If you could make it, we could do it on the 24th of May. But let's let our people work on a date that's convenient for you. (P)

President Perez: I would not like for April to go by without a chance to meet with you. (P)

The President: Okay, let's try to do that. (U)

President Perez: Thank you, Mr. President. (U)

The President: Good talking to you. Thank you, my friend. (U)

President Perez: Good-bye. (U)

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