

CONFIDENTIAL FILING

Prime Minister's visit to Jamaica

17-18 July.

JAMAICA

(in attached folder: PM Briefing)

July 1987

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
7.7.87							
8.7.87.							
4.7.87							
19.7.87.							
22.7.87							
24.7.87.							
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4.8.87							
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PREM 19/2281

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Foreign and Commonwealth Office

London SW1A 2AH

10 September 1987

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R. H. H. H.

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Dear Charles

Prime Minister's Visit to Jamaica: 17-18 July 1987

Although the Prime Minister's visit to Jamaica was reported in some detail by telegram, you will nevertheless wish to see the High Commissioner's despatch of 13 July, enclosed.

As Mr Payne explains, the visit was more than successful in achieving its objectives. Jamaicans at all levels of society felt considerable pride in playing host to an international politician of the Prime Minister's reputation. Her visit made a powerful contribution to rebutting the oft quoted claim that Britain has lost interest in the Caribbean. Accordingly, it will serve to strengthen our links not only with Jamaica, but with the rest of the Commonwealth Caribbean.

One of the objectives of the visit was to assist Mr Seaga electorally. Although it is difficult to assess the impact on his prospects, the visit will have given him much personal encouragement. The Prime Minister's public endorsement of his economic policies will also have given him confidence. The announcement of a new £7.5 million aid programme, some of which is to be spent on getting Mr Seaga's Secondary School Book Rental Scheme off the ground, and the care taken by the Prime Minister in commenting on Mr Seaga's Debt Strategy Paper, would have served to demonstrate both our wish to help Jamaica in its current economic difficulties and our determination to tackle the problem of Third World Debt. From discussions with Mr Seaga's Private Secretary, the High Commissioner has formed the impression that the Jamaicans have now accepted our arguments that our aid in the form of a soft loan, rather than a grant, would not cause problems for them with the IMF.

/Finally,

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Finally, the visit also provided a useful opportunity in the run-up to CHOGM for the Prime Minister to state her outright condemnation of apartheid in a region where our position is not always understood. In his despatch, Mr Payne highlights the impact made by the Prime Minister's remarks about our aid to the Front Line States.

Done over

A handwritten signature in blue ink, appearing to read 'R N Culshaw', with a stylized flourish at the end.

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

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VISIT OF THE PRIME MINISTER TO JAMAICA: 17-18 JULY 1987

SUMMARY

1. The origins of the invitation - a personal invitation on the 25th Anniversary of Independence. (Paras 1-2).
2. A balanced morning including visits to elements of the Jamaica Defence Force and Police, places with historical links with Britain, and contact with the Jamaican people. (Paras 3-4).
3. The official part of the programme: a call on the Governor General, reception and well publicised luncheon followed by bilateral talks which covered sugar, international debt and East-West relations. (Paras 5-9).
4. A private meeting with PNP leaders before departure. (Paras 10-11).
5. The Jamaicans flattered by the visit which attracted little criticism, wide publicity and gave opportunities for policy statements on South Africa. (Paras 12-13).
6. A new loan of £7.5 million announced. (Para 14).
7. A useful visit for Mr Seaga and a clear success with broadly favourable public reaction. The PNP silent and Seaga in control. Useful UK objectives achieved, including reassertion of interest in Jamaica, endorsement of Seaga's policies and personal support for him from the Prime Minister. The JDF and Police will also have been encouraged. (Paras 15-18).
8. A good send-off for new Head of Post. (Para 19).

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BRITISH HIGH COMMISSIONER
KINGSTON

30 July 1987

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
London SW1

Sir

VISIT OF THE PRIME MINISTER TO JAMAICA: 17-18 JULY 1987

1. I have the honour to report that the Prime Minister, the Rt Hon Margaret Thatcher FRS MP, accompanied by her Principal Private Secretary, Private Secretary, Press Secretary and Assistant Press Secretary, paid a visit to Jamaica on 17 and 18 July 1987.
2. The visit took place in response to an invitation from the Prime Minister of Jamaica, the Rt Hon Edward Seaga PC MP, to be the principal guest at the celebration in the first week in August of the 25th Anniversary of Jamaica's independence. Other commitments prevented the Prime Minister from accepting the proposed August date, but her offer to come to Jamaica on her way back to London from a meeting with President Reagan on 17 July in Washington was accepted by Mr Seaga with much evident satisfaction, despite the shortness of the time available. In the event, by arranging to travel from Washington on the evening of the previous day, the Prime Minister was able to spend a full day in Jamaica on Saturday 18 July before departing for London at 18.00.
3. Mr Seaga was quick to accept that the Prime Minister should spend her day in Kingston and its immediate environs despite his initial wish to take her further afield. This enabled us to agree with his office a balanced programme which included visits to major Defence force and police units (HMJS Cagway at Port Royal and the Police Training College at Twickenham Park) both of which continue to benefit from UK training assistance. At Cagway the Prime Minister received a presentation on drug eradication measures, and at Twickenham Park, unveiled a mural depicting the work of the Police, and spoke briefly on the importance of police work in democratic society. The Minister of National Security, who was in attendance, paid tribute in reply to the British contribution to police training in Jamaica.

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4. The Prime Minister was also able to see something of Fort Charles at Port Royal, with its associations with Nelson, St Peter's Church and the Marine Archeological Museum now being developed. A short visit to Spanish Town had to be cancelled for lack of time, but Mrs Thatcher was able to meet many Jamaican bystanders in impromptu and very friendly encounters (at which both the Prime Minister and the Jamaican people excel!). She was also able to make purchases at the craft market at Kingston waterfront in a brief stop.
5. The Prime Minister then returned to Kingston to call on the Governor-General. This was immediately followed by a reception on the lawns of Jamaica House to which the diplomatic corps, Ministers, Permanent Secretaries and other Jamaican notables were invited. Only 20 minutes was allowed for this function but the schedule was extended in view of Mrs Thatcher's own wish to meet as many people as possible.
6. Mrs Seaga had taken a keen personal interest in the arrangements for the official luncheon which followed and although only 30 guests attended (the banquet hall in Jamaica House is small) the speeches were televised and very widely reported in the Press.
7. After lunch the two Prime Ministers and Mrs Seaga retired for an exchange of gifts. In their bilateral exchange (recorded separately) Seaga spoke of his hope that the recently signed Investment Protection and Promotion Agreement between Britain and Jamaica would give new impetus to investment from Britain.
8. He made a plea for maintaining the price of ~~ACU~~^e sugar and pointed out that a 2% drop in price would make a considerable difference to the viability of the sugar industry, still the largest exporter to the UK in Jamaica. He also spoke about his ideas for tackling the problem of the external debt of developing countries, and voiced concern at the uncertain situation in Haiti.
9. The Prime Minister then spoke briefly about East-West relations, and Gorbachev's attempt to improve Soviet economic performance. The two Prime Ministers parted with the expectation of meeting again at CHOGM in Vancouver and perhaps before that in Berlin at the next meeting of the International Democratic Union.
10. Before a brief meeting with members of the High Commission staff, TCOs and members of the British community at my house, Mrs Thatcher had a short private conversation with Mr P J Patterson, Chairman of the People's National Party (PNP), Mr David Coore (Foreign Affairs) and Mr Claude Clarke (Trade and Industry). (The Leader of the Party, Mr Michael Manley, was absent in the United States.) Discussion was very general though the Prime Minister will have noted the absence of ideological bias in what

/ Patterson

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Patterson had to say. There was talk of the PNP's determination to build a new confidence between management, labour and government, and introduce new concepts of social justice. The Prime Minister will have found it all highly theoretical and lacking in practical substance.

11. The Prime Minister was seen off at the airport by Mr and Mrs Seaga, members of his Cabinet and the diplomatic corps, and inspected a Guard of Honour before leaving.

12. There is no doubt that this short visit of only 20 hours on Jamaican soil gave much pleasure and satisfaction to the Prime Minister's hosts. The Jamaican people, whose welcoming instincts are easy to arouse, the press and radio were flattered by the visit and charmed by the lively interest shown by their visitor in things Jamaican. In general, bystanders in the streets (and there were many) joined in the welcome, some at Port Royal with congratulatory banners. A few voices were raised against the visit, before and afterwards, but they seem to have been predictably those of supporters of mandatory sanctions and even violence against the South African Government.

13. As I have already reported, the exchanges of speeches at the Jamaica House luncheon was given very wide publicity. It was useful that the Prime Minister should have had this opportunity of restating British policy on S Africa, and especially on the issues of apartheid and mandatory sanctions. There is much emotional charge in these subjects in this country; many Jamaicans do not appreciate the extent of British opposition to the policies of the S African Government on racial issues. Many will have been surprised to learn that we are devoting some £20 million in the next five years to assistance for black South Africans and that we contributed a further one billion dollars in the last five years to the development of the neighbouring African States.

14. The Prime Minister was also able to announce a new £7½m loan facility for Jamaica, part of which is to be devoted to a book rental scheme. Jamaican surprise that the new aid was not in grant form was hardly justified given the consistency of UK preference for loans on soft terms to countries in this category. It is likely that the Jamaican concern that a new loan would cause difficulty for their policy of strict restraint on borrowing will be overcome.

15. For Mr Seaga and the Jamaica Labour Party (JLP) the visit was an opportunity to create associations in the public mind with a successful head of government of similar political conviction, fresh from a resounding victory in elections for a third term of office. Lest the parallel be overlooked (it was certainly not) both Mr Seaga and Mrs Thatcher made references to it in their public statements. It seems likely that some of the fainter hearts

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in the JLP were uneasy beforehand about the wisdom of the invitation. Their fears had been aroused by the success of a visit to Jamaica ten days earlier by Mr Oliver Tambo of the ANC at the invitation of the PNP. (Seaga in the event virtually hijacked the Tambo visit to the irritation of his political opponents.) They need not have worried. Public critical reaction to his invitation to Mrs Thatcher was confined to sporadic comment on radio phone-in programmes and the odd letter to the press. Rumours of public demonstrations proved groundless; indeed it is likely that the Prime Minister's easy contact with so many people, her friendly and enthusiastic manner, linked with her forthright defence of democratic freedoms and condemnation of apartheid caused many Jamaicans to question whether their preoccupations about "the iron lady" fitted the reality. Apart from a disobliging piece in "Money Index", the press were prepared to give Mrs Thatcher the benefit of any doubt there may have been. The coverage was in the event positive and, in many instances, generous. And amongst the regular contacts of this mission there have been many expressions of pleasure that the visit should have taken place and that it should have been such an evident success. Jamaicans were flattered by the visit, intrigued by the personality of the visitor, and charmed by her reactions to their country.

16. What of the PNP? They certainly saw the visit as part of a JLP campaign to improve their standing with an electorate that had administered to the government a stinging reproof in the local elections a year ago. They were right to do so. But they found themselves in a dilemma. It must have been in their minds that, with university students on summer leave and the risk of adverse reaction if a distinguished visitor for the 25th anniversary of independence were given a cool welcome, there was little to be gained from making trouble with public demonstrations of hostility. If such demonstrations should be seen to have PNP support, the party's carefully cultivated image of moderation and responsibility in opposition would have suffered. Yet to stand by while Seaga scored a public relations triumph must have seemed a galling alternative. In the event, the PNP leader seems to have left for his United States visit with relief, while Patterson did nothing at home, in the apparent hope that Mrs Thatcher's reputation on S Africa would make her an unwelcome visitor. The points seem to have gone to Seaga, who could draw some personal encouragement from the success of his initiative.

17. From the point of view of this mission, the visit achieved a number of useful objectives. It demonstrated unmistakably that the Caribbean, and Jamaica in particular, still commands British interest and that close relations with the region are an important matter for the British Government. The Prime Minister's presence provided endorsement of Mr Seaga's efforts to improve the Jamaican eco-performance, and of the parallel attempt now being made with IMF nomic

/ support

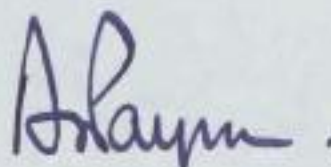
support under the current adjustment programme to tackle the serious burden of servicing of overseas debt. For Mr Seaga this tunnel is dauntingly long, though there is now some light at its end. It is difficult to judge whether in the event the visit resulted in any significant improvement in Mr Seaga's standing with the electorate. For Seaga personally, the Prime Minister's encouragement will have been important. His authority within his own party has been reinforced (in a pre-election period there are bound to be some who will question his political judgement) and his public image, which at the best of times is rather dull, has been done no harm. It is also useful that further meetings are in prospect in Berlin and Vancouver, when the international issues which were touched upon during the visit can be further developed.

18. The Jamaica Defence Force and Police will have welcomed the Prime Minister's interest in their efforts to combat the menace of drug trafficking and to protect with very slender resources the stability of the country. Their contribution to the smooth organisation of the programme was impressive; the Jamaican Government machine as a whole did well.

19. I am grateful to the Prime Minister for demonstrating so effectively how opportunist advantage can be taken of Ministerial travel elsewhere on other business to advance bilateral relations in another capital. A great deal was packed into the 20 hours which she spent in Jamaica. No new Head of Post ever had a more spectacular introduction: thanks to the visit, three months worth of calls were packed into three weeks. In the months to come, I shall be building on some solid goodwill as a result.

20. I am sending copies of this despatch to Heads of Mission in Washington, Ottawa, Bridgetown, Port of Spain and to the ODA in London.

I am, Sir
Yours faithfully



A J Payne



SUBJECT cc MASTER
OPS

10 DOWNING STREET
LONDON SW1A 2AA

to set
c/o
HMT

THE PRIME MINISTER

4 August 1987

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T153/87.

Jean Pierre Minister

I was very glad of the opportunity during my visit to Kingston to discuss your ideas on international debt. I undertook to give you a written reply after further reflection, and also to look into the question you raised about the EC price for sugar. Our High Commissioner is already discussing the terms of our aid offer with your officials, and I hope this can be satisfactorily resolved.

I entirely agree with your objective that debtors should be able both to service their debt and grow at the same time. This is indeed a primary objective of the current debt strategy. Extra resources are a vital ingredient to support continued economic reform. The International Financial Institutions, particularly the World Bank, must have adequate resources, and there should be early progress on a General Capital Increase for the World Bank. Help is also available through our various bilateral aid programmes and export credits. But the biggest contribution that developed countries can make is to promote vigorous and sustained growth and to resist protectionist pressures. You know how strongly Britain has pressed for the liberalisation of trade and reform of world agriculture in international gatherings.

I have thought carefully about your proposal to target new lending on a reduction in the debt service ratio. I fully recognise the importance of cutting the debt service ratio. But I am not convinced that it is right to focus

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lending policy on one measure of indebtedness. Under the current approach, the IMF and IBRD take account of the debt service ratio, but it is not the dominant factor. There are many influences on the debt service ratio, both internal and external. My frank advice is that creditors would have serious difficulty with a scheme which might involve automatic compensation for interest rate rises or poor export performance. They would want to continue to look behind the debt service ratio at the overall programmes and policies of the country concerned. While I appreciate that your scheme would involve such policy conditionality, it is unclear how this would be combined with compensation for changes in the debt service ratio. Moreover, if your scheme did not involve automatic compensation, it would in practice be very close to the existing system which already has the means to mitigate debt servicing problems by rescheduling and new borrowing.

When we met, you said that you envisaged the scheme applying only to a handful of middle income countries, with a high dependence on one or two basic commodities. We know from our own experience that it is always difficult to limit new initiatives to a few countries. The costs would be, frankly, more than creditors could bear with the other demands on them. For our part, we must give priority this year to the Chancellor's and Mr. Camdessus's initiatives to help poorer debtors, particularly those in sub-Saharan Africa whose needs the Venice Summit agreed were greatest.

The Chancellor of the Exchequer will be happy to discuss your ideas further with you at the Commonwealth Finance Ministers' meeting in September, and I look forward to seeing you at the Commonwealth Heads of Government Meeting, where the economic part of the agenda will, I hope, have high priority.

Turning to sugar, I can confirm that Community intervention prices for sugar are unchanged for 1987/88. Negotiations between the Community and the ACP on guaranteed prices for the same year can now begin. The benefits which

ACP sugar producers derive from other technical decisions of the Agriculture Council do of course make their decision on prices very much more attractive than the unchanged nominal price suggests. I have asked our High Commissioner to brief your officials on the details.

May I again thank you for the splendid and stimulating time I had in Kingston.

With best wishes, *Warm regards*

Yours sincerely

Nagendra Nath



Foreign and Commonwealth Office

London SW1A 2AH

31 July 1987

Dear Charles

Prime Minister's Visit to Jamaica:
Meeting with Mr Seaga

Your letter of ^{at time} 19 July recorded the Prime Minister's discussion with Mr Seaga on various subjects. Some need to be followed up.

I enclose a draft letter for the Prime Minister to send to Mr Seaga, dealing with his debt proposals and the questions of EC sugar prices. The section on debt has been cleared with Treasury officials. It reflects points made in Tony Kuczys' letter of 15 July to you enclosing the brief on debt, which the Chancellor saw in draft; and also takes account of what Seaga said when he saw the Prime Minister. The section on sugar prices is self-explanatory and has been cleared with MAFP.

You have corresponded separately with Martin Dinham about our offer of aid to Jamaica. I understand that the outstanding points are being followed up directly through our High Commission in Kingston, and there is therefore only a passing reference to aid in this draft.

I am copying this letter to Tony Kuczys and Martin Dinham.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

DSR 1 (Revised Sept 85)

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM: *Ria Austin*

Reference

DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

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- Secret
- Confidential
- Restricted
- Unclassified

TO: *Mr. Seaga*

Copies to:

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..... In Confidence

CAVEAT

SUBJECT:

DRAFT FOR PRIME MINISTER TO SEND TO MR SEAGA

21 I was very glad of the opportunity during my visit to Kingston to discuss your ideas on international debt. I undertook to give you a written reply after further reflection, and also to look into the question you raised about the EC price for sugar. Our High Commissioner is already discussing the terms of our aid offer with your officials, *and I hope this can be satisfactorily resolved.*

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32/ I was interested in your proposal to target new lending on a reduction in the debt service ratio. I recognise the importance of cutting the debt service ratio. But I am not convinced that it is right to focus lending policy on one measure of indebtedness. Under the current approach, the IMF and the IBRD take account of the debt service ratio, but it is not the dominant factor. There are many influences on the debt service ratio, both internal and external. My frank advice is that creditors would have serious difficulty with a scheme which might involve automatic compensation for interest rate rises or poor export performance. They would want to continue to look behind the debt service ratio at the overall programmes and policies of the country concerned. Moreover, the means already exist to mitigate debt servicing problems by rescheduling and new borrowing.

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SA The Chancellor of the Exchequer will be happy to discuss your ideas further with you at the Commonwealth Finance Ministers' meeting in September, and I look forward to seeing you at CHOGM, where the economic part of the agenda will, I hope, have high priority. ~~There is much that can unite the Commonwealth, especially freer trade and agricultural reform.~~

SA Turning to sugar, I can confirm that Community intervention prices for sugar are unchanged for 1987/88. Negotiations between the Community and the ACP on guaranteed prices for the same year can now begin. The benefits which ACP sugar producers derive from other technical decisions of the Agriculture Council do of course make their decision on prices very much more attractive than the unchanged nominal price suggests. I have asked our High Commissioner to brief your officials on the details.

7. May I again thank you for the splendid and
stimulating time I had in Kingston.

with her wife.

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JAMAICA PMS VAN JULY 87



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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

24 July 1987

PRIME MINISTER'S VISIT TO JAMAICA

Thank you for your further letter of 23 July about the problem of Jamaica's indebtedness and our offer of a £7.5 million loan.

The particular point which the Prime Minister has in mind is that identified in Telegram No 187 from UKDEL IMF/IBRD Washington, paragraph 4(ii), namely that any money disbursed before end-March 1988 would not affect Jamaican compliance, provided that the total of additional project aid from all sources actually disbursed does not exceed \$10 million. Dr. Seaga's concern is that, within this constraint, he cannot accept all proffered loans. However, I agree that the sensible course now is for us to talk to the Jamaicans and see whether the problem is soluble or not. If Seaga maintains his objection to a loan then we shall have to put the papers back to the Prime Minister for further consideration.

(CHARLES POWELL)

Martin Dinham, Esq.,
Overseas Development Administration.

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Handwritten initials

file

JAZARN
cfc.



OVERSEAS DEVELOPMENT ADMINISTRATION
ELAND HOUSE
STAG PLACE LONDON SW1E 5DH
Telephone 01-213 3409

From the Minister

Charles Powell Esq
Private Secretary to the Prime Minister
10 Downing Street
LONDON SW1

Dear Charles

PRIME MINISTER'S VISIT TO JAMAICA: MEETING WITH MR SEAGA

Thank you for your letter of ^{at 11:30} 22 July, in which you refer to the Prime Minister's recollection of what Mr Seaga said about Jamaica's indebtedness.

... We have consulted the High Commissioner in Kingston and the UK Delegation to the IMF in Washington. You may be interested to see the attached copies of telegrams from both. The High Commissioner's telegram confirms that Seaga publicly stated last year that he aimed to bring down the fiscal deficit to 2 per cent of GDP in 1987 and that this was included in his programme then under discussion with the IMF (the standby arrangement).

Our Delegation to the IMF, after extended discussion with IMF staff, has firmly concluded that the proposed aid loan should not cause problems for Jamaica's observance of her standby arrangement with the IMF. They have offered to speak to the Canadian delegation at the IMF - which represents Jamaica's interests on the Fund Board - to help explain the issue.

More generally, of course, the primary purpose of our aid is to support Jamaica's adjustment efforts and to help finance the public sector deficit, which Mr Seaga aims to limit to 2 per cent. It is not our intention to encourage the Jamaicans to run a larger fiscal deficit which might delay the adjustment process. Whether the deficit is financed by aid in the form of loans or grants would appear to be a separate issue. As the terms of the proposed loan allow for a 5 year grace period, followed by repayment without interest, the immediate burden would be nil.

Against this background, we are reluctant to depart from our policy of offering loans - in this case, on very concessional terms - to countries which are above the level which would qualify for concessional financing from the World Bank group. The case would become known and would be quoted against us in the future. We consider that, at the least, the High Commission should seek to convince Mr Seaga that the loan would in no way obstruct his observance of the standby arrangements agreed with the IMF, or affect his fiscal deficit target of 2 per cent.

/The High Commission

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CCE
Prime Minister
I think the sensible course is now for us to talk to the Jamaica, see whether the problem is soluble or not. If Seaga maintains his objection, then we would consider switching to a grant. Agree?

23 July 1987

COP
23/7

Yes
no



The High Commission has suggested as an alternative a grant of a smaller amount. This would, it seems to us, have very real disadvantages. The policy on loans would be breached and there would be embarrassment in reducing an amount which has been announced by the Prime Minister and publicised in Jamaica.

I am copying this letter to Robert Culshaw (FCO) and Alex Allan (HM Treasury).

Yours sincerely
M J Dinham

(M J Dinham)
Private Secretary

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TO DESKBY 230830Z ODA
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OF 222230Z JULY 87
AND TO DESKBY 230830Z FCO
AND TO IMMEDIATE BDDC BRIDGETOWN, UKDEL IMF/IBRD WASHINGTON

FOR C R O JONES, LACPD

TELCON DICKSON/JONES : 22 JULY

PRIME MINISTERS VISIT : JAMAICA'S INDEBTEDNESS

1. IN A SPEECH TO PARLIAMENT ON 13 JANUARY 1987 (OUR TEL 18 OF 14 JANUARY TO FCO AND THE SPEECH ITSELF WHICH WAS SENT BY BAG REFERS) SEAGA SAID :

QUOTE

AS I HAVE SAID BEFORE, MR SPEAKER, IT IS MY INTENTION TO SEEK THE APPROVAL OF PARLIAMENT TO ENACT APPROPRIATE MEASURES TO PREVENT ANY GOVERNMENT FROM EVER AGAIN WRECKING THE FINANCES OF THE COUNTRY AS OCCURRED IN THE 1970S WHEN, DESPITE AN ABUNDANT YIELD OF REVENUE FROM THE BAUXITE LEVY, MORE THAN ENOUGH TO COMPENSATE FOR THE INCREASE IN OIL PRICES WHICH TOOK PLACE AT THAT TIME, THE OVERALL DEFICIT IN OUR BUDGET AND DOMESTIC ACCOUNTS JUMPED FROM LESS THAN 4 PER CENT OF GDP TO SOME 20 PERCENT. THIS YEAR, MR SPEAKER, THAT DEFICIT WILL BE REDUCED TO 6.4 PER CENT OF GDP AND NEXT YEAR TO 3.3 PER CENT. THEN JAMAICA WILL BE BACK TO THE SAFE LEVELS WHICH EXISTED BEFORE THE DEMOLITION OF OUR FINANCIAL STABILITY IN THE 1970S. IT MUST BE NOTED THAT WE HAVE DONE THIS DESPITE A LOSS OF MORE THAN HALF OUR BAUXITE REVENUES.

UNQUOTE.

2. IN AN EARLIER STATEMENT TO PARLIAMENT ON SEPTEMBER 10 1986 (OUR TEL 433 OF 11 SEPTEMBER TO FCO REFERS), SEAGA SAID:

QUOTE

IN THE CASE OF OUR DOMESTIC ACCOUNT, WE MEASURE THE STATE OF HEALTH BY THE DIFFERENCE BETWEEN WHAT WE SPEND AND WHAT WE EARN. THIS FIGURE, CALLED THE FISCAL DEFICIT, AGAIN AS A PROPORTION OF GDP, STOOD AT 17PER CENT IN 1980. LAST YEAR IT WAS REDUCED TO 5.2 PER CENT AND THIS YEAR APPEARS

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TO BE TURNING OUT AT BETWEEN 3 PER CENT - 4 PER CENT. IN OUR PROGRAMME BEFORE THE IMF WE ARE TARGETTING NO MORE THAN 2 PER CENT BY THE THIRD YEAR.

UNQUOTE.

3. IN THE LIGHT OF THE ABOVE, IT WOULD APPEAR THAT MR SEAGA WAS REFERRING IN HIS CONVERSATION WITH THE PRIME MINISTER ON 18 JULY TO A SELF-IMPOSED BORROWING TARGET OF 2 PER CENT OF GDP, FOR WHICH HE HAS OBTAINED IMF ENDORSEMENT AND GIVEN PUBLIC UNDERTAKINGS.

HIS CONCERN WOULD THEREFORE ARISE FROM DIFFICULTIES ALREADY ENCOUNTERED IN RESTRICTING BORROWING TO WITHIN THIS TARGET, AND HIS FEAR THAT THE NEW BRITISH LOAN, WHICH HE DESCRIBED AS GENEROUS, WOULD TAKE JAMAICA OVER THE LIMIT AND EXPOSE SEAGA TO CRITICISM FROM HIS POLITICAL OPPONENTS.

4. AS SEEN FROM HERE, IT MIGHT BE WORTH CONSIDERING A NEW APPROACH TO MR SEAGA SETTING OUT OUR REASONS OF PRINCIPLE AND PRECEDENT FOR PREFERRING TO OFFER THE NEW TRANCHE OF AID IN THE FORM OF A LOAN OF POUNDS 7 AND A HALF MILLION, BUT AT THE SAME TIME OFFERING THE ALTERNATIVE OF AN OUTRIGHT GRANT WHICH WOULD NEED TO BE OF A SMALLER TOTAL AMOUNT (SAY POUNDS 6 MILLION). WE REALISE THAT THIS MAY CREATE DIFFICULTIES OF PRECEDENT WITH OTHER RECIPIENTS OF LOANS BUT WE ARE NOT IN A POSITION TO WEIGH THE IMPORTANCE OF THIS FACTOR IN OVERALL AID POLICY.

PAYNE

YYYY

KGH PAN 2844

JAMAICA: PRIME MINISTER'S VISIT

LIMITED

WIAD
NEWS DEPT
INFO DEPT
NAD
SAMD
PLANNING STAFF
MCAD
CCD
FUSD
SOVIET DEPT
SAPD
ERD
PROTOCOL DEPT

PS
PS/LORD GLENARTHUR
PS/MR EGGAR

PS/FUS
MR GILLMORE
MR FEARN

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AND TO PRIORITY KINGSTON, BDDC BRIDGETOWN

FOR C R O JONES, ODA

IMF: JAMAICA

SUMMARY

1 FUND STAFF DO NOT SEE THAT THE PROPOSED INCREASE IN UK AID SHOULD CAUSE PROBLEMS FOR JAMAICA'S OBSERVANCE OF HER CURRENT STAND-BY ARRANGEMENT WITH THE FUND.

DETAIL

2 FOLLOWING TELECONS FOOT - C R O JONES (ODA), WE HAVE EXPLORED THE POSITION IN DETAIL WITH FUND STAFF. THE ANSWERS ARE COMPLEX BECAUSE THE PROGRAMME ITSELF IS COMPLEX (PARTLY TO ALLOW FLEXIBILITY, PARTLY AS A FUND EFFORT TO CLOSE LOOPHOLES EXPLOITED BY SEAGA IN PREVIOUS SBAS). HOWEVER, THE STAFF CONCLUSION (SEE SUMMARY) IS FIRM.

3 SEAGA HAS 2 POSSIBLE SOURCES OF CONCERN SO FAR AS THE FUND SBA IS CONCERNED:

(A) WILL ANY EXTRA AID INCREASE JAMAICAN PUBLIC EXPENDITURE AND THEREFORE ITS FISCAL DEFICIT, WHICH IS SUBJECT TO FUND CEILINGS UNDER THE SBA?

(B) WILL ANY EXTRA AID IN THE FORM OF A LOAN INCREASE JAMAICA'S EXTERNAL DEBTS, WHICH ARE ALSO LIMITED UNDER THE SBA?

4 THE DETAIL OF THE ANSWERS DEPENDS UPON SEVERAL FACTORS AND THE MAIN RELEVANT POINTS ARE:

(I) THE CURRENT FUND SBA RUNS TO MARCH 1988. NO MONEY DISBURSED AFTER THAT (WHICH WE UNDERSTAND FROM JONES COULD BE MORE THAN HALF THE TOTAL) CAN AFFECT JAMAICAN COMPLIANCE WITH THE CURRENT SBA:

(II) IF THE AID IS FOR PROJECTS AND IN THE FORM OF A CONCESSIONAL LOAN, ANY MONEY DISBURSED BEFORE END-MARCH 1988 WOULD NOT AFFECT JAMAICAN COMPLIANCE, PROVIDED THAT THE TOTAL OF ADDITIONAL PROJECT AID FROM ALL SOURCES ACTUALLY DISBURSED DOES NOT EXCEED DOLLARS 10 MN. THIS IS BECAUSE THE SBA SPECIFICALLY ALLOWS JAMAICA TO INCREASE ITS FISCAL DEFICIT BY UP TO DOLLARS 10 MN IF A COMPARABLE AMOUNT OF NEW PROJECT AID MATERIALISES; ALSO, ANY NEW PROJECT AID IN THE FORM OF LOANS WOULD NOT BE COUNTED BY THE FUND FOR THE PURPOSES OF MONITORING THE FUND CEILING ON NEW EXTERNAL BORROWING.

(COMMENT: THE CEILING IS A STANDARD FEATURE OF FUND PROGRAMMES AS IT STOPS A COUNTRY INCREASING PUBLIC SPENDING TOO FAR BY RAISING NEW FOREIGN LOANS.) FUND STAFF THINK THAT, IN PRACTICE, THE JAMAICANS WILL HAVE MORE FLEXIBILITY THAN THE DOLLARS 10 MN NOTED ABOVE, BECAUSE THEY EXPECT SOME SHORTFALLS FROM THE LEVELS OF DISBURSEMENTS OF PREVIOUSLY PROMISED PROJECT AID WHICH THEY HAD ASSUMED WHEN DRAWING UP THE SBA:

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(111) IF THE NEW LOAN IS FOR PROGRAMME AID, THE SBA ALLOWS FOR THE POSSIBILITY OF EXTRA PROGRAMME AID UP TO A TOTAL OF DOLLARS 20 MN. FOR SUCH AID, THE FUND WOULD NOT ALLOW A CORRESPONDING INCREASE IN JAMAICA'S FISCAL DEFICIT BUT THERE SHOULD BE NO NEED FOR IT. THIS IS BECAUSE OUR PROGRAMME AID WOULD NORMALLY FINANCE EXPENDITURE WHICH HAS ALREADY BEEN AGREED AND INCLUDED IN THE PUBLIC INVESTMENT PROGRAMME AND ALLOWED FOR BY THE FUND IN SETTING ITS LIMITS. JAMAICA WOULD BENEFIT BY NOT SPENDING ITS OWN MONEY ON THE FOREIGN EXCHANGE COST OF THE PROGRAMME WHICH WOULD OTHERWISE HAVE BEEN THE CASE. THE FUND - TO STOP JAMAICA DISSIPATING THIS AID WINDFALL IN FURTHER SPENDING - WOULD REQUIRE ANY INCREASE IN PROGRAMME AID UP TO DOLLARS 20 MN TO BE MATCHED BY A CORRESPONDING INCREASE IN JAMAICA'S MEAGRE RESERVES. UP TO THIS DOLLARS 20 MN, THE FUND CEILING ON JAMAICA'S PERMITTED NEW EXTERNAL DEBT WOULD AUTOMATICALLY INCREASE BY THE AMOUNT OF ANY NEW PROGRAMME AID LOAN. THERE IS, THEREFORE, NO REASON WHY, EVEN IN THIS FORM, THE UK OFFER SHOULD CAUSE PROBLEMS.

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8 FCO PLEASE ADVANCE TO C R D JONES (ODA), EVANS AND EVEREST-PHILLIPS (HMT), T RICHARDSON (ERD) AND WARE (BOE).

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This is his point. It can't accept all proposed loans.

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From the Private Secretary

22 July 1987

Dear Martin,

PRIME MINISTER'S VISIT TO JAMAICA: MEETING WITH MR. SEAGA

Thank you for your letter of 21 July explaining the background to the further aid which the Prime Minister offered to Mr. Seaga during her recent visit to Jamaica.

The Prime Minister's recollection is that Mr. Seaga said that he had decided to keep his deficit to not more than two per cent of GDP; that the loan would count towards that two per cent; and that Jamaica was anyway already up to or very close to the two per cent figure. This is the particular point on which Mr. Seaga's concern needs to be dispelled. I think that the Prime Minister would like to know whether his worry has any basis before authorising the further approach to the Jamaican authorities proposed in your letter. I should be grateful if you could let me know quickly what the position is.

I am copying this letter to Robert Culshaw (Foreign and Commonwealth Office) and Alex Allan (HM Treasury).

Yours sincerely,
Chris Powell

(C. D. POWELL)

Martin Dinham, Esq.,
Overseas Development Administration.

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OVERSEAS DEVELOPMENT ADMINISTRATION
ELAND HOUSE
STAG PLACE LONDON SW1E 5DH
Telephone 01-213 5409

*Prime Minister
Agree that we
should try to*

From the Minister

Charles Powell Esq
Private Secretary to the Prime Minister
No 10 Downing Street
London SW1

21 July 1987

*persuade Mr. Seaga
that his worries
about a loan
are not justified?*

*I had the impression
that he has decided to keep
his deficit to not more than
seen Charles, 2% GIP - as a loan
is horrible it is just towards the
22. Another*

*COP
21/7.*

PRIME MINISTER'S VISIT TO JAMAICA: MEETING WITH MR SEAGA

File on Jamaica PM's visit

*already \checkmark to that
figure
no*

Your letter of 19 July to Tony Galsworthy asked for early advice on the terms of the further aid which the Prime Minister offered to Mr Seaga during her recent visit to Jamaica.

We proposed that the new aid to Jamaica should be offered in the form of loan, not grant, because its per capita income is \$940. Our agreed policy is that we should not provide grants to countries whose per capita income is above the level which would enable them to qualify for concessional financing from the International Development Association of the World Bank. \$940 is well above this level. However, we took full account of Jamaica's difficult economic circumstances in deciding the very soft terms of the loan, which include a zero rate of interest and a grace period of five years on the repayment of principal. These terms mean that the loan has in effect a two-thirds grant element.

You record in your letter Mr Seaga's comment that he had previously understood that he would be offered a grant rather than a loan. The High Commission in Kingston confirm that at no stage was Mr Seaga given to understand that the new tranche of aid would be in the form of a grant. Our last financial aid commitment was on very similar loan terms. Other donors also provide financial assistance in loan form, with an average grant element rather lower than ours. For example West Germany provided a new loan last month at 4.5 per cent interest.

/Mr Seaga is



Mr Seaga is anxious about the impact our loan terms will have on Jamaica's IMF arrangements. All our information suggests he need not be. The Treasury's view is that under the present arrangements Jamaican overall borrowing is well under the amount which would be acceptable to the IMF. Moreover, the UK delegation at the IMF have established that Jamaica's current IMF programme was agreed on the basis that any aid for financing projects, whether loan or grant, would be of no concern to the IMF arrangements. Nor would any money disbursed after March 1988 because the present IMF programme would end then. So if we agreed for example to use part of the loan for financing a school books project and part for programme aid next year, there would be no problem.

Finally, you suggest in your letter that we might offer a smaller amount of aid in grant form. We could of course explore this with Seaga. But this in turn could carry political risks if we were seen to be trying to reduce the amount of aid that the Prime Minister had already pledged. And we do not believe that such a proposal would be attractive to the Jamaicans since their prime concern at the present time is to obtain as much additional foreign exchange as possible.

We recommend that our next step should be to persuade the Jamaican authorities that, given the concessional terms of the UK loan and the aspects of their agreement with the IMF mentioned above, our aid would have no unacceptable consequences in relation to the Fund and that Mr Seaga's concerns can be allayed. If they accept this, we will proceed on the lines already proposed. If they remain reluctant to accept our aid on these terms, we will of course report back to you.

I am copying this letter to Robert Culshaw (FCO) and Alex Allan (HM Treasury).

*Yours ever,
M J Dinham*

(M J Dinham)
Private Secretary

JAMAICA

PM'S VISIT

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PRIME MINISTER'S VISIT

1. THE VISIT CONTINUES TO ATTRACT MUCH FAVOURABLE PRIVATE COMMENT HERE. JAMAICANS AT ALL LEVELS FEEL PRIDE AT HAVING RECEIVED A WORLD LEADER AND HAVE EXPRESSED SATISFACTION THAT SO MUCH WAS PACKED INTO SUCH A SHORT PROGRAMME. THE PRIME MINISTER'S ENERGY, APPROACHABILITY AND OBVIOUS PLEASURE IN THE VISIT HAS IMPRESSED THOSE WHO MET HER AND GRATIFIED HER HOSTS.

2. FOR MR SEAGA, THE VISIT HAS BEEN OF SOME PERSONAL VALUE THOUGH IT IS DIFFICULT TO ASSESS THE ELECTORAL BENEFIT TO THE JLP. FEW HAVE MISSED THE SIMILARITIES OF VIEW ON ECONOMIC MANAGEMENT BETWEEN SEAGA AND HIS DISTINGUISHED GUEST. CHARGES OF ELECTION GIMMICKRY HAVE BEEN ALMOST ENTIRELY ABSENT, THOUGH THE PRIME MINISTER WILL HAVE BEEN AWARE FROM HER BRIEF CONVERSATIONS WITH THOSE SHE MET THAT SEAGA STILL FACES AN UPHILL TASK. CRITICISM REMAINS WIDESPREAD OF WHAT IS SEEN AS HIS GOVERNMENT'S FAILURE TO DEAL ADEQUATELY WITH THE RISE IN THE COST OF LIVING AND OTHER SOCIAL PROBLEMS.

3. THE PROGRAMME WAS WELL BALANCED. IT HAS BEEN OF VALUE THAT IN HER VISITS TO THE JDF COAST GUARD AT PORT ROYAL AND THE POLICE ACADEMY AT TWICKENHAM PARK THE PRIME MINISTER SUPPORTED IN AN UNMISTAKEABLE MANNER THE TWO ORGANISATIONS WHOSE RESPONSIBILITY FOR STABILITY IN THE COMING ELECTION PERIOD WILL BE HEAVIEST. BOTH HAVE BENEFITTED FROM BRITISH ASSISTANCE IN EQUIPMENT AND TRAINING, AND THERE IS A STRONG CASE FOR CONTINUING THIS SUPPORT. THE OFFICERS AND MEN WHO MET THE PRIME MINISTER DERIVED MUCH ENCOURAGEMENT FROM HER PUBLIC ENDORSEMENT OF THEIR EFFORTS. THIS WAS ESPECIALLY SO OF THE DRUG INTERDICTION UNITS OF THE JDF AND POLICE, WHICH HAVE HAD SOME SUCCESS DESPITE A SEVERE LACK OF RESOURCES.

4. THE VISIT HAS PROVIDED AN ELOQUENT REBUTTAL TO THOSE WHO MAINTAIN THAT BRITAIN HAS BEEN LOSING INTEREST IN THE CARIBBEAN IN GENERAL AND JAMAICA IN PARTICULAR. WE SHALL HAVE NO DIFFICULTY FOR A LONG TIME AHEAD IN DEALING WITH SUCH CRITICISM SEMICOLON IT IS RARE FOR JAMAICA TO RECEIVE VISITS AT THIS LEVEL. THE JAMAICANS HAVE NOW ANNOUNCED THAT THE PRESIDENT OF MEXICO WILL ATTEND THEIR INDEPENDENCE CELEBRATIONS. THE CUMULATIVE EFFECT FOR MR SEAGA OF A SECOND VISIT BY A HEAD OF GOVERNMENT WILL BE ALL THE GREATER.

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5. THE ANNOUNCEMENT OF A NEW POUNDS 7 AND A HALF MILLION LOAN HAD, OF COURSE, THE GREATER IMPACT AS A RESULT OF THE VISIT. DESPITE THE JAMAICANS' PROBLEMS WITH THE PROPOSED LOAN FORMULA WHICH ARE UNDER URGENT EXAMINATION, THE NEWS HAS RECEIVED HEADLINE ATTENTION AND I HAVE HAD EXPRESSIONS OF GRATITUDE FROM TWO MEMBERS OF THE GOVERNMENT WHO SEE THE EDUCATIONAL FIELD AS PARTICULARLY WORTHY OF NEW SUPPORT. THE BOOK RENTAL SCHEME WHICH SEAGA INTENDS SHOULD BENEFIT, WILL RECEIVE ATTENTION IN THE COMING WEEKS.

6. THE PRIME MINISTER WAS ABLE TO RESTATE IN FORTHRIGHT TERMS THE BRITISH POSITION ON SOUTH AFRICA AT A USEFUL MOMENT, BALANCING PREDICTABLE CALLS FOR MANDATORY SANCTIONS DURING A RECENT VISIT BY THE ANC PRESIDENT (TAMBO) WHO HAD BEEN THE GUEST OF THE PNP IN JAMAICA TEN DAYS EARLIER.

7. THE PLEASURE EXPRESSED BY SO MANY JAMAICANS AT THE ENTHUSIASM WITH WHICH THE PRIME MINISTER FULFILLED HER PROGRAMME HAS BEEN UNMISTAKEABLE. MUCH GOODWILL HAS RESULTED: JAMAICAN TV FEATURE FOR EXAMPLE, A CBS REPORT ON THE BRITISH ECONOMIC MIRACLE WHICH WAS IN STRONGLY POSITIVE VEIN AND IT CANNOT BE A COINCIDENCE THAT SUCH MATERIAL SHOULD BE BROADCAST AT THIS TIME, EVEN THOUGH A DEGREE OF GOVERNMENTAL MANIPULATION CAN BE ASSUMED.

8. THE JAMAICAN GOVERNMENT WILL EXPECT SUPPORT IN THEIR ATTEMPTS TO ATTRACT NEW INVESTMENT, PARTICULARLY IN LIGHT MANUFACTURING AND THERE MAY BE BETTER OPPORTUNITIES THAN FOR SOME TIME TO DEVELOP NEW BUSINESS IN SUCH COMPETITIVE FIELDS AS CARS, COMMERCIAL VEHICLES, AND AGRICULTURAL MACHINERY, PROVIDED THAT THE TERMS OF CREDIT OFFERED BY BRITISH SUPPLIERS MATCH THOSE OF THEIR COMPETITORS.

9. FOLLOW-UP TO THIS VISIT WILL NEED TO INCLUDE CAREFUL CONSIDERATION OF JAMAICA'S PROPOSALS FOR TACKLING THE PROBLEM OF INTERNATIONAL DEBT. SEAGA DEVELOPED THESE IDEAS AT LENGTH WITH THE PRIME MINISTER, EMPHASISING THAT THE OBJECTIVE MUST BE TO ENABLE DEBTOR COUNTRIES TO BRING DOWN THEIR DEBT SERVICE RATIO FROM PRESENT UNACCEPTABLE LEVELS WITHOUT FOREGOING ALL PROSPECTS FOR ECONOMIC GROWTH (ESSENTIAL FOR POLITICAL AND SOCIAL REASONS). SEAGA SEES A PARTICULAR ROLE FOR MULTILATERAL DONOR AND FINANCIAL ORGANISATIONS WHOSE PRESENT PROCEDURES RULE OUT LOANS SPECIFICALLY INTENDED FOR EXTERNAL DEBT SERVICING. THESE IDEAS ARE LIKELY TO RESURFACE AT THE BANK/FUND MEETINGS IN WASHINGTON IN SEPTEMBER THE COMMONWEALTH FINANCE MINISTERS MEETING IN BARBADOS AND AT CHOGM IN VANCOUVER IN OCTOBER. SEAGA WILL HOPE FOR SYMPATHETIC CONSIDERATION AND MAY FEEL THAT ENLISTING THE PRIME MINISTER'S ATTENTION MAY HELP TO GIVE THESE IDEAS MORE CURRENCY.

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10. SEAGA HAS OF RECENT MONTHS BEEN UNDER CONSIDERABLE PRESSURE. THE PARTY'S LACKLUSTRE PERFORMANCE WITH THE ELECTORATE HAS NOW BEEN REINFORCED BY AN OPINION POLL PUBLISHED ON 19 JULY WHICH SHOWS THE JLP 15 PERCENTAGE POINTS BEHIND THEIR PNP OPPONENTS. ALTHOUGH THE NEWS ON THE ECONOMIC FRONT HAS BEEN OF RECENT MONTHS OF SOME COMFORT AND THE FIRST TEST UNDER THE NEW IMF AGREEMENT HAS BEEN PASSED. SEAGA HAS BEEN HARD PRESSED TO HOLD HIS PARTY'S MORALE TOGETHER. THE PRIME MINISTER MAY INDEED HAVE FELT THAT SEAGA, DESPITE HIS PLEASURE AT THE VISIT, WAS LOOKING STRAINED AND TIRED. THE PRIME MINISTER'S SUPPORT MUST HAVE BEEN TO HIM A GREAT PERSONAL ENCOURAGEMENT.

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JAMAICA: PRIME MINISTER'S VISIT

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AND TO SAVING GEORGETOWN, NASSAU

MR HORNE, NO 10 DOWNING ST

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JAMAICA: MEDIA REACTION TO THE PRIME MINISTER'S VISIT.

1. SO FAR MEDIA REACTION HAS BEEN POSITIVE AND FAVOURABLE. TV NEWS ON SATURDAY EVENING (19 JULY) DEVOTED APPROXIMATELY TWO-THIRDS OF ITS TOTAL TRANSMISSION TIME TO THE VISIT. COMMENTATORS WERE PLEASED AT THE BALANCE OF THE PRIME MINISTER'S PROGRAMME, COMPLIMENTARY ABOUT THE PRIME MINISTER AND WERE GLAD THAT SHE HAD BEEN ABLE TO MEET THE PEOPLE. TV COVERAGE OF STATEMENTS ON SOUTH AFRICA WAS WELL BALANCED WITH RELEVANT EXTRACTS OF BOTH PRIME MINISTERS' SPEECHES CUT TO FOLLOW ONE BEHIND THE OTHER. PRESS COVER (GLENER AND STAR) ON 19 JULY WAS LIMITED TO A BRIEF FACTUAL REPORT ON A JOINT STATEMENT BY ANTI-APARTHEID ORGANISATIONS CALLING FOR IMMEDIATE ECONOMIC SANCTIONS AND A CULTURAL BOYCOTT AGAINST SOUTH AFRICA BY BRITAIN.

2. A FACTUAL ACCOUNT IN THE SUNDAY GLEANER OF THE VISIT TO PORT ROYAL, POSITIVE IN TONE, INCLUDED REFERENCE TO PLACARDS READING QUOTE CONGRATULATIONS FOR WINNING A THIRD TERM UNQUOTE - QUOTE WE LOVE YOU MAGGIE UNQUOTE AND QUOTE GO ON AND ON AND ON UNQUOTE. A GOOD PHOTOGRAPH OF THE PRIME MINISTER CHATTING TO A CHILD ON THE PAVEMENT NEAR FORT CHARLES WAS FEATURED AND A CONVERSATION WITH A BYSTANDER QUOTING THE PRIME MINISTER AS HOPING MR SEAGA WOULD GO FOR A THIRD TERM WAS FULLY REPORTED.

3. COVERAGE OF THE VISIT TO THE POLICE ACADEMY WAS A MIXTURE OF FACTUAL DESCRIPTION OF THE COLOURFUL WELCOME AND THE PRIME MINISTER'S COMMENTS AFTER UNVEILING THE MURAL. THE SPEECH BY CONSTABLE WILLIAMS SPROUT, AND THE PRIME MINISTER'S REACTION, WAS REPORTED IN DETAIL.

4. A GOOD ARTICLE ON THE POUNDS 7.5 MILLION LOAN CARRIED THE BYLINE QUOTE THATCHER CONFIDENT IN JAMAICA'S FUTURE UNQUOTE. DETAILS OF THE BOOK RENTAL SCHEME TOGETHER WITH THE RELEVANT COMMENTS FROM THE TWO PRIME MINISTERS' SPEECHES WERE REPRODUCED IN THE ARTICLE UNDER HEADLINE QUOTE JAMAICAN DOLLARS 50 MILLION LOAN FOR TEXTBOOK PROJECT UNQUOTE.

5. MONDAY'S GLEANER (20 JULY) CARRIED FRONT PAGE HEADLINE

5. MONDAY'S GLEANER (20 JULY) CARRIED FRONT PAGE HEADLINE QUOTE JAMAICA'S NATURAL BEAUTY, CHARM CAPTURES MAGGIE'S HEART UNQUOTE. THE ARTICLE REPORTS THE COMMENTS ON THE PRIME MINISTER'S SPEECH ABOUT THE BEAUTY OF THE ISLAND AND THE NATURAL COURTESY OF THE PEOPLE. QUOTE FROM MY PREDECESSOR'S DESPATCH ABOUT JAMAICA HAVING MORE THOROUGHLY GOOD PEOPLE THAN ANYWHERE ELSE THAT HE HAD SERVED ON ARE REPRODUCED IN THE ARTICLE. ON PAGE 2 OF MONDAY'S GLEANER THERE IS A PHOTOGRAPH OF THE PRIME MINISTER UNVEILING THE PLAQUE ATTACHED TO THE MURAL AT THE POLICE ACADEMY.

6. THE SAME PAPER CARRIES AN ARTICLE EXPLAINING THAT THE PNP MAYOR OF KINGSTON, RALPH BROWN, DECLINED TO WELCOME THE PRIME MINISTER ON ARRIVAL, ON THE GROUNDS THAT HE HAD NOT RECEIVED A PROPER INVITATION. BUT MAYOR BROWN'S DISPUTE WAS WITH THE JAMAICAN MINISTRY OF FOREIGN AFFAIRS. HE WAS QUOTED AS SAYING THAT HE DID NOT BELIEVE A TELEPHONED INVITATION AT A LATE DATE WAS A "REASONABLE WAY OF INVITING THE MAYOR OF KINGSTON TO MEET THE BRITISH PRIME MINISTER".

7. FCO PLEASE PASS TO 10 DOWNING ST FOR HORNE.

PAYNE

YYYY

FCO PLEASE PASS SAYING TO HAVANA, BRIDGETOWN, PORT OF SPAIN, BELMOPAN, GEORGETOWN, NASSAU.

KGHPAN 2744

NNNN

VISIT OF THE PRIME MINISTER TO JAMAICA: 17-18 JULY 1987

LIST FOR BREAD AND BUTTER LETTERS:

✓ The Rt Hon Edward Seaga PC MP
Prime Minister of Jamaica
Jamaica House
Kingston

Mrs Mitzi Seaga
c/o Jamaica House

✓ The Rt Hon Hugh Shearer MP
Deputy Prime Minister of Jamaica
Jamaica House

Mr Donald Brice
Permanent Secretary
Office of the Prime Minister
Jamaica House

Mr Frank Francis CD
Permanent Secretary
Ministry of Foreign Affairs
85 Knutsford Boulevard

✓ { Mr Louis Booth CD
Director-General of Protocol
Ministry of Foreign Affairs
85 Knutsford Boulevard

{ Mr Peter Black
Director of Protocol Division
Ministry of Foreign Affairs
85 Knutsford Boulevard

✓ Ms Jean Lewis
Director of Overseas Department
Jamaica Information Service
58A Halfway Tree Road

/....

- ✓ Major General R J Neish CD AFC ADC JP
Chief of Staff
Jamaica Defence Force
Up Park Camp
Kingston

- ✓ Commander Peter Brady PSC(N)
Commanding Officer
Jamaica Defence Force Coastguard
c/o JDF Headquarters
Up Park Camp

- ✓ Mr Herman Ricketts CD LVO
Commissioner of Police
Police Headquarters
103 Old Hope Road

- ✓ HE Mr Michael Sotirhos (for use of car)
Ambassador of the United States of America
3rd Floor
Jamaica Mutual Life Centre
2 Oxford Road
Kingston 5

- ✓ Mr O St Clair Riden (for Fort Charles)
Chairman of the Jamaica National Heritage Trust
79 Duke Street
Kingston

- ✓ The Rt Rev Neville De Souza (for St Peter's Church)
Bishop of the Anglican Church
2 Caledonia Avenue
Kingston 5

- ✓ High Commissioner & Mrs Alan Payne

Thank you letters typed for Washington:-

President Reagan

Secretary Shultz

Secretary Winberger

Senator Byrd

Sir Antony Acland

Senator Dole

Vice-President Bush

Ambassador Mrs. Selwa Roosevelt



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

19 July 1987

PRIME MINISTER'S VISIT TO JAMAICA
MEETING WITH OPPOSITION LEADERS

The Prime Minister had a brief meeting on 18 July at our High Commissioner's Residence with members of the Jamaican Opposition PNP Party, led by Mr. P J. Patterson (in Mr. Manley's absence abroad). The PNP members were at pains to portray themselves as moderate and reasonable. Indeed, it would be hard - on the basis of what they said - to distinguish their economic policies from those of the PLP and Mr. Seaga. Their intention in Government would be to harness the energies of the private sector and attract foreign investment. They would try to avoid confrontation between labour and business. They would make better use of the opportunities offered by CARICOM and free access to the EC market for industrial goods. They would also try to develop tourism further. There was no mention of links with Cuba and Libya. They welcomed the references in the Prime Minister's speech to our aid to blacks in South Africa and to the Front Line States. They emphasised that PNP governments had in the past worked closely with the United Kingdom and would hope to do so in future. Although they might not lead the Jamaican delegation to the Vancouver CHOGM, they would certainly look forward to meeting the Prime Minister at the next one.

(CHARLES POWELL)

A. C. Galsworthy, Esq., CMG,
Foreign and Commonwealth Office.

SUBJECT CC MASTER



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

19 July 1987

PRIME MINISTER'S VISIT TO JAMAICA:
MEETING WITH MR. SEAGA

The Prime Minister had an hour's discussion with Mr. Seaga after his lunch in her honour on 18 July. Mr. Seaga was flanked by Mr. Shearer (Deputy Prime Minister), Mr. Brice (Permanent Secretary, Prime Minister's Department) and Mr. Francis (Permanent Secretary, Minister of Foreign Affairs). The High Commissioner and Mr. Dickson were also present.

Aid

Mr. Seaga said that, while grateful for the Prime Minister's offer in her speech at lunch of further aid to Jamaica, he had been surprised to find it was to be a loan rather than a grant. He had previously understood that it would be the latter. A loan was difficult because it went below the line and became part of the deficit. This made it more difficult to meet the target set by the IMF. He was not sure Jamaica could take on a loan, although he would look at the details to see whether it could be classified in some special way.

The Prime Minister said that she was unaware that a grant had been envisaged. The loan was on generous terms and followed the pattern of our previous assistance to Jamaica. But she would discuss the matter further with the Minister for Overseas Development on her return.

I should record that the Prime Minister is inclined to think that we should make it a grant, both to ease Mr. Seaga's difficulties and in recognition of Jamaica's 25th anniversary, but perhaps in a smaller amount. I should be grateful for early advice.

ACP Sugar

Mr. Seaga said that the negotiations with the EEC under the Sugar protocol to the Lome Convention were in difficulty. The ACP were being offered a price reduction of two per cent.

This was due to over-production of beet sugar in the Community, which was no fault of the ACP.

The Prime Minister recalled that the price given to the ACP was directly linked to the price paid to the Community producers. A higher price for ACP cane sugar would erode Tate & Lyle's margins and put their viability in question. This would be very damaging to the ACP. She recalled that the ACP got nearly four times the world price for the sugar which they sold to the Community. She would not hold out hope of any higher price although, in response to a further request from Mr. Seaga, she would check to be sure that the Community price had been definitively established.

Investment

Mr. Seaga recalled that Britain and Jamaica had signed an Investment Protection and Promotion Agreement. But unfortunately there had been very little interest from United Kingdom investors. He had himself visited the United Kingdom to try to stimulate interest and the Jamaican Government had employed Morgan Grenfell to advise. But the results had been very disappointing, in contrast to the response from the United States, Canada, Germany and the Far East. He hoped that the Prime Minister would consider what more could be done. The Prime Minister took note.

ECGD

Mr. Seaga welcomed the expansion of ECGD cover for Jamaica.

Debt

Mr. Seaga explained at considerable length his proposals for dealing with international debt, on the lines of the paper which you already have. Countries like Jamaica which pursued sound economic policies must be enabled to service their debt and grow at the same time. Jamaica had been through the adjustment process, had reduced its public sector deficit and was now poised for growth but did not have the resources. Although the debt service ratio would be the target against which resources were provided, the policies which the recipient country would have to follow to reduce it would be spelled out. This would ensure conditionality. He envisaged the scheme applying only to a handful of middle-income countries with a high degree of dependence on one or two basic commodities. The World Bank were still reflecting on his proposals. He would present them at the Commonwealth Finance Ministers' meeting in September and hoped that there would be a consensus on them there.

The Prime Minister said that we were still considering Mr. Seaga's ideas. The Chancellor of the Exchequer also had put forward some proposals on debt, although she recognised that these were not directly relevant to countries like Jamaica. But it seemed to her that Mr. Seaga's proposal was in effect a way of rescheduling by which the debtor country

would end up paying even more. Nor did she see how such a system could be automatic. It would surely have to discriminate between countries following sound economic policies and those which just let go. She would give Mr. Seaga a considered reply in due course.

Haiti

Mr. Seaga said that there were very serious problems in Haiti which could all too easily be exploited by Communism. Were that to happen, the resulting combination of Cuba, Nicaragua and Haiti would pose a grave threat to Western interests in the Caribbean. He had discussed his fears with the US Administration, but had not found them very responsive. He hoped that the United Kingdom would add its voice to those expressing concern. There were certain practical ways in which outside governments could help, for instance with afforestation. He would like to keep in close touch with us on the issue.

The Prime Minister recognised the dangers, but expressed doubt about how far the United Kingdom could help. The problem was lack of any authority in Haiti. There was a need not just for aid but for practical help in running the country. We were very ready to keep in touch with Jamaica.

East/West Relations

At Mr. Seaga's invitation, the Prime Minister gave an account of the prospects for Mr. Gorbachev's policies of open-ness and restructuring and for East/West relations more generally.

I am sending copies of this letter to Alex Allan (HM Treasury) and to Martin Dinham (ODA).

(CHARLES POWELL)

A. C. Galsworthy, Esq., C.M.G.,
Foreign and Commonwealth Office.

AAAA

172340Z JUL 87

FM AIRBORNE

TO CABINET OFFICE 004 DESKBY 180300Z

BT

S E C R E T

PLEASE PASS THE FOLLOWING TO FCO

FOLLOWING FOR PS, MR PATTEN FROM CHARLES POWELL

JAMAICA: LEVEL OF NEW AID COMMITMENT

THANK YOU FOR YOUR LETTER ABOUT THE LEVEL OF NEW AID COMMITMENT TO JAMAICA, WHICH CAUGHT UP WITH US ON THE AIRCRAFT. THE PRIME MINISTER IS VERY GRATEFUL TO MR PATTEN FOR THE EXTRA FLEXIBILITY AND HAS DECIDED THAT SHE WILL OFFER THE INCREASED SUM OF POUNDS 7.5 MILLION. SHE WILL MAKE CLEAR THAT THE PURPOSES TO WHICH THE INCREASED AMOUNT WILL BE PUT, NEED TO BE DISCUSSED WITH US. WE ARE AMENDING THE PRIME MINISTER'S SPEECH ACCORDINGLY.

GR5140

NNNN

03225 CU1RD



Private Secretary
to the Prime Minister

1. The Prime Minister may wish to know that Mr Louis Booth, Director-General in the Ministry of Foreign Affairs, until recently Jamaica's Ambassador to Mexico and a number of other countries in the region (non-resident), met the Prime Minister in 1977 when, as Leader of the Opposition, she had breakfast with Mr Michael Manley (then Prime Minister of Jamaica) at the Dorchester Hotel. Mr Booth tells me that he was there throughout the breakfast and during the discussion which followed. At that time he was in London attached to the Jamaican High Commission in connection with the Commonwealth Heads of Government meeting.
2. The Prime Minister may also wish to be aware that the High Commissioner for India, Mr K C Lalvunga, who arrived in Jamaica some 5 months ago, speaks very warmly of an enjoyable conversation he had with the Prime Minister during the visit she paid to Oman, where he was then India's Ambassador.

17 July 1987

George Dickson



Private Secretary
to the Prime Minister

1. Serial 9 on the annotated programme shows that the Prime Minister will be invited to unveil a mural at the Police Academy. At some stage during the visit there it will be appropriate for the Prime Minister to say a few words in reply to a welcome by the Commissioner of Police. For this the Prime Minister may wish to say something to the effect that a good police force is vital to the fabric of society and that this can only be achieved by proper training for new policemen and further training for those already in the force. The Prime Minister could then add that Britain is of course very pleased to be associated with the police training programme in Jamaica, both through the provision of of finance for the Academy and by the secondment of police officers under the Technical Cooperation programme.
2. As can be seen from serial 16, the Prime Minister when she arrives at Jamaica House will, after signing the visitors book, be escorted through the house by Mr Seaga to the garden at the rear where some 250 guests will be assembled. At that point Mr Seaga will say a very few words welcoming the Prime Minister to Jamaica by way of introducing her to the guests in general. The Prime Minister may wish to publicly thank Mr Seaga for the invitation, say how pleased she is to be in Jamaica even on a very short visit, and how much she has enjoyed what she has already seen and that she will be making the fullest use of the remainder of her time to meet as many Jamaicans as possible and see a little more of Kingston.
3. If the Prime Minister's speech does not contain a toast, she may care to make this 'to the people of Jamaica and Anglo-Jamaican relations'.

George Dickson

17 July 1987



cepc

Treasury Chambers, Parliament Street, SW1P 3AG
01-270 3000

15 July 1987

C D Powell Esq
10 Downing Street
LONDON
SW1A 2AA

Dear Charles

PRIME MINISTER'S VISIT TO JAMAICA: INTERNATIONAL DEBT

You wrote to Robert Culshaw on 11 July about the Prime Minister's visit to Jamaica and Mr Seaga's proposals for dealing with international debt, requesting more analysis and our preliminary views. This letter should be read in conjunction with the enclosed brief.

Seaga's ideas are neither very new nor very good. While we may wish to recommend that greater attention is paid at CPM and CHOGM to development questions including debt (party to divert attention from South Africa) we shall want to choose our ground carefully and focus on the Chancellor's initiative and possibly on the Camdessus proposals to enlarge the IMF's Structural Adjustment Facility, emphasising the need for adequate conditionality. The attached brief has been expanded so as to provide the basis for a response to Prime Minister Seaga's main arguments.

Seaga does not explain his arguments in detail, although the primary objective is clearly to increase the flow of resources to heavily indebted countries. It is not clear which debtors Seaga believes should benefit, what the costs might be, and what conditions should be attached.

Where the proposal goes seriously wrong is to focus entirely on one measure of indebtedness: the debt service ratio (DSR, the ratio of interest plus net principal repayments to total exports). Under the proposal, the Multilateral Development Banks would agree a set of target DSRs for each heavily indebted country reducing over the years to provide extra resources to help meet the targets and facilitate faster growth. Official and commercial bank creditors would reschedule on a multi-year basis, and the banks would provide new money, all in line with the targets. But in fact many



external and internal factors affect the DSR: it is a legitimate question whether Seaga is seriously suggesting a scheme involving automatic compensation for interest rate rises, or poor export performance brought about by inadequate domestic policies (as might well occur in Jamaica's case because of the maintenance of an overvalued exchange rate). The commercial banks would also certainly not welcome an open ended commitment; they accepted only with the greatest reluctance a growth contingency clause in the recent Mexico package.

The current case-by-case approach is better. The IMF and IBRD agree with the country concerned on a programme designed to increase the overall efficiency with which a country uses its resources. Account is taken of the DSR but it is not the dominant factor: countries adjusting successfully should automatically experience a cut in their DSRs. We accept the need for increased resources to support adjustment. Hence our support for a General Capital Increase for the World Bank; but the commercial banks must make their own judgments on when to lend. We also accept the need for exceptional treatment for the poorest: hence the Chancellor's initiative and our support for IDA8 and the Camdessus proposals to expand the IMF's Structural Adjustment Facility. But we also believe that finance without adjustment created the debt crisis in the first place.

You asked about other debt issues. The pace of adjustment among middle income debtors remains slow. The good news relates to the banks. While concerted lending packages remain hard to put together, the commercial banks are beginning to show greater flexibility in new lending packages, eg the use of debt/equity swaps and exit bonds (to allow smaller banks to escape future obligations to lend). This was exemplified in the Argentine package. Moves by Citicorp and other US banks and by Natwest and Midland to strengthen loan loss reserves (provisioning) are encouraging in that lending is being put back on a more commercial and realistic basis. But the main emphasis for governments this year is to get agreement to new measures to help the poorest, most heavily indebted countries who bear a heavy weight of official rather than bank debt. These do not of course include Jamaica (a middle-income debtor), but its prospects have now brightened with better tourist receipts and a reduced oil price.

I am copying this letter to Robert Culshaw. FCO officials saw it in draft. *The Chancellor has seen and approved it.*

Yours ever,

Tony

A W KUCZYS
Private Secretary

DEBT

Our Objectives

(a) To demonstrate the leading role the UK is playing in helping to ease debt burden of poorest most indebted African countries; and also more generally.

(b) To express doubts about whether Seaga's new proposals on debt would be more effective than current strategy.

Argument

(a) Recognise debt burden serious problem for many developing countries, particularly in Sub-Saharan Africa. Major theme at Venice. Demonstrates importance UK and others attach to economic progress and stability of developing countries.

(b) Right that any new debt initiative should concentrate on poorest most indebted - around \$400 GDP per head or below - as long as they are willing to follow sensible reform policies. Many will never be able to repay debt in full, despite often considerable adjustment efforts. Need special help. Encouraged by response of other creditors to Chancellor's initiative. Four countries already benefited from extended rescheduling through the Paris Club.

(c) Pressing for real progress on other points in Chancellor's initiative - aid debt forgiveness, lower interest rates. UK already forgiven aid debts of 21 poorest countries, cost £1bn. Others must do more.

(d) We have contributed generously to IDA8, and support a World Bank General Capital Increase. Also welcome general thrust of the IMF Managing Director's proposal to enlarge the Structural Adjustment Facility.

His objectives

- (a) To highlight problems faced by small, middle income debtors.
- (b) To obtain support for his proposals to increase resource flows to middle income debtors, through a new World Bank mechanism targeted on reducing countries' debt service ratios.
- (c) To urge developed countries to do more to stimulate growth in world economy; reduce imbalances; cut interest rates.

Your response

(a) Recognise difficulties of small middle-income debtors, particularly high indebtedness to international financial institutions. But problems not as severe as Africa's: able in effect to refinance debts by negotiating new IMF/World Bank programmes.

(b) Will be hard enough to persuade our Paris Club partners to do something for Africa: impossible to persuade them to extend debt relief to middle income debtors.

(c) Jamaican proposals contribution to debate. Always ready to consider new ideas. Understand need to get debt service ratios down and importance of increasing external resources to stimulate growth. But:

(i) No alternative to continued adjustment. How would your proposals link to existing IMF programmes? What conditions would be attached to loans under your proposed facility? Finance without adjustment is what creates debt.

(ii) Banks/MDBs would not like open ended commitment to provide new funds. Would they still end up paying even if domestic reform programme went wrong? How would your proposal avoid this?

- (iii) Why target specifically on a single debt service ratio? Only one measure of indebtedness and indebtedness only one measure of eligibility. IMF programmes take more comprehensive approach, looking at overall resource use within economy, including consideration of debt service ratio.
- (iv) How much might it all cost? Resources scarce. Must make best use of them.
- (v) Not convinced MDBs other than World Bank always well equipped to handle free-standing policy based lending.
- (d) Recognise problem of debt owed to IMF. Answer is to negotiate new programmes. Enlarged IMF Structural Adjustment Facility will permit refinancing at concessional rates for poorer countries.
- (e) Paris Club reschedules interest as well as principal, and for periods as long as 20 years with 10 years grace for poor countries.
- (f) Developed countries must help through liberalising trade, reforming agriculture. UK in lead in urging case at Venice Summit and in GATT.
- (g) World growth lower than would like, but UK economy strong. Will continue to urge cuts in global imbalances, resistance of protectionism. Want lower interest rates: encouraging US to cut deficit.
- (h) Recognise transfer of resources into developed countries problem for some LDCs, but answer is continued reform, restoration of creditworthiness.

Background

Problem

1. Total developing country debt about \$1,000 billion. Major problem areas Latin America: \$370 billion and Sub-Saharan Africa \$80 billion. Most Latin American debt owed to commercial banks, most African debt to governments and multilateral agencies. Jamaican debt: \$3.5 bn.

Strategy

2. Internationally agreed strategy to manage individual country problem case by case through combination of adjustment and external finance and advice in appropriate cases. Baker initiative launched in 1985 advocated more growth oriented adjustment supported by extra commercial banks and multilateral development bank funds. Main duty of developed countries to maintain sustained non-inflationary growth in world economy while keeping open markets so that debtors can export and grow.

Progress

3. World economy in 5th year of sustained growth but estimate for world economic growth in 1987 reduced to 2½% and world trade growth to 3½%. Protectionist pressures still strong in US. US prime rate up ¾% since 1 April, increasing debt service costs. There remains a net transfer of resources from developing to developed countries, but global figures mask wide variations between countries. Most of net transfer is concentrated on large Latin American debtors eg Mexico, Brazil, Argentina. The progress in adjustment has been very mixed. Most Latin American countries have the capacity to repay in full, whereas many Sub-Saharan African debtors face the problem of insolvency.

Recent Developments

4. Banks beginning to fulfil their obligations under Baker initiative: \$7.7 billion package for Mexico. IBRD increasing its

lending. Brazil still operating moratorium on payments to commercial banks. Banks generally showing increased flexibility: adoption of a menu approach eg using exit bonds, debt equity swaps in new money packages. Increased provisions against sovereign debt by US banks, Natwest and Midland should mark a return to more commercial lending and enable them to be more flexible in putting together packages in future. Japan has undertaken to recycle \$30 billion to middle income countries. World Bank will shortly begin consideration of General Capital Increase. We support, but US administration will have difficulty overcoming Congress's doubts.

Sub-Saharan Africa

5. Increasing acceptance that some Sub-Saharan countries insolvent and need exceptional debt relief. Chancellor's initiative: more write-off of aid loans by donors who have not already done so; longer rescheduling and grace periods and lower interest rates for Paris Club rescheduling. Paris Club has already begun to grant longer rescheduling and grace periods. Camdessus initiative to triple IMF's Structural Adjustment Facility to SDR 9 bn which provides concessional loans to poorer developing countries. We welcome this initiative and are considering a contribution. Neither initiative will help Jamaica. Of the Caribbean countries only Haiti will benefit from Chancellor's initiative if it is extended outside Africa.

Seaga's Scheme

6. The plan (annexed) is not spelled out in any detail, but essentially involves a new lending facility to be offered by the World Bank and the regional developments banks (MDBs), based on a targeted reduction of a country's debt service ratio. This target would be set at a level designed to release sufficient resources to achieve targets for growth. Agreement on a programmed reduction in the debt service ratio with an MDB would then form the basis for agreement on multi-year rescheduling in Paris Club and by the commercial banks, who would also, as in the Baker plan, be asked to put in new money.

7. The scheme is intended to increase the flow of resources to the heavily indebted countries. The UK has recognised this need in its support for the current debt strategy and specifically for increased capital for the World Bank, the proposed enlargement of the SAF and the initiative for Sub-Saharan Africa.

8. The objectionable element in the Jamaican scheme is the relatively mechanistic targeting of the debt service ratio, which is defined as the ratio of interest plus net principal repayments to total exports. The Jamaicans argue that such a change is necessary in order to take into account the difficulties debtor countries have in both servicing their debt and financing growth. The loans are described as policy based, but it is not clear what, if any, policy conditionality would be included or whether the new money would be on the back of existing IMF or IBRD conditionality.

Contrast with the Present Strategy

9. The current debt strategy is aimed at increasing the overall efficiency with which a country uses its economic resources. In designing programmes account is taken of the debt service ratio, but it is not practicable to make this the dominant factor. A country with a successful adjustment programme in place will experience a reduction in its debt service ratio through increased net exports, new capital inflows offsetting principal repayments and reductions in other debt service payments.

10. The aim of the present strategy for all but the very poorest debtors is to return them to market access. Setting specific debt service ratios above which a country cannot be expected to service its debt and thereby restricting a debtor's obligation to service its debts would be very unwelcome to the banks and the financial markets and so likely to postpone moves to return to market borrowing.

11. The Chancellor's initiative for the poorest countries recognises that there is a need for a different approach for those countries who, because of their level of poverty and indebtedness, are unable to service their debts in the foreseeable future.

There we have accepted that the debt service ratio is a measure of indebtedness which is useful in determining which countries should be eligible, but not as a target. And the initiative involves reducing the debt service burden through interest subsidies and so reducing the ratio. But this debt relief will be offered only to those countries pursuing adjustment programmes addressed to the overall economic health of their economies.

12. On the particular problem of IMF debt, where this continues to cause balance of payments difficulties, the solution must be a further programme in effect to refinance the debt. Where countries are too poor to be able to service lending at market rates, this refinancing should be on concessional terms. This is what the Camdessus proposal to enlarge the SAF will in practice allow. Most countries in the Caribbean, however, have per capita incomes which are too high to make them SAF eligible.

13. Seaga probably has in mind to promote his initiative at the Commonwealth Finance Ministers' meeting and CHOGM, perhaps with support from other Caribbean countries. He wrote to the Prime Minister and the Chancellor enclosing his proposals, and HMT have recommended that the Prime Minister send an interim reply, with the Chancellor replying substantively after her visit.

Jamaica



Mr's VISIT.

7/17

PRIME MINISTER

cc: Mr. Ingham

VISIT TO JAMAICA: MEETING WITH MR. SEAGA

You have only one hour set aside for talks with Mr. Seaga, although you will also be able to chat to him in the car and over lunch. The briefs are rather extensive and I suggest that you only dip into them. You have already read the background papers.

The main purpose of the visit is to bolster Mr. Seaga's position and political prospects. He hopes that some of your magic will rub off on him and help him win his elections. These have to be held sometime before the autumn of 1988. At present his chances do not look good.

The effort to help him is well worthwhile. He is a very sane and pro-Western leader, while the opposition PNP are fairly far to the left and support links with Cuba and Libya. The main vehicle for your support for Seaga is your speech at lunch (which will be televised). It has been written with an eye to being as helpful as possible.

The main items for discussion are the Jamaican economy, our aid programme, his ideas on international debt (on which there is a separate note by the Treasury), drugs and CHOGM.

You will want him to give you an account of how far he feels the Jamaican economy is meeting targets of his adjustment programme (he does not like it being called the IMF programme), and the prospects. You will want to say that we support what he is doing and encourage him to persist with the tough decisions needed. He may well be critical of the line we took in the IMF discussions of Jamaica in March, when we argued that a devaluation was needed to stimulate exports and tourism. He is allergic to devaluation because he fears that increased import prices will increase inflation (and past devaluations in Jamaica have caused riots). I think your best

argument is that we were not unsympathetic and indeed supported the programme; our only concern was to avoid Jamaica being saddled with a programme which could not reach its targets and was therefore not credible to bankers and investors.

On our bilateral aid, you will have announced in your speech a new loan of £5 million (interest-free, five-year grace period and nineteen-year maturity, making the grant element 66½ per cent). He wants to use it all for the text-book rental scheme on which he is very keen, and which he wishes to see start this year. Our experts are not convinced of the practicality - certainly of starting this year - and suggest a pilot scheme in the first place. But it is obviously politically important to him. Officials may solve the problems in the meantime, enabling an agreement to be signed during the visit. If not, I suggest that you say that we are ready to see the whole £5 million used on the scheme, subject to the details being satisfactorily settled.

There are two other aspects of aid to have in mind. The first is that the preferential arrangements for sugar and bananas in the EC are far more valuable to Jamaica than our bilateral aid. You will want to underline our willingness to continue to defend them. The second concerns debt rescheduling. We are entitled to charge the commercial rate (8½ per cent) but have offered the existing concessional rate of 6 per cent. Mr. Seaga is still pressing for 5 per cent in view of Jamaica's economic problems. This is an unresolved problem. The Treasury would be very unhappy if we went below 6% because of the precedent.

On debt you will want to speak to the ideas in the Treasury's letter.

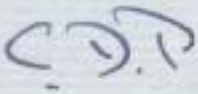
On drugs you can offer restrained congratulations on what the Jamaican government are doing to combat cultivation of marijuana (but there are dark rumours that both the main political parties take pay-offs from the drug dealers). We

shall shortly be putting some proposals to the Jamaican government for UK/US assistance, based on a joint survey which we did last March. We have also appointed a drugs liaison officer to our High Commission. Our main new practical proposal is that we should enter into a reciprocal agreement on confiscation of drug traffickers' assets.

On CHOGM, you should find him open to the argument that it should not focus exclusively on South Africa but look also at regional and economic problems.

There might be some discussion of trade and export credit. We cannot at the moment restore medium or long-term ECGD cover, until we are convinced that the economic recovery can be sustained. But an ECGD team will visit Jamaica towards the end of the year to review the position.

There are separate notes for your meeting with the Governor-General and with Mr. Manley.


Charles Powell

14 July 1987

DG2CBF



570
~~Prime Minister~~

Foreign and Commonwealth Office

London SW1A 2AH

14 July 1987

would propose to
reply that Mr. Manley's
are ludicrous remarks
make it all the

Dear Charles more important that
you see him. Agree?
CDP 14/7

Overlooked
CDP
15/7

Prime Minister's Visit to Jamaica: Meeting
with Mr Michael Manley

There is a slot in the Prime Minister's programme from 1630 to 1650 on 18 July for a meeting at the High Commissioner's residence with the Jamaican Opposition leader, Mr Michael Manley. It is still not clear whether Mr Manley will be in Kingston on that day or whether, assuming that he is, he would wish to take up the offer of a meeting with the Prime Minister. However, the Prime Minister should be aware that an article written by Mr Manley, and referring in disobliging terms to her electoral victory, was recently published in the Trinidad press. I enclose the text (Kingston telegram number 263). There has been no similar article published in the Jamaican press and it is unlikely that it was published with Mrs Thatcher's visit in mind.

The terms in which it was written come as no surprise given Mr Manley's friendship with Mr Kinnock. But they are not so extreme as to suggest that the meeting with Mr Manley should not go ahead if Manley confirms that he would wish to meet the Prime Minister.

On another aspect of the visit you will see from the enclosed copy of Kingston telegram number 267 that Mr Seaga may accompany the Prime Minister on her visit to Spanish Town. By way of background the Prime Minister may wish to know that Mr Seaga spent a year living in a small local community at St Katherine's not far from Spanish Town immediately on coming down from Harvard. He later published a sociological study based on the experience.

Robert (u) Shaw
(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

040
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Direct Line: 01 280 5199

our reference OL/jjs
your reference

13th July, 1987

Charles Powell, Esq.,
10 Downing Street,
LONDON SW1

Dear Charles,

JAMAICA

As I mentioned to you on the telephone, John Redwood and I have been working as advisers to the Jamaican government for the last year or so. On behalf of Rothschilds, we have been helping the Jamaicans to construct one of the most exciting privatisation programmes in the developing world; we have also been advising on the construction of a debt swap programme.

I attach a few notes on Jamaica, which may prove helpful as background for the Prime Minister, and I would be most grateful if she could - privately - give us a good mention when speaking to Mr. Seaga.

Yours ever,

Oliver

Oliver Letwin

JAMAICA : RECENT DEVELOPMENTS

The Good Side

- A massive privatisation programme, starting with the transfer of small assets and services (e.g. bus services and refuse) to the private sector; now includes the privatisation of National Commercial Bank (which more than tripled the number of individuals owning shares) and of the Caribbean Cement Company (which - at 75% subscription for a sale twice the size of the National Commercial Bank - showed that it is once again possible for the capital market to provide home-grown funds for development and expansion).
- Highly successful renegotiation with IMF and commercial banks, leading to a period of increased economic stability - with the prospect now of an active debt swap programme, enabling Jamaica to decrease its huge burden of foreign debt.
- Inflation now seems to be coming under control; tourism is booming; and the stock market has had a steady upward trend for a year or more.

The Bad Side

- Seaga is under constant, effective attack from the Opposition. He has virtually lost any public initiative. Although he has moved up from the nadir reached about six months ago, he is still unpopular with the business community, and with Shearer and the other Trade Union-based members of his own Cabinet.

- All the opinion polls are disastrous, and elections 'in the near future' are popularly expected.
- The Opposition has - despite its record when previously in office - made itself look 'moderate' and 'sensible'.
- Unemployment remains incalculably high in some areas; social security is minimal; GDP, at hardly over \$1,000 per capita, is skewed heavily towards the top 10% of the population; people in the rural parishes subsist on a virtually non-money economy, bartering goods and services; dependence on raw commodities such as bauxite and bananas remains heavy.
- Roads and other transport links remain very poor; the railway is defunct; the airports are shabby, as are most of the hotels.
- Investment from overseas is sluggish, not least because of fears about the effect of another PNP government on tourism, and hence on the economy as a whole.

Conclusion

The continuation of Seaga's government is desperately important: it matters even more to the welfare of Jamaicans than the survival of similar regimes in developed countries do for their inhabitants - because Jamaicans are so near to the threshold of economic survival. But whether the Government will continue, is by no means clear.

ADVANCE COPY

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INFO ROUTINE PORT OF SPAIN

MY TELECON OF 10 JULY WITH RAMSAY WIAD.

FOLLOWING IS TEXT OF ARTICLE FROM TRINIDAD SUNDAY EXPRESS OF
28 JUNE BY MICHAEL MANLEY.

BEGINS.-

KINGSTON, JAMAICA - I NEVER CEASE TO BE ASTONISHED AT HOW
SOME ELEMENTS OF THE PRESS COMPLETELY OBSCURE THE TRUTH ABOUT
THE EXPRESSION OF THE POPULAR WILL IN DEMOCRATIC ELECTIONS.
AT THE ROOT OF THE PROBLEM IS A COMPLETE CONFUSION BETWEEN
MAJORITY EXPRESSIONS OF OPINION AND PARTICULAR ELECTIONS
RESULTS.

THE LATEST AND MOST AMAZING OF THIS CONFUSION IS PROVIDED
BY THE RECENT BRITISH ELECTIONS. "THATCHER LANDSLIDE",
"CONSERVATIVE TRIUMPH", AND SO ON AND SO FORTH WERE THE
SUBSTANCE OF THE HEADLINES AND STORIES THAT ACCOMPANIED THEM.
THE WORLD WAS LED TO FEEL THAT A GREAT MAJORITY OF THE BRITISH
PEOPLE WANTED MRS THATCHER'S GOVERNMENT TO CONTINUE.

THIS IMPRESSION COULD ONLY HAVE BEEN REINFORCED BY THE GROSS AND
DIVISIVE STATEMENTS ATTRIBUTED TO MRS THATCHER HERSELF IN THE
IMMEDIATE WAKE OF THE ELECTIONS. SHE WAS "GOING TO BURY
SOCIALISM" NOW THAT SHE HAD HAD HER POPULAR MANDATE TO
COMPLETE THIS WORK. AGAIN, THE INNOCENT WOULD HAVE BEEN LED
TO BELIEVE THAT IT WAS THE MAJORITY OF THE BRITISH PEOPLE
WHO PROVIDED HER WITH THIS MANDATE.

WHAT IS THE TRUTH? FORTY-TWO PER CENT OF THE VOTERS WANT HER TO CONTINUE HER WORK. A MASSIVE 58 PER CENT OF THE PEOPLE VOTED AGAINST HER, VOTED FOR HER TO STOP HER WORK, VOTED FOR MORE HUMANE POLICIES THAN THOSE SHE HAS FOLLOWED WITH SUCH SERIOUS CONSEQUENCES FOR A LARGE PROPORTION OF THE BRITISH POPULATION. FURTHERMORE, THE 58 PER CENT IS A VERY SIGNIFICANT STATEMENT IN THE CONTEXT OF THE PARTICULAR ELECTION. PERHAPS MORE THAN ANY IN BRITISH ELECTIONS THIS CENTURY, MRS THATCHER AND HER HARDLINE, RADICAL RIGHT, EXTREMIST, NATIONALLY DIVISIVE POLICIES WERE THE ISSUE OF THE ELECTION. SHE WON WITH HER MINORITY OF 42 PER CENT OF THE VOTES ONLY BECAUSE HER OPPOSITION IS DIVIDED BETWEEN THE LABOUR PARTY AND THE ALLIANCE (LIBERALS/SOCIAL DEMOCRATS).

GRANTED BRITAIN'S "FIRST PAST THE POST" ELECTORAL SYSTEM THE CONSERVATIVES WON THE ELECTIONS AND ARE FULLY ENTITLED TO CONTINUE TO GOVERN AS THEY SEE FIT. THAT IS THE NATURE OF THE BRITISH CONSTITUTION.

ON THE OTHER HAND, I DEPLORE THE ATTEMPT TO FOOL THE WORLD INTO BELIEVING THAT THE MAJORITY OF THE BRITISH PEOPLE WANT THE CONSERVATIVE GOVERNMENT TO CONTINUE. THE FACT IS THAT THEY DID NOT.

THE FACT IS THE CONSERVATIVES ARE THERE ONLY BY THE LUCKY ACCIDENT THAT THE OPPOSITION TO THEM IS DIVIDED.

IT IS USEFUL FOR US TO REFLECT UPON THE POLICIES WHICH THE GREAT MAJORITY OF THE BRITISH PEOPLE WANTED STOPPED. DURING THE LAST EIGHT YEARS THE BRITISH GOVERNMENT HAS BEEN ASSOCIATED WITH, FIRSTLY, THE REFUSAL TO MAINTAIN THE LEVELS OF PUBLIC EXPENDITURE NEEDED BY THE SERVICES SUCH AS EDUCATION AND HEALTH. THESE ALONG WITH THE CAPACITY OF LOCAL AUTHORITIES TO DEAL WITH THE LOCAL PROBLEMS HAVE BEEN SERIOUSLY ERODED.

SECONDLY, THE CONSERVATIVE GOVERNMENT HAS WAGED A CEASELESS WAR AGAINST TRADE UNIONS AND THE CAPACITY OF THE TRADE UNION MOVEMENT TO SERVE THE INTEREST OF THE COUNTRY'S WORKERS.

THIRDLY, THE CONSERVATIVE GOVERNMENT HAS MADE COMMON CAUSE WITH THEIR OPPOSITE NUMBER IN WASHINGTON TO RESIST THE ATTEMPTS OF THIRD WORLD COUNTRIES TO SECURE REASONABLE AND DESPERATELY NEEDED MODIFICATIONS IN THE OPERATION OF THE WORLD ECONOMY.

FOURTHLY, THE CONSERVATIVE GOVERNMENT HAS MADE IT IMPOSSIBLE TO DEVELOP ANY COMMONWEALTH CONSENSUS ABOUT ACTION WHICH MIGHT BE TAKEN AGAINST THE APARTHEID REGIME IN SOUTH AFRICA.

I MAKE NO COMMENT ON ISSUES SUCH AS DEFENCE AND FOREIGN POLICIES AFFECTING SUPER POWER RELATIONSHIPS. I MENTION SERVICES AND THE CONDITION OF POOR COMMUNITIES ALONG WITH THE PROBLEM OF UNEMPLOYMENT BECAUSE THESE ARE THE LEGITIMATE CONCERNS OF PEOPLE EVERYWHERE ON ACCOUNT OF OUR COMMON HUMANITY. I MENTION TRADE UNIONISM BECAUSE I HAVE BEEN PART OF A WORLD-WIDE STRUGGLE FOR JUSTICE FOR WORKERS THROUGHOUT MY LIFE. I MENTION THE THIRD WORLD BECAUSE THE TERM EMBRACES THE MAJORITY OF HUMANKIND.

FINALLY, I MENTION APARTHEID BECAUSE THAT STRUGGLE CONSTITUTES THE ULTIMATE, MORAL IMPERATIVE OF OUR TIME.

IT WOULD SADDEN ME DEEPLY TO FEEL THAT THE COUNTRY, WHICH, AS MUCH AS ANY OTHER IN HISTORY, IS ASSOCIATED WITH DEMOCRATIC TRADITIONS, HUMAN RIGHTS, THE RULE OF LAW, THE HUMANE ELABORATION OF SOCIAL POLICY AND EXPRESSION OF NATIONAL CONSENSUS SHOULD TURN THEIR BACKS ON ALL OF THIS BY CONVICTION OF THE MAJORITY.

HOWEVER, I AM NOT FOOLED BY ANY OF THE EXAGGERATED CLAIMS.

I DO NOT THINK THAT 58 PER CENT OF THE PEOPLE SHOULD BE MADE TO STOMACH THOSE NATIONALLY DIVISIVE POLICIES FOR THE NEXT TERM, REFLECTING SO LITTLE REGARD FOR THE FEELINGS OF THE POOR, THE UNEMPLOYED, THE MINORITIES, OR FOR THE AGONY OF SO MUCH OF THAT CONTINUING NIGHTMARE OF APARTHEID IN SOUTH AFRICA.

IF THERE IS A LESSON TO BE DERIVED FROM THE FACT THAT THESE POLICIES WILL CONTINUE, IT IS THAT THE BRITISH SYSTEM OF "FIRST PAST THE POST" ELECTIONS, SO WIDELY USED IN THE COMMONWEALTH, CAN ONLY MAKE SENSE IN THE CONTEXT OF A DOMINANT WHOLEHEARTED SYSTEM.

IF THERE ARE GOING TO BE THREE OR MORE MAJOR POLITICAL PARTIES, ONLY THE SYSTEM OF PROPORTIONAL REPRESENTATION CAN RECONCILE DEMOCRACY AS A SYSTEM FOR MEASURING WHAT THE PEOPLE WANT WITH PARLIAMENT AS THE PLACE WHERE GOVERNMENTS ARE FORMED, POLICIES ARE DETERMINED AND LAWS ARE PASSED.

ENDS

PAYNE

YYYY

KGHPAN 2401



10 DOWNING STREET
LONDON SW1A 2AA

File 16
a p c

11 July 1987

From the Private Secretary

Dear Robert,

PRIME MINISTER'S VISIT TO JAMAICA:
INTERNATIONAL DEBT QUESTIONS

I have seen a copy of the draft brief for the Prime Minister's visit to Jamaica. It is clear that Mr Seaga wants to have a thorough discussion of his own proposals for dealing with international debt. I do not think that the brief as drafted is an adequate basis for such a discussion. I should be grateful for a separate letter explaining Seaga's proposals and giving our preliminary views on them, as well as summarising other developments in the field of international debt. I hope that it can be set out in an intellectually stimulating way. It may be that the Treasury are best placed to take this on. I am therefore copying this letter to Alex Allan.

It would be helpful to have the letter that I am seeking by 15 July.

yours sincerely,
Charles Powell

Charles Powell

Robert Culshaw, Esq., MVO.,
Foreign and Commonwealth Office.



Foreign and Commonwealth Office

London SW1A 2AH

10 July 1987

Dear Charles

Prime Minister's Visit to Jamaica

I enclose a draft of the speech which the Prime Minister will be expected to give at the lunch in her honour in Kingston on 18 July. The draft takes account of suggestions from the High Commission, who have advised that it should be fairly light in tone, while getting across the essential message of support for Mr Seaga's economic policies and the strength of the UK commitment to Jamaica and the Commonwealth Caribbean. It was however prepared before receipt of Kingston telno 261 (attached).

The draft includes references to a number of leading Jamaican and other Caribbean writers, artists etc. Jamaica takes particular pride in the vitality of its artistic life and the leading position it occupies in these fields. It is difficult however to provide quotations for the Prime Minister from Jamaican or Caribbean authors since the majority write in the vernacular and quotation is best not attempted unless one is reasonably familiar with the language.

The High Commissioner has advised that the speech will be televised.

Yours ever

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft (1+)

FROM:

Reference

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- Secret
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SUBJECT:

PRIME MINISTER'S VISIT TO JAMAICA: SPEECH AT LUNCH ON 18 JULY

CAVEAT

- It is a great honour for me to visit your lovely island.

- [If other Caribbean Commonwealth PMs are present - It is also a particular pleasure for me to see so many of our Caribbean friends here on this occasion].

- My arrival late last night meant that I missed what many people have told me is one of the most beautiful sights in the world , Kingston, approached from the sea, against its backdrop of mountains.

- We must manage these things better in future.

Enclosures flag(s)

- I regret that I could not accept Mr Seaga's invitation to be guest of honour at your 25th Anniversary celebrations on 6 August.

- The music of Bob Marley is as firmly embedded in the music of a generation in Britain as it is here in Jamaica. Willard White and Curtis Watson are as well known in Britain as they are here in Jamaica.

- The works of major Caribbean poets like John Figueroa, Derek Walcott and Edward Braithwaite are as much part of the English literary heritage as those of any modern British poet.

- Edward Braithwaite in 'Rites' has demonstrated that not only can the West Indians play the best cricket in the world. They also write the best poems about cricket.

- Prime Minister, we have closely followed your Government's brave attempts to deal with your severe economic problems.

- The path of economic reform is never easy. It demands great self discipline and courage. ^{Although} But help is available from the international financial institutions and from donors, ←

- Above all, a capacity to bring out the best of those two virtues in others and to remain steadfast in the face of critics. "Ten thousand difficulties do not make one doubt". Doubt has never been a characteristic of your Government.

- A gifted people such as yourselves needs a strong and diverse economy in order to develop your talents to the full, to your own and to the general advantage.

- No country, certainly no individual, can give of his or her best except in conditions that promote initiative.

- A Government's chief responsibility is to create those conditions. For it to attempt more by way of detailed regulation would be to stifle a people's natural talent for innovation and enterprise at its source.

- Indeed the only talent to survive in such circumstances would be the talent to interfere: the antithesis of freedom of choice and respect for the individual.

- One of the many bad effects of over-regulation is to increase the ratio of wealth spenders to wealth creators.

- As Sir Thomas More noted in the sixteenth century, one should never assume that the latter are in a majority in any society. - We know from recent experience in Britain how true is Adam Smith's remark that "There is no art which one government sooner learns of another than that of draining money from the pockets of the people". We also know that the habit once ingrained is difficult to eradicate. But it can be done.

- Freedom of choice and respect for the individual are the natural rights of man. But they depend on healthy

nourished your democratic traditions and liberties.

- Properly cared for there is nothing more durable; once abused there is nothing that perishes so quickly, or is more painfully restored.

- The Caribbean virtues of respect for the individual and for freedom of choice, of strong attachment to the Christian faith have a value beyond price in the contemporary world.

- It makes you natural conservatives, though not all of you may vote that way.

- "All perfection in this life hath some imperfection mixed with it; and no knowledge of ours is without some darkness".

- That may seem a sombre note on which to end. But not even the idyllic picture of the Caribbean is without its shadows. In other parts of the world they are larger and more menacing.

- Here in Jamaica you have much to be grateful for and much to protect.

- Remembering what I have already seen of Jamaica, in particular the warmth of your reception, it is what this country offers in its natural beauty, the strength of its society and sense of family, its

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 OF 092155Z JULY 87

MIPT : VISIT OF PRIME MINISTER

1. AFTER DISCUSSIONS ON THE PROGRAMME, AT WHICH FRANCIS (PERMANENT SECRETARY, MFA) WAS ALSO PRESENT, BRICE SAID THAT IT WOULD BE HELPFUL IF THE PRIME MINISTER COULD MAKE SOME REFERENCE IN HER SPEECH AT LUNCH TO SEAGA'S PROPOSAL ON THE INTERNATIONAL DEBT CRISIS. SHE MIGHT SAY THAT IT IS BEING EXAMINED WITH INTEREST AND THAT WE KNOW THAT IT WILL BE A PAPER OF IMPORTANCE FOR DISCUSSION IN VARIOUS INTERNATIONAL FORA (OUR TEL 242 PARA 5B REFERS) IN THE NEAR FUTURE. A COPY OF THE PROPOSAL WILL BE SENT BY FAX ON 10 JULY.
2. FRANCIS ALSO SAID AND SPEAKING QUITE PRIVATELY (PLEASE PROTECT) HE THOUGHT THAT GIVEN THE EXTREME SENSITIVITY OF THE SOUTH AFRICA ISSUE HERE, AND PARTICULARLY BECAUSE OF THE RECENT VISIT OF TAMBO (WHO WAS PREDICTABLY ADVOCATING COMPREHENSIVE MANDATORY SANCTIONS - AS WAS SHEARER AT THE OFFICIAL LUNCH FOR TAMBO (OUR TELNO 259)) THAT IT WOULD BE HELPFUL IF MRS THATCHER WAS ABLE TO SAY SOMETHING ABOUT BRITAIN'S STAND AGAINST APARTHEID AND OF THE POSITIVE ACTION WHICH BRITAIN HAD BEEN TAKING IN THIS REGARD.

PAYNE

K6HFM 2380

JAMAICA: PRIME MINISTER'S VISIT

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PRIME MINISTER

VISIT TO JAMAICA

I have assembled some background papers in case you have time to look at them this weekend. The briefs will be available next week.

I will work over the weekend on a draft speech, which I hope to let you have as soon as possible.

Charles Powell

10 July 1987

(67)

- An interesting assessment: see
 - Dependence on gang is alarm-
 - I wonder what who has to
 piper on the/both scheme.

FROM: A J H Ramsay, WIAD
 DATE: 17 June 1987

- Should I see Sir Martin if he is
 in the office?

Mr Fearn *h. m. h.*
 PS/Mr Eggar *Minister*
 11 B JUN 1987.

cc: PS/PUS
 Mr Gillmore
 Research Dept
 Assessments Staff
 MCAD
 SAMD
 SEC(O)(C) MOD
 LACPD, ODA

HWJ 014/1
- 2 JUL 1987
FA WMS
concopy)

JAMAICA: VALEDICTORY DESPATCH

- A 1. I submit Sir Martin Reid's Valedictory Despatch of 7
 B May which has been sent for printing in the diplomatic
 series. An acknowledgement has been sent to the High
 Commission at Kingston, but Mr Fearn may wish to send a
 brief personal note to Sir M Reid, on the lines of the
 attached draft.

Sent,
 /

2. Jamaica needs watching. Its stability is crucial to the stability of the ~~Eastern~~ Caribbean. For the present Prime Minister Seaga provides it. 1986 was a particularly bad year for him and his popular standing reached a nadir. But by the end of the year he had reached an encouraging measure of agreement with the IMF over new standby arrangements, the economy showed signs of picking up and his party appeared to be regaining confidence after a disastrous showing in the mid year local elections. Seaga is helped in some measure by serious doubts over Manley's future as opposition leader, and fears that the underlying radicalism of his party has not changed, despite its efforts to present itself as essentially moderate and centre left.

3. If Seaga decides to go full term he has until December 1988 to prepare himself and the JLP for what will undoubtedly be a crucial election. In our judgement if Manley recovers sufficiently to return to politics full time, the JLP is likely to be defeated since they have no answer to Manley's popular appeal. Even if Manley could only engage part time in politics as a sort of father figure, he would probably win, since he could be expected to command a significant sympathy vote. Only if Manley is out of action altogether from now on, could the JLP be reasonably confident of victory, since the tension between moderates and extremists in Manley's party could prove divisive and would damage its electoral prospects.

4. A PNP administration led by a vigorous Manley would not necessarily be bad for us, though it would restore the old relationship with Cuba and leave Jamaica much more open than it is at present to the influence of the drugs barons. But an administration led by a sick or ailing Manley is likely to find itself in the hands of the populists sooner rather than later. Business confidence would fall away and Jamaica's ability to honour its debts would be sharply reduced. On balance Western interests would be best served by a Seaga victory. Our capacity to help, like that of our major allies, is very limited. The US have made it clear that the level of aid is to be cut drastically. Neither we nor the Canadians are in a position to make good the difference. It is important therefore that we help when we can, rapidly and discreetly, in areas where Seaga judges there could be a significant political impact on the JLP's prospects. This is why he appears to attach importance to the proposed school books rental scheme. We for our part need to decide as soon as possible whether the political arguments are sufficiently strong to outweigh any doubts we may have about its developmental value. The scheme will not of itself win the election for Seaga, but it might win the JLP some votes in the poorer constituencies, if the party plays the PR card right, and that could make a difference to its prospects.

Because of
Seaman
Kudman
Schindler



A J H Ramsay

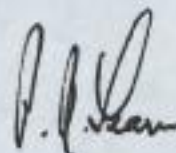
1. Sir M Reid has done an excellent job for us in Jamaica, tackling his physical infirmities with courage and resolution. I have sent off the personal letter to him expressing our gratitude to him for his efforts.

2. We face the discouraging prospect of a PNP government after the next election. I agree with Sir M Reid's and Mr Ramsay's assessments. While the present leadership of the PNP is more moderate, a PNP returned to power under weak leadership would be bad for Jamaica, unsettling in the Caribbean and would stir up US concerns. Within our limited means, we should continue to do what we can to bolster Mr Seaga's chances.

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13.

3. One modest way to do this would be to meet Mr Seaga's request on financing the school books rental scheme, to which Mr Ramsay refers. Mr Eggar may wish to see the papers on this. Basically it is a proposal that we should use our £5 million programme aid to finance the supply of textbooks from the UK to be distributed by the Jamaican government free of charge to the Jamaica school system. At present parents, in all too many cases very poor, have to pay for their childrens' books: the scheme is seen by Mr Seaga as a means of alleviating that burden and of securing political benefit for his administration. He attaches importance to it and there are good political arguments on our side for meeting his request. The ODA have however reservations on the developmental value of the project and we may need to exert pressure on them to accept it.



P R Fearn

18 June 1987

JAMAICA: THE CABINET



Prime Minister and Minister of Finance and Planning:	Rt Hon Edward Seaga
Deputy Prime Minister and Minister of Foreign Affairs, Trade and Industry:	Rt Hon Hugh Shearer
Construction:	Hon Bruce Golding
Agriculture:	Dr The Hon Percival Broderick
Mining, Energy and Tourism:	Sen The Hon Hugh Hart
Justice and Attorney General:	Sen The Hon Oswald Harding
National Security:	Hon Errol Anderson
Public Utilities and Transport:	Hon Pearnel Charles
Public Service:	Hon Clifton Stone
Education:	Dr The Hon Neville Gallimore
Labour:	Hon James Smith
Social Security and Consumer Affairs:	Dr The Hon Mavis Gilmour
Health:	Dr The Hon Kenneth Baugh
Youth and Community Development:	Hon Edmund Bartlett
Local Government:	Hon Neville Lewis
Minister without Portfolio:	Hon Douglas Vaz



COORE, THE HON DAVID HILTON, QC

PNP Shadow Spokesman on Foreign Affairs since November 1986.

Born Kingston 1925. Educated Jamaica College; McGill University, Canada; and Exeter College, Oxford.

In private practice at the Bar. Member of Executive of PNP 1952-78. Appointed to Legislative Council 1960-62. Member of the House of Representatives 1966-77. On the resignation of Mr Norman Manley in February 1969 the positions of Leader and Chairman of the PNP were split and Mr Coore became its Chairman.

Deputy Prime Minister and Minister of Finance from 1972 until 1978 when he resigned to take up a consultancy with IDB. Mr Coore returned to Jamaica in 1986. His appointment as spokesman for Foreign Affairs provoked mixed reactions from Party members and supporters.

Mr Coore has a good legal brain and speaks with fluency, although he was thought to be ineffective as Finance Minister. On the right wing of the party, he is interesting to talk to and good value socially.

Anglican. Married three times (his first two wives are deceased). In April 1987 he married Dr Melba Adams, a periodontal surgeon from Houston, Texas.

GLASSPOLE, THE MOST HON SIR FLORIZEL AUGUSTUS,
ON, GCVO, GCMG, CD, LLD (HON)

Governor-General since June 1973.

Born Kingston 1909, the son of a Methodist Minister. Educated Central Branch Primary School, Wolmer's School and Ruskin College Oxford (British TUC Scholarship 1946-47).

Member of the House of Representatives for Kingston, Eastern Constituency (PNP) and Secretary of PNP Parliamentary Group 1944-73. Minister of Education 1957-62. Leader of the House of Representatives 1955-62. Second Vice-President of PNP 1963-67. Re-elected a Vice-President of PNP in February 1969 and in February 1970 but stood down in 1972. Leader of Opposition Business in the House in April 1969. Minister of Education and Leader of the House 1972 until his appointment as Governor General.

Sir Florizel is the first (and only) holder of the Order of the Nation – an Order instituted by the Manley Government as more suitable for the Governor-Generalship than a Knighthood which was enjoyed by his predecessor. Sir Florizel was knighted in April 1981.

An honourable man of the old guard, with a profound sense of loyalty, he combines in a proper balance the qualities of dignity and affability, and is greatly respected. He sets a fine example of hard work and tolerance. He had his ups and downs in his relations with the former Prime Minister, Mr Manley and had difficulty in suppressing his delight at Manley's defeat in 1980. Was pleased to be asked to remain in office by Seaga, but has also been open in his criticism of Seaga's economic policies.

Sir Florizel was hospitalised for some 5 weeks after a heart attack in November 1986 but he continues to carry out his duties as Governor-General in the same diligent manner as before.

Wesleyan Methodist. Lady Glasspole is intelligent and kindly but rarely accompanies him on outside appointments because she suffers from some arthritis. They have an attractive daughter, Sarah Lou, who married a Mexican doctor in 1977.



PATTERSON, PERCIVAL NOEL JAMES (P J), QC BA LLB

Chairman, Peoples National Party. Attorney at Law.

Born Kingston 10 April 1935. Educated Calabar High School, University of the West Indies (BA Hons). London School of Economics, Middle Temple. (Leverhulme Scholar and Sir Hughes Party prizeman), LLB (Hons). Called to the Bar in 1963.

An active worker for the People's National Party since 1959 when he was appointed as organiser for the PNP for St Elizabeth. Elected to the Party Executive in 1964; and a Vice-President since 1969. Senator 1967, Leader of the Opposition in the Senate. Shadow Minister of Youth, Sport and Community Development 1970. Won South-Eastern Westmoreland for the PNP at a by-election in March 1970. Minister of Industry and Tourism and Foreign Trade 1972-76. Minister of Foreign Affairs, Trade and Tourism 1977-80, and Deputy Prime Minister 1978-80. Lost seat as MP in 1980 election. Re-entered private legal practice in 1980.

Slim-quiet-spoken, intelligent (and self-opinionated) and hardworking. His youth and somewhat radical past originally won the favour of the left wing of the party, while his competence and mastery of his wide ranging and important portfolio as Deputy Prime Minister commended him to others. His qualities mark him out as someone who could conceivably become Prime Minister one day. Considered to be the leading moderate in the PNP, but does not have popular appeal, mainly because of his aloofness.

Baptist. Divorced. One son and one daughter.

THE CHURCHES IN JAMAICA

SUMMARY

1. Religion is an integral part of Jamaican life. (Paras 1-2).
2. Historically, two major influences on the churches of Jamaica: the Church of England and other Western churches, and African cults imported with the slaves. A certain degree of fusion between the two. More recently, American evangelism is an important factor. (paras 3-8).
3. Today Jamaican churches divide broadly into the "established" and the "new evangelical". Some statistics on current affiliations. (Paras 9-11).
4. The emergence of the Jamaican Council of Churches. Differences between members and non-members. (Paras 12-14).
5. Church and State: the church as an element of Jamaican politics. (Paras 15-17).
6. How to reconcile religion and violence within Jamaican society. (Para 18).

BRITISH HIGH COMMISSION
KINGSTON

7 May 1987

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign and
Commonwealth Affairs
London SW1

Sir

THE CHURCHES IN JAMAICA

1. About three-quarters of the population in Jamaica (some would say more) are either registered members or adherents of a Christian church (an adherent being defined as someone who identifies himself with a particular church and takes part in at least some services). The comparable British figure would be well under half. The high Jamaican figure will not surprise those who know this country and have seen the large crowds in their Sunday best going to and from church. Ordinary Jamaicans talk easily and without embarrassment of spiritual matters. They know their Bible and will quickly react to a Biblical reference. At office meetings and functions, proceedings normally begin with prayer; grace is often said before family meals and always on formal occasions. Jamaicans enjoy preaching both delivering and listening to sermons. Most churches are packed; new churches are being built everywhere; and the clergy are held in high regard.

2. In this despatch, prepared at the request of the Department, I attempt to trace the origins of this high level of religious practice; to assess its impact on the life of the country; and to examine why, in spite of such widespread religious practice Jamaica also has a high level of violence in society.

Origins

3. The large number and wide range of churches in Jamaica is a reflection of influences from outside, together with the interaction of political, social and racial factors within Jamaica. The history of the churches in Jamaica, at least during the two centuries after annexation in 1655, can be seen as the history, with local variations, of the churches in Britain. The Church of England in Jamaica was part of the colonial apparatus and was from the outset "established". It was the church of the ruling classes and those who aspired to belong to them. The Church of

/ England

England made an early start in dividing the country into parishes and building parish churches. The site of a Spanish church in Spanish Town was used for the building of a new cathedral, now the Anglican Diocesan cathedral, which bears the Spanish name of Santiago de la Vega. But church activity at that stage stopped short at building. The sleep of the Church of England in England in the first half of the 18th century was also profound in Jamaica. The Wesleyan revival in England, however, was fully carried through to Jamaica. The new non-conformists grew rapidly and from around the beginning of the 19th century the island became a major mission field. The Baptists in particular took seriously their mission to the slaves and became champions of emancipation.

The Religion of the Slaves

4. Among the slaves, the Coromantines (from what is now Ghana) were the dominant group. Their pantheism and ancestor cults gradually spread to the entire slave population, causing them to live in fear of spirits of the dead and to employ "obeah-men" to manipulate these spirits. African religious beliefs and practices had taken firm root in Jamaica well before the churches, responding to changes in England, came to accept their mission to the blacks. The blacks, however, were not easily converted. Their religion was part of their identity and culture, and proved resistant to European-based rites and liturgies which did not meet their needs. Sensing that African religions were undesirable, though without knowing very much about them, the Colonial government banned them. This naturally failed to stamp them out but made them more remote.

The Native Baptist Churches

5. An important feature of the religion imported with the slaves was its individuality. There were common beliefs, but the manner of religious observance was a matter of choice, so that a variety of local cults grew up. What happened when the established European-based churches, in particular the Baptists, came to the crunch in their evangelism of the blacks was that a certain fusion took place. It was fusion across a wide spectrum: at one extreme many blacks accepted the missionary gospel and joined the established churches; the only changes were cultural (as they brought with them the use of African music). At the other end of the spectrum the old African cults adopted some of the external features of the Western religions but without accepting Christianity. In between these two extremes emerged a wide range of what may be called native Baptist churches which, while highly individualistic, had in common an emphasis on emotional stimulation, spirit possession, prophesy and healing.

6. The gulf between African and European was not only a matter of religion or culture. Before, and more especially after, emancipation, the blacks came to regard the European churches as part of the ruling classes, even as their economic oppressors, and treated them with corresponding mistrust. They looked to their own forms

/ and styles

and styles of religion, both for a source of comfort in adversity and an inspiration for their political advance. The political/social/cultural division which thus grew up between the established churches of foreign origin representing authority, and the new individualistic native Baptist churches of the ordinary people (whose external influences, when there were any, came from the southern states of the United States) has never quite disappeared.

Political Factors

7. But it would be wrong to think of the established churches as being opposed to progress or unduly influenced by their countries of origin, and equally wrong to think of the new churches as being progressive and entirely local. It is true that the Church of England in Jamaica flourished after its dis-establishment in 1870 and it is probably no accident that this period (roughly 1870 - First World War) was the heyday of the British Empire when there was little felt need for change. But when the independence movement began, the churches were not a major influence on it. There may have been some opposition by members of the older churches but these churches also generated much of the impetus behind the independence movement. The Anglican church has long since adapted itself completely to independence and is now a major source of Jamaican patriotism, transcending its historical origins. The new churches, more especially the Church of God and the Seventh Day Adventists, are more concerned with personal evangelism than politics, and while containing elements which might be called progressive, are also in many ways deeply conservative. In a general sense the new churches do not see themselves as playing a political role. But, insofar as they do, the more fundamentalist would tend to support the Jamaica Labour Party. Bishop Blair of the Full Gospel Assembly claims to be able to deliver 50,000 votes for the JLP. The Roman Catholic Archbishop is however more Peoples National Party inclined. The clergy tend to be quite open about their political loyalties. There is no sign yet of liberation theology taking any hold. Jamaican church thinking is not innovative.

American Influence

8. In the inter-war years in Jamaica a new phenomenon appeared on the scene, that of the itinerant American evangelist, who was to be seen more as a salesman in the American tradition engaged in marketing a gospel message, than as a product of the established European-based academically-minded churches. Since the Second World War, and more particularly during the last decade, Jamaica has become subject to more of these high-powered wealthy polished American salesman evangelists who command a quick following among the more gullible Jamaicans. They drew a rebuke which is well remembered from the Archbishop of Canterbury during his visit to Jamaica in 1984. It is through the influence of these salesman evangelists that the native Baptist churches have grown strongly

/ in recent

in recent years and have been able to draw on powerful financial resources. The churches within which these salesman evangelists work do not think of the world wide Christian church, but rather of personal evangelism and the promotion of their own particular group. Their rapid expansion is an important feature of modern day Jamaica.

Two Main Church Groupings

9. The contrast between the two broadly different kinds of churches can be illustrated by a brief description of two examples:

(i) St Andrew's Parish Church, Half Way Tree (in a Kingston suburb) was founded in 1664 and the present building was started soon afterwards. It is recognisably English; monuments on the wall go back to the seventeenth century and there is some magnificent eighteenth century stained glass. Services are on the lines of the Church of England's Series III, but they also use the Book of Common Prayer. Hymns are from Ancient and Modern (unrevised). There is a Mothers' Union, a men's group, a youth fellowship and so on. The membership includes the Prime Minister and the Chief Justice but there is also a less well-to-do element. The congregation is very large. There is a missionary outreach to West Kingston. The Rector has just been invited to preach at Westminster Abbey in the summer.

(ii) A few streets away is the Holiness Christian Fellowship Church run by the Rev J A Douglas and Mrs Douglas, both of whom are ministers of the church. They are Jamaicans with strong links with Atlanta, Georgia and speak with an American accent. They used to belong to the New Testament Church of God but decided to "do a new thing" and set up the new church in Kingston. They have 1000 members already and are growing fast; they have built a new church and are already extending it. They feed the destitute one day a week. They are the current Model Family in Harmony in the Home Movement. They are a quiet couple who readily pray aloud: when one is speaking the other says the alleluias. They have no ecumenical sense of belonging to and seeking to unite Christianity worldwide: their driving force is evangelism. Their cultural links are with Black America - they know little of Britain or Europe. To understand Jamaica it is necessary to know something of this latter group.

Statistics

10. The latest official figures of religious affiliations are contained in the 1982 census of Jamaica, a copy of which I attach. Some important changes have taken place in the groupings of the newer churches. The present position can be most clearly set out as follows.

A. The "established" churches who group themselves together in the Jamaican Council of Churches (JCC) (details at annex)

/ B.

- B. The newer churches grouped under
- (i) The Jamaican Association of Full Gospel Churches
 - (ii) The Jamaican Association of Evangelicals
 - (iii) The Jamaican Pentecostal Union (further details of all three at annex).
- C. The Seventh Day Adventists and the Church of God. These large and growing churches do not align themselves with any other.
- D. Miscellaneous, including Jews, Muslims, Hindus, Mormons, Jehovah's Witnesses and Rastafarians.
- E. "Other" means, as in the statistics, the adherents of miscellaneous Afro-Baptist sects.

In addition, there are two other categories in the statistics:

- (i) "Not stated" which means those who are assumed to have some kind of religious affiliation but who are unwilling to specify. Some of these at least should be included in the statistics of the Christian churches, more particularly under B; and

- (ii) "None", meaning those who do not belong to any church.

Total numbers could therefore be something like this:

A.	JCC		700,000
B.	(i) Full Gospel	400,000	
	(ii) Evangelicals	100,000	
	(iii) Pentecostals	<u>70,000</u>	
			570,000
C.	SDA	100,000	
	Church of God	<u>100,000</u>	
			200,000
D.	Miscellaneous		50,000
E.	"Other"		100,000
	Not stated		200,000
	None		400,000
			<u>2,220,000</u>

11. As to the geographical spread, the Anglicans are fairly evenly distributed accounting for something like 25% of the religious affiliations of most constituencies, followed by the Baptists who are stronger in the country than in the towns, the Methodists who are strong on the north coast and the Roman Catholics who are mainly to be found in the urban areas.

The Jamaican Council of Churches

12. The JCC was founded in the post-war era under two main influences. The first was that of the world-wide ecumenical movement which seeks to unite the churches for essentially doctrinal reasons; the second was the perceived need of the churches in Jamaica to bring their weight to bear on current problems, notably political violence and crime. The JCC, which was largely an Anglican initiative, is now a well organised and effective body whose chairmanship rotates by consensus among its members. The three main groups at B above are all new and feeling their way. They are less used to collective action and none have any ecumenical motive. They claim that they would be happy to join the JCC and say that it is the latter who hold them at arms length. This is probably correct since the established churches would not want some of the more extreme leaders of the new churches to occupy by rotation the leading positions in the JCC and thus speak for all the members. There is also some suspicion by the JCC churches of the theology of the newer churches; and there is a good deal of grassroots antipathy between the Pentecostals, in particular, and the Roman Catholic Church.

13. There is also a gap in the field of education. The clergy of the established churches in the JCC are for the most part graduates or have trained at the United Theological College of the West Indies (in Kingston). They are inclined to look askance at the relatively uneducated hot gospellers from the United States. Some senior clergy from the JCC have told me how much they regret the high costs of training in Britain which make it more difficult to educate their ordinands.

14. It is worth noting too that some of the newer churches have missions back to the countries from which they received missions in the first place. The New Testament Assembly, which is a church in Britain of West Indian origin, has indeed just become a member of the British Council of Churches.

Influence

15. Given that three-quarters of the Jamaican population belong to a church, it follows that any issue on which all the churches are unanimous will carry the day. There are few such issues but we have recently seen that opposition from the churches has proved an insuperable obstacle to the PM's plans to introduce casino gambling for the benefit of the tourist industry. The churches are also unanimous, as indeed are all Jamaicans, on the "easy" moral issues of peace or apartheid. The church can be naive and ill-

/ informed

informed on these issues, underestimating their complexity and unwilling at times to go into the facts. Some of the churches are also vulnerable to exploitation by plausible extremists. A common experience is to receive a letter from a senior respected clergyman asking to bring a delegation to speak on some subject such as disarmament: if agreed, the senior clergyman then fails to appear and a group of extremists come instead. All this is of importance to British interests as was shown recently by the small but significant step taken by church leaders in asking congregations to let their views on apartheid be known to the subsidiaries of firms operating in Jamaica who have other subsidiaries in South Africa. The Roman Catholic Archbishop said that this could lead to a boycott of these firms.

16. The large support for the churches in Jamaica is not to be seen entirely in historical, social, political or economic terms. It is also the result of dedicated evangelism and a positive response from the people of Jamaica, many of whom find in the churches an essential vehicle for self expression, recreation and culture.

17. The Jamaican government are careful to include the newer churches in the places chosen for services on national occasions; but the major church occasions (such as the late Mrs Edna Manley's funeral) usually take place in one of the Anglican parish churches in Kingston.

Violence

18. In no other country in which we have served have we seen so many thoroughly good people as in Jamaica - attractive, generous, outgoing, loyal, fine people in every way. Nor have we in any other country in our service met such a high proportion of violent criminals, nor feared for our personal safety as much as in Jamaica. There are three main causes for the prevalence of violent crime. The first is that Jamaicans have come to expect the standard of living of a first world country and, in order to get what they cannot pay for, they have too easily turned to crime. Secondly, the history of slavery had led to a legacy of brutality. Thirdly, the Jamaican family is a loose-knit entity which caters for casual liaisons which result in unwanted children, who are not properly cared for, and thus grow up, often in most brutalising ghetto conditions, uneducated and unemployed, and hover on the fringes of society, an easy prey to violence and crime. The solution to this can only be long term but it would include better educational opportunities, less promiscuity and above all an end to the evil system whereby young girls have to demonstrate their fertility before they can expect to become legally married. In all of these regards it can be said the church has a role to play which it could play more effectively. But I must balance this criticism by saying in conclusion that the quality of church life in Jamaica is an inspiration to Christians everywhere.

RESTRICTED

19. I am sending copies of this despatch to Heads of Mission in Washington, Port of Spain, Bridgetown, Nassau, Georgetown, Belmopan and Havana.

I am, Sir
Yours faithfully

Martin Reid

Martin Reid

RESTRICTED

Annex

1. The Jamaican Council of Churches (JCC) includes the Anglican Church, which is one diocese of the Church of the Province of the West Indies (CPWI); the Jamaican Baptist Union; the Roman Catholic Church; the Methodist Church; the United Church of Jamaica and Grand Cayman (united in the same sense as the United Reformed Church in Britain); the Moravian Church; the Disciples of Christ (also known as the Christian Church); the Salvation Army; The African Methodist Episcopal Church of Zion; the Religious Society of Friends (ie the Quakers); the Ethiopian Orthodox Church and various organisations which are supportive of the above churches, but not churches themselves.
2. The three groupings under B
 - (i) The Jamaican Association of Full Gospel Churches comprises 32 different denominations with a total of some 700 congregations and a total membership in the region of 300,000. The census assigns all of these to the Church of God but that is not a member of this group. The Full Gospel Churches are an association of denominations which are theologically identical and have much the same social base. They only recently formed themselves into a group, having started with monthly meetings from which a more formal structure developed. They now have an annual meeting, leadership elections and a small central office which is paid for by subscriptions levied on member congregations. The leader, who is elected for two years which can be renewed for a further two but not more, is known as a bishop.
 - (ii) The Jamaican Association of Evangelicals.
This is also a relatively new grouping of number of like-minded churches which are generally described in Jamaica as "conservative". They are fundamentalists and regard the Bible as a source of all theological authority. An example is the Church of the Open Bible which occupies a prominent position on the road leading out of Kingston to the north or west. This large church now expanding its building is one of six which comprise one denomination which comes under the umbrella of the evangelicals.
 - (iii) The Jamaican Pentecostal Union
This is another loose grouping of churches which regard themselves as theologically and culturally close to each other and who attach particular importance to possession or inspiration and the direct intervention of the Holy Spirit. Its current leader is the charismatic Rev Carmen Stewart who leads a church with an enormous following in downtown Kingston and is a prominent figure in society with her southern United States accent and large ostrich feather hats.

Population by Religious Affiliation, by Sex

ALL JAMAICA

Religious Affiliation	Total	Male	Female
TOTAL	2,172,879	1,063,462	1,109,417
Anglican	154,548	71,287	83,261
Baptist	217,839	98,700	119,139
Brethren	22,961	10,029	12,932
Church of God	400,379	175,140	225,239
Methodist	68,289	30,770	37,519
Moravian	31,772	14,924	16,848
Pentecostal	113,570	47,974	65,596
United Church	58,938	27,154	31,784
Roman Catholic	107,580	50,769	56,811
Seventh Day Adventist	150,722	67,129	83,593
Jehovahs Witness	25,016	10,991	14,025
Rastafarian	14,249	11,661	2,588
Salvation Army	11,131	5,040	6,091
Jewish	412	202	210
A.M.E. Zion	30,530	12,761	17,769
Moslem/Hindu	2,238	1,311	927
Disciples of Christ	8,483	3,706	4,777
Other	125,091	56,889	68,202
None	385,517	244,191	141,326
Not Stated	243,614	122,834	120,780

Source: 1982 Population Census (Final Count)
Statistical Institute of Jamaica
2-4 Constant Spring Road
Kingston 10

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FM KINGSTON

TO DESKBY 090800Z MODEV ODA

TELNO MODEV 30

OF 082255Z JULY 87

INFO IMMEDIATE WASHINGTON; BDDC BRIDGETOWN; FCO

MY TELNO 247 TO FCO

PRIME MINISTER'S VISIT : BOOK RENTAL SCHEME

1. DURING MY INTRODUCTORY CALL, SEAGA IMPRESSED UPON ME HIS KEENNESS TO ANNOUNCE DURING THE PRIME MINISTER'S VISIT THAT THE BRITISH GOVERNMENT WERE PREPARED TO MAKE AVAILABLE POUNDS 5 MILLION FOR THE PURCHASE OF BOOKS FOR A BOOK RENTAL SCHEME, TO BE SELF RENEWING OVER THREE YEARS. HE TOLD ME THAT HE HAD HEARD THAT THE SCHEME ALREADY HAD OUR APPROVAL IN PRINCIPLE.

2. I SAID THAT, INTERESTED AS WE WERE IN THE IDEA, WE HAD NOT YET SEEN DETAILED SUGGESTIONS FOR ITS ADMINISTRATION AND HAD THEREFORE NOT BEEN ABLE TO OFFER ANY COMMENT. I UNDERSTOOD THAT HIS EXPERTS WERE PREPARING A PAPER FOR OUR EXAMINATION AND URGED THAT WE SHOULD SEE THIS AS QUICKLY AS POSSIBLE SO AS TO PREPARE APPROPRIATE BRIEFING FOR THE FORTHCOMING VISIT. SEAGA SAID THAT HE WOULD ENSURE THAT I RECEIVED THESE PROPOSALS BY 10 JULY AT THE LATEST.

3. I THEN REMINDED HIM THAT HIS OWN MINISTRY OF EDUCATION HAD THOUGHT IT IMPRACTICABLE TO MAKE A START WITH A BOOK RENTAL SCHEME BEFORE SEPTEMBER 1988 AS THEY HAD ALREADY MADE THEIR DISPOSITIONS FOR TEXT BOOKS FOR THE COMING ACADEMIC YEAR. SEAGA BRUSHED THIS ASIDE, SAYING THAT IT WAS OF THE GREATEST IMPORTANCE THAT THE SCHEME SHOULD GET UNDERWAY IN SEPTEMBER 1987 SO THAT IT COULD BE SEEN BY THE PEOPLE OF JAMAICA AS A GENEROUS CONTRIBUTION FROM THE BRITISH GOVERNMENT TO MARK 25 YEARS OF INDEPENDENCE.

4. THERE IS NO DOUBT OF THE STRENGTH OF SEAGA'S FEELING ON THIS ISSUE. HE IS NOT IN A MOOD TO LISTEN TO THOSE IN HIS OWN TEAM WHO ARE COUNSELLING A MORE CAUTIOUS APPROACH. I HAVE LITTLE CONFIDENCE THAT WE SHALL NOW RECEIVE THE PROMISED DETAILED PROPOSALS IN TIME FOR YOU TO PREPARE CONSIDERED BRIEFING FOR THE PRIME MINISTERS VISIT, BASED ON THE LATEST THINKING IN THE MINISTRY OF EDUCATION AND THE PLANNING DEPARTMENT.

I think we ought to let him have this. The \$5 million is agreed anyway; and if he wants to spend it on the book scheme, we should let him.
CDP
P/S
P.S. It will be a strong point for your speech
CDP.

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5. I HOPE IT WILL BE POSSIBLE FOR THE PRIME MINISTER TO TELL SEAGA THAT THE BRITISH GOVERNMENT IS PREPARED TO MAKE AVAILABLE WITHIN THE AID FRAMEWORK A FURTHER TRANCHE OF POUNDS 5 MILLION OF AID, EXPRESS INTEREST IN THE BOOK RENTAL SCHEME, AND THEN AGREE THAT ODA EXPERTS SHOULD LOSE NO TIME IN EXAMINING THE PROPOSALS IN DETAIL WITH THOSE CONCERNED IN JAMAICA IN THE HOPE THAT A PRACTICABLE METHOD OF OPERATION CAN BE WORKED OUT. THIS CARRIES THE IMPLICATION THAT FUNDS WILL BE MADE AVAILABLE IF THE SCHEME PROVES PRACTICABLE. I DO NOT SEE THAT SUCH AN IMPLICATION COULD BE AVOIDED, GIVEN THE STRENGTH OF THE POLITICAL CASE FOR RESPONDING POSITIVELY TO SEAGA'S REQUEST AND HIS OWN EAGERNESS TO PRESS AHEAD. I AM BOUND TO ADD, HOWEVER, THAT EVEN THIS MAY NOT SATISFY SEAGA. PLEASED AS HE WOULD BE WITH AN OFFER OF NEW AID, HE WILL BE GREATLY DISAPPOINTED IF HE CANNOT ANNOUNCE AS AN OUTCOME OF THE VISIT, FIRM BRITISH AGREEMENT TO SUPPORT HIS SCHEME. HE WILL WANT TO INSIST, MOREOVER, THAT IT BE INTRODUCED IN SEPTEMBER 1987, DESPITE THE VIRTUAL IMPOSSIBILITY OF MEETING SUCH A TIGHT SCHEDULE.

I FEAR THAT THE BEST COURSE FOR THE PRIME MINISTER IN THESE DIFFICULT CIRCUMSTANCES MAY BE TO EXPLAIN TO SEAGA THAT DESPITE A GENUINE WILLINGNESS TO SUPPORT A PROJECT WHICH COULD EVENTUALLY HAVE WIDE IMPACT ON THE QUALITY OF EDUCATION IN JAMAICA, SHE COULD NOT AGREE TO HIS MAKING PUBLIC PROMISES WHICH COULD NOT BE FULFILLED IN THE TIME AVAILABLE. SHE MAY BE ABLE TO PERSUADE SEAGA TO ACCEPT A MORE REALISTIC TIMETABLE AND ALLOW HIS AND ODA'S ADVISERS TO PROCEED STEP BY STEP. BUT HE IS BOUND TO BE DISAPPOINTED BY SUCH ADVICE.

PAYNE

YYYY

KGHPAN 2317

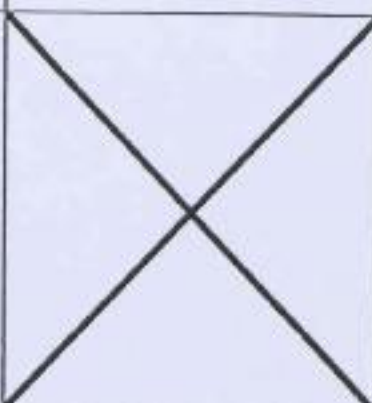
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cc: PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 July 1987

PRIME MINISTER'S VISIT TO KINGSTON

I have seen copies of Kingston telegrams numbers 242 and 243. You may find it helpful to have some observations on them:

- (a) In a very compressed programme, I do not think it would be right to give priority to a reception for High Commission staff (although the Prime Minister would certainly hope to see them briefly) and local British residents. This visit is primarily an occasion to please the Jamaicans.
- (b) I know nothing of the merits of the textbook rental scheme. But if we are going to agree to it, or something similar, to mark the 25th Anniversary of Independence, the Prime Minister should be in a position to announce it during her visit.
- (c) I understand that the Department will let us have recommendations on a gift for Mr. Seaga very soon.
- (d) The Prime Minister will need a hairdresser only on 18 July.
- (e) None of the No. 10 party has any dietary restrictions.

Charles Powell

Robert Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.

Blw



Foreign and Commonwealth Office

London SW1A 2AH

7 July 1987

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3/7.

Dear Charles

Prime Minister's visit to Jamaica

Thank you for your letter of 6 July. ^{a-11af} Mr Seaga's Private Office are content with the terms of the proposed joint announcement and the timing (4.00pm tomorrow in London and 10.00am in Kingston). They would however propose to use the phrase "the British Prime Minister, Mrs Margaret Thatcher" in making the announcement in Kingston. We have said that this causes us no difficulty.

As regards the background briefing, we think that not too much emphasis should be given to the opportunity to discuss the CHOGM with Mr Seaga. This is not only because it would look a little odd to select Mr Seaga as the interlocutor on this subject when the host, Mr Mulroney, was within striking range, but also because there is a risk that other Caribbean leaders might object to anything which could suggest that Mr Seaga was speaking on their behalf. In the circumstances, we think it would be better to focus the briefing primarily on the 25th anniversary celebrations and the fact that the Prime Minister's visit is evidence of the UK's continued commitment to the Commonwealth Caribbean.

We have informed the Jamaican High Commissioner of the proposed joint announcement and of the fact that the Prime Minister will now arrive in Kingston on the evening of 17 July. Our High Commission expect to receive Mr Seaga's reaction to the change of plan later today.

The Foreign Secretary has not seen this letter, but we shall show it to him overnight.

John [unclear]
Alton [unclear]

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

USA: PMS Vou PTF



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CONFIDENTIAL
 FM KINGSTON
 TO DESKBY D708002 FCO
 TELNO 243
 OF 062305Z JULY 87
 INFO IMMEDIATE WASHINGTON

MIPT : VISIT BY PRIME MINISTER : ADMINISTRATIVE POINTS FOR
 CONFERENCE SECTION AND WIAD.

1. AS IT IS NOW POSSIBLE THAT THE PRIME MINISTER WILL ARRIVE
 LATE ON FRIDAY 17 JULY, FOLLOWING IS BASED ON THAT ASSUMPTION.
2. PRIME MINISTER AND THREE MEMBERS OF HER PARTY TO BE
 ACCOMMODATED AT RESIDENCE (TRAFALGAR HOUSE TELNO (092) 76635)
 REMAINDER OF PARTY, INCLUDING MEMBERS OF PRESS AND AIR CREW,
 AT PEGASUS HOTEL (TEL. 63690 AND TELEX 2178).
3. NO. 10 OFFICE WILL BE ESTABLISHED IN CHANCERY BUILDING (IN
 SAME COMPOUND AS RESIDENCE : PARTICULAR TELEPHONE NUMBER TO
 BE NOTIFIED). CHANCERY TELEPHONE NO IS 69050.
 WE WILL REQUIRE THE SERVICES OF A CTSO ENGINEER IN ADVANCE
 TO SET UP A TELEPHONE SYSTEM IN THE ROOMS WE ENVISAGE USING
 (SIMILARLY FOR RECENT ARRANGEMENTS MADE FOR LADY YOUNG).
 PRESS OFFICE WILL ALSO BE ESTABLISHED IN PEGASUS HOTEL AS REQUESTED.
4. TRANSPORT WILL BE DISCUSSED WITH THE GOVERNMENT OF JAMAICA
 BUT IF THEY ARE UNABLE TO PROVIDE ASSISTANCE, WE SHALL HAVE TO
 MAKE ARRANGEMENT TO HIRE. AIRPORT ARRIVAL ARRANGEMENTS
 WILL BE DISCUSSED WITH THE MFA PROTOCOL DEPARTMENT AS SOON
 AS POSSIBLE (MIPT). ALTHOUGH THEY REGULARLY FLY AT NIGHT,
 JAMAICA DEFENCE FORCE HELICOPTERS NORMALLY CARRY VIPS ONLY DURING
 DAY LIGHT HOURS. WE MUST ASSUME THAT ARRIVAL LATE ON 17 JULY
 WOULD RULE OUT HELICOPTER TRANSFER TO RESIDENCE.
5. GIFTS : SEAGA'S PRIVATE SECRETARY HAS SAID THAT SEAGA
 WOULD HAVE A GIFT FOR PRIME MINISTER WHICH WOULD PROBABLY BE
 A PAINTING OR A PIECE OF SCULPTURE BY A WELL-KNOWN JAMAICAN
 ARTIST. WE CAN ASSUME THAT THIS WILL BE SOMETHING FAIRLY
 SUBSTANTIAL. THE VISIT OF THE PRIME MINISTER WILL BE LINKED WITH
 THE 25TH ANNIVERSARY OF JAMAICA'S INDEPENDENCE. A SMALL
 PIECE OF ANTIQUE FURNITURE, PERHAPS MADE FROM JAMAICAN MAHOGANY,
 WOULD BE PARTICULARLY SUITABLE IF IT COULD BE OBTAINED WITHIN
 THE BUDGET FOR THIS SORT OF THING. IT IS BOUND TO ATTRACT A
 GREAT DEAL OF ATTENTION AND SEAGA HIMSELF IS I UNDERSTAND,
 INTERESTED IN GOOD ANTIQUES. IF THIS IS NOT POSSIBLE, A PIECE
 OF BRITISH GLASS OR CHINA WOULD BE APPROPRIATE, PROVIDED IT WERE
 SUITABLE AS AN INDEPENDENCE COMMEMORATION GIFT.

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I WOULD NOT, REPEAT NOT, SUGGEST SILVER SINCE IT REQUIRES PEPHAPS RATHER TOO MUCH CARE TO KEEP IN GOOD CONDITION IN THIS CLIMATE. I WILL ADVISE ON CONTINGENCY GIFTS AND DISTRIBUTION OF PHOTOGRAPHS WHEN WE KNOW WHO WILL BE INVOLVED IN THE PROGRAMME.

6. LANDING AND IMMIGRATION CARDS IN BAG ADDRESSED TO MISS WAGHORN, LEAVING KINGSTON ON 7 JULY. I HOPE SHE CAN NOW ARRANGE TO ARRIVE IN JAMAICA AT THE LATEST ON THE BA FLIGHT ON TUESDAY 14 JULY.

7. CLIMATE: IT IS CURRENTLY WARM (90 DEGREES FARENHEIT) AND HUMIDITY IS HIGHER THAN IN UK.

8. BAGGAGE: GRATEFUL IF THE PRIME MINISTER'S BAGGAGE AND THAT OF THOSE MEMBERS OF HER PARTY STAYING AT THE RESIDENCE CAN CARRY EASILY IDENTIFIED TAGS, SINCE THIS WILL BE SEPARATED FROM THE BULK OF BAGGAGE AT AN EARLY STAGE.

X
X
9. GRATEFUL TO KNOW IF PRIME MINISTER WILL REQUIRE A HAIRDRESSER.

10. GRATEFUL TO KNOW IF ANY MEMBER OF THE PARTY HAS ANY DIETARY RESTRICTIONS.

11. PLEASE PROVIDE DESCRIPTION AND SERIAL NUMBERS OF WEAPONS BEING CARRIED. NO DIFFICULTY WITH CLEARANCE IS EXPECTED.

12. I ASSUME THAT ALL MEMBERS OF PARTY WILL BE AWARE OF THEIR BLOOD GROUPS AND THAT VC10 WILL BE CARRYING SUCH EMERGENCY MEDICAL KIT AS CONSIDERED NECESSARY. THERE ARE NO MANDATORY INNOCULATIONS FOR JAMAICA BUT POLIO IMMUNISATION IS CONSIDERED DESIRABLE.

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YOUR TELNO 219: VISIT BY PRIME MINISTER

1. DICKSON CALLED ON SEAGA'S PERMANENT SECRETARY (BRICE) ON 6 JULY AND DISCUSSED A DRAFT PROGRAMME ON THE BASIS OF EARLIER SUGGESTION THAT PRIME MINISTER WOULD ARRIVE ABOUT NOON ON SATURDAY 18 JULY. (WE HAVE NOT (NOT) YET MENTIONED TO JAMAICANS MORE RECENT POSSIBILITY OF AN ARRIVAL LATE ON 17 JULY).
2. BRICE ENVISAGED THAT PRIME MINISTER WOULD BE MET ON ARRIVAL BY SEAGA AND MEMBERS OF THE CABINET AND WOULD BE ACCORDED THE FULL COURTESIES DUE TO A HEAD OF GOVERNMENT ON AN OFFICIAL VISIT. THE DETAILS OF THIS WE SHALL BE DISCUSSING WITH THE MINISTRY OF FOREIGN AFFAIRS PROTOCOL DEPARTMENT. THE PRIME MINISTER WOULD THEN GO IMMEDIATELY TO THE RESIDENCE (TRAFALGAR HOUSE) (BRICE THOUGHT BY HELICOPTER VIA A LANDING SITE AT JAMAICA HOUSE BUT SEE M.I.F.T.) FOR A BRIEF STOP BEFORE A 1300 HOURS COURTESY CALL ON THE GOVERNOR-GENERAL AT KINGS HOUSE LASTING APPROXIMATELY 20 MINUTES, DURING WHICH TIME THERE WOULD BE AN OPPORTUNITY FOR PHOTOGRAPHS.
3. SEAGA WOULD HOST A LUNCH IN THE BANQUET HALL AT JAMAICA HOUSE AT 1330 HOURS WHICH WOULD BE FOLLOWED BY BILATERAL DISCUSSIONS LASTING FOR APPROXIMATELY ONE HOUR (SEE PARA 4 BELOW). BRICE THEN ENVISAGED THAT THE PRIME MINISTER WOULD AT 1600 HOURS RETURN TO TRAFALGAR HOUSE FOR WHAT MIGHT BE DESCRIBED AS THE PRIVATE PART OF THE VISIT. IT WOULD BE AT THIS POINT THAT MANLEY MIGHT BE INVITED TO CALL FOR A PRIVATE DISCUSSION. THIS COULD BE FOLLOWED BY A BRIEF RECEPTION FOR HIGH COMMISSION STAFF AND LEADING MEMBERS OF THE BRITISH BUSINESS COMMUNITY. THE PRIME MINISTER WOULD THEN LEAVE TRAFALGAR HOUSE AT 1735 AND AGAIN TAKE A HELICOPTER FROM JAMAICA HOUSE ARRIVING AT NORMAN MANLEY INTERNATIONAL AIRPORT AT 1745 TO ALLOW 10 MINUTES FOR DEPARTURE COURTESIES BEFORE TAKE-OFF. NO MENTION WAS MADE BY BRICE OF ANY VISIT TO A LOCAL SHOWPIECE.
4. ON AGENDA FOR BILATERAL DISCUSSIONS, BRICE MENTIONED FIRST THE TEXTBOOK RENTAL SCHEME. APPARENTLY THE PLANNING INSTITUTE OF JAMAICA (PIOJ) HAVE IN CONJUNCTION WITH THE MINISTRY OF EDUCATION PRODUCED A SIMPLIFIED PROPOSAL ENVISAGING EXPENDITURE OF J DOLLARS 50 MILLION (APPROXIMATELY £5.7 MILLION). THIS WILL

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BE HANDED TO US WHEN SEAGA HIMSELF HAS APPROVED IT, PROBABLY ON 7 OR 8 JULY. BRICE AGAIN EMPHASISED THAT SEAGA WAS "VERY KEEN" ON THIS PROJECT. BRICE DESCRIBED IT AS "A BEAUTIFUL PROJECT FOR BOTH SIDES TO BE ABLE TO ANNOUNCE IN TIME FOR THE 25TH ANNIVERSARY OF JAMAICA'S INDEPENDENCE".

5. OTHER SUBJECTS FOR THE TALKS MENTIONED BY BRICE WERE:
- (A) EXCHANGE OF VIEWS ON AGENDA FOR CHOGM, VANCOUVER, BEARING IN MIND THAT SEAGA, HAVING JUST COME FROM THE CARIBBEAN HEADS OF GOVERNMENT MEETING IN CASTRIES, IS INFORMED ON CURRENT CARIBBEAN THINKING.
 - (B) INTERNATIONAL DEBT STRATEGY. (SEAGA MADE A MAJOR PRESENTATION AT CASTRIES ON THIS AND HAS BEEN CHARGED BY HIS FELLOW HEADS OF GOVERNMENT TO TAKE THE MATTER FORWARD TO THE COMMONWEALTH MINISTERS OF FINANCE MEETING IN BARBADOS IN SEPTEMBER, THE IMF/IBRD MEETING IN SEPTEMBER/OCTOBER AND SUBSEQUENTLY CHOGM). BRICE SAID THAT SEAGA HAD SENT A BASIC DOCUMENT ON THE SUBJECT TO THE SEVEN HEADS OF GOVERNMENT PRIOR TO THEIR RECENT VENICE SUMMIT.
 - (C) CHANGES IN EAST-WEST RELATIONSHIPS. SEAGA SPOKE TO THE ASPEN INSTITUTE ON THIS SUBJECT SOME MONTHS AGO AND BRICE SAID THAT HE WOULD LET US HAVE A COPY OF HIS TEXT.
 - (D) JAMAICA'S TRADITIONAL EXPORTS TO BRITAIN, VIZ BANANAS AND SUGAR.

6. BRICE ADDED THAT THEY WOULD OF COURSE BE PREPARED TO CONSIDER FOR DISCUSSION ANY SUBJECT WHICH WE WISHED TO FEED IN.

7. BRICE HOPED THAT WE COULD AGREE ON AN ANNOUNCEMENT OF THE VISIT VERY SOON, SINCE ARRANGEMENTS WOULD HAVE TO BE PUT IN TRAIN QUICKLY AND THE POSSIBILITY OF A LEAK WOULD BE GREATLY INCREASED. HE ENVISAGED A SHORT ANNOUNCEMENT, TO ISSUE IF POSSIBLE ON WEDNESDAY 8 JULY AT, SAY, 1600 HOURS LOCAL TIME, 2100 GMT. GRATEFUL FOR DRAFT TEXT AS SOON AS TIMING OF VISIT HAS BEEN SETTLED.

B. M.I.F.T. COVERS ADMINISTRATIVE POINTS OF THE VISIT.

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LONDON SW1A 2AA

From the Private Secretary

6 July 1987

THE PRIME MINISTER'S VISIT TO JAMAICA

You were kindly going to establish in the course of the day whether it is feasible for the Prime Minister and her party to spend the night of 17/18 July in Kingston. The nature and scale of her programme in Jamaica depends in part on the answer to this.

We would like to announce the visit on 8 July. I should be grateful if you could clear with the Jamaicans an announcement in the following terms, which might be made simultaneously in London and Kingston at 4 pm London time:

"At the invitation of the Right Honourable Edward Seaga, the Prime Minister will pay a brief visit to Jamaica on Saturday 18 July."

In background briefing we shall point out that the Prime Minister will make the visit on the way back from Washington. We shall recall that it is the 25th Anniversary of Jamaica's independence. We shall also point out that it is a good opportunity to discuss the forthcoming Commonwealth Heads of Government meeting. We shall underline that it is the Prime Minister's first visit to the Caribbean (apart from the last CHOGM).

As regards the programme, we shall clearly have to see what the Jamaican Government propose. But you might bear in mind the following points:

- if Mr Seaga were able to gather a number of other Commonwealth Caribbean Heads of Government, say for lunch, this would add considerably to the value of the visit. But it may well not be possible at short notice.
- since the press and television would have had rather serious fare in Washington, the programme might include one or two visits within Jamaica (or, bearing in mind the time factor, in or around Kingston) with a bit of colour and popular interest. This will be easier to manage if the Prime Minister does spend the night of 17/18 July in Kingston, and can do the

outdoor part of her programme fairly early on 18 July before the day becomes too hot.

- if there is any particular event connected with the 25th Anniversary of Jamaica's independence, the Prime Minister would, I am sure, be happy to participate. But unless there are very pressing reasons to the contrary, I am keen that she should get away on the Saturday evening to return overnight to London.

These are just some preliminary thoughts.

C. D. POWELL

A. C. Galsworthy, Esq., CMG.,
Foreign and Commonwealth Office.

10 DOWNING STREET

Prime Minister

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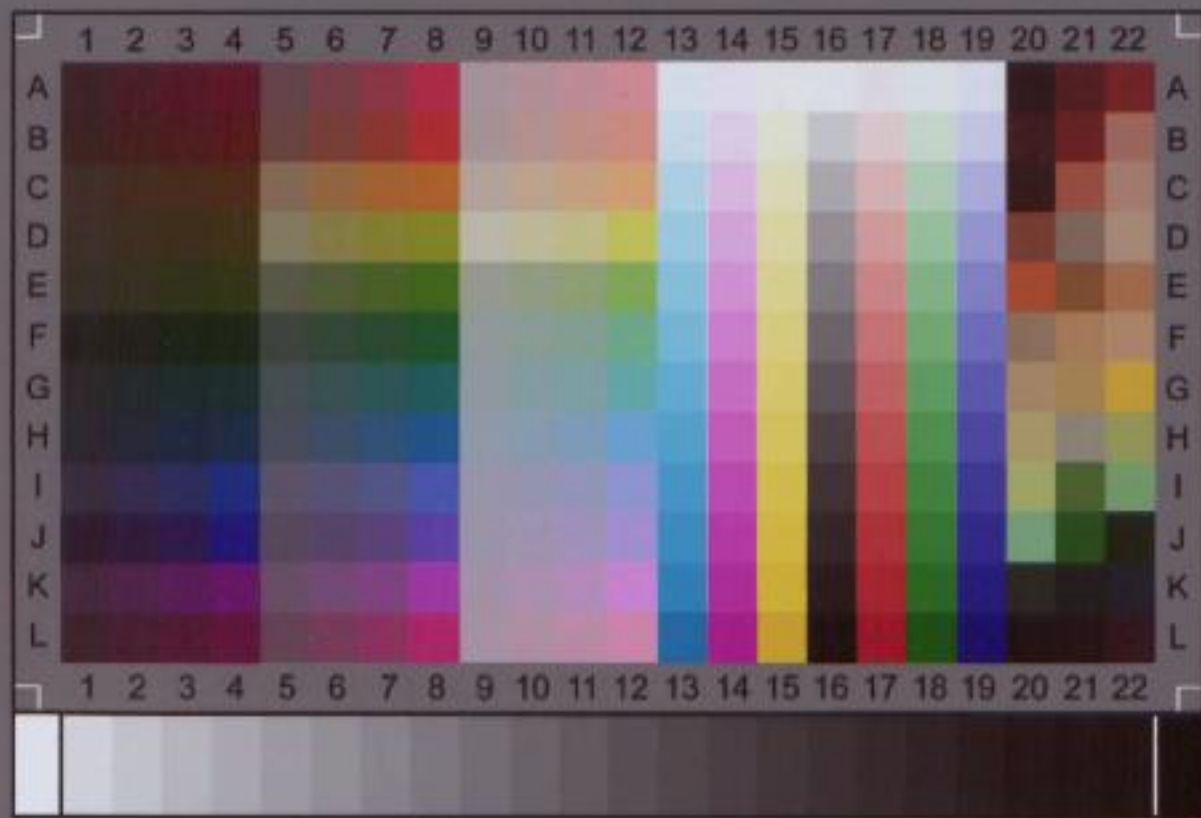
Jamaica

Mr. [Name] is delighted that you are able to visit Jamaica briefly on

17 July.

His plan is to leave Washington at 0800 on the Saturday morning: spend 1200-1800 in Jamaica: & return to London overnight.

EDD 2/7



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