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FILE TITLE:

Visits by Jamaican Prime Ministers

SERIES

JAMAICA.

ANNEX: VISIT OF MR EDWARD SEAGA 20-23.6.82.

PART:

PART BEGINS: MAY 1982 ~~JUNE 1991~~

PART ENDS: ~~JUNE~~ ~~MAY~~ 1991

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PART

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Le ✓ Prime Minister ② R 13/6

PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. T164/91

Office of the Prime Minister

SUBJECT MASTER OPS FILED ON:

London 11/6

Jamaica House
Kingston

June 13, 1991

Dear John.

May I thank you for a most enjoyable and helpful meeting.

I agreed fully with all you said about the Commonwealth and, Jamaica, am deeply appreciative

Office of the Prime Minister 2. London

~~Jamaica House~~
~~Kingston~~

I your offer to help
with the foreign
exchange strategy.
I will set my people
to work on details and
instruct them to make
contact with your people
here in London.
By pleasant coincidence
I spoke with Mandela
on the phone last evening

Office of the Prime Minister

3 London

Jamaica House
Kingston

and he has, to my
immense delight, agreed
to visit Jamaica this
year as part of a later
American sweep.

Again my deep
thanks — not
too much lunch at Lords
and subsequently!
I wonder if my agent
lies can recover?

Best wishes

Michael

Foreign & Commonwealth Office

London SW1A 2AH

CONFIDENTIAL

7 June 1991

Dear Stephen,

Call on the Prime Minister by The Rt Hon Michael Manley MP, Prime Minister of Jamaica, Wednesday 12 June

Despite the cancellation of the Commonwealth High Level Group meeting, Mr Manley has not abandoned his plans to visit Britain. I understand that both he and the Prime Minister will be at the cricket on Saturday. We are also trying to firm up a call on the Prime Minister of Wednesday 12 June. Mr Manley will be arriving directly from the Far East where he had made official visits to China and Japan (and last month he called on President Bush in Washington). While in Britain, Mr Manley will launch his new book ("The poverty of nations") and will unveil a portrait of his father at Oxford University. Mr Manley last called at No. 10 in June 1989. He met the Prime Minister at the Kuala Lumpur CHOGM in October that year.

Manley's People's National Party won a sweeping election victory in the February 1989 elections, ousting Edward Seaga's (conservative) Jamaican Labour Party which had been in power since 1980. On regaining office Manley was quick to admit publicly that the socialist economic policies he had implemented in the 1970s were a mistake. He is now committed, with IMF support, to developing a genuine market-economy and sees the state's role as that of catalyst and enabler. His commitment to economic reform remains firm despite the unpopular side effects such as devaluation and the removal of subsidies on essential items. The main obstacle on the difficult path to a market-economy is Jamaica's enormous debt burden.

Debt

Manley will wish to show that he is no longer pursuing the socialist policies of his earlier administration. He will seek support for Jamaica's

economic reforms. Jamaica has been a regular client of the IMF in recent years: its last Stand By Arrangment (SBA) expired at the end of May. A further SBA is likely to be approved by the IMF Board in July. Following exchange rate reforms last autumn, Manley sees removal of exchange controls as the next priority. He is seeking a cushion of $250 million from donors for this, and believes the US will provide generous support. The Prime Minister might:

- congratulate Jamaica on successful conclusion of the recent SBA and urge Jamaica to stick to tight fiscal and monetary policies in agreement with the IMF.

- (if necessary) express sympathy for the effects of the Gulf crisis on the Jamaican economy, and refer to the additional support provided by the IMF under the new oil window of Compensatory and Contingency Financing Facility (CCFF).

- endorse Manley's objective of foreign exchange liberalisation, but suggest that recent loosening in monetary policy may need to be reversed if this is not to lead to large capital outflows. Jamaica should not look to donor finance to defend the rate if domestic policy is too loose.

Manley's main objective is to seek concessions on Jamaican debt. Jamaica's debt of $4.3 billion represents about 150% of GNP - giving it one of the heaviest debt burdens outside Africa. Although Jamaica is a lower middle-income country (per capita gnp $1260), its debt is owed almost entirely to official creditors. It is therefore part of a small group of countries (including eg Jordan, Poland, Egypt, Cote d'Ivoire, the Philippines) who do not benefit from the "Brady Plan" for bank debt, but are not poor enough to benefit from the Toronto terms.

About 35% of Jamaica's debt is owed to multilateral creditors from whom rescheduling is not available. Manley bitterly resents the "net transfers" Jamaica is now making to the IMF and World Bank, and has proposed a scheme for repayment in local currency. If he raises this, the Prime Minister might say:

/- maintaining

- maintaining the IFIs' preferred creditor status is essential. They can only continue to operate as co-operative institutions if their money is returned on schedule for new lending. Government creditors offer generous rescheduling of bilateral debts so as to enable multilateral debts to be repaid.

Most of Jamaica's remaining debt is owed to Paris Club creditors. The UK has a relatively small share (some £10 million is owed to ECGD and about £80 million to ODA). Jamaica will be seeking another Paris Club rescheduling after its new SBA is approved. Manley has argued that the Prime Minister's Trinidad initiative should be extended to cover Jamaica. He is likely to refer to the 50% debt reduction recently agreed for Poland and Egypt, and argue that Jamaica is a more deserving case. While we believe that debt reduction for Egypt and Poland will make it more difficult to avoid debt reduction for Jamaica and others, the US and Japan have bound the G7 to agreement that the Paris Club should not extend such treatment beyond those two countries. The Prime Minister might say:

- The Paris Club last year rescheduled 100% of principal and interest due from December 1989 to May 1991. A further Paris Club rescheduling along these lines would provide maximum possible flow relief during removal of foreign exchange controls, even if it does not tackle the long-term problem of the high stock of debt.

- The Paris Club agreed following last summer's Houston Summit that middle-income countries who owe most of their debt to official creditors can have longer than normal repayment periods at rescheduling. Jamaica will be eligible to benefit from that.

- Top priority for the UK must be to get the "Trinidad terms" initiative for the poorest countries implemented.

Manley may also refer to the Paris Club convention that creditors can make unilateral concessions on aid debts. He may ask for a temporary waiving of payments so as to increase Jamaica's exchange reserves during the removal of exchange controls. He could refer to the Canadian decision last year to cancel aid debts for the Commonwealth Caribbean; the 80% reduction of concessional aid debt expected from the US under President Bush's

"Enterprise for the Americas Initiative" ; and a recent offer by the Netherlands to accept repayment in local currency for use in development projects. Jamaica's per capita income is substantially above the threshold for ODA's debt cancellation scheme. The Prime Minister might say:

- Payments due to ODA can be deferred as part of a Paris Club arrangement. But given the immense calls on aid resources at the moment, there is no prospect of ODA finding the money to reduce Jamaica's debt.

Assistance with flood relief

Over 20-22 May torrential rains in Jamaica caused damage estimated at US$33 million. The US Ambassador in Jamaica has donated US$25,000 and Japan has offered US$20,000 for relief assistance. We have decided to offer £50,000.

The Prime Minister might say:

- Very sorry to hear of the severe damage caused by the recent torrential rains in Jamaica. I should be pleased to offer immediate assistance of £50,000 to help with repairs.

- Our office in Kingston will get in touch with your officials locally to decide how this money might be spent.

Aid

In comparison with the major contributors of aid to Jamaica the UK is a minor donor. Since 1984/85 our bilateral aid disbursements have averaged about £3 million a year. Over the period 1990-94 the expected UK contribution is $15 million out of a total of $2 billion.

We have recently agreed to finance a review of the Jamaican police force. A British Chief Constable will visit Jamaica before the end of June to discuss the details of the assignment, which it is hoped he will carry out in August.

/Drugs

Drugs

Jamaica has problems, with both the consumption and the exportation of locally grown cannabis. Increasing quantities of Latin American cocaine are also trafficked, and more recently this has spawned a domestic crack problem.

We are now considering, with the United Nations Drugs Controls Programme, a package of projects centring on primary prevention through health education/health promotion and treatment and rehabilitation. We have promised up to £1 million.

Bananas

The banana industry is very important to Jamaica both economically (as a major foreign exchange earner) and socially (around 30,000 people are employed either directly in banana production or in associated enterprises). Unless common arrangements on access to the EC after 1992 contain a measure of protection for Jamaica the island will suffer considerable economic and social difficulties. The Commission have yet to come up with firm proposals.

We are encouraging our traditional suppliers to lobby on bananas at a high level in the European capitals before the summer recess. The Prime Minister may reassure Mr Manley that we realise the importance of bananas to the Caribbean and will continue to work closely with our friends there to achieve the most favourable possible common arrangements.

Sugar

If Mr Manley raises Jamaica's EC sugar quota, the Prime Minister will wish to draw attention to the UK's support at the 21-24 Agriculture Council for a price-fixing package which included a freeze in the sugar price (rather than a cut which had also been contemplated). Agreement was also given to 30 mecu compensation for ACP sugar producers (following the 1989/90 2% cut in price both to the Community and Lomé producers). Mr Manley may be aware that we had previously supported a price cut and, with the majority of member states, opposed a compensation package. Nevertheless, we can claim some credit following

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Mrs Chalker's assurance on 6 May to Lomé sugar producers (including Jamaica's Foreign Affairs and Foreign Trade Minister, Mr Coore) that despite our policy difficulties, we would be sympathetic to producers' legitimate concerns.

South Africa

Jamaica takes a hard line over sanctions and will have a key role to play in determining the West Indies' attitude on cricket. (Mr Manley is a cricket enthusiast). More generally, Jamaica continues to believe that sanctions should be maintained until there is "clear evidence of irreversible change" in South Africa.

Mr Manley will be accompanied by ~~his Foreign Minister, Senator David Coore.~~

Personality notes on Mr Manley and Mr Coore are enclosed.

Yours ever,

(S L Gass)
Private Secretary

Stephen Wall Esq CMG LVO
10 Downing Street

Ambassador Hill, Permanent Secretary in Mr Manley's office.

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MANLEY, THE RT HON MICHAEL NORMAN, MP

Prime Minister 1972–80, 1989–. President of the People's National Party. Member of Parliament for East Central Kingston 1967–83 and East Kingston 1967–83 and East Kingston Port Royal 1989–. Privy Counsellor since August 1989.

Born 1924, younger son of Norman Manley, the founder of the PNP and Prime Minister 1955–62. Educated St Andrew Preparatory School, Jamaica College, London University 1945–49 (BSc Econ).

Royal Air Force 1943–45 (Pilot Officer); freelance journalist with BBC (1949–51); Associate Editor of the PNP weekly newspaper "The Public Opinion" 1951–52; joined staff of National Workers' Union 1952; President, National Workers' Union 1984–89. Island Supervisor of Union and Vice President Caribbean Bauxite and Mineworkers' Federation 1961. 1964–72, President Caribbean Bauxite Mine and Metal Workers Federation. Appointed to the Legislative Council, later the Senate, April 1962. Returned to House of Representatives in General Election of 1967. Vice President of PNP 1967–69. Leader of the Party after the resignation of his father in February 1969. 1979 elected Vice President, Socialist International. 1983 Chairman, Socialist International Economic Commission. 1987 Member of the South Commission.

Mr Manley is tall, good looking and light skinned (his mother, Edna, was virtually English). He has great personal charm and magnetism and puts everyone in his company at ease. He is also a superb public speaker.

Mr Manley was an extremely effective trade union leader, particularly perhaps because he has been most comfortable in the role of champion of the "oppressed". As a politician he has likewise championed the cause of the poor . In office in the 1970s he broadened his horizon and saw himself as a major Third World leader, his favourite theme then being the economic exploitation of the developing countries by the developed. He also played a prominent role in the movement against apartheid, particularly as regards sporting links with South Africa. During his time in opposition (1980–early 1989), Mr Manley devoted much time to writing and lecturing, particularly on his experiences in government. His book "Jamaica: Struggle in the Periphery" is particularly interesting on this subject. Mr Manley is also a keen cricket follower and he has recently published a book on the history of West Indies cricket.

Mr Manley's first political experience was as a Fabian Socialist at the London School of Economics in the post-war years. He had strong links at that time with both the British trade union movement and the Labour Party. His commitment to Western-style democracy was questioned during his time as Prime Minister in the 1970s. He declared himself a Democratic Socialist and developed a friendship with Castro. His period in office was characterised by increasing economic disorder and political violence. It remains unclear to this day to what extent Mr Manley might have turned Jamaica into a "progressive" Socialist state on the Cuban model had he remained in power. The general perception was that the PNP suffered defeat in 1980 because of its swing to the left both in terms of domestic economic policy and foreign policy alignments. Mr Manley would not allow the PNP to contest the general elections in December 1983 on the grounds that a previous understanding with the government that the electoral registers would be completely revised beforehand was not honoured.

A regular visitor to the UK, Mr Manley paid official visits in both 1987 and 1988 in preparation, as it turned out, for his return to office at the general elections in early 1989. During

the election campaign and since, Mr Manley has frankly acknowledged the mistakes he made when Prime Minister in the 1970s. In contrast to his policy then, he now emphasises that the private sector of the economy should be the principal motor of the country's economic development. He has also made clear his intention to maintain good relations with the US and Canada as well as with Europe. He has resumed his role as the leader of the English-speaking Caribbean.

Mr Manley now speaks and acts like a Social Democrat in the European sense. His critics, and the uncommitted, are waiting to see whether he will waver, particularly if there is increased public opposition to the present economic austerity programme.

Mr Manley has undergone surgery for diverticular problems, and it is said, also for the removal of part of his colon. He appears to have made a good recovery, but there are some doubts whether his health will stand up to a 4–5 year term as Prime Minister. He underwent surgery for cancer of the prostate in August 1990. This followed a serious attack of pneumonia in May/June 1990. He returned to public duties in September 1990 after four months' illness.

Mr Manley has been married four times. His first two wives died and he has been divorced twice. He has two sons and three daughters in all, including one studying in the UK and another living in Switzerland. Mr Manley is a non-practising Methodist.

CONFIDENTIAL

COORE, THE HON DAVID HILTON, QC

Minister of Foreign Affairs and Foreign Trade and Member of the Senate since February 1989.

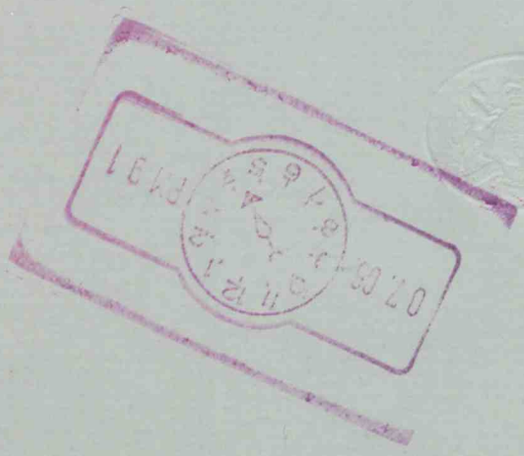
Born Kingston 1925. Educated Jamaica College; McGill University, Canada; and Exeter College, Oxford (1946–49) BA BCL (Jurisprudence). Called to the Bar (Middle Temple) 1951. QC 1963.

In private practice at the Bar. Member of Executive of PNP 1952–78. Appointed to Legislative Council 1960–62. Member of Special Committee that drafted the Independence Constitution 1962. Member of the House of Representatives 1967–78. 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 (and Mr Michael Manley Leader of the Party).

Deputy Prime Minister and Minister of Finance from 1972 until 1978 when he resigned amidst controversy within the PNP over whether to seek an agreement with the IMF to ease the country's severe economic problems. Mr Coore then worked as a consultant with the Inter-American Development Bank in the Dominican Republic, Barbados and Washington. He returned to Jamaica in 1986 when he was appointed Party Spokesman on Foreign Affairs.

Mr Coore has a strong legal mind. He is also a fluent speaker. He is on the right wing of the PNP, and he is currently content to be a member of the Senate and thus free from the greater demands of being an elected MP. A regular visitor to the UK, he accompanied Mr Manley on his visits there in 1987 and 1988 and as Minister of Foreign Affairs and Foreign Trade in 1989.

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



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JAMAICA: MICHAEL MANLEY'S VISIT TO WASHINGTON

SUMMARY

1. WIDESPREAD SUPPORT FOR MANLEY AND FOR HIS POLICIES STILL STRONG. HOWEVER BUDGETARY PRESSURES MAKE FURTHER ECONOMIC AID UNLIKELY BEFORE OCTOBER.

DETAIL

2. MANLEY VISITED WASHINGTON FROM 14-15 MAY. HE PAID CALLS ON PRESIDENT BUSH, VICE PRESIDENT QUAYLE, CONGRESS, STATE, TREASURY AND THE IFI'S AND WAS WARMLY RECEIVED. DESPITE A PUNISHING SCHEDULE MANLEY LOOKED FIT AND SHOWED NO SIGN OF FATIGUE.

3. DESPITE JAMAICAN OPTIMISM THAT MANLEY'S VISIT HAD BEEN A GREAT SUCCESS HE LEFT WASHINGTON WITH NO MORE THAN PROMISES THAT EVERY EFFORT WOULD BE MADE TO PROVIDE SOME FORM OF ASSISTANCE EARLY IN THE NEXT FINANCIAL YEAR (IE AFTER 1 OCTOBER). ALTHOUGH MANLEY MADE A BID FOR DEBT FORGIVENESS PRESIDENT BUSH DID NO MORE THAN OFFER TO LOOK INTO THE POSSIBILITIES. THERE IS NO PROSPECT OF ESF FUNDS BEFORE OCTOBER AND, UNLESS THERE IS AN UNEXPECTED UNDERSPEND COME SEPTEMBER, PL480 FUNDS ARE ALSO OUT THIS FINANCIAL YEAR. NEITHER SECTION 936, NOR ENTERPRISE FOR THE AMERICAS INITIATIVE (EAI) MONEY COULD BE MADE AVAILABLE TO JAMAICA UNTIL THE BUREAUCRATIC OBSTACLES HAD BEEN OVERCOME.

4. STATE AND TREASURY ARE CONCERNED ABOUT MANLEY'S PROPOSAL TO FLOAT THE JAMAICAN DOLLAR. THEY RECOGNISE THE RISK IN DOING SO, BUT ARE AVERSE TO PROVIDING A LIFEJACKET. THEIR VIEW IS FIRMLY THAT, EITHER THE CURRENCY WILL FLOAT ON ITS OWN OR, IF NOT, THEN IT SHOULD NOT BE FLOATED AT ALL. TO DO OTHERWISE AVOIDS ADDRESSING MONETARY REFORM AND DEBT PROBLEMS.

5. STATE WOULD LIKE JAMAICA TO BE ON EARLY BENEFICIARY OF EAI FUNDS, BUT THESE ARE STRICTLY FOR TRADE AND INVESTMENT. THE FIRST STEP IS TO NEGOTIATE A TRADE AND INVESTMENT AGREEMENT.

6. ON OTHER ISSUES MANLEY TOLD PRESIDENT BUSH THAT HE WAS DISCUSSING WITH SEAGA'S PEOPLE THE POSSIBLE TRANSITION TO A REPUBLIC. MANLEY THOUGHT THIS WOULD TAKE 2-3 YEARS. HE HAD SET HIS EYES ON AN EXECUTIVE PRESIDENCY. THE AMBER LIGHT HE HAD GIVEN TO PRIVATE BUSINESSMEN WISHING TO SET UP SHOP IN CUBA BROUGHT A PREDICTABLE US RESPONSE. MANLEY WAS TOLD IN CLEAR TERMS THAT THE US DID NOT REGARD THE TIME AS RIGHT AND THAT SUCH SIGNALS COULD ONLY ENCOURAGE CASTRO. ON THE OTHER HAND STATE WERE ENTHUSIASTIC ABOUT MANLEY'S INTEREST IN HAITI. HIS INVITATION TO PRESIDENT ARISTIDE WAS PARTICULARLY WELCOME AS A FIRST SIGN THAT HAITI WAS BACK IN THE COMMUNITY OF CARIBBEAN NATIONS.

COMMENT

7. THE ADMINISTRATION RECOGNISE THAT JAMAICA NEEDS (AND DESERVES) HELP NOW. UNFORTUNATELY THE KITTY IS EMPTY (BANGLADESH, KURDS ETC) AND WITH THE BEST WILL THERE LITTLE CHANCE THAT ANYTHING CAN BE DONE FOR AT LEAST 4 MONTHS. WORK IS, HOWEVER, IN HAND TO GET SOMETHING TO THE JAMAICANS SOON AFTER THAT.

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cc Background

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Prime Minister

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You may want to see this before you see Manley at the cricket. He's calling round on Wednesday. Briefing with Jeffrey. Charles 6/7

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JAMAICA: MR MANLEY'S VISIT TO THE UK: POLITICO-ECONOMIC BACKGROUND.

SUMMARY

1. MANLEY'S MARKET-ORIENTED ECONOMIC POLICY HAS NOT YET PRODUCED RESULTS. PRODUCTION IS LOW, FOREIGN EXCHANGE REMAINS SHORT AND INFLATION IS INCREASING, RAISING FEARS OF SOCIAL UNREST. VESTED INTERESTS HAVE STILL TO BE WON OVER AND A MORE RADICAL APPROACH MAY BE NEEDED. DESPITE THE GOVERNMENT'S UNPOPULARITY, THERE IS NO REAL ALTERNATIVE TO MANLEY'S POLICIES AND HIS OWN PERSONAL POSITION IS STRONG.

DETAIL

2. MANLEY COMES TO LONDON AT ANOTHER CHALLENGING TIME FOR HIM. NO-ONE ANY LONGER DOUBTS HIS COMMITMENT TO DEVELOPING A MARKET ECONOMY AS THE MEANS TO SUSTAINABLE ECONOMIC GROWTH AND GREATER WEALTH. HIS GOVERNMENT, IN CLOSE COLLABORATION WITH THE BANK AND THE FUND, IS PURSUING POLICIES OF DIVESTMENT AND DEREGULATION, AIMING TO BE, IN MANLEY'S WORDS, NO MORE THAN A ''CATALYST, ENABLER AND OPENER OF DOORS'' IN PROMOTING PRODUCTION AND EXPORTS. SUBSIDIES HAVE BEEN REMOVED ON MOST BASIC FOODSTUFFS AND OTHER GOODS. PUBLIC SECTOR COMPANIES, REQUIRED TO PAY THEIR WAY, ARE NOW CHARGING REALISTIC PRICES. THE PUBLIC SERVICE IS BEING TRIMMED.

3. THIS NEW STRATEGY IS LIKELY TO TAKE SOME TIME TO WORK AND IT HAS BROUGHT FEW DISCERNIBLE BENEFITS SO FAR. PRODUCTION AND PRODUCTIVITY REMAIN LOW, ANY SIGNIFICANT ECONOMIC GROWTH BEING LIMITED MAINLY TO THE MINING AND TOURISM SECTORS. THE COUNTRY STILL NEEDS TO INCREASE EXPORTS AND REDUCE IMPORTS AND TO BRING CONSUMPTION MORE INTO LINE WITH PRODUCTION. THE GOVERNMENT'S GENERALLY TIGHT MONETARY POLICY, FOLLOWING ON ITS FAILURE TO CONTROL THE MONEY SUPPLY DURING ITS EARLY MONTHS IN OFFICE, HAS INEVITABLY HAD AN ADVERSE EFFECT ON INDUSTRY, WHILST IT HAS ONLY ARRESTED, NOT STOPPED, THE DOLLAR'S DECLINE. IT IS CURRENTLY AT AROUND J DOLLARS 11 TO THE US DOLLAR (COMPARED TO J DOLLARS 5.50 IN FEBRUARY 1989 WHEN MANLEY TOOK OFFICE). EVEN SO, SUCH IS THE SHORTAGE OF FOREIGN EXCHANGE THAT DEALS ARE BEING STRUCK ON THE FORWARD AND PARALLEL MARKETS AT MUCH HIGHER RATES.

4. INFLATION, FUELLED BY DEVALUATION, THE REMOVAL OF SUBSIDIES AND NEW REVENUE-RAISING MEASURES, HAS BECOME A MAJOR CONCERN. IT IS NOW RUNNING AT OVER 30%. THE RELAXATION OF WAGE GUIDELINES IN FORCE FOR THE PAST FEW YEARS SEEMS LIKELY TO GIVE INFLATION A FURTHER TWIST. MINISTERS HAVE EXPRESSED CONCERN IN PRIVATE TO US THAT PUBLIC IMPATIENCE WITH RISING PRICES COULD SPILL OVER INTO SOCIAL UNREST. MANLEY HIMSELF REMARKED TO ME ON 24 MAY THAT THE PEOPLE WERE ''VEXED'' WITH HIM. THE USUAL SAFETY VALVES MAY NOT BE ENOUGH TO CONTAIN THE PRESSURE. A FURTHER INCREASE IN THE ALREADY HIGH LEVEL OF VIOLENT CRIME IS PREDICTED. AT THE SAME TIME, THE GOVERNMENT'S RESOLVE IN DEALING WITH OPPOSITION TO ITS MEASURES HAS BEEN QUESTIONED BY THEIR RECENT CONCESSIONS TO TWO SPECIAL INTEREST GROUPS, INFORMAL IMPORTERS AND BANK EMPLOYEES, WHO HAD PROTESTED AGAINST THE LOSS OF CUSTOMS AND TAX BENEFITS. THE GOVERNMENT NEEDS TO ''BITE THE BULLET'' AS ONE MINISTER ADMITTED TO ME.

5. THE GOVERNMENT FACES OTHER OBSTACLES. ITS OWN AGENCIES, NOT RENOWNED FOR THEIR COMPETENCE AND MOTIVATION, SHOW LITTLE SIGN OF IMPROVING INFRASTRUCTURE AND PUBLIC SERVICES TO SUPPORT THE PRIVATE SECTOR. CORRUPTION REMAINS A MAJOR PROBLEM. PRIVATE SECTOR LEADERS ARE STRONGLY SUPPORTING THE GOVERNMENT'S LIBERALISATION PROGRAMME, BUT WHETHER THE SMALL NUMBER OF CONGLOMERATES WHICH DOMINATE MANUFACTURING AND TRADING WILL RESPOND POSITIVELY TO A MORE COMPETITIVE BUSINESS CLIMATE IS ANOTHER MATTER. THE PRIVATE SECTOR IS NOW QUESTIONING PROPOSED ANTI-TRUST AND OTHER LEGISLATION AIMED AT PROTECTING THE CONSUMER. LABOUR CLINGS TO OUT OF DATE RESTRICTIVE PRACTICES. PEOPLE CONTINUE TO LOOK TO THE GOVERNMENT FOR SALVATION AND MANLEY'S CALL FOR SELF-RELIANCE IS HARDLY HEEDED.

6. THE GOVERNMENT'S LIBERALISATION PROGRAMME MAY NOT YET BE WORKING BECAUSE IT IS NOT RADICAL ENOUGH. MORE DIVESTMENT IS POSSIBLE, AS THE GOVERNMENT ACKNOWLEDGE. CONTRACTING OUT OF PUBLIC SERVICES IS ONLY NOW GETTING UNDERWAY. THE ENTERPRISING BUSINESSMAN STILL FACES TOO MANY RESTRICTIONS. THE TRUE TEST OF THE GOVERNMENT'S COMMITMENT TO DEREGULATION IS SEEN TO BE THE LIBERALISATION OF THE FOREIGN EXCHANGE MARKET, WHICH IS CONTEMPLATED LATER THIS YEAR. MANLEY'S CURRENT VISITS ABROAD ARE PARTLY AIMED AT SECURING ASSISTANCE TO FACILITATE THIS CHANGE, PARTICULARLY IN THE FORM OF DEBT RELIEF SINCE, ALL THINGS CONSIDERED, THE EXTERNAL DEBT BURDEN CONTINUES TO BE THE BIGGEST SINGLE CONSTRAINT ON DEVELOPMENT.

7. THE GOVERNMENT'S CREDIBILITY AND POPULARITY ARE FALLING AS THE COST OF LIVING RISES. AT THE SAME TIME, THE OPPOSITION IS NOT GAINING GROUND (THE GOVERNMENT HAS WON LOCAL BY-ELECTIONS). SEAGA TALKS ABOUT THE COUNTRY CALLING ON HIM TO TAKE OVER BEFORE

LONG, BUT HIS PARTY IS BADLY DIVIDED. IT IS QUITE POWERFUL ENOUGH TO PROVOKE SOCIAL UNREST IN PROTEST AT GOVERNMENT POLICIES, BUT A SENIOR SHADOW MINISTER RECENTLY TOLD US THAT IT WOULD NOT DO SO. IN ANY EVENT, NO-ONE SEES ANY REAL ALTERNATIVE TO MANLEY'S POLICIES, EXCEPT PERHAPS THE HARD CORE SOCIALISTS IN HIS OWN PARTY. THE ARGUMENT BETWEEN THE TWO PARTIES IS ABOUT MEANS, NOT ENDS.

8. MANLEY'S POSITION WITHIN HIS OWN PARTY IS INVINCIBLE AND, DESPITE THE PRESENT DISCONTENT IN THE COUNTRY, HIS PERSONAL STANDING HIGH. MANLEY'S HEALTH IS HIS BIGGEST LIABILITY NOW. HE HAS SUFFERED FROM EMPHYSEMA SINCE HE CONTRACTED PNEUMONIA LAST YEAR AND HIS PROSTATE OPERATION IN AUGUST HAS WEAKENED HIM. MANLEY HAS NOW PUBLICLY INDICATED THAT HE DOES NOT EXPECT TO CARRY ON IN POLITICS AFTER THE NEXT ELECTION (DUE IN SPRING OF 1994 AT THE LATEST). BUT IN THE SHORT TERM AT LEAST, MANLEY'S PRESENCE IS ALMOST CERTAINLY CRITICAL TO THE SUCCESS OF THE GOVERNMENT'S ECONOMIC PROGRAMME AND TO MOBILISING INTERNATIONAL SUPPORT FOR IT.

MILTON
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Ring FCO to say "no time" AP 12/11

Foreign and Commonwealth Office

London SW1A 2AH

9 November 1990

By Tube - Immediate

C D Powell Esq
Private Secretary to the Prime Minister
10 Downing Street
LONDON

Dear Charles,

VISIT OF PRIME MINISTER MANLEY OF JAMAICA, 14-20 NOVEMBER

1. Prime Minister Manley is paying a private visit to the UK from 14-20 November on the way back from the Emperor's coronation in Tokyo. He will be accompanied by Mr Coore (his Foreign Minister).

2. Mr Manley intends to spend most of his time with his daughter, Natasha, who started studying for her 'A' Levels at Westminster School this autumn. In addition, he is to speak at a memorial service in London on 18 November for Lord Caradon who was, of course, Governor of Jamaica in the 1950s. Mr Manley is also to go to his father's College (Jesus) at Oxford on 19 November to present a new portrait of Norman Manley by a Jamaican artist.

3. Although the Jamaicans have told our High Commissioner that this is a private visit and that no assistance is required, there is no doubt that Mr Manley would be delighted if the Prime Minister were able to show him some attention. A thought that occurs to us is that the Prime Minister might invite him and his daughter, Natasha, to tea. A gracious gesture of this kind would be in harmony with the private nature of Mr Manley's visit but would at the same time make a valuable contribution to our relations with Jamaica.

4. You said that you thought there might be a slot in the diary.

Yours ever
Adrian

A J Beamish

09 11 90

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FILE SILICA

cc

Subject cc Malta

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

16 June 1989

Dear Bill,

PRIME MINISTER'S MEETING WITH THE JAMAICAN PRIME MINISTER

The Prime Minister had a talk this morning with the Jamaican Prime Minister. Mr. Manley was accompanied by his Cabinet Secretary, Mr. Brice.

Jamaican economy

The Prime Minister recalled that Mr. Manley was noted for his silver tongue and she remembered hearing him use it to justify some fairly extreme left wing policies during his last period in government. She was glad to see that he now seems to have changed his tune and learned the lesson that socialism did not work. Indeed no economic policy would work unless it went with the grain of human nature and provided incentives. Mr. Manley took this in good part and commented it had all been Harold Laski's fault to have filled his head with socialist ideas when he was a student. He was happy to assert that there was no excuse any more for the economic doctrines of socialism : it was clear all over the world that they did not work. Following his government's defeat in 1980 he and his party conducted a study into the causes. This had shown that the policies which had succeeded had been those which gave support to small farmers and small business, while anything to do with state intervention had been a disaster. The Prime Minister said she hoped that Mr. Manley would speak in a similar vein to his colleagues at the Socialist International in Stockholm.

Mr. Manley continued that prospects for the Jamaican economy were good: exports of bauxite were doing well and tourism had picked up. The government was continuing most of its predecessor's programmes and had concluded a tough agreement with the IMF. They had excellent relations with the private sector and the stock market was booming. But there was an acute problem and that was debt. Some 51 per cent of Jamaica's export earnings went on interest and amortisation of debt even after rescheduling. On top of that, last year's hurricane had wiped out nearly 40 per cent of Jamaica's GDP at a stroke. Jamaica had received tremendous international assistance to overcome its immediate problems, but had nonetheless been forced to

anticipate its foreign exchange earnings in order to finance food imports. The aim of his present visit to Europe was to get together a consortium of well-disposed governments who would be prepared to provide a tranche of foreign exchange. He would of course welcome help from the United Kingdom, but would understand if we felt unable to contribute.

The Prime Minister asked whether he ought not to turn to the IMF for this sort of assistance. Mr. Manley said that in fact Jamaica would be a net payer to the IMF over the next year. There was no rescheduling of debts to IFIs, nor did Jamaica qualify for debt forgiveness. The Brady plan dealt only with commercial debt, while some 90 per cent of Jamaica's debt was to IFIs and governments. Rescheduling helped a bit but not much. He was preparing a detailed paper to illustrate the cash flow problem which would face Jamaica this year and next. It was only a temporary problem: Jamaica's payments on its debt would begin to decline after next year. The Prime Minister noted that in effect Mr. Manley was seeking bridging finance: he should let her have the detailed paper. We would study the facts and figures. But she recalled that there was still an unspent balance from our last balance of payments loan to Jamaica, as well a sum available from the emergency assistance following the hurricane. Mr. Manley said that these had already been taken into account. The Prime Minister repeated that we would look at Jamaica's case but she could not make any promises.

Drugs

Mr. Manley said that his government was making a major effort against drugs. His predecesor had done a good job eliminating ganja, but had not had much success on interdiction. He had been compelled to dismiss all Jamaica's airport security staff and put the army in their place when it transpired that the United States was about to ban Jamaica's airline because of lax security against drugs. Jamaica was now working closely with the United States and United Kingdom to strengthen his intelligence and interdiction effort and there was the possibility of establishing a training college. He also wanted to educate Jamaica's population to be drug resistant. Drug education would go into the primary school syllabus this year.

Mr. Manley continued that he had spoken to Sonny Ramphal about the possibility of using the CHOGM meeting in Kuala Lumpur to strengthen Commonwealth cooperation against drugs. He wondered what the Prime Minister felt about this. The Prime Minister said that she was certainly prepared to consider any proposals.

Commonwealth matters

Mr. Manley said that he viewed with great concern the prospect of a contested election for the post of Commonwealth Secretary General. He belonged to a small group, including Brian Mulroney and Rajiv Gandhi, who believed that the best way out was to extend Sonny Ramphal's

term. The Prime Minister said that she could see there would be advantages in continuity. We were not opposed to Chief Anyoku but did not relish the idea of a split in the Commonwealth. It was useful that Mr. Manley was taking a lead. Perhaps Ramphal should be extended for a limited period only, such as three years.

East/West relations

At Mr. Manley's request the Prime Minister gave an extended analysis of Mr. Gorbachev's reforms in the Soviet Union and the wider East/West scene.

I am copying this letter to Colin Walters (Home Office), Alex Allan (HM Treasury) and Myles Wickstead (Overseas Development Administration).

Yours sincerely,

(C. D. POWELL)

R. N. Peirce, Esq.,
Foreign and Commonwealth Office.

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CCOP (1)

Foreign and Commonwealth Office

London SW1A 2AH

15 June 1989

Prime Minister

Additional briefing for Mr. Manley. It's a case of having to say no. CDP 16/6

Dear Charles,

Call by Prime Minister Manley, 16 June

PM's box

In my letter to you of today's date I referred to the possibility that Mr Manley might seek balance of payments aid from the Prime Minister. When the Jamaican Foreign Minister, Senator Coore, called this morning on Mr Lilley, Economic Secretary at the Treasury, he confirmed that Mr Manley would be raising this matter with the Prime Minister. The Prime Minister might find it helpful to have further details.

Mr Manley has already broached the subject of bridging finance for debt servicing with the French and Spanish Governments, and will raise it with Iraly and the Scandinavian countries. He is seeking a total of US$ 200m, or US$ 100m pa for 2 years, in a mix of concessionary loans and grants. Mr Manley will claim that Jamaica requires this because:

- the hurricane in September caused damage equal to 40% of GDP;

- the hurricane has greatly increased the trade gap by depressing exports and tourism, while causing a major rise in imports of construction materials and food;

- Jamaica will be a large net payer to the IMF in 1989 as a result of the standstill on IMF payments; this is itself a partial result of the hurricane.

We do not know what Mr Manley expects from the UK, but $20-40 million would not be surprising. That is way above anything we could give within our present aid framework. The Prime Minister could point out that our aid programe to Jamaica is already generous (around £4 million a year) relative to our global programme. It has been used mainly to support the balance of payments by financing imports. She could say that the balance of £2 million from the 1987 loan and the balance of £1 million from the 1988 rehabilitation grant remains available. We do not recommend making any new commitments. (For the very special hardship case of Guyana - greater poverty and greater arrears - we are giving no more than about $20 million over 2 years.)

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Another subject we understand Mr Manley will raise is assistance for setting up a savings/investment bank to attract foreign investment, particularly from Jamaicans living abroad, to ensure that it is financially secure, and not used for laundering drug money. The Prime Minister could tell Mr Manley that we would be happy to help by providing an expert to advise the Government.

We have now been told that Senator Coore, the Jamaican Foreign Minister, will not accompany Mr Manley to No 10. His place will be taken by Mr Donald Brice, Permanent Secretary in the office of the Prime Minister. A personality note is enclosed.

The Acting High Commissioner, Mr Saunders, will accompany Mr Manley to No 10 but he knows he will not be involved in the talks themselves.

Yours,
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

BRICE, THE HON DONALD COURTNEY ST JOHN, OJ, CD, BA

Permanent Secretary, Office of the Prime Minister, since January 1984.

Born Kingston 7 April 1930. Educated University of the West Indies, Oxford University and International Management Institute, Geneva.

Collector-General's Department 1949; Ministry of Trade and Industry 1957; First Secretary, later Commercial Counsellor, Jamaican High Commission, London, 1962-66; Assistant Under-Secretary, later Under-Secretary, Ministry of Trade and Industry, 1967-72; Permanent Secretary, Ministry of Foreign Affairs, 1877-80; Permanent Secretary, Ministry of Tourism, 1980-83.

Roman Catholic. Usually part of the Prime Minister's team on overseas visits and, as such, a fairly frequent visitor to the UK.

Foreign and Commonwealth Office

London SW1A 2AH

15 June 1989

Dear Charles,

Call by Prime Minister Manley, 16 June

Prime Minister Manley will call on the Prime Minister on 16 June at 1100 hrs. He will arrive in London, for a working visit, on 14 June after visiting Madrid and Paris. He will depart on 19 June for Stockholm where he will attend a meeting of the Socialist International, returning to London on 20 June for a private 6 day visit. As Mr Manley does not enjoy good health, we suspect he may undergo a medical check-up during this part of his stay in London.

Mr Manley's People's National Party (PNP), was returned to power with an overwhelming majority in February 1989. Prior to the elections Mr Manley went to some lengths both publicly and in private to assert that his political and economic views had mellowed and to distance himself from the radical pro-Cuban policies he pursued as Prime Minister from 1972 - 80. His outlook today may be described as social democratic. His public commitment to combatting drugs, and to maintaining good relations with the US, Europe and the IFIs appears genuine. His cabinet is made up of generally moderate figures and he has marginalised the influence of the PNP's left wing.

Our objectives for the meeting are to:

a) encourage Mr Manley to adhere to his present, moderate track.

b) support his determination to tackle the drugs problem;

c) confirm our intention to stand up for Jamaican interests in Lomé.

The Economy

Uppermost in Mr Manley's mind will be the Jamaican economy. He will raise Jamaica's indebtedness in the context of those middle income debtor countries who owe a high proportion of their debt to the IFIs and Export Credit Agencies. (Jamaica owes 40% of its debt to the IFIs, 40% to Export Credit Agencies and 20% to the private sector). The Brady proposals for facilitating commercial bank debt reduction through the use of part of IFI lending refer only to commercial bank debt. If Mr Manley enquires about concessional rescheduling at the Paris Club, the Prime Minister might like to remind him that such reschedulings are for the poorest, most indebted countries, mainly in sub Saharan Africa. After the Paris Club rescheduling of Jamaica's official debt in October 1988, the Jamaican authorities expressed their appreciation for the positive role played by the UK in the negotiations. Support is available from World Bank, IMF and bilateral donors if the adjustment process is maintained.

Jamaica introduced a tough austerity budget on 8 June, holding down public expenditure and raising taxes. This budget has IMF approval.

We welcome Mr Manley's commitment to a market-oriented economy in which private sector growth is seen as the motor for economic recovery and development. He would be interested to hear about our success in widening share and home ownership. Key specific points in the PNP economic programme are promotion of foreign investment, continuation of the auction system of allocating foreign exchange and the avoidance of import restrictions.

Aid

We believe Mr Manley intends to seek balance of payments aid during his visits to Paris and Madrid where he will draw upon his Socialist International connections. He may make a similar approach to the Prime Minister. The Prime Minister might like to point out that we have traditionally provided Jamaica with balance of payments aid in the form of loans which have been used to finance imports. The current £7.5 million loan (offered to Jamaica by the Prime Minister during her visit in 1987) is being used mainly for the import of school textbooks. Of that loan, about £2 million remains uncommitted, and £1 million of the 1988 hurricane rehabilitation grant is still unspent (and we await

Jamaican proposals). No decisions have yet been taken about the longer term although Mr Manley should be reminded that our aid programme is under considerable pressure. If Mr Manley asks for more aid the Prime Minister will wish to note what he has to say but refrain from giving any commitment. Current spending plans including technical co-operation, are:

1989/90 - £4.0m;
1990/91 - £3.0m;
1991/92 - £3.0m,

- which is a defensible level of aid for a country of Jamaica's population and wealth (see data sheet attached).

We understand that Manley also wants to discuss aid to the private sector. We are interested in helping, and the ODA funded a study to see how we might most effectively contribute. The study identified Jamaica as a target for assistance, and the terms of reference for a £300,000, 3-year export development programme by the Developing Countries Trade Agency (DECTA) were submitted to the Jamaica Government for approval in March. We await their reponse.

Trade

The level of our bilateral trade has remained steady even at a time of economic difficulty for Jamaica (exports £50m, imports £85m). Among UK companies pursuing projects in Jamaica are Balfour Beatty for a £26m diesel generating station and British Rail Engineering Ltd (BREL) for the supply of diesel trains and railway sleepers. The Jamaican Government has approved the divestment of ten of the thirteen state owned hotels, representing around 50% of total hotel capacity in Jamaica and we understand that a UK concern, the Bass Group, intend to purchase one of the hotels. Tourism is Jamaica's leading foreign exchange earner and Mr Manley recognises the importance of encouraging growth and efficiency in the sector.

Drugs

Jamaica has a significant drugs problem. Marijuana is locally grown and consumed. Increasing quantities of cocaine are trafficked via Jamaica from Latin America to the US and Europe.

We wish to encourage the resolve of the Manley administration to fight the drugs menace. We have agreed with Mr Knight (Jamaican Minister of National Security, who visited the UK from 5 - 9 June) a package of assistance, including help in establishing a Jamaican National Drugs Intelligence Unit and expert advice on improving airport and port security.

Mr Manley may propose the creation of a Commonwealth/United Nations "International anti-drugs task force". It is not clear what he envisages. We believe the idea reflects Caribbean fear of Latin American drugs barons undermining social and political security through corruption, intimidation etc. If raised, the Prime Minister may wish to explore, without commitment, Mr Manley's ideas on the role, composition and funding of such a Force. On present knowledge, we doubt if this proposed body would improve on existing international cooperation.

Jamaica has agreed to host a meeting of Caribbean Ministers on drugs in October. The UK, US and Barbados co-sponsored the first such conference last year. We hope Caribbean countries will take more of the lead this year. If raised, the Prime Minister may wish to confirm that we shall participate and provide appropriate advice and support.

On 18 May the Home Secretary announced the UK's willingness to host an International Conference on demand reduction in the context of the threat from Cocaine. We hope that Jamaica will participate.

Lomé Convention

Mr Manley is likely to raise issues relating to the current renegotiation of the Lomé Convention. Jamaica has a particular interest in the special arrangements under Lomé for sugar, rum and bananas and the implications of 1992 for these arrangements. We should take credit for our efforts to improve the Lomé trade regime. The Prime Minister might remind Mr Manley that the UK was instrumental in bringing Lomé into being. The UK is working hard for further improvements to the Lomé trade regime despite the protectionist instincts of some member states. But it is up to the ACP countries to press their own case in Brussels.

On the Single Market the Prime Minister could make the point that in a process as vast as the Single Market, there are bound to be a few areas like exports of bananas

which require special attention. The Prime Minister will recall that during her visit to Jamaica in 1987 she gave a pledge that the UK would fight hard to ensure continued preferential access for our traditional suppliers. We are continuing to seek a solution which will protect Jamaica's exports.

Privy Counsellorship

The Prime Minister may wish to express satisfaction that The Queen has now given her informal approval to Mr Manley's appointment to the Privy Council. Mr Manley has told our High Commissioner that he would accept the appointment with pleasure and has agreed that an announcement on 14 August would be suitable.

CHOGM

Mr Manley may wish to discuss the CHOGM Agenda. On Southern Africa he has told our High Commissioner that he hopes those countries including Jamaica who are committed to sanctions will reaffirm that commitment whilst recognising, without laboured argument, that Britain holds a different position. The Prime Minister may wish to seek Mr Manley's views on possible non-political agenda items including the Environment.

Commonwealth Secretary General

On the Secretary-Generalship, the Prime Minister may wish to sound Mr Manley on Caribbean attitudes. The issue was discussed at a recent Caricom Foreign Ministers meeting without a consensus being reached, although a majority of those expressing a view (not a majority of participants) had favoured Anyaoku. There was firm opposition to a further term for Mr Ramphal, whose condemnation of the invasion of Grenada has not been forgiven. Mr Manley has since said that he and a few others wish to avoid a "split vote". President Kaunda has also been in the region arguing against Anyaoku (on the grounds that it will make it more difficult for an African to replace de Cuellar). The Caribbean appears to be divided with some of the smaller Eastern Caribbean states supporting Fraser.

British Council

The Jamaicans have warmly welcomed our decision to re-establish a British Council presence (withdrawn in 1974) in the Caribbean and to locate the Council's office in Kingston. The Prime Minister might point to this as a

reflection of the importance we attach to the Anglo-phone Caribbean and its strong traditional links with Britain. Sir David Orr will formally announce the decision at a British Council reception for Manley on 15 June.

Mr Manley will be accompanied by his Foreign Minister Senator David Coore. The Prime Minister met Mr Coore briefly when she visited Jamaica in 1987. After attending the ACP-EC ministerial meeting in early June Mr Coore came to London for a brief working visit and called on Sir Geoffrey Howe (who gave him lunch) and Mr Eggar. At 09.30 on 16 June the Foreign Secretary and Mr Eggar will call on Mr Manley at his hotel.

Personality notes on Mr Manley and Mr Coore and a
/// copy of Mr Manley's programme are attached.

I am copying this letter to Trevor Woolley (Cabinet Office).

Yours
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

JAMAICA: COUNTRY DATA

General

Date of Independence:	6 August 1962
Governor General:	The Most Hon Sir Florizel Glasspole, ON, GCVO, GCMG, CD
Population:	2.41 million (1987)
Rate of Population Growth:	1.1% per annum (projected 1987/88)
Land Area:	4,411 square miles

Economic

GNP:	US $2,256 million (1987)
GNP Growth:	4.5% (1987)
GNP Per Capita:	US $960 (1987)
Foreign Debt:	US $4.5 billion (mid-1988)
Rate of Exchange:	J $9.30 = £1 (March 1989)
Rate of Inflation: (consumer prices)	8.5% (estimate for mid-1988)
Rate of Unemployment:	21% (March 1988)

		US $ Millions
Main imports:(FY 1986/87):	Fuel	200
	Consumer goods	216
Main exports:(FY 1986/87):	Alumina	203
	Bauxite	87
	Sugar	65

Main industries:	Alumina, bauxite, tourism, manufacturing
UK Exports:	£48.9 million (1988)
UK Imports:	£89.7 million (1988)

WEST INDIAN AND ATLANTIC DEPARTMENT
JUNE 1989

GKAAAF

MANLEY, THE HON MICHAEL NORMAN

Prime Minister 1972-80, 1989-. President of the People's National Party. Member of Parliament for East Central Kingston 1967-83 and East Kingston, Port Royal 1989-.

Born 1924, younger son of Norman Manley, the founder of the PNP and Prime Minister 1955-62. Educated St Andrew Preparatory School, Jamaica College, London University 1945-49 (BSc Econ).

Royal Air Force 1943-45 (Pilot Officer); freelance journalist with BBC (1949-51); Asscciate Editor of the PNP weekly newspaper "The Public Opinion" 1951-52; joined staff of National Workers' Union 1952; President, National Workers' Union 1984-89. Island Supervisor of Union and Vice President Caribbean Bauxite and Mineworkers' Federation 1961. 1964-72, President Caribbean Bauxite Mine and Metal Workers Federation. Appointed to the Legislative Council, later the Senate, April 1962. Returned to House of Representatives in General Election of 1967, East Central Kingston Constituency. Vice President of PNP 1967-69. Leader of the Party after the resignation of his father in February 1969. 1979 elected Vice President, Socialist International. 1983 Chairman, Socialist International Economic Commission. 1987 Member of the South Commission.

Mr Manley is tall, good looking and light skinned (his mother, Edna, was virtually English). He has great personal charm and magnetism and puts everyone in his company at ease. He is also a superb public speaker.

Mr Manley was an extremely effective trade union leader, particularly perhaps because he has been most comfortable in the role of champion of the "oppressed". As a politician he has likewise championed the cause of the poor. In office in the 1970s he broadened his horizon and saw himself as a major Third World leader, his favourite theme then being the economic exploitation of the developing countries by the developed. He also played a prominent role in the movement against apartheid, particularly as regards sporting links with South Africa. During his time in opposition (1980-early 1989), Mr Manley devoted much time to writing and lecturing, particularly on his experiences in government. His book "Jamaica: Struggle in the Periphery" is particularly interesting on this subject. Mr Manley is also a keen cricket follower and he has recently published a book on the history of West Indies cricket.

Mr Manley's first political experience was as a Fabian Socialist at the London School of Economics in the post-war years. He had strong links at that time with both the British trade union

/movement

movement and the Labour Party. His commitment to Western-style democracy was questioned during his time as Prime Minister in the 1970s. He declared himself a Democratic Socialist and developed a friendship with Castro. His period in office was characterised by increasing economic disorder and political violence. It remains unclear to this day to what extent Mr Manley might have turned Jamaica into a "progressive" Socialist state on the Cuban model had he remained in power. The general perception was that the PNP suffered defeat in 1980 because of its swing to the left both in terms of domestic economic policy and foreign policy alighments. Mr Manley would not allow the PNP to contest the general elections in December 1983 on the grounds that a previous understanding with the government that the electoral registers would be completely revised beforehand was not honoured.

A regular visitor to the UK, Mr Manley paid official visits in both 1987 and 1988 in preparation, as it turned out, for his return to office at the general elections earlier this year. During the election campaign and since, Mr Manley has frankly acknowledged the mistakes he made when Prime Minister in the 1970s. In contrast to his policy then, he now emphasises that the private sector of the economy should be the principal motor of the country's economic development. He has also made clear his intention to maintain good relations with the US and Canada as well as with Europe. He has already resumed his role as the leader of the English-speaking Caribbean. It is expected that diplomatic relations with Cuba, broken off by the previous JLP government, will be restored, but not quickly and not in a manner which will give rise to major objections in Washington.

Mr Manley now speaks and acts like a Social Democrat in the European sense. His critics, and the uncommitted, are waiting to see whether he will waver, particularly if there is increased public opposition to the present economic austerity programme.

Mr Manley has undergone surgery for diverticular problems, and also for the removal of part of his colon. He appears to have made a good recovery, but he sometimes looks particularly tired and there are some doubts whether his health will stand up to a 4-5 years term as Prime Minister.

Mr Manley has been married four times. His two first wives died, he and his third wife divorced and he is separated from his fourth, Beverley Anderson. He has two sons and three daughters in all, including a daughter living in the UK. Mr Manley is a Methodist.

COORE, THE HON DAVID HILTON, QC

Minister of Foreign Affairs and Foreign Trade and Member of the Senate since February 1989. PNP Shadow Spokesman on Foreign Affairs.

Born Kingston 1925. Educated Jamaica College; McGill University, Canada; and Exeter College, Oxford (1946-49) BA BCL (Jurisprudence). Called to the Bar Middle Temple 1951. QC 1963.

In private practice at the Bar. Member of Executive of PNP 1952-78. Appointed to Legislative Council 1960-62. Member of Special Committee that drafted the Independence Constitution 1962. Member of the House of Representatives 1967-78. 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 (and Mr Michael Manley Leader of the Party).

Deputy Prime Minister and Minister of Finance from 1972 until 1978, when he resigned amidst controversy within the PNP over whether to seek an agreement with the IMF to ease the country's severe economic problems. Mr Coore then worked as a consultant with the Inter-American Development Bank in the Dominican Republic, Barbados and Washington. He returned to Jamaica in 1986, when he was appointed Party Spokesman on Foreign Affairs.

Mr Coore has a strong legal mind. He is also a fluent speaker. He is on the right wing of the PNP, and he is currently content to be a member of the Senate and thus free from the greater demands of being an elected MP. A regular visit also to the UK, he accompanied Mr Manley on his visits there in 1987 and 1988.

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

Appointments for Hon. Michael Manley. Prime Minister of Jamaica in London - 15-16 June, 1989

Thursday 15th June

10.00 a.m.	Interview with Trish Williams, BBC World Service (Radio) - "Leaders and Leadership" - at Bush House, The Aldwych, London W.C.2.
11.15 a.m.	Interview with BBC Caribbean Magazine at Bush House - Jerry Timmins
12.30 p.m.	Meeting with Mr. David Suratgar, Chairman, West India Committee at the Barber-Surgeons Hall, Monkwell Square, London Wall, EC2.
12.30 p.m.	LUNCH hosted by West India C'ttee at the Barber-Surgeons Hall.
3.00 p.m.	Meeting with Staff of Jamaican High Commission and other agencies at the High Commission, 1-2 Prince Consort Road, London SW7.
6.00 p.m.	Reception hosted by the Chairman of the British Council, Sir David Orr, M.C., LLD, at 10 Spring Gardens, London SW1.
8.00 p.m.	Meeting arranged by PNP-UK at Carlton Hall, Berneys Grove, Brixton.

Friday 16th June

9.30 a.m.	Receive Foreign Secretary, Sir Geoffrey Howe, QC,MP, and Parliamentary Under-Secretary, Tim Eggar at hotel.
11.00 a.m.	Call on Prime Minister Margaret Thatcher at 10, Downing Street, London SW1.
12.30 p.m.	LUNCH Meeting with Diplomatic and Commonwealth Writers Association of Great Britain - President Mr. Kaye Whiteman - at the Commonwealth Trust, 18, Northumberland Avenue, WC2.
3.00 p.m. to 3.30 p.m.	Meeting with representatives of Ethnic Press (list to be notified later) at Hotel - Mount Suite.
4.00 p.m.	Interview at hotel with John Merritt of "The Observer".
7.00 p.m. to 9.30 p.m.	Meeting with Jamaican nationals - Westminster Central Hall, Storeys Gate, S.W.1.

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PRIME MINISTER

MEETING WITH THE JAMAICAN PRIME MINISTER

You are to see Mr. Manley tomorrow morning. He will be accompanied by his Foreign Minister (Mr. Coore whom you met in Jamaica). He has already visited Paris and Madrid and is to go on to Stockholm for the Socialist International. He is looking both for balance of payments aid and for debt relief and will be hoping for the support of his Socialist friends. As you know, there is some pressure to discuss debt relief for middle-income countries both at the Madrid European Council and the Paris Economic Summit.

Since his return to power, Manley has been following more moderate policies at home - Social Democrat, according to our High Commission - and is much less involved with Cuba and the Soviet Union than last time round.

You might start by welcoming him back, by saying how sorry you were to miss him in Jamaica (he was in the United States at the time of your visit) and enquiring about his health. You might also welcome The Queen's approval for his appointment to the Privy Council.

You will then want to ask him about the situation in Jamaica recalling our help at the time of the hurricane. He has just introduced quite a tough budget which has IMF approval. He will seek re-scheduling at the Paris Club on concessionary terms, but this is a concession available only to the poorest, most indebted countries, mainly in Sub-Saharan Africa. He is paying more attention to the private sector and we understand he will be interested to hear about our experience in widening share and home ownership.

He may ask for balance of payments aid. You will remind him that we have traditionally provided such aid in the form of loans to finance imports. About £2 million remains unspent from the last such loan, together with £1 million from the Rehabilitation Grant which we gave after the hurricane. Our

current spending plans for aid to Jamaica over the next three financial years total £10 million and it would be hard to justify more.

He will apparently raise matters of interest to Jamaica in the re-negotiation of the Lomé Convention, that is sugar, rum and bananas. As usual, we are taking the lead in working for improvements in their preferential access. But it is an up-hill struggle and Jamaica must mobilise all the ACP countries to bring pressure to bear on the other Community Member States.

You should make a point of discussing drugs. We have recently agreed some special measures for assistance to them including help in establishing a National Drugs Intelligence Unit. We are also ready to play an active part in the meeting of Caribbean Ministers on Drugs which Jamaica is to host in October. Mr. Manley has floated the idea of a Commonwealth/UN Anti-Drugs Task Force. You might like to ask him to explain more precisely what he has in mind.

Finally, you will want to discuss CHOGM. He seems ready for a low key discussion on South Africa, with those supporting sanctions re-affirming their commitment while recognising that our position is different. This would be a welcome contrast to his predecessor, who was unreasonable on this subject. You should also mention the subject of the Commonwealth Secretary General. He is on record as saying that he wants to avoid a split vote. He may be willing to support an extension of Ramphal's mandate, although Ramphal is not at all popular in the Caribbean ever since he condemned the invasion of Grenada.

One piece of good news which you can confirm is that we are going to re-establish a British Council presence in the Caribbean, with its Headquarters in Kingston.

A fuller brief is in the folder together with personality notes on Mr. Manley and Mr. Coore.

CSP

CHARLES POWELL
15 June 1989

The National Archives

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 April 1989

PRIME MINISTER OF JAMAICA

Thank you for your letter of 10 April conveying the request from Mr. Manley to meet the Prime Minister in mid-June. I am confident the Prime Minister would agree to this and suggest Friday 16 June at 1100.

C. D. Powell

R.N. Peirce, Esq.,
Foreign and Commonwealth Office.

KK

cc PS

Foreign and Commonwealth Office

London SW1A 2AH

10 April 1989

Dear Charles

Request for a Call on the Prime Minister by the Prime Minister of Jamaica

Prime Minister Manley is planning to attend the Socialist International Meeting in Stockholm on 20-22 June. He hopes to visit London, probably on 15/16 June, and has said he would like to call on the Prime Minister.

Mr Manley (Prime Minister from 1972-80) was sworn in on 13 February 1989. In a sweeping victory his People's National Party defeated the Jamaica Labour Party of Edward Seaga. In his election campaign and subsequently, he has made strenuous efforts to distance himself from his socialist and pro-Cuban record of the 1970s. He has emphasised the importance of maintaining close relations with the US, Canada, Europe (and Britain in particular) and the Commonwealth. Manley has already visited Washington and Ottawa where he called on President Bush and Prime Minister Mulroney respectively.

A meeting with the Prime Minister in June would provide a valuable opportunity to encourage Manley in his new moderate and Western-orientated approach. It would also be appropriate for the leader of an important member of the Commonwealth Caribbean: particularly so if the separate recommendation on Manley's appointment to the Privy Council is agreed. And the Jamaican community here would of course be dismayed if he were not seen by the Prime Minister.

Yours ever

Bob Peirce

(R N Peirce)
Private Secretary

C D Powell Esq
10 Downing Street

OO KINGSTON
GRS 269
RESTRICTED
FM FCO 191700Z MAR 85
TO IMMEDIATE KINGSTON
TELEGRAM NUMBER 074 OF 19 MARCH
SAVING TO WASHINGTON
KINGSTON INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL
1. WE SHOULD BE GRATEFUL IF YOU WOULD PASS ON THE TEXT CONTAINED IN PARAGRAPH 2 BELOW TO MR SEAGA. IN SO DOING YOU MAY WISH TO SAY THAT, WHILE WE HAVE BEEN UNABLE TO ASSIST IN FUNDING THE CONFERENCE/FESTIVAL, WE HAVE ACTIVELY ENCOURAGED PRIVATE SPONSORSHIP. IN ADDITION WE HAVE AGREED TO THE BRITISH YOUTH COUNCIL'S USING A PART OF THEIR FCO GRANT-IN-AID WHICH THEY WOULD NORMALLY USE FOR BILATERAL INTERNATIONAL CONTACTS, TO ATTEND THE CONFERENCE. ON THE FESTIVAL SIDE WE ARE HOPEFUL THAT A BRISTOL-BASED GROUP WILL BE ABLE TO ATTEND, WITH SOME FINANCIAL ASSISTANCE FROM THE BRITISH COUNCIL.
2. TEXT BEGINS:
MESSAGE FROM THE PRIME MINISTER, THE RT HON MARGARET THATCHER, MP, TO THE PRIME MINISTER OF JAMAICA ON THE OCCASION OF THE INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL IN KINGSTON, JAMAICA

YOUNG PEOPLE HOLD THE KEY TO THE FUTURE OF ALL OUR SOCIETIES. I THEREFORE WELCOME THE SPECIAL ATTENTION THAT IS BEING PAID TO THEIR NEEDS AND THEIR PROBLEMS IN THIS INTERNATIONAL YOUTH YEAR.

THE JAMAICAN GOVERNMENT'S IMAGINATIVE PROJECT FOR AN INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL IS A MAJOR EVENT IN INTERNATIONAL YOUTH YEAR. IT WILL BRING TOGETHER YOUNG PEOPLE FROM ALL OVER THE FREE WORLD. THEY WILL HAVE THE CHANCE TO MEET IN STIMULATING SURROUNDINGS, TO DISCUSS AND TO LEARN FROM EACH OTHER. I WISH THE CONFERENCE AND FESTIVAL EVERY SUCCESS.

DATED 18 MARCH 1985 SIGNED MARGARET THATCHER
TEXT ENDS.

See T48/85

3. ORIGINAL OF MESSAGE FOLLOWS BY BAG.

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MR DAVID THOMAS

COPIES TO
MR ADDISON NO 10 D ST
MR HATFIELD CABINET OFFICE
MR ANNING LAPCD/ODA
MR MILLER FHE 2/DES

GR
PL p.c.
Mot 20/3

SUBJECT
cc Master
Ops

FILE LPo
cFco

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 48/85

MESSAGE FROM THE PRIME MINISTER, THE RT. HON. MARGARET THATCHER, M.P., TO THE PRIME MINISTER OF JAMAICA ON THE OCCASION OF THE INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL IN KINGSTON, JAMAICA.

Young people hold the key to the future of all our societies. I therefore welcome the special attention that is being paid to their needs and their problems in this International Youth Year.

The Jamaican Government's imaginative project for an International Youth Conference and Festival is a major event in International Youth Year. It will bring together young people from all over the free world. They will have the chance to meet in stimulating surroundings, to discuss and to learn from each other. I wish the Conference and Festival every success.

Margaret Thatcher

18 March 1985

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

13 March 1985

CP

Dear Mark,

Kingston International Youth Conference and Festival

The Prime Minister wrote to Mr Seaga on 14 November in response to the latter's appeal for financial support for the above event. The Prime Minister explained that we had no funds available.

Since then there has been an exchange of messages between Mr McFarlane and Sir Robert Armstrong (enclosed) in which Mr McFarlane said that the US hoped for political, as well as financial, support. As we have not been able to provide any direct financial support for the event, we believe that the best way of meeting the American request would be a short message to Mr Seaga from the Prime Minister, which the Jamaicans could use in their publicity. I enclose the draft of such a message.

The Conference and Festival begin on 1 April. It is still not clear yet what participation there will be from UK youth organisations or cultural groups. The British Youth Council, whom we fund for their international work, are planning to send two people to the Conference. For this we have agreed they can divert money which they would normally use for bilateral contacts. The Jamaican High Commission in London have also sent invitations to other UK youth organisations but many may not be able to afford to go.

We are doing what we can to encourage private sponsorship and support for interested participants, through the West India Committee. There is also a possibility of some British Council support (£2,000) for a theatre and dance group from Bristol who want to go to Kingston.

I am copying this letter to Richard Hatfield (Cabinet Office).

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

Mark Addison Esq
10 Downing Street

CONFIDENTIAL

L/OADI

15/3
TOP COPY IN
PM BOX FOR HER
AGREEMENT
BEFORE SENDING

MESSAGE FROM THE PRIME MINISTER, THE RT. HON. MARGARET THATCHER, M.P., TO THE PRIME MINISTER OF JAMAICA ON THE OCCASION OF THE INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL IN KINGSTON, JAMAICA.

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FCO 50

PC22/13

RECEIVED IN REGISTRY NO. 3?
07 MAR 1985

DESK OFFICER		REGISTRY
INDEX	PA	

c- PS/Sir A Acland

R 4/3 Hd/CRD
cc PS/PUS
1/3 Mr. Barrington.
29/1/3

70 WHITEHALL, LONDON SW1A 2AS

01-233 8319

From the Secretary of the Cabinet and Head of the Home Civil Service

Sir Robert Armstrong GCB CVO

Ref. A085/641

28 February 1985

Kingston International Youth Conference and Festival

Thank you for your letter of 9 January about the events in Kingston, Jamaica this April. I was interested to learn of the support which the United States Administration and American Corporations are lending to it.

I think you know that Mr Seaga discussed the event with Mrs Thatcher when he came here last October. At that time the Prime Minister explained to Mr Seaga that the Government had, at that stage of the United Kingdom's financial year, been unable to identify any funds which could be used to support this event. With just a few weeks to go before the Conference and Festival take place I am afraid this remains the position. We have however, agreed to a request from the British Youth Council that they should use some of the money which they receive as a grant in aid from the Foreign and Commonwealth Office, and which they normally spend on bilateral international contacts, to fund their attendance at the Conference. In addition to this, we are doing all that we can to encourage outside support for other interested parties.

I am sorry that we cannot be more forthcoming on financial support. We are, however, considering how we might offer the kind of political or other support to which you referred in your letter.

although they cleared the draft at the time, JIAD say now that the discussion was in June; he wrote in October. 4/3

ROBERT ARMSTRONG

Mr Robert MacFarlane

14 MAR 1985

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

Sir Antony Acland KCMG KCVO
Permanent Under-Secretary of State

18 February 1985

R P Hatfield Esq
CABINET OFFICE

Dear Richard,

KINGSTON INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL
1-9 APRIL 1985

1. In my letter of 21 January I undertook to let you know the results of our reconsideration of this matter in the light of Mr Robert MacFarlane's approach to Sir Robert Armstrong.

2. We have, as promised, looked carefully at possible ways in which we could contribute and we have also taken advice from the ODA and the DES, as well as the High Commissioner in Kingston. I regret, however, that we are still unable to identify any funds which could be made available to support this event. It is taking place this April so payment would have to be out of the current year's monies. As you will have seen, the ODA and the DES have reported to us that they have no funds available, and we in the FCO are in the same position. Our Vote for the next financial year as well is fully committed and the same applies for the British Council whom we have also consulted. Pressures on the overall FCO Vote have increased recently with the adverse effects of exchange rate movements, and there is little leeway to allow for unforeseen contributions to an event of this kind.

3. Although we cannot contribute financially as the Americans would have wished, we may be able to provide some political support in the form of a personal message from the Prime Minister to Mr Seaga, wishing the event success, if this was thought helpful. It could be read out or used in some other way during the Conference/Festival. If you thought that such an idea was suitable we could make a recommendation to the Prime Minister, and inform both the Americans and the Jamaicans at the same time. Please let me know if you would like us to pursue this.

CONFIDENTIAL

CONFIDENTIAL

4. I am sorry that we have had to give such a negative reply but I suspect Mr MacFarlane will not be altogether surprised. The timing and planning of this event have left a lot to be desired.

Yours ever,

Lucia

E Jenkinson
Assistant Private Secretary

cc:

PS/Sir Crispin Tickell ODA
PS/Mr Hancock DES
C D Powell Esq No 10 Downing Street
Private Secretary

CONFIDENTIAL

JAMAICA

Visitors of
TW. Senga
Tay 82

19 FEB 1985

RESTRICTED

BRITISH HIGH COMMISSION
KINGSTON
JAMAICA

13 February 1985

H Owen Esq
DTI

Dear Hal,

TRADE AND INVESTMENT PROMOTION GROUP

1. You will know that Lord Selsdon and the Honourable Rupert Kindersley of the Midland Bank, supported by John Sleeman and Andrew Gordon of Samuel Montagu, organised a visit of 12 potential investors who came to Jamaica from 23 to 30 January.

2. I attach a list of those concerned, and a copy of a press cutting reporting on their meeting with the Prime Minister and a photograph.

3. We made ourselves available to assist the group and we gave a buffet supper party for them on their first evening. Lord Selsdon came to breakfast towards the end of their visit and told me that he hoped that the mission would result in new investment in three fields - sugar (in the context of Tate & Lyle's current restructuring efforts), hotels (one of his team was interested in building a hotel at Silver Sands on the north coast) and the mining of peat in the Negril area as fuel for electricity generation. It remains to be seen what will come of all this. None of these projects looks likely to be an easy decision. But the mission has undoubtedly raised hopes here and Seaga will not be pleased if nothing comes of it all. You will see his rather critical reference to the lack of British investment decisions in his remarks which I have sidelined in the cutting.

4. The timing of the mission meant that the events of 14-16 January were very much in everyone's minds and will have caused investors to think carefully of the risks involved. The suspension of operations at Alcoa which took place after they left may have a further cautionary effect.

/5. Lord Selsdon

RESTRICTED

5. Lord Selsdon also gave me an account of the complicated triangular deal built around a project to construct an aluminium smelter in Libya. I confess I found it even harder than on previous occasions to understand exactly what the position was, and to share Lord Selsdon's optimism.

6. You will know that a further team of British potential investors, this time led by Lord Catto of Morgan Grenfell, will be due here next month. In order to be evenhanded I have offered, and they have accepted, an invitation to a buffet supper party early in their visit to help them establish contacts.

Yours sincerely

Martin Reid

Martin Reid
High Commissioner

cc: C D Sanderson Esq, WIAD, FCO
E Walsby Esq, ECGD
A Turnbull Esq, Treasury
A Porter Esq, Bank of England

RESTRICTED

TRADE AND INVESTMENT MISSION MEMBERS

Mr A Bloomfield

Mr M I Buckley

Mr G P Fagence

Mr A R Fawcett

Mr J M Goddard

Mr A Gordon

Mr W M Higgins

Mr Hilton

The Hon. Rupert Kindersley

The Lord Selsdon

Mr J Sleeman

Mr M E D de Styrcea

Mr D J Walder

Mr G Ward

Mr & Mrs W P Wiltshire

Mr S Winn

Mr C J S Woodwark

-Sterling photo

INVESTMENT BOOM: Prime Minister, Rt. Hon. Edward Seaga speaking about an investment boom in Jamaica at the present time and encouraging United kingdom businessmen to get in on the act. The Prime Minister was speaking at Jamaica House yesterday when members of the UK based business team which has been here since Wednesday met with him. Others at the reception yesterday morning included (l-r) Mr. John Sleeman, Director of Samuel Montague, Merchant Bank; Lord Selsdon of Croyden, Director Midland Bank; the Hon. Carlton Alexander, Chairman of JNIP; and Mrs. Polly Brown, Group Director, JNIP.

Gleaner: Saturday 2 Feb.

Investment boom in Jamaica

—Seaga

SOME 190 INVESTMENT projects are expected to be implemented in Jamaica this year, making it the largest number of investment projests to be invested in any one year in Jamaica, according to Prime Minister, the Hon. Edward Seaga.

Addressing a group of 12 representatives of U.K.-based business firms in Jamaica for trade and investmet talks, at Jamaica House yesterday morning, the Prime Minister said that the 190 projects compared with 138 implemented in 1984.

Mr. Seaga, who said that 341 projects had been implemented since the setting up of the J.N.I.P. 3½ years ago, pointed out that this represented an average annual investment of just over 100. Again, this fared well against the period 1972 to 1980 when the average annual rate was 8, he said.

In fact, Jamaica was now experiencing a "considerable boom" in investment, the Prime Minister told the mission. He argued that even in the 1960s, when Jamaica last enjoyed buoyancy and prosperity, the average investment was 19 per year.

Prime Minister Seaga did not compare the annual value of the investment between the various periods he identified. However, on a previous occasion he announced that the 138 projects implemented in

(Please turn to Page 3)

Investment boom in Jamaica

(Cont'd from Page 1)

1983 had a value of $352.8 million. In 1983, the 86 new projects implemented had a value of $58.7. Mr. Seaga did not say how much money would be involved in this year's expected 190 investment projects.

What was of particular interest, said Mr. Seaga, as he gave further details of the investment pattern, was the fact that two-thirds of the investment projects so far were Jamaican, and one-third foreign. This indicated, he said, "that we are serious about investment in our own country".

Directly addressing the group of businessmen, Mr. Seaga said that U.K. should be involved in investment here, on an equal footing with the U.S.A. from where almost all of the foreign investment projects came. Britain had a large enough trading relationship with Jamaica to justify a larger portion of the foreign investment here, he said.

Mr. Seaga identified the receptive climate for investment in Jamaica, the adeptness of Jamaicans to learn skills, and the proximity to the U.S. market as some of the advantages for investment offered by Jamaica now.

When the Caribbean Basin Initiative was considered, the attractions were even greater, Mr. Seaga pointed out, adding: "We enjoy duty-free export, and in most cases quota-free export, therefore providing a good location for what would be a high-tariff good; and the proximity meant also that fragile, and bulky goods, if shipped as finished goods could be cost-effective because of reduced transport cost.

Reflecting on his last investment mission to the U.K. just over a year ago, Mr. Seaga said that there were many prospects and that some of these prospects were still alive. He expressed the hope that the present mission from the U.K. would "bear better fruit" than the previous missions from the U.K.

Speaking after the Prime Minister, Lord Selsdon, a director of Midland Bank, U.K., expressed the desire of British investors to do more business with Jamaica. He recalled that during Mr. Seaga's visit to London they both discussed the possibility of investment in agriculture, and in particular sugar and bananas; tourism, hotels, property, and real estate; and in raw materials.

Lord Selsdon said that within the next 6 to 9 months there would be an increase in the enthusiasm among British investors, "now that we ourselves have got a grip on the sectors that you wish to promote".

The U.K. business team, which arrived in Jamaica on Wednesday, includes representatives from various industries and sectors including sugar, tourism, oil and gas exploration, and agri-business. The West Caribbean Desk of the Commonwealth Development Bank is also represented.

The meeting with Mr. Seaga yesterday was the first in a series of meetings the group will be holding. The members will also meet with the Minister of Mining, Energy, and Tourism, Senator Hugh Hart; the Hon. Pearnel Charles, Minister of Public Utilities and Transport; representatives of the Private Sector Organization of Jamaica; Mr. Martin Reid, U.K. High Commissioner to Jamaica and local bankers.

19 FEB 1954

DEPARTMENT OF EDUCATION & SCIENCE
Elizabeth House York Road London SE1 7PH
Telephone 01-928 9222

The Permanent Secretary
D.J.S. Hancock

NBPM
CDP
30/1

E Jenkinson Esq
Assistant Private Secretary to
Sir Antony Acland KCMG KCVO
Foreign and Commonwealth Office
LONDON SW1A 2AH

30 January 1985

Dear Eric

KINGSTON INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL

You invited DES comment on the letter Sir Robert Armstrong had received from Mr Robert MacFarlane, the United States National Security Adviser, concerning the International Youth Conference planned to take place in Jamaica this coming April.

2. As you will be aware, the forthcoming conference was discussed between the Jamaican Minister for Youth and Community Development, the Hon Edmund Bartlett, and Sir Keith Joseph before the Jamaican Prime Minister's exchange of correspondence with our Prime Minister took place last Autumn. During that meeting, Sir Keith noted with interest the information given to him about the conference but was non-commital about support by the UK for it, pointing out that the thrust of our efforts in International Youth Year is to be directed towards events within the UK. That remains the position and, while DES could obviously identify an appropriate UK delegation to such a conference, if this were thought desirable on other grounds, we would have to look to FCO to finance it. As far as merits of supporting the conference are concerned, we see no particular benefit to be gained from the point of view of the UK youth service - but would equally see no reason to show opposition either.

3. Copies of this letter go to recipients of yours.

Yours sincerely

Tim Jeffery

T B JEFFERY
Private Secretary

Copied to:

PS/Sir R Armstrong, Cabinet Office
PS/Sir C Tickell, ODA
C D Powell Esq, No 10

Mr Bird

30 JAN 1985

OVERSEAS DEVELOPMENT ADMINISTRATION
ELAND HOUSE
STAG PLACE LONDON SW1E 5DH
Telephone 01-213 4819

NBQM
CBJ 29/1

Sir Crispin Tickell KCVO
Permanent Secretary

29 January 1985

Eric Jenkinson Esq
Foreign and Commonwealth Office
LONDON
SW1A 2AH

Dear Eric

KINGSTON INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL

You have sought ODA's comments on the letter from Mr Robert McFarlane to Sir Robert Armstrong requesting UK support for the Kingston Conference.

We first learned of this initiative from our High Commissioner in Jamaica in April 1984, since when we have explored fully all possible avenues for providing assistance. Unfortunately, as the Prime Minister explained in her letter to Mr Seaga of 4 November, there is no source of funds available under the aid programme from which we could make a financial contribution to the Conference.

We have re-examined this conclusion in the light of the direct approach by the Americans, but I am afraid again with the same result. Our aid to Jamaica consists of programme loans and technical co-operation. The current programme loan of £2.5 million is tied to the purchase of British goods and services and is intended for use in the productive sector. Our technical co-operation is largely committed to manpower and training requirements. I regret therefore that we see no scope for offering financial assistance for the Conference from these sources and we have no other pocket of funds from which we could help.

Yours ever

Jonathan Lingham
PS/Sir Crispin Tickell

cc Richard Hatfield Esq, Cabinet Office
PS/Mr Hancock, DES
High Commissioner, Kingston
Charles Powell Esq, No 10 Downing Street

JAMAICA: Visit of Mr Seaga

May 82

29 JAN 1985

COVERING CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

Sir Antony Acland KCMG KCVO
Permanent Under-Secretary of State

21 January 1985

R P Hatfield Esq
CABINET OFFICE

Dear Richard,

KINGSTON INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL

1. Thank you for your letter of 10 January about the approach which Mr Robert MacFarlane has made to Sir Robert Armstrong.

2. This is the first direct approach which we have had from the Americans about this event although Mr Seaga wrote to the Prime Minister about it last November. As you will see from the attached copies of the correspondence then, it was impossible to identify any funds available to support the event. Given this direct request from the US Government, however, we must of course give the matter very careful reconsideration. The Conference and Festival are less than three months away but, despite the shortage of time, this is clearly a request to which the Americans attach great importance.

3. We shall need to consult the other Government Departments involved before we can let you have a substantive reply. I am therefore sending copies of this letter and of Mr MacFarlane's letter direct to the Overseas Development Administration, the DES (and also to the High Commissioner in Kingston), with a request for their comments as soon as possible. I am also sending a copy to Charles Powell for information.

Yours ever,

Eric Jenkinson
Assistant Private Secretary

cc: PS/Sir C Tickell, ODA
PS/Mr Hancock, DES
High Commissioner, Kingston
C D Powell Esq, No.10 Downing St.

Visit of PM of Jamaica : JAMAICA
May 1982.

Mr Powell
No. 10 Downing St.

NBPR
CDP
23/1

With the compliments of

SIR ANTONY ACLAND

Quoted from Jenkinson's letter to Hatfield of 21/1 on 'Langston International Youth Conference & Festival'

FOREIGN AND COMMONWEALTH OFFICE, SW1
, 198 .

23 JAN 1985

cc

Mr Thompson [illegible] drafts
C 11/1

Hd/CRD
& PS/Mr Renton
PS/PUS
Mr Barrington
Hd/WIAD

70 Whitehall, London SW1A 2AS Telephone 01-233 8319

Secretary of the Cabinet and Head of the Home Civil Service
Sir Robert Armstrong GCB CVO

For advice and draft reply.

Ref. A085/86

10 January 1985

C 11/1

Dear Eric

International Youth Conference

I attach a copy of a letter that Sir Robert Armstrong has received from Mr Robert MacFarlane, the United States National Security Adviser, concerning the International Youth Conference which is to take place in Jamaica in April 1985. I would be grateful for your advice on how Sir Robert should reply.

Yours

(R P Hatfield)
Private Secretary

Eric Jenkinson Esq

THE WHITE HOUSE

WASHINGTON

January 9, 1985

Dear Sir Robert:

We did not have a chance to raise one issue of great interest to us at Camp David. We have been very impressed by the deep commitment made by Prime Minister Seaga of Jamaica to take the lead in convoking an International Youth Conference in Kingston in April 1985. We believe that this conference affords a great opportunity to promote democratic ideas among the world youth. It is an important counterbalance to the Soviet efforts to dominate international youth politics. We note that the Soviets will be holding a youth festival in Moscow in July 1985.

It is our hope that the Jamaican initiative will lead to the creation of a permanent international democratic youth structure. We view it as a positive step forward in the building of democracy and fully consistent with the goals the President articulated at Westminister in June 1982. We are impressed that the leader of a small country with very limited resources has demonstrated the statesmanship to take the lead in this vital endeavor. We have tried to help the Jamaican effort with both political and financial support.

We have also encouraged U.S. corporations to help underwrite this activity. While extending our assistance, we have proceeded in a low-key way so that the Jamaican and international character of the program is foremost. Organizational work for the conference started slowly but has been picking up speed recently as funds have become available. We are optimistic about the success of the conference and of the potential for a follow-on international democratic youth structure.

In this regard, we ask that Her Majesty's Government reexamine its position concerning the conference. The Jamaicans need the financial and political support of their friends in the West. Any assistance Her Majesty's Government can provide would be most helpful in promoting this worthwhile program.

Warm regards,

Bud

Sir Robert Armstrong, GCB, CVO
Secretary of the Cabinet
70 Whitehall
London SW1

JAMAICA : Visit of PM of Jamaica:
May 1982.

23 JAN 1985

THE WHITE HOUSE

WASHINGTON

January 9, 1985

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Warm regards,

Bud

Sir Robert Armstrong, GCB, CVO
Secretary of the Cabinet
70 Whitehall
London SW1

10 DOWNING STREET

THE PRIME MINISTER

PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. T192/84

14 November 1984

Dear Prime Minister.

Thank you for your letter about the International Youth Festival and Conference. I recall that you mentioned your plans during our most interesting discussions here in June.

I can see that a great deal of imagination has gone into the planning of this project. We have looked carefully to see whether we could assist financially. The £2.5 million programme loan, which I was glad to hear you recently signed with Timothy Raison, is as you know for the purchase of British machinery and equipment. Faced with the inescapable and continuing need to keep firm control of public expenditure, there are simply no other funds available. We have kept the total foreign office budget intact, but it is fully committed.

I am sorry that I cannot give you a more positive response, but I wish the project every success.

Yours sincerely

Margaret Thatcher

The Right Honourable Edward Seaga, PC, MP.

CONFIDENTIAL

Foreign and Commonwealth Office

London SW1A 2AH

12 November 1984

Dear Charles,

Jamaica: International Youth Conference and Festival

Thank you for your letter of 17 October about the approach from Mr Seaga. The Prime Minister will recall that Mr Seaga raised this subject at talks in No 10 in June, and undertook to write with further details. He evidently sees his festival as a counter to the Moscow Festival for Youth and Students.

We have looked carefully at Mr Seaga's request for "positive support" from HMG, and have consulted the ODA and the Department of Education and Science. We have been unable to identify any uncommitted 1984-85 funds. The terms of the current ODA Programme Loan of £2.5 m. are tied to the purchase of British machinery and equipment for the productive sector. Each order must be of a value of at least £250,000. It seems most unlikely that the Conference/Festival could meet these criteria. As for 1985-86 funding, the Jamaicans' idea for "the establishment of a permanent international youth organisation" could involve a long term commitment.

In the current PES climate, there are no FCO funds available; I understand that the Department of Education and Science are in the same position.

In the circumstances, the Prime Minister may wish to send a reply along the lines of the enclosed draft.

As I said in my letter of 2 November, Mr Seaga will be visiting London privately from 15 to 17 November and will probably be seeing Mr Renton and Mr Raison during his stay. It is possible that he will raise this matter with them. They will be guided by the terms of the Prime Minister's reply.

/I am copying

CONFIDENTIAL

CONFIDENTIAL

I am copying this letter and enclosure to Elizabeth Hodkinson (DES).

Yours ever,

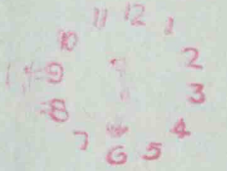
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

12 NOV 1984



Foreign and Commonwealth Office

London SW1A 2AH

2 November 1984

Dear Charles,

Prime Minister of Jamaica

We have learned that Prime Minister Seaga of Jamaica plans to visit London privately between 15-17 November. He will arrive at approximately 1140 am on Thursday, 15 November from Paris after attending a meeting of the United Nations Environment Programme (UNEP) and will leave London for New York at approximately 1000 am Saturday, 17 November. His programme in London is being arranged by a public relations firm: the Jamaican High Commission appears to have been put in the picture only during the past two days.

We understand that on 15 November Mr Seaga intends to host a reception for the Commonwealth Parliamentary Association and other Members of Parliament interested in Caribbean affairs. It will be followed immediately by a reception for the Jamaican community in London. Mr Seaga has instructed the public relations firm to arrange interviews with the press and he will be the guest of the Diplomatic and Commonwealth Writers Association at a lunch on 16 November.

Mr Seaga has not asked for any official contacts to be arranged. He called on the Prime Minister in London on 13 June and had discussions with Mr Raison in Jamaica on 19 October. We have nothing of substance to discuss at Prime Ministerial level with Mr Seaga. FCO Ministers will be seeing Mr Seaga while he is here. We do not suggest that there is any need for us to take the initiative to arrange a call on the Prime Minister. But I thought you would wish to be aware that he will be in London on those dates.

Yours ever

Peter Ricketts

(P F Ricketts)
Private Secretary

JTRAJH
bcPC

10 DOWNING STREET

From the Private Secretary

17 October 1984

JAMAICA: INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL

When the Prime Minister met Mr. Seaga some months ago, he undertook to let her have further material on the International Youth Conference and Youth Festival to be held in Kingston next April. He has now done so. I enclose a copy of his letter and memorandum, in which he asks for the positive support of the United Kingdom for the venture.

I should be grateful for a draft reply in due course.

I am copying this letter and enclosure to Elizabeth Hodkinson (Department of Education and Science).

(C.D. POWELL)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

AR

10 DOWNING STREET

From the Private Secretary

17 October 1984

Thank you for sending to the Prime Minister your Prime Minister's letter of 4 October and the Aide Memoire on the International Youth Conference and World Youth Festival of Arts. I shall, of course, bring this to the Prime Minister's attention as soon as possible.

(C.D. POWELL)

Mr. H. Dale Anderson

October 16, 1984

Mr. Charles D. Powell
Private Secretary for Foreign Affairs
Prime Minister's Office
10 Downing Street
London SW1

Dear Mr. Powell:

Further to our telephone conversation on the 16th October 1984, I have enclosed a letter along with an Aide Memoire from the Prime Minister of Jamaica, the Rt. Hon. Edward Seaga to Prime Minister the Rt. Hon. Margaret Thatcher.

Both enclosures deal with the International Youth Conference and the International Youth Festival, scheduled to be held in Jamaica from the 1st to the 9th April 1985. Would you be so kind as to arrange delivery to Prime Minister Thatcher.

Yours sincerely,

H Dale Anderson

(H. Dale Anderson)
Deputy High Commissioner

MASTER
OPS.
JAMAICA: Visit of PM of Jamaica: May 1982.

Jamaica

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T170 44/84

Office of the Prime Minister

Jamaica House
Kingston

4th October, 1984

Dear Prime Minister,

I have asked the Jamaican High Commissioner in London to deliver to you this letter regarding the International Youth Conference and International Youth Festival to be held in Kingston from April 1-9, 1985.

As the High Commissioner will inform you, and as the supporting material which he has at his disposal will indicate, considerable progress has been made in developing both events.

As far as the Conference is concerned, the first formal meeting of the International Secretariat was held from September 6-8, 1984, and was very successful. Overseas representatives were drawn from North, Central and South America, as well as Europe, Africa, Asia and Australasia. The meeting approved the invitational criteria for the Conference, the draft agenda, the rules of procedure, and made recommendations for keynote speakers.

The second meeting of the Secretariat is scheduled to be held from November 5-7, and it is expected that shortly thereafter formal invitations will be issued to Youth Groups

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister of the United Kingdom

throughout the world to send representatives to the Conference.

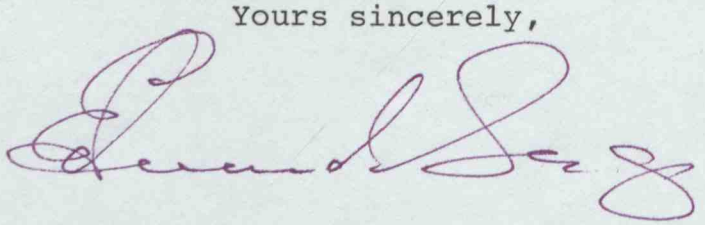
I might say that the Conference Secretariat is already in informal contact with hundreds of Groups worldwide.

As far as the Festival is concerned, we expect considerable participation in the form of folk groups, art and other exhibitions, as well as a well rounded film festival. We are also well advanced in making arrangements for some internationally famous performers to appear at the Festival which should substantially help to defray the costs involved.

As you will appreciate we would very much value the positive support of the United Kingdom Government in the entire venture. We have received considerable support and encouragement from the United States of America and some Governments and Foundations in Western Europe, and very much look forward to your Government being able to play a significant role in ensuring the success of the Conference and Festival.

With warm personal regards.

Yours sincerely,



AIDE MEMOIRE

INTERNATIONAL YOUTH CONFERENCE AND WORLD YOUTH FESTIVAL OF ARTS JAMAICA, APRIL 6 - 10, AND APRIL 1 - 9 , 1985.

AIMS AND OBJECTIVES

The International Conference of Youth and World Youth Festival of Arts is scheduled for Jamaica in April 1985, and will form part of Jamaica's celebration of the U. N. designated International Youth Year (IYY).

The Conference is designed to attract representatives of democratic youth movements throughout the world, and will focus on the themes of Peace, Participation and Development. Participants will bring to Jamaica a host of cultural backgrounds, languages and viewpoints and will openly debate and discuss basic democratic principles. The Conference will not provide a forum for any single nation or groups of nations, but will be a global effort to study, define and safeguard the values of free societies throughout the world. Invitations will not be extended to countries per se, but rather to youth groups which adhere to basic democratic ideals. Some of these will of course have no particular ties to any given country.

The major aims of the Conference are:

a) to promote lasting bonds of friendship, co-operation and understanding among young people;

b) to proclaim a Declaration which will affirm their dedication to the ideals of democracy;

c) to consider the establishment of a permanent international organization for youth.

Together with their Jamaican hosts, youth leaders from Europe, North America, Africa, Asia, Australia and

.....Latin

Latin America will meet to study and consider how to safeguard and peacefully support the values of a free society.

At the meeting of the International Secretariat which was held in Kingston in September, delegates defined the criteria for democratic international youth organizations. They are:

1) They must be internally democratic in structure;

2) Their political platform must enshrine a commitment to continued pluralistic, competitive and free elections;

3) They must be genuinely representative of significant numbers of young people.

CRITERIA FOR ISSUING INVITATIONS

It is the belief of the Secretariat that undemocratic governments do not allow independent democratic youth movements. It is therefore important to first examine the political nature of the country in question. In determining the level of democracy, the following criteria will be used:

1) Does the country allow competitive elections which may result in a change of leadership?

2) Are the basic freedoms, necessary to democracy, allowed - freedom of speech, of association, of press and movement?

3) Are independent trade unions with free and open elections allowed?

4) Is the country in compliance with the United Nations Universal Declaration of Human Rights? However, a country shall not be deemed democratic if it does not in its statements and actions:

   a) condemn totalitarian and dictatorial governments whether they be of the left or the right,

...../3

b) does not condemn racism and apartheid wherever they might exist.

The Secretariat recognizes that there are different levels of democracy throughout the world. Each case will thus be examined on an individual basis by the Secretariat.

Once the Secretariat has agreed that a country exhibits sufficient democratic tendencies, the Secretariat will examine the youth structure within that country.

A) If a National IYY Committee exists which represents the spectrum of democratic youth opinion in that country, that organization will be invited.

B) If a National IYY Committee exists, but does not represent the entire spectrum of democratic youth opinion, the National IYY Committee will be invited.

C) If no National IYY Committee exists, then the Secretariat will invite representatives of all the significant democratic youth opinions.

If the Secretariat determines that while the country exhibits the aforesaid democratic criteria, the youth movements in their internal policies are not democratic then no invitation will be issued to those groups.

In those countries which the Secretariat deems to be undemocratic, the Secretariat will seek to invite democratic youth representatives from that country living either in that country or in exile. These representatives must embrace the aforementioned criteria for democracy and demonstrate their dedication to these democratic ideals through either or both their words or actions.

In making these determinations, the Secretariat will seek the assistance of the following organizations:

..../4

Socialist International
International Union of Christian Democrats
Liberal International
International Democrat Union
Inter-American Commission on Human Rights
Freedom House International
International League on Human Rights
Free Press Committee

Delegations are limited to one per country, size dependent on population, with each delegation having a total of five votes.

During the Conference, delegates will be invited to review a draft document and analysis of the three International Youth Year themes: Peace, Participation and Development. There will be working committees; each considering one of these themes and post-conference follow-up. So far the Conference Secretariat has made contact with 2,000 youth groups world wide.

An International Cultural Festival is to be staged prior to the Conference and running concurrently with it. Several thousand young people from abroad together with thousands of young Jamaicans are expected to participate in this event. The Festival will complement the Conference by creating a fun-filled backdrop for the Conference's more serious discussions on the themes of Peace, Participation and Development.

EXPLANATION OF GOALS

By creating and hosting a World Youth Festival, Jamaica aims to enable young artists to express their creativity and be exposed to the creation of their peers, thereby fostering personal, cultural and economic development. In addition, it will showcase performers and artists who have, throughout their careers, demonstrated an ongoing understanding and concern for the cultural education, development and encouragement of youths.

...../5

The World Youth Festival provides a special opportunity for young people from around the world to express themselves and be accepted on their own terms.

Some of the events planned for the Festival are:

a) Exhibition of Photography, Literature and Fine Arts;

b) International Youth Camp, a reggae tent and a recreational centre;

c) International Theatre Festival - a presentation of plays and dances from the international theatre community;

d) Opening Gala - Highlighted by parades;

e) International Film Festival.

DIRECTION AND MANAGEMENT

The Jamaica National Organizing Committee (JNOC), is responsible for the organization of the Conference and Cultural Festival. This body is headed by the Minister of the Public Service, the Honourable Errol Anderson. The Minister of Youth and Community Development, the Honourable Edmund Bartlett is also a member of the Committee.

The Permanent Secretary (Secretary-General), of the Ministry of the Public Service, Mr. Gordon Wells, C.D., has been assigned on a full-time basis to the Conference, and is being assisted by the Director of the Conference, Mr. Merrick Needham, and a big staff to ensure that adequate arrangements are made.

Other members of the JNOC include representatives of the major public and private youth groups in the country. The business, labour, political, educational and service sectors are also fully represented.

...../6

An International Secretariat, responsible for the preparation, gathering of documentation and other material, the development of a draft agenda and general operation of the Conference has been established. Members comprise youth leaders from each global region. Each representative is charged with the job of highlighting suggestions from his own national organizing committee.

The Secretariat held its first of three global preparatory meetings in Kingston in September 1984. The meeting, which was attended by 71 overseas representatives as well as nine representatives from the host country, decided on the criteria for inviting democratic youth to the Conference. This inaugural meeting also decided on the proposed agenda and the proposed keynote speakers who will address the Conference.

The next meeting of the Secretariat will be held in November.

DIPLOMATIC AND OTHER CONTACTS

Publicity and promotion for the Conference and Festival have been generated through visits to various capitals; discussions with youth leaders and government officials; contact made at international conferences, and with representatives of foreign governments based in Kingston. On the whole, countries have been strongly supportive of the initiatives by the Jamaican Government.

FINANCE

The question of finance is a matter of fundamental importance. To ensure the success of the Conference and follow-up activities, it is necessary for the JNOC to obtain considerable financial assistance as well as contributions in kind.

Governments, foundations, business, labour and service organizations in many countries are being asked to make meaningful contributions. Members of the International Secretariat are also expected to engage in fund-raising activities in their own regions. The present cost estimate is US$2 million plus J$5 million. Costs are expected to increase as a result of inflation.

...../7

As many of the participants are from developing countries, they are faced with the difficulty of meeting the cost of air fares and other travelling expenses. Many youth groups in these countries are keen to attend, but do not have sufficient funding to do so.

So far, encouraging response in this regard has come from the Federal Republic of Germany, India, Israel, Spain, the United States of America and Venezuela.

However, it is hoped that countries which have long upheld democratic principles and objectives, and supported the cause of Peace, Participation and Development, will be equally supportive in ensuring the success of the Conference.

In this regard, the JNOC would be grateful to receive financial contributions to help defray the overall cost. The contribution of airline tickets would also be appreciated.

The JNOC Financial Committee, chaired by the Accountant General of Jamaica, has established accounts for the receipt and monitoring of donations. Contributions should be made payable to the International Conference of Youth - 1985 - Jamaica S.D.C. Account of the Jamaica Social Development Commission at Chemical Bank, 1 United Nations Plaza, N. Y. 10017. Drafts or money orders can also be sent to the Secretary, JNOC, 43 St. Lucia Crescent, Kingston 5.

Jamaican High Commission.

17 OCT 1984

Subject as master eft.

File

15/6/84

10 DOWNING STREET

PRIME MINISTER'S PERSONAL MESSAGE SERIAL No T99/84

THE PRIME MINISTER

Dear Prime Minister,

I found our talks on 13 June very interesting, particularly your account of the stringent economic measures you were taking to reduce your budget deficit and improve foreign exchange reserves. I was glad to learn that you have reached a new agreement with the IMF. I hope your meetings with British companies were productive.

I am now able to let you know that, provided agreement is reached on repayments of past UK loans, we are ready to make available a new programme loan of £2.5 million for expenditure in 1984/85 on essential imports from Britain. This is additional to the £1.5 million we expect to disburse from existing programme loans making a total of £4 million available to Jamaica for this purpose in 1984/85.

Thank you once again for the paperweight: it was a kind thought - and it is beautiful. Warm regards,

Yours sincerely

Margaret Thatcher

The Rt Hon Edward Seaga, M.P.

RESTRICTED

a/c

Foreign and Commonwealth Office

London SW1A 2AH

14 June 1984

Prime Minister
The idea is for you to tell him formally of the new programme aid we can offer. Letter amended and ready for signature.
C.D.P.
14/6

Dear Charles,

Prime Minister's Meeting with Mr Seaga

Thank you for your letter of 13 June enclosing a record of the Prime Minister's meeting with Mr Seaga.

We suggest that it would be worthwhile following up the discussion of the prospects for the Jamaican economy with a letter from the Prime Minister to Mr Seaga offering new programme aid for Jamaica. Mr Seaga leaves London on Saturday. I enclose a draft letter. If the Prime Minister agreed, we recommend that the letter be delivered to the Jamaican High Commission, if possible in the course of tomorrow, 15 June. We would be happy to arrange this if you wish.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

RESTRICTED

cc P.C.

CONFIDENTIAL

DEPARTMENT OF TRADE AND INDUSTRY
1-19 VICTORIA STREET
LONDON SW1H 0ET
Telephone (Direct dialling) 01-215) 5422
GTN 215)
(Switchboard) 215 7877

JU552

PS/ *Secretary of State for Trade and Industry*

15 June 1984

EDL.

P F Ricketts Esq
Private Office
Foreign & Commonwealth Office
Downing Street
London SW1

Dear Peter,

SECRETARY OF STATE'S MEETING WITH THE PRIME MINISTER OF JAMAICA

I include a record of my Secretary of State's meeting on 13 June 1984 with Mr Seaga, Prime Minister of Jamaica.

2 I am sending copies of this record to Charles Powell at No 10, David Peretz at the Treasury, and Ivor Llewellyn in Mr Jopling's office.

Yours ever,

Ruth

RUTH THOMPSON
Private Secretary

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CONFIDENTIAL

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NOTE OF THE SECRETARY OF STATE'S MEETING WITH PRIME MINISTER SEAGA OF JAMAICA, 13 JUNE 1984.

Those present

Secretary of State
Mr Channon
Mr Twyford ECGD
Mr R Williams ITP

Mr Ireton ODA

Mr Burnikell OT5

Mr Seaga
Mr Walker, High Commissioner
Mr Pringle, Dep High Commissioner
Mr Alexander, Chairman, Jamaican National Investment Promotion Ltd
Mrs McLarty, Managing Director, JNIP
Mr Bryce, PS/Mr Seaga
Mr Saratgar, Morgan Grenfell

1 After being welcomed by the Secretary of State, Mr Seaga said there were two matters he wished to discuss with him: the proposals to facilitate investment in Jamaica outlined in Morgan Grenfell's letter to Mr Tebbit of 6 June, and the trade in bananas.

Investment

2 Mr Seaga said that Jamaica was faced with a great problem because of decline in foreign exchange earnings. He had taken difficult and unpopular measures to improve inward flows, and to build up Jamaica's foreign exchange reserves to the levels of the early 1970s. Jamaica National Investment Promotion Limited had been established to co-ordinate and process new projects, and two to three new initiatives were implemented each week. He had come to Western Europe to visit a number of companies which had expressed particular interest in investing in Jamaica on account of the benefits that should accrue from the USA's Caribbean Basin Initiative (CBI) legislation. Jamaica also hoped to interest companies from the Far East in the duty-free opportunities which should be available.

3 Mr Seaga said there were two particular issues he wished to raise with Mr Tebbit on ways in which investment in Jamaica might be facilitated: the UK/Jamaica Agreement on investment promotion and protection, on which discussions were well advanced, and on which there was little to say; and the matter of ECGD cover for capital goods requirements for investors. On the second, Mr Seaga acknowledged that Jamaica had not been a prompt payer. However, since the intervention of the IMF and domestic economic measures (which had borne in mind the need to satisfy ECGD), Jamaica's position was much improved. First, Jamaica would like HMG to support the establishment of an ECGD capital goods line of credit to Jamaica; secondly, HMG should, concurrently with this ECGD provision, obtain a counterpart provision from one of the aid sources to serve as a form of collateral.

4 The Secretary of State said he well understood Jamaica's concern to diversify, and to attract investors. However, there were very considerable problems for DTI on the proposal for ECGD cover. Jamaica's application to the Paris Club for re-scheduling automatically caused ECGD to suspend credit. This suspension would last until ECGD were satisfied with the country's performance under its agreements with the IMF. However, there was evidence that Jamaica was not taking full advantage of the 180-day credit available, and an ECGD official was on his way to Kingston to see whether he could assist with this. Mr Twyford added that it would be very much in the UK's interests to get the re-scheduling done by the Paris Club as quickly as possible, since we were (with the USA) major creditors. On the two proposals from Morgan Grenfell, the Secretary of State said officials would be willing to look at the possibility of a capital goods line of credit, but any such scheme would need full guarantees from an external bank or another third party. On the second proposal, to use UK aid funds to service and guarantee ECGD commitment, the difficulty was one for ODA. Mr Ireton said this was not the first time a country had come forward with such a proposal, and, if anything was to be done for Jamaica, a very undesirable precedent would be established. ODA would find any such commitment a considerable problem from a financial management and control point of view, since they would have no control at all over the timing of size of their contingent liability. Again, however, the Secretary of State undertook to ask the appropriate officials to examine whether possibilities existed.

5 In reply, Mr Seaga argued that the proposals that he had put forward were designed to assist UK companies to obtain access to the valuable US market through the CBI; they could not possibly locate in Jamaica without access to the necessary raw materials and capital goods. If the UK were able to implement what was proposed, the British companies would be able to come into Jamaica, would make good profits, and would be very likely to order their raw materials and capital goods from Britain. Indeed, the proposed facility could be linked to such a requirement. The Secretary of State noted everything Mr Seaga said, but pointed out that this last proposal was almost certainly outside EC and OECD rules.

6 It was agreed that Mr Twyford would have further discussions with Mr Saratgar of Morgan Grenfell on these points.

Bananas

7 Mr Seaga asked what HMG intended to do in the light of the current Ministerial review of the import licensing system for bananas from the dollar area countries. Mr Channon explained that the DTI was (albeit reluctantly) responsible for banana import licensing. It was his belief that the solution to the difficulties that had arisen would create absolutely no problems for Jamaica: almost any workable solution would include a commitment to take all export-quality Jamaican bananas which they

wished to send. In this connection, Mr Channon the UK was pleased with recent quality improvements. The final review of the allocation of licences was still in progress, and would take another couple of months; but there was really nothing for Jamaica to worry about. Mr Seaga said that Jamaica was expanding its banana production, with the use of capital-intensive high-technology equipment. A considerable investment had been made in two main centres, with a view to bring production up to some 30 tons per acres, instead of the five to six tons per acres produced in conventional plantations. Mr Pringle stressed that, given the investment which had been committed, the price of bananas (as well as access to markets) was of crucial importance. Jamaica was, he said, "scared out of our mind" about stability of prices and stability of the markets.

8 Mr Channon reiterated that he was determined to find a solution to the import problem which did no damage to Jamaican and Windward Islands' interests. Mr Williams noted that the solution would have to be acceptable the EC, but reassured Mr Pringle of HMG's intentions.

Ruth Thompson

RUTH THOMPSON
PS/Secretary of State for Trade & Industry
Rm 803 V/S 215 5422

15 June 1984

CONFIDENTIAL

cc MASTER

10 DOWNING STREET

From the Private Secretary

13 June, 1984

Dear Peter,

Prime Minister's Meeting with the Prime Minister of Jamaica

I enclose a record of the Prime Minister's meeting earlier today with the Prime Minister of Jamaica.

I am sending copies of this letter to Richard Mottram (Ministry of Defence), Callum McCarthy (Department of Trade and Industry) and Elizabeth Hodkinson (Department of Education and Science).

Yours sincerely,

C. D. POWELL

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

RECORD OF A CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF JAMAICA

Present:

Prime Minister
Sir William Harding
Mr. Powell

The Rt. Hon. Edward Seaga, M.P.,
Prime Minister of Jamaica
The Jamaican High Commissioner
Mr. D. Brice
Mrs. Risden-Hunter

Jamaican Economy

The Prime Minister said that Jamaica clearly had enormous economic problems but Mr. Seaga had the courage to tackle them. The IMF had insisted on some tough conditions but they were necessary. She invited Mr. Seaga to say how he saw the prospects.

Mr. Seaga said that he had had to take a lot of unpopular steps. His aim was to halve the budget deficit. This required stringent measures. There had also been a substantial devaluation. At the same time steps were being taken to help the poor and those nutritionally at risk through a food stamp programme. With the help of this, he had managed to maintain understanding for the difficult measures. He believed that he had carried the support of the Jamaican people with him so far. Substantial restructuring of the economy was needed. Indeed, there had already been some successes: tourism had rebounded significantly. In agriculture, dependence on sugar and bananas had to be reduced. Manufacturing industry needed to

be attracted. This was one of the purposes of his visit to the UK. And a bigger market than that offered by CARICOM had to be sought. Of six major economic indicators, the negative trend of five had been reversed. The exception was Jamaica's foreign exchange reserves. One option for improving these was to license casino operations. He was considering the impact on public opinion of a decision to do this.

The Prime Minister enquired whether Jamaica was importing its food at market prices. Surely it should be possible to obtain access to surpluses in the Community? Mr. Seaga said that Jamaican supplies came principally from the US and were financed by long-term loans at low or nil interest rates. In reply to a further question from the Prime Minister, Mr. Seaga said that he had no complaints about American aid. The Prime Minister noted that problems might arise when the food stamp programme was eventually withdrawn. Mr. Seaga emphasised that it was a nutritional programme directed basically towards school children. Only a small number got it as welfare. Improving the lot of children was one of his major aims. Every child attending school would get a full set of text books for the first time this year. His goal was to give every child a place in a school.

Reverting to the state of the economy, Mr. Seaga was optimistic that employment opportunities would increase, particularly in service industries. The Prime Minister commented that to attract foreign investment, it was essential to offer an assurance of political stability.

International Youth Conference and Festival

Mr. Seaga said that the United Nations had designated 1985 International Youth Year. There had never been an international gathering of the young from democratic

the opportunity, others less well-intentioned would do so. The Prime Minister repeated that the matter had only just come to her attention. She remained sceptical. She accepted that there could be a worthwhile effect on Caribbean youth but repeated that it would have been better had there been widespread consultation in advance. Mr. Seaga acknowledged that, with the benefit of hindsight, this would have been wiser. One possibility might be to convene a preparatory conference this summer. He would shortly be writing to a number of Heads of Government about the proposal. Sir William Harding said that it would be useful to include as much detail as possible. The Prime Minister said that she would consider the matter in the light of Mr. Seaga's letter.

Grenada

Mr. Seaga said that Grenadians were becoming interested again in the political process. Voter registration had been completed. It seemed that neither the far Right nor the far Left had much support. Various groups were emerging in the centre and there was some trend towards consolidation of these. The likely outcome of elections was a middle of the road Government confronted by a middle of the road Opposition. The Prime Minister asked whether local leaders were emerging. Mr. Seaga said they were, naming Blaize, Brizan and White. More generally, the island was stable, though unemployment was high.

Mr. Seaga said that he had seen a report that the UK and US were intending to help set up a para-military group in Grenada. Could the Prime Minister tell him anything of this? The Prime Minister said that she had never heard of it and it must be a misunderstanding. The UK was providing police training. Sir William Harding added that the misunderstanding could be based on restrictions imposed by Congress on US aid to police training, leading it to be

countries. The Soviet Union was organising a youth festival. He did not believe that they should be left a free field. He was looking for support from many countries for the proposed conference and festival in Jamaica. He hoped that there would be a delegation from the UK as well as help from HMG in off-setting part of the costs. These would amount to some 3.3 million US dollars of which the United States had already promised one million dollars. He was seeking only modest financial support: but it would look bad if help came only from the United States. He wanted to emphasise again that there had never been a conference of youth from the free world.

The Prime Minister said that she had only very recently been made aware of the proposal. She was bound to say that she was sceptical of it. Such conferences took a lot of preparation and could prove very expensive. It was very important to avoid disruption and problems such as drugs. They must be properly policed and secure. Everything had to be worked out carefully in advance and this required extensive advance consultation. The Communists had a lot of practice at this sort of thing. She was bound to say that it would have been better had the Jamaican Government consulted more widely before launching the proposal.

Mr. Seaga welcomed the Prime Minister's frankness. He was confident Jamaica could make adequate arrangements. The last world youth conference had been held in Cuba and had exerted a considerable pull in the Caribbean. The Prime Minister commented that if the Jamaican conference was to be the first in the free world, it must be better than anything the Communists could mount, better supervised and more interesting. Mr. Seaga replied that it would only be better if Jamaica got the support which it needed. The Prime Minister observed that the resources could be found only if diverted from other commitments. Mr. Seaga said that only a small investment was required. If Jamaica did not provide

described somewhat differently. In reply to the Prime Minister's question, Mr. Seaga said that the cost of maintaining Jamaican forces in Grenada was not a significant burden.

Caribbean Security

The Prime Minister enquired about the progress of the Eastern Caribbean regional security system. Mr. Seaga said that Jamaica was not directly involved: the lead was taken by Barbados. His impression was that there was a bit of a lull in its affairs. Jamaica was ready to offer help with training.

Central America

The Prime Minister asked for Mr. Seaga's assessment of developments in Central America. She had discussed the area with President Reagan and found him very concerned, particularly about Nicaragua.

Mr. Seaga said that he was worried too. While the situation in El Salvador appeared to be settling down, there were many similarities between developments in Nicaragua and those earlier in Grenada. The military build up was a matter of particular concern. There was a risk that Nicaragua would try to stimulate in neighbouring countries a cycle of infiltration, dissent, revolution and requests for outside intervention. On the other hand, internal strains were developing in Nicaragua and there was some evidence that the Sandinistas' hold was beginning to fall apart. Their main objective now was survival.

The meeting ended at 1215.

E.R.

PRIME MINISTER

Talks with the Jamaican Prime Minister: Wednesday 13 June

He arrives at 1115 hours for an hour's talk.

He will be accompanied by:

The Jamaican High Commissioner
Mr. Don Brice - Permanent Secretary, PM's Office
Mrs Risden-Hunter - his Special Assistant

Sir W. Harding from the FCO will attend.

I suggest the talks be in the White Drawing Room.

I attach the briefs and cards. Political and economic prospects in Jamaica and general Caribbean problems look the most interesting themes.

Personality notes on Mr. Seaga and the High Commissioner are also attached.

Mr. Seaga's visit is part of a wider tour, the main purpose of which is to promote foreign investment in Jamaica.

C.D.P.

12 June 1984

TALKS WITH JAMAICAN PRIME MINISTER

WEDNESDAY 13 JUNE

Jamaica: Political and Economic

Prospects for Mr. Seaga's new term? Economic prospects following agreement with IMF?

Aid

Once agreement on repayment of past UK loans reached, ready to make a new programme loan of £2.5 million for expenditure over the next year on essential imports from Britain.

Caribbean Post Grenada

Prospects for CARICOM? (Heads of Government to meet in July for first time since Grenada intervention).

Grenada

Views on possible outcome of elections?

Security of Small States

Shall be contributing to Commonwealth study on this. Jamaica's views on prospects for greater regional co-operation in the Caribbean?

/ Central

Central America

Jamaican assessment of situation?

UK/Jamaica Investment Promotion & Protection Agreement

Hope Agreement can be concluded very soon.

International Youth Conference & Festival

UK support for this could only be at expense of other projects.

Bananas

UK commitment to maintain privileged access to UK market under Lomé Agreement firm. Any changes in current licensing system will be properly explained in advance. Aim will be to avoid any disruptive effect on Caribbean banana industries.

Foreign and Commonwealth Office

London SW1A 2AH

11 June 1984

Dear John.

Visit by the Rt Hon Edward Seaga,
Prime Minister of Jamaica, 13-16 June 1984

I enclose two sets of briefs for the Prime Minister's meeting with Mr Seaga at 11.15am on Wednesday, 13 June.

Mr Seaga is scheduled to arrive in London from Geneva at 0820 on 13 June. His visit forms part of a tour including New York, Paris and Geneva, a main purpose of which is to promote foreign investment in Jamaica. Whilst in London he will be meeting representatives of several leading British companies under arrangements made by Morgan Grenfell who have been retained by the Jamaican Government to encourage inward investment and to finance major projects.

Mr Seaga has indicated that he would like to have a general discussion about developments in the Caribbean and Central America. He is also likely to raise the Jamaican proposal to hold an International Youth Conference and Festival in 1985.

Mr Seaga takes a close personal interest in many of the detailed aspects of Jamaica's affairs; the Americans have recently described him to us as a micro-manager. The briefing is therefore longer than we would have wished but on the basis of the discussion when Mr Seaga last called on the Prime Minister in June 1982, we believe that a comprehensive approach will be useful. A personality note on Mr Seaga is enclosed together with a note on the Jamaican High Commissioner who will accompany him during the call on the Prime Minister.

Arrangements are being made for Mr Seaga to call on the Secretary of Trade and Industry during the afternoon of 13 June.

If you agree, Sir W Harding will attend the Prime Minister's meeting from here.

Yours ever,

(P F Ricketts) Peter Ricketts

A J Coles Esq
10 Downing Street

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

INDEX OF BRIEFS

Points to Make and Essential Facts with flagged background papers as follows:-

A. Jamaica: Political and Economic

B. Aid

C. Caribbean: Post Grenada

D. Grenada

E. Security of Small States

F. Central America

G. UK/Jamaica Investment Promotion and Protection Agreement

H. Proposed Jamaican International Youth Conference and Festival

(If Raised)

I. Scholarships

J. Bilateral Trade

K. ECGD

L. Bananas

M. Military Training Assistance

N. BRITAIN'S COMMITMENT

CALL BY THE RT HON EDWARD SEAGA, PRIME MINISTER OF JAMAICA ON THE PRIME MINISTER, 11.15 AM, 13 JUNE 1984

POINTS TO MAKE

A. JAMAICA: POLITICAL AND ECONOMIC

1. How do you view prospects for your new term?

2. How do you view economic prospects following your new agreement with IMF?

B. AID

PROGRAMME AID

1. Now that IMF agreement in place and provided agreement reached on repayments of past UK loans we are ready to make available a new programme loan of £2.5 million for expenditure in 1984/85 on essential imports from Britain. This is additional to £1.5 million we expect to disburse from existing programme loans making £4 million overall in 1984/85.

TECHNICAL COOPERATION (if raised)

2. a) Port Royal

Will Jamaica Private Sector be interested in

/investing

investing in project?

b) Police

Hope two British Policemen now attached to Jamaican Police Academy will provide valuable assistance to police training programme. We have recently announced small capital grant (£48,000) for essential renovations at the Academy.

c) Civil Service

We are still willing to help with proposals for improvements in the Jamaican Civil Service. Understand Jamaican officials are still working on these proposals.

C. CARIBBEAN POST GRENADA

1. We have long favoured initiatives for closer cooperation within the Commonwealth Caribbean. But intervention in Grenada opened up rifts in CARICOM. Will CARICOM survive in prsent form?

D. GRENADA

1. Fully support the interim administration. Share aims of restoring democracy and initiating economic reconstruction. Glad that all of the detainees have now been formally charged or released.

2. Pleased at progress towards elections later this year. Position of political parties still evolving. Initial formation of loose centre party groupings encouraging. Any views on possible outcome of elections?

E. SECURITY OF SMALL STATES

1. We strongly support the Commonweath study on the security of small states commissioned at last year's CHOGM. We intend to provide Mr Ramphal soon with an initial anaysis of the nature of the problem and potential remedies.

2. Very interested in Jamaica's views on the nature of the problem and on the prospects for greater regional cooperation in the Caribbean.

F. CENTRAL AMERICA

1. Concerned about the situation in Central America which is aggravated by outside interference. We want to see peace and democracy established. That is why we support Contadora. Welcome your assessment of situation in the region.

/2.

2. Hope that result of election in El Salvador will contribute to the restoration of peace there and that Nicaragua can be persuaded to hold free election.

Belize/Guatemala

3. Welcome your support for Belize.

4. (If raised) As agreed with the Belize Government at independence, the British garrison will remain for an appropriate period. We wish to see as soon as possible conditions in which the garrison can safely be withdrawn.

5. (If raised) Talks between Belizean and Guatemalan representatives which took place in New York on 9 May were purely exploratory. UK attended as observers.

G. UK/JAMAICA INVESTMENT PROMOTION AND PROTECTION AGREEMENT (IPPA)

1. Delighted with the good progress made during the negotiations in Kingston on 24-25 May. Regret that it was not possible to agree a text in time for signature during present visit. But look forward to concluding the agreement in the near future.

/H.

H. PROPOSED JAMAICAN INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL

1. No Ministry of Youth in UK. Responsibility rests with our Department of Education and Science in England and the Education Departments in Scotland, Wales and Northern Ireland who are funding co-ordinating committees for International Youth Year.

2. Youth organisations in UK are independent, although modestly supported financially by HMG in some cases. Happy that Jamaica continues direct contacts with UK Youth Organisations.

3. We believe that in celebrating UN years etc resources are best spent on national or local events rather than on international gatherings.

4. UK budget now fully committed for 1985, and no extra resources available to support the event. If Jamaica were to request reordering of priorities under current technical assistance and capital aid programmes, funds might be available from those sources. But this would have to be at the expense of other projects.

/I.

I. SCHOLARSHIPS (if raised)

1. We welcome overseas students, particularly those from the Commonwealth. Of additional £46 million made available, two-thirds is being spent on Commonwealth students.

2. Full cost policy replaced indiscriminate subsidy to all overseas students by more selective one of targetted support.

3. Jamaica benefits from a number of different HMG-funded award schemes.

4. Home Fee Status

Cannot afford to grant home fee status to all Commonwealth students. Cost would be so high (£100 million a year) as to be unacceptable.

J. BILATERAL TRADE (if raised)

1. Understand you will be calling on the Secretary of State for Trade and Industry later today

/K.

K. ECGD (if raised)

1. ECGD will play its full part in the negotiations with the Paris Club for a rescheduling of officially supported credit.

2. In accordance with its normal commercial practice following Jamaican Government's request to the Paris Club to reschedule officially supported credits, ECGD has now suspended credit cover (ie longer than 180 days credit).

3. Subject to no payment delays occuring Short Term cover (ie up to 180 days credit) will continue to be available for vital imports to Jamaica.

L. BANANAS (if raised)

1. Your High Commissioner called on Lady Young recently: the banana import licencing system is currently under review by Ministers. Can assure you that our commitment to maintaining the guranteed and privileged access to the UK market under Lomé Agreements remains solid.

2. Any changes to the current licencing system will be explained to Caribbean Governments concerned in advance public announcement.

/M.

M. MILITARY ASSISTANCE AND TRAINING FOR THE JAMAICAN DEFENCE FORCE (if raised)

1. Glad that reciprocal training exercises have been revived, and that other training opportunities for the Jamaica Defence Force are continuing.

2. Grateful for facilities made available to the British Army for training in Jamaica.

ESSENTIAL FACTS

A. JAMAICA: POLITICAL AND ECONOMIC

1. United Kingdom/Jamaican relations are generally warm and friendly. Formally non-aligned, Jamaica's orientation under Mr Seaga is conservative, pro-private enterprise and pro-West.

2. Mr Seaga called a snap election in December 1983. Main opposition boycotted the election and Mr Seaga's JLP won all the seats. An early economic upturn seems unlikely and Mr Seaga's popularity may decline. Some risk that civil discontent could lead to violence. However, Mr Seaga is likely to resist pressure for fresh elections in the hope of sustained economic revival during his current term of office. Following an upset in economic recovery process and failure to meet IMF performance criteria in 1983, a new IMF agreement was reached on 8 June. Jamaica is also seeking a debt rescheduling arrangement with the Paris Club.

/B

B. AID

1. Economic recovery will require further medium to long term balance of payments support by aid donors. The United States and Canada have already indicated their intention to continue to provide substantial aid in 1984/85.

2. A new UK aid loan of £2.5 million is proposed for expenditure in 1984/85 on essential imports from Britain, following Jamaica's agreement with the IMF for a new Stand By agreement for 1984/85. With unexpended funds available from previus programme loans this will make total UK programme aid of £4 million available for expenditure in 1984/85, which will be broadly in line with capital aid disbursements in recent years.

3. Jamaica is currently in default on some repayments due on past UK aid loans. This problem will need to be resolved before a new loan is signed. The IMF expect major creditors to cooperate in restructuring Jamaica's external debt. Jamaica is a possible candidate for a meeting of the Paris Club in July.

4. In addition to capital aid there is a UK technical cooperation programme in Jamaica worth about £0.5 million

/cooperation

cooperation programme in Jamaica worth about £0.5 million a year. Major areas of support are police training - both in Jamaica and the UK - and forestry. Technical Cooperation funds are also helping with the restoration of Port Royal. British Consultant Oliver Cox has made considerable progress on preparing an architectural design.

C. CARIBBEAN POST GRENADA

1. The intervention in Grenada by members of the Organisation of Eastern Caribbean States (OECS), together with Barbados, Jamaica and the US, split the Caribbean Community (CARICOM) nations and resulted in calls late last year by Mr Seaga for a new CARICOM II excluding Guyana and possibly Trinidad and Tobago. Mr Seaga's initial enthusiasm for a newly structured organisation seems to have diminished and CARICOM appears to be slowly coming together again. CARICOM Heads of Government are to meet in Nassau in July for the first time since the Grenada intervention but there is some doubt whether Prime Minister Chambers of Trinidad will attend.

D. GRENADA

1. Jamaican troops participated in the intervention; 289 remain as part of the Commonwealth Peacekeeping Force. Mr Seaga initially critical of our stance over the

/intervention

intervention: but absence from CHOGM because of economic problems and crucial IMF talks at the time.

2. Grenadian Interim Administration have worked reasonably competently and appear to be holding to timetable of elections later this year. Party policies and alliances only just beginning to emerge. Encouraging signs that centre parties are seeking electoral accommodation, though proving difficult. Former Prime Minister Sir Eric Gairy says he will not stand for election: too early to say how much support his party has. Remnants of New Jewel Movement trying to form new party but support poor.

3. Immediate UK aid welcomed. Initial £750,000 grant allocated mainly to police rehabilitation and electricity generation. Further £1 million loan agreed and now being allocated.

E. SECURITY OF SMALL STATES

1. At their meeting in New Delhi in November, Commonwealth Heads of Government invited the Secretary-General to undertake a study, 'drawing as necessary on the resources and experience of Commonwealth

/countries

countries, of the special needs of (small) states consonant with the right of sovereignty and territorial integrity that they shared with all nations'. The Commonwealth Secretariat hope to complete the study by mid-1985 in time for the next CHOGM.

2. We have been studying the issues involved and how HMG might help, but have not reached conclusions. However, we believe that the emphasis of Western policy should be on prevention rather than cure and on helping small states to help themselves.

3. The key to minimising the vulnerability of small states may well lie in greater cooperation with their regional partners, either through strengthening existing regional economic and security arrangements or through the establishment of new ones.

F. CENTRAL AMERICA

1. Mr Seaga made an official visit to Costa Rica in February. Both Governments pledged inter alia to increase bilateral contacts and to continue to support Contadora. President Monge of Costa Rica will call on the Prime Minister during a Working visit 25-28 June.

2. Despite successful election of Duarte in El Salvador and a recent meeting between Shultz and Nicaraguan leader Ortega a settlement to problems of the region remains difficult: Contadora group continuing its efforts.

3. Jamaican/Belize relations are good, although two countries took opposing views on the US intervention in Grenada.

G. UK/JAMAICAN INVESTMENT PROMOTION AND PROTECTION AGREEMENT (IPPA)

1. In March 1982 we discussed our model IPPA text with the Jamaicans but they deferred further contacts with us pending the outcome of similar negotiations with the FRG. After their negotiations with the FRG failed to reach a conclusion, Mr Seaga instructed his officials to try to conclude an IPPA with the UK. We were approached in May 1984 to reopen negotiations and these continue satisfactorily. Both sides had been hoping to reach agreement on the text in time for it to be signed during Prime Minister Seaga's visit to the UK but a few outstanding points remain to be resolved.

H. PROPOSED JAMAICAN INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL

1. 1985 is designated as the Internation Youth Year by the United Nations. In March this year Mr Seaga

/invited

invited financial help from a number of friendly Governments for a proposed international youth conference and festival in Jamaica in April 1985.

2. Mr Bartlett, Jamaican Minister of Youth, Sport and Community Development, called on Sir Keith Joseph on 17 April in the course of a tour of several European capitals to canvass support for the proposed event: Sir Keith was non-committal. After careful consideration, we are not convinced about the merits of the proposed event. Moreover, neither ODA nor DES have any additional financial resources available.

I. SCHOLARSHIPS (if raised)

1. HMG announced in February 1983 that it would increase its mesures of support (running at £65M a year) for overseas students by £46 million over the three years 1983/84 to 1984/85.

J. BILATERAL TRADE (if raised)

1. UK Trade Figures:

	1981	1982	1983	Jan/April 1984
UK Exports £m	42.9	56	116.2	4.2
UK Imports £m	114.2	92.8	94	8.4
Balance to Jamaica	71.3	36.8	-22.2	4.2

/1983

1983 figure includes exceptional purchase of two airbus aircraft.

2. We sell machinery, engineering equipment, pharmaceuticals and chemicals. We buy bauxite/alumina, sugar and bananas.

K. ECGD (if raised)

1. ECGD resumed credit support to Jamaica when Mr Seaga's government took office and concluded agreement with the IMF. ECGD's current commitments are second to the USA and substantially exceed other credit insurers.

2. Cover outside the Short Term was suspended on 1 June 1984 when news of the approach to the Paris Club was received in ECGD.

L. BANANAS (if raised)

1. Under Lomé Agreements the UK gives guaranteed and privileged access to the UK to all bananas of marketable quality from Jamaica and the Windward Islands. As Caribbean production does not fully supply the UK market the short-fall is met mainly by granting licences to importers from the dollar area, principally Latin

/America

America. Fears have been expressed by Commonwealth Caribbean governments that HMG's current review of import licence allocations (which limits access for competing dollar bananas) could result in changes which upset the market and adversely affect their economies. Jamaica and Windward Ministers and officials, as well as the three major importers, Geests, Fyffes and Jamaica Producers, have lobbied Ministers and officials against any changes in the licensing system. Some changes are however under consideration in order to provide as much competition on the market as is consistent with the UK commitment to the Caribbean.

M. MILITARY ASSISTANCE AND TRAINING FOR THE JAMAICAN DEFENCE FORCE (JDF) (if raised)

1. JDF training needs are well catered for. 35 Jamaican students on courses in UK financed from United Kingdom Military Training Assistance Scheme (UKMTAS). Reciprocal training exercises between British Army and Jamaican Defence Force (JDF) have been revived this year: the exercise started on 9 June.

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

BACKGROUND

POLITICAL INTERNAL

1. The Jamaican Labour Party (JLP), led by Mr Edward Seaga, won a sweeping victory in the 1980 General Election taking 51 of the 60 seats. Mr Michael Manley's People's National Party (PNP), which had been in office for almost nine years, won the remaining nine seats. The JLP's orientation is conservative, pro-private enterprise and pro-West. The Party's victory created a mood of confidence which the Government strove to harness in reviving the near-bankrupt economy inherited from the PNP. After some initial success, the effects of world recession upset the recovery process in 1983. Mr Seaga's popularity declined but received an unexpected boost when Jamaica participated in the military intervention in Grenada in October 1983.

2. Difficulties with the IMF and a devaluation in November 1983 led to opposition accusations of deception over the economy. Mr Seaga's response was to call a snap election which the PNP, caught unprepared, declined

to contest. They claimed the election call contravened an undertaking by Mr Seaga not to hold elections until promised new electoral rolls were ready. The outcome of the election in December was a one-party Parliament with the JLP taking 54 seats unopposed and winning the remaining 6 seats which were contested only by independents.

3. Although the election was called and run constitutionally, the outcome placed Mr Seaga in a delicate political situation. He showed himself sensitive to criticism of one party rule by appointing two senators with opposition party affiliations to demonstrate his intent that opposing opinion could be aired. Economic revival seems unlikely in the short-term and Mr Seaga's popularity is likely therefore to resume its decline as austerity measures are increased. Failure to satisfy the public's economic expectations coupled with Jamaican volatility carries the risk that civil discontent may erupt into violence reminiscent of the political gang warfare which marred the 1980 general election campaign. An outbreak of shooting on 8/9 May, apparently involving rival JLP factions, resulted in seven deaths and many injuries. This is believed to have been an isolated incident but nevertheless indicates the potential for violence beneath the surface.

4. There is no evidence that the security forces would be unable to control any unrest or that the Government lacks the will to see through an inevitable period of unpopularity. However, pressure will mount for fresh elections as soon as new electoral rolls are ready. Mr Seaga may try to resist such pressure in the hope that sustained economic recovery will commence during his current 5-year term of office. Local elections, possibly before the end of the year, will provide an indicator of the mood of the electorate.

ECONOMY

5. Rapid economic growth in the 1960s, led by the bauxite mining industry, was followed by serious decline in the 1970s due partly to world economic recession and imported inflation, but also to mismanagement by the Manley Government. Reduced demand for bauxite and alumina, still the mainstay of Jamaica's export earnings, a slump in production of, and weak prices for, Jamaica's other traditional exports (sugar and bananas) contributed to the deterioration which culminated in failure in 1983 to meet IMF performance criteria to qualify for continued assistance. Efforts to secure assistance from the IMF and other international aid donors, including the UK, will continue. On 8 June, the IMF approved Jamaica's

/request

request for a one-year standby arrangement for SDR 64 million and a purchase under the Compensatory Financing Facility of SDR 72.6 million, subject to satisfactory arrangements being reached by 20 June on the refinancing of certain short-term liabilities. The new agreement is conditional on severe austerity measures being maintained. A Jamaican request to the Paris Club for a debt rescheduling arrangement is expected to be considered in July.

POLITICAL EXTERNAL

6. Jamaica is non-aligned but its political and economic orientation is towards the West. US is major source of economic and commercial assistance.

7. In contrast with Mr Manley, Mr Seaga is vigorously anti-Cuban and following a period of strained relations, Jamaica broke off diplomatic relations with Cuba in October 1981. Post Grenada, serious differences of view between CARICOM members, particularly with Guyana, led Mr Seaga to talk of the need for a CARICOM II to exclude Guyana. Tensions and tempers have since eased. CARICOM Heads of Government are to meet in Nassau in July, the first such meeting since the intervention in Grenada.

/UNITED

UNITED KINGDOM/JAMAICAN RELATIONS

8. Our bilateral relations have been close since independence and apart from a brief difference of view over Grenada, are at present excellent. Mr Seaga last called on the Prime Minister in June 1982 who thanked him for Jamaica's strong support on the Falklands crisis. The Queen's visit to Jamaica in 1983 was a success. Lady Young visited Jamaica in September 1983 and met Mr Shearer, Jamaican Deputy Prime Minister and Foreign Minister. Mr Shearer visited London in February and April this year when he called respectively on Sir Geoffrey Howe for a general discussion and on Mr Raison to discuss ACP matters. (Mr Shearer is currently ACP President).

9. Mr Seaga's current visit to London is part of a tour including New York, Paris and Geneva, a main objective of which is to promote investment in Jamaica. During his stay in London, Mr Seaga will meet leading British industrialists under arrangements made by Morgan Grenfell who are advisers to the Jamaican Government: he will also call on the Secretary of State for Trade and Industry.

WEST INDIAN AND ATLANTIC DEPARTMENT

8 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

AID

BACKGROUND

Programme Aid

1. We have provided programme aid to Jamaica over the past three years as part of an international effort in support of a programme for economic recovery, introduced by Mr Seaga's Government in 1981 and backed by an IMF Extended Fund Facility (EFF) worth US$ 700 million. Our contributions have been in the form of loans of £5 million in 1981/82, £5.5 million in 1982/83 and £3.4 million in 1983/84. (Before 1981 we had provided substantial balance of payments aid to Jamaica under the Government of Michael Manley).

2. Following an extended and difficult negotiation, Jamaica has reached a new agreement with the IMF for a Standby Programme of SDR 64 million for 1984/85. The new agreement with the IMF rests on four main elements: tight demand management; a market determined flexible exchange rate; liberalisation of the trade regime; and a rescheduling of external debt. The domestic policies which Mr Seaga's Government will have to apply if the IMF conditions are to be met will place a great strain on the social stability of the country in the short term. The Jamaican Government will therefore need all the external help it can get to ensure the success of these measures.

/3.

3. British aid has been modest by comparison with the USA and Canada but it is well received and remains important as a mark of our support for the Jamaican programme both to the Jamaican Government and to the other donors. In 1983/84 we allocated £4.5 million (including slippage of £1.1 million from the previous year). However, because of Jamaican problems with the IMF and because of defaults on the repayment of previous UK loans, the new loan (£3.4 million) was not signed until October 1983. Because of this delay there has again been some under expenditure and at the beginning of 1984/85 there were unexpended loan balances totalling £1.5 million.

4. Jamaica is once more in default on repayment of earlier UK loans. The situation is likely to improve quickly now that the new IMF programme is in place; a new programme aid loan of £2.5 million, plus the carry over of £1.5 million from 1983/84 will give total possible disbursement of £4 million in 1984/85.

Technical Co-operation

5. A summary of TC activities is attached. Jamaica suffers from serious shortages of trained manpower particularly at middle levels. We provide training in the UK and TCOs: our main activities are training and support for a forestry development programme.

/PORT

PORT ROYAL

6. In 1982 the Prime Minister, Mr Seaga, asked for expert assistance to advise on the restoration of Port Royal as it was before the earthquake in 1692. After some procedural and financial problems we have arranged for a consultant architect, Mr Oliver Cox, to spend six months in Jamaica and the UK on this work. Substantial progress has been made. Mr Cox has been conscious of the need to provide the Prime Minister with an authentic planning proposal which will not cost the earth to implement and which might be attractive enough for the Jamaican business community to invest in.

POLICE

7. Up to half (10) of the training places available in the UK are earmarked for Jamaica policemen. We are also providing two senior police officers for two years to help establish a new Jamaica Police Academy at Twickenham Park. The two officers (Mr Thompson and Mr Lewis) have made an impressive start but there remains a great deal of renovating to be done at Twickenham Park and the Government has no money to spend even on this priority area of the Public Sector. The High Commissioner has asked for £48,000 in local costs to complete essential work and a small capital grant has been approved to cover this expenditure.

/CIVIL

CIVIL SERVICE

8. In 1982 Mr Seaga asked for assistance to help reorganise the Civil Service. As a first step we arranged for the Minister for the Public Service, Mr J A G Smith, to visit the Management and Personnel Office of the Treasury for discussions with the Lord Privy Seal and MPO officials. We agreed in principle to provide an expert to visit Jamaica but so far there has been no formal request. We understood that the Jamaicans expected it would be some time before they had a clear picture of what they needed.

Latin America, Caribbean & Pacific Department

June 1984

COUNTRY BACKGROUND SHEETS

JAMAICA AID FACTS

I Population : 2,188,000 (1980)

GNP per capita : US $1,180 (1981)

II Aid Disbursements :

	79/80	80/81	81/82	82/83	83/84	84/85
Total : (£'000)	7,437	7,829	5,030	5,085	4,950	3,540

III Capital (Programme) Aid

	79/80	80/81	81/82	82/83	83/84
Loans Signed	£2m	£6m	£5m	£5.5m	£3.4m

IV Technical Co-operation

Current major projects :

1. Jamaica Forestry, Training & Research Projects : 5 TCO's (long term) (4 TCO's in 1983/84) — Total Cost 82/83 £108,000 approx. — Total Cost 83/84 £122,000 approx.

2. Other long term TCO's

   a. Principal, College Computer Unit — Completes June 84

   b. Lecturer in Surveying — Completes March 84

   c. Adviser & Assistant to Univ. of West Indies Microscopy Unit — Complete April and June 84

   d. Manager & Maintenance Engineer, Jamaica Omnibus — Complete October & November 84

   e. Two Police Training Advisers — Recently in post

3. Major Consultancies

   a. Programme Planning, Admin. Staff College — 3 year programme to 1986 - £50,000 p.a

4. Short term TCO's : 1983/84

   a. Engineering Geology visits

   b. BRE adviser, brick making

   c. Port Royal Restoration Expert

5. Training:

	1981/82	1982/83	1983/84
Allocation :	£120,000	£120,000	£100,000
New Awards :	25	25	20

6. OSAS - nil

7. Small projects scheme: 1982/83 - £11,800 (Overspent by £1,800) 1983/84 - £10,000.

8. Heads of Mission Gift Scheme : 1982/83 - £5,000 1983/84 - £5,000

Latin America, Caribbean and Pacific Department

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

CARIBBEAN: POST GRENADA

BACKGROUND

1. CARICOM was formed in 1973 and exists to promote the economic integration of its member states. Additional objectives are coordination of foreign policy and functional cooperation including the operation of certain common services and activities. Its members are:

Antigua and Barbuda	Jamaica
The Bahamas	Montserrat
Barbados	St Kitts and Nevis
Belize	St Lucia
Dominica	St Vincent and the Grenadines
Grenada	Trinidad and Tobago
Guyana	

2. Already weakened by disputes over restrictive economic measures imposed by some of its members, the organisation was in danger of breaking up following serious disagreements over the intervention in Grenada. Members supporting the intervention were:

/Antigua

Antigua and Barbuda	Montserrat
Barbados	St Kitts and Nevis
Dominica	St Lucia
Jamaica	St Vincent and the Grenadines

Those opposing were:

The Bahamas	Guyana
Belize	Trinidad and Tobago

3. The OECS was formed in 1981 and exists to promote cooperation among its members at all levels and to defend their sovereignty, territorial integrity and independence. It aims also to achieve the fullest possible harmonisation of foreign policy and promote economic integration through the provision of the Agreement Establishing the East Caribbean Common Market. Its members are:

Antigua and Barbuda	St Lucia
Dominica	St Vincent and the Grenadines
Grenada	Monserrat
St Kitts and Nevis	

OECS have just agreed that British Dependencies Anguilla and British Virgin Islands can join as associate members. We welcome

/this .

4. The Eastern Caribbean Regional Security System (RSS) was established in January 1983 with headquarters in Barbados. Members are Antigua, Barbados, Dominica, St Lucia, St Vincent and St Christopher and Nevis. Grenada will not consider joining the RSS until after elections laters this year. Each member contributes, with Barbados providing the bulk of the funds.

5. Members of the RSS have undertaken to prepare contingency plans and to assist each other on request in natural disasters, prevention of smuggling, maritime policy, threats to national security, and other circumstances. Coastguard arrangements are central to the operation of the RSS.

6. It is possible that in the aftermath of Grenada, some sort of formal link will be established between the RSS and the OECS thus linking Barbados more closely with the latter and creating a strong sub-regional group within CARICOM

WEST INDIAN AND ATLANTIC DEPARTMENT

7 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

GRENADA

BACKGROUND

INTERIM GOVERNMENT

1. Chairman Brathwaite continues to grow into the job. Governor-General retains some influence behind the scenes. Some criticism continues of Advisory Council's limited role and reluctance to make major policy decisions which would limit choices for elected successor. But there has been considerable improvement in Council's information effort (following assistance from Britain).

SECURITY

2. About 250 United States military personnel remain in support of predominantly Jamaican (289 out of 471) Caribbean Peacekeeping Force. Grenadians want these arrangements to continue. Rehabilitation of Grenadian Police (UK aid) proceeding well.

ELECTION TIMETABLE

3. Some public pressure for postponement. Decision apparently one for Governor-General who seems likely to stick to end-1984. Preparation of new electoral roll is nearing completion.

POLITICAL PARTIES

4. Situation still very open. Far too soon to predict who might win. Main contestants will be Gairy's Grenada United Labour Party,

/successor

successor to the New Jewel Movement, Grenada National Party led by Herbert Blaize and National Democratic Party led by George Brizan. Centre parties could fragment the vote and might allow GULP to win even though Gairy will not be candidate.

PRISONERS

5. Of the forty detainees held after intervention all now charged or released. Trials not likely before October.

AID

6. £750,000 grant almost fully committed: allocated mainly to police rehabilitation, electricity generators and agriculture. Discussion under way on allocation of £1 million interest-free loan (capital projects). A continuing technical co-operation programme is currently worth about £450,00 pa. British assistance for the airport is not required: fully met by US and Canadian aid. Plessey will be able to complete their contract.

FAC REPORT

7. White Paper in reply to report to be published on 20 June.

WEST INDIAN AND ATLANTIC DEPARTMENT

7 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

SECURITY OF SMALL STATES

BACKGROUND

1. The Prime Minister has sought the Foreign and Commonwealth Secretary's further views on a number of points raised in his minute on this subject of 21 May. The main points in this minute were:

(a) UK policy should focus on ex-UK dependencies in the Caribbean, South Pacific and Indian Ocean.

(b) The policy emphasis should be on prevention rather than cure and on regional self-help.

(c) The potential means of improving the security of small states range from increased bilateral efforts in the fields of diplomacy, aid, military and police training, information and cultural links to regional economic cooperation and regional security arrangements.

(d) HMG's profile should be high enough to demonstrate the UK's active interest in avoiding instability in small states, but not so high as to create exaggerated expectations of the UK's ability to help.

/(e)

(e) HMG should seek to continue the process of gradually transferring the leading role in particular regions to other major Western countries. The Caribbean should receive priority for continuing UK assistance, but UK help to the South Pacific states should not be abandoned.

(f) Particular assistance in the Caribbean might include more military training and other help for the members of the Eastern Caribbean Regional Security System, and the reinstatement of the BBC's Caribbean Service and a British Council presence.

2. Apart from the question of resources, the main problem areas are likely to be the extent to which outside states might legitimately intervene in the case of internal subversion (as opposed to external attack); and whether security agreements need to be guaranteed by larger states (eg the US and possibly Cananda in the Caribbean).

3. Jamaica does not belong to the Eastern Caribbean Regional Security System (in which Barbados is the largest country), but it coooperated with its members in last year's intervention in Grenada and, as the largest Commonwealth Caribbean country, can be expected to be influential on the key question of greater regional cooperation.

Planning Staff

7 June 1984

CENTRAL AMERICA

BACKGROUND

1. President Reagan has made determined efforts to overcome Congressional objections to both his provision of emergency military assistance to El Salvador, and his (nominally covert) funding of anti-Sandinista counterrevolutionaries ('contras'). We have publicly supported his declared objectives of support for democracy and human freedom, economic development and security of the region's threatened nations. We recognise the need to support the defence efforts of democratic régimes in the region (El Salvador, Honduras, Costa Rica). But his use of the 'contras' to destabilise the Sandinista government of Nicaragua is unlikely to work without substantial direct US involvement; could push the Nicaraguans further into the Communist camp; costly in terms of domestic and foreign opinion; and damaging to the moral standing of the US, and by extension the West.

2. The US Administration will not accept runaway Communist guerrilla success in El Salvador. The US Government have been encouraged by the result of the election in El Salvador. But a major guerrilla offensive later this year could lead to a crisis. There is no sign that the Americans are likely to reverse their general policy in Central America or to withdraw their support for the two main groups in Nicaragua whom they

/have

have been encouraging and helping to augment their para-military action, and to form a united command. Indeed their position is hardening, and although, barring unforeseen developments, no direct and overt US intervention is expected before the US election, it is not too soon to look ahead to the possibility that, if re-elected, President Reagan might soon embark on a more interventionist policy. There is a strong instinctive belief in Washington that certain developments in Central America are simply not to be tolerated, even if there is a political price to pay in terms of reduced support from America's allies and increased hostility in the world at large.

3. Although President Reagan and senior members of the Administration have recently said publicly that no US military intervention in the area is planned, there had been an escalation of attacks by the US-backed 'contras' against Nicaragua. The President's hard-line speech of 9 May did nothing to dispel Nicaraguan mistrust of US intentions.

Foreign and Commonwealth Office

June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE

UK/JAMAICA INVESTMENT PROMOTION AND PROTECTION AGREEMENT (IPPA)

Background

1. IPPAs are intended to stimulate the flow of new investment between the signatory states. They provide for the protection of existing and future investment under the law of the host country; for the payment of prompt, adequate and effective compensation in the event of expropriation, and for the independent settlement of investment disputes. We have IPPAs with 22 countries, 16 of which have been ratified (list attached).

2. Following informal meetings at the FCO with Mr Patrick Robinson of Jamaica's Attorney-General's office, a UK negotiating team visited Kingston 23-26 May for formal talks. These were successful, with flexibility shown on both sides. A few important points remain to be resolved on which we are awaiting advice from the Jamaicans after full consideration of the draft text by the Jamaican Cabinet.

3. Jamaica is a high priority as regards IPPAs and we are therefore keen to sign an agreement. We hope that sufficient political interest will be retained on the Jamaican side for this to happen in the near future.

Trade Relations and Exports Department
8 June 1984

UK BILATERAL INVESTMENT PROMOTION AND PROTECTION AGREEMENTS

Country	Date/Signature	Date of entry into force
Egypt	11 June 1975	24 February 1976
Singapore	22 July 1975	22 July 1975
Korea	4 March 1976	4 March 1976
Romania	19 March 1976	22 November 1976
Indonesia	27 April 1976	24 March 1977
Thailand	28 November 1978	11 August 1979
Jordan	10 October 1979	24 April 1980
Sri Lanka	13 February 1980	18 December1980
Senegal	7 May 1980	9 February 1984
Bangladesh	19 June 1980	19 June 1980
Philippines	3 December 1980	2 January 1981
Lesotho	18 February 1981	18 February 1981
Papua New Guinea	14 May 1981	22 December 1981
Malaysia	21 May 1981	Not yet in force
Paraguay	4 June 1981	Not yet in force
Sierra Leone	8 December 1981	Not yet in force
Yemen Arab Republic	25 February 1982	11 November 1983
Belize	30 April 1982	30 April 1982
Cameroon	4 June 1982	Not yet in force
Costa Rica	7 September 1982	Not yet in force
St Lucia	18 Januar7 1983	18 January 1983
Panama	7 October 1983	Early 1984

Foreign and Commonwealth Office
18 November 1983

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

PROPOSED JAMAICAN INTERNATIONAL YOUTH CONFERENCE AND FESTIVAL

BACKGROUND

1. Among the multinational events already planned for International Youth Year are the Moscow World Youth Festival, UNESCO World Youth Conference in Spain, European Youth Week in Strasbourg (Council of Europe) plus a COE meeting of Ministers with responsibility for youth. Our attitude towards such multinational gatherings is unenthusiastic and we consider that the main events for IYY should be at local or national level. The Department of Education and Science is already providing an administrative grant to the English National Co-ordinating Committee of the UN's International Year of Youth as are the three other Education Departments in respect of Committees in Scotland, Wales and Northern Ireland. There are no other central government funds available for IYY events and we have already had to turn down a request for funding an event in Edinburgh which has a number of themes in common with the proposed Jamaican event.

2. Although the US administration gave us no advance notice, we now understand that they will meet the lion's share of the six million US dollar Jamaican project. This is widely held to be an attempt at counter-balancing the Moscow Youth Festival in 1985, a communist front propaganda exercise with a thirty year track record.

/3.

3. Public perceptions of the proposed Jamaican event are that the Americans are behind the whole thing, and its credentials as a world event are not enhanced by the Jamaican idea of not inviting representatives from communist countries. Other aspects of the advance planning suggest to us that the Jamaicans may have been talked into fronting a project which lacks widespread international support and runs the risk of being an embarrassing flop. Our doubts are shared by other governments, including the Canadians, Australians, Dutch and French.

4. Had we been consulted in advance by the Jamaicans or the Americans we would probably have advised against an event of this sort.

CULTURAL RELATIONS DEPARTMENT

8 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

SCHOLARSHIPS -JAMAICA

BACKGROUND

1. Jamaica benefits from the following HMG-funded award schemes:

(a) ODA's Technical Cooperation Training Programme:
In 1983/84 Jamaica received £100,000 under this scheme, and will continue to benefit in 1984/85.

(b) FCO Scholarships and Awards Scheme (FCO SAS):
In 1983/84 three awards were made. In 1984/85 £40,000 has been allocated to Jamaica for new awards.

(c) Commonwealth Scholarship and Fellowship Plan:
In 1983/84 there were ten students from Jamaica in Britain under this scheme.

(d) Overseas Research Students Award Scheme (ORSAS):
This is a globally competitive scheme. In 1983/84 four students from Jamaica held ORSAS awards.

SCHOLARSHIPS AND AWARDS UNIT
CULTURAL RELATIONS DEPARTMENT

7 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

BILATERAL TRADE

BACKGROUND

UK EXPORT PROSPECTS

1. Absence of medium and long term ECGD cover limits prospects of major expansion of British exports to Jamaica. UK goods well regarded. Business continues on short term credit basis.

UK INVESTMENT

2. During term of previous administration foreign investment plummeted. Landslide victory of Mr Seaga in 1980 based on a return to the free market system and closer ties with the West has helped restore confidence, but the decline of the last decade is proving hard to turn round.

3. UK investment is now very small (other than oil companies perhaps £4.5 million). Mr Seaga is promoting opportunities provided by the US Caribbean Basin Initiative, which allows duty and tariff free entry to the USA for certain Caribbean goods. Absence of exchange controls enables UK companies to invest where

/they

they see best commercial advantage. Up to Jamaica to make itself attractive. Morgan Grenfell are advising Jamaican Government on this.

PREFERENTIAL ACCESS FOR JAMAICAN GOODS TO THE UK AND EUROPE

4. The Lomé Agreement provides a preferential market in Europe for Jamaican sugar and other products. Britain offers a guaranteed market for bananas. Low world prices for sugar and hurricane damage to bananas has resulted in low production of both these important crops.

Overseas Trade Division 5/2
Department of Trade & Industry

7 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

ECGD

BACKGROUND

1. Jamaica has requested the rescheduling of medium and long term maturities as follows:

i) arrears as at 31 December 1983

ii) payments falling due between 1 January 1984

2. ECGD Current Commitments are:

Short Term	£0.62M
Medium/Long Term	£39.2M

3. Short Term cover will continue to be available within an overall revolving limit of £5M subject to a Foreign Exchange Undertaking from the Bank of Jamaica or irrevocable letter of credit (ILC) issued by an acceptable commercial bank.

4. Medium and long term credit cover can only be resumed when ECGD's commercial criteria for risk assessment have been met.

EXPORT CREDITS GUARANTEE DEPARTMENT

8 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

BANANAS

BACKGROUND

1. Mr Walker, Jamaican High Commissioner, called on Mr Seaga's instructions on Lady Young on 30 May to express Jamaican and Windward Islands' anxieties about the outcome of the current UK banana licencing review. Lady Young emphasised our commitment to maintaining the guaranteed and privileged access to the UK market of Caribbean bananas under Lomé agreements. Following this meeting, we have heard that Mr Seaga does not propose to raise the issue during his visit to London, unless something 'unforeseen' arises.

2. Following a Court action in March 1983 brought against DTI and MAFF by a small importer of bananas, the Secretary of State for Trade was required to resume responsibililty for the import licencing of bananas originating in the dollar area. A thorough review of the UK banana regime was initiated. Officials were instructed to seek firm commitments from the producer islands to improve the quality of exportable bananas: this has been pursued satisfactorily by MAFF. Officials

/were

were also required to explore the scope for some liberalisation of the dollar bananas import licencing system. A joint submission has now been put to Ministers recommending some changes in the present system including the allocating of a slightly greater proportion of available dollar licences to smaller traders, but a decision is not expected before the end of the month.

3. In conducting the review officials have been concerned to ensure that any changes that are made to the licencing arrangements do not have a disruptive effect on the Caribbean banana industries, and thus should be broadly acceptable to Caribbean Governments. We shall be explaining any changes to them in advance of any announcement.

WEST INDIAN AND ATLANTIC DEPARTMENT

7 June 1984

CALL BY JAMAICAN PRIME MINISTER, 13 JUNE 1984

MILITARY ASSISTANCE AND TRAINING FOR THE JAMAICAN DEFENCE FORCE (JDF)

BACKGROUND

1. Major-General Neish, Chief of Staff, JDF called at the FCO in January and expressed his appreciation of UK military assistance. Notwithstanding many offers from the US, especially post-Grenada, he stated a preference for the JDF to retain its UK style and tactics.

2. Subsidies from the United Kingdom Military Training Assistance Scheme (UKMTAS), worth £300,000 in FY 1983/84, supported attendance by 35 of the 82 Jamaican students on courses in the UK. Emphasis is on Staff College and courses developing leadership potential. Extra assistance in the form of payment of air fares was accorded following a request from Jamaica. Budgetary allowance has been made to continue training assistance at the same level in FY 1984/85.

3. The MOD's Defence Policy Fund can also be applied to reduce the cost of UK military assistance to Jamaica. A number of projects will benefit from the Fund.

4. Reciprocal training exercise between the British Army and the JDF have been resumed. These exercises, codenamed "Trimcraft/Pikestaff" but also known in Jamaica as "Calypso Hop", were stopped by MOD in 1980 on financial grounds. A subsidy of £110,000 from UKMTAS towards

/transportation

transportation and agreement by MOD to provide troops and facilities in the UK has led to resumption. The JDF have made training areas in Jamaica available for British Army use.

Defence Department

7 June 1984

CALL BY THE RT HON EDWARD SEAGA, PRIME MINISTER OF JAMAICA, ON THE PRIME MINISTER, 11.15 AM, 13 JUNE

ESSENTIAL FACTS

1. In recent years there have been many comments made, in the press and official and parliamentary circles both in the Caribbean and the UK, that the UK has, as part of the process of decolonisation, 'turned its back' on the former colonies of the region. This belief, despite generous aid and other help, has been reinforced by the differences that arose at the time of the Grenada intervention. It has been echoed most recently in the House of Commons Foreign Affairs Committee Report on Grenada, the Government reply to which is to be published on 20 June. Most of the comment has eminated from, and concerns, the former dependent territories and Associated States in the Eastern Caribbean.

CALL BY THE RT HON EDWARD SEAGA, PRIME MINISTER OF JAMAICA, ON THE PRIME MINISTER, 11.15 AM, 13 JUNE

BACKGROUND

1. The growing influence of the US in the region in terms of trade and aid, coupled with our criticism of the Grenada intervention and exaggerated expectations of the UK's residual responsibilities (characterised by one observer as 'parental care without parental control') have led to increasing ties with the US, and weakening links with the UK, which some in the region regret. But we continue to value our strong links and seek to increase local awareness of our activity in the area.

2. There is a frequent exchange of views with Caribbean leaders made possible by their visits to London and by visits made by British Ministers to the region. During 1983 and 1984 Ministers of CARICOM states and Caribbean dependent territories visited London on 18 occasions and British Ministers paid eight visits to the area. These and other discussions play an important part in the maintenance of Britain's links with the region. Bilateral assistance to the Commonwealth Caribbean runs at around 25 million pounds per year and has done so for some time, despite the constraints generally on public expenduture and pressures on the aid budget from other needy areas of the world. Per capita, Britain now spends on average about four times as much on aid to the independent countries of the Caribbean as to African Commonwealth countries and about

50 times as much as to the Asian sub continent. These figures illustrate the importance we attach to aid for the Caribbean.

3. We have also long favoured initiatives for closer cooperation within the Commonwealth Caribbean. But the centrifugal tendencies which contributed to the breakdown of the Federation of the West Indies in the 1960s remain strong. It is important, therefore, that moves towards closer regional cooperation or integration should originate within the region itself. In recognition both of the unique relationship with the Caribbean and of the vulnerability to subversion or attack of the smaller islands, we have continued to place a high priority on training and advice and equipment for military, security and police forces in the region (£3.9 million in 1983/84).

4. Our trade relationship is also important and we attach importance to the Caribbean market. Trinidad and Tobago was in 1983 Britain's fourth largest market in the western hemisphere, ahead of Mexico and narrowly second to Brazil in Latin America and the Caribbean. We are actively supporting bodies promoting trade with the region such as the West India Committee.

CALL BY THE RT HON EDWARD SEAGA, PRIME MINISTER OF JAMAICA, ON THE PRIME MINISTER, 11.15 AM, 13 JUNE

POINTS TO MAKE (if raised)

CARIBBEAN: BRITAIN'S COMMITMENT

1. Share wish of Commonwealth Caribbean countries for maintenance of strong political and other links. Continuing generous aid and technical assistance, together with the importance we attach to trade, demonstrate this. Policy is to foster political stability, a peaceful environment and economic development in all countries of the Caribbean. Attach particular importance to security and have for many years provided substantial help for police forces in the region. Also assisted with establishment of Eastern Caribbean Regional Security System. Plan to continue such security assistance to the Caribbean which amounted to nearly £4 million in 1983/4.

SEAGA, THE RT HON EDWARD PHILIP GEORGE, PC MP

Prime Minister since 30 October 1980. Minister of Finance and Planning, also responsible for Information & Culture. MP for West Kingston since 1962.

Born Boston, Mass, USA, 1930, the son of a Lebanese/Jamaican travel agent. Educated Wolmer's School 1944-8, Harvard University 1948-52 (BA Social Science). Member of the Legislative Council 1959-62, Member of the House of Representatives for Kingston West since April 1962. Minister of Development and Welfare 1962-7; Minister of Finance and Planning 1967-72. Leader of the Opposition 1974-80.

As a white-skinned Lebanese, Mr Seaga's marginal win in the slum constituency of West Kingston in 1962 was the surprise of that General Election and in the following five years he organised his strong-arm gang into an effective private militia, which intimidated the supporters of his opponent Mr Dudley Thompson (qv) in the constituency, and led to his unsuccessful prosecution in 1966 for affray, and to the declaration of a State of Emergency, in the constituency in October 1966. Mr Seaga went on to win the constituency in the 1967 Election and has held it ever since with enormous majorities. Maintains a strong organisation in West Kingston and actively promotes the social well being of his supporters through the West Kingston Trust. In 1972 he held the seat for the JLP with a larger majority than ever, and following a period of well-publicised withdrawal from active politics as a mark of his dissatisfaction with the leadership, he took over from Mr Hugh Shearer (qv) as leader of the party in the autumn of 1974.

Mr Seaga is highly intelligent, a hard worker, and an excellent public speaker. He has a somewhat cold personality, although this is offset by his attractive, vivacious and intelligent wife, Mitzi, a former "Miss Jamaica", whom he married in 1965.

As a politician he was handicapped by his race and the absence of family relationships, such as both Bustamante and Shearer had with the Manley family. Because of this, and of the way he established his power base in his constituency, he was feared as unscrupulous and greedy for power, and his opponents sought to pin the resurgence of political violence to his assumption of the leadership of the Jamaica Labour Party.

Since he became Prime Minister, he has been most impressive and with increasing confidence has become much more outgoing and warm in his personal relations. He virtually won the October 1980 elections for the JLP single handed and totally dominates the Government.

The Seagas have 3 children, 1 daughter and 2 sons, one of whom is adopted.

WALKER, HERBERT S

Jamaican High Commissioner to UK since December 1981.

Born 1924.

Educated Kingston College and Manchester University, UK. Barrister-at-law, Gray's Inn.

Administrative Assistant to Development Commissioner, British Guiana, in 1950 and rose to be a Permanent Secretary there in 1957. Assistant Under Secretary, Ministry of Finance, Jamaica 1957. Permanent Secretary, Ministry of Trade and Industry, July 1965 to February 1972. Governor, Bank of Jamaica 1978-81.

Permanent Representative of Jamaica to the Office and Specialised Agencies of the United Nations in Geneva, and Ambassador to Switzerland, Yugoslavia, Italy and Austria, 1972-78.

Youthful looking negro. Very self-confident and friendly.

Married to a wife of German origin. 2 daughters.

MRS THATCHER
CR.

10 DOWNING STREET

From the Private Secretary

22 May 1984

PRIME MINISTER OF JAMAICA

The Prime Minister has agreed to see Mr. Seaga at 1115 on Wednesday, 13 June.

A. J. COLES

Peter Ricketts, Esq.
Foreign and Commonwealth Office.

(1)

C/f flu *

WEDNESDAY 13 JUNE

0910 Depart for
0915 Briefing
1000 Final Euro Press Conference
1100 K/F for Welsh Conference speech
1230 Walter Annenberg (to present Presidential Eagle Award)

Prime Minister.

* You have, as yet, nothing in the afternoon.

You could see Rt. Hons. Heaps at 11.15 and keep the afternoon for the Welsh Conference speech. Agree?

A. & C. 21/5

Yes

Mrs Ryder

To note please - I am writing to F.C.O. AR 22/5

RESTRICTED

CPC (1).

Prime Minister.

Agree to see Mr. Seaga at 11.15 on Wednesday, 13 June?

A.J.C. 16/5.

Foreign and Commonwealth Office

London SW1A 2AH

17 May 1984

Dear John,

Visit by Rt Hon Edward Seaga, Prime Minister of Jamaica

The Jamaican High Commission have told us that Mr Edward Seaga, Prime Minister of Jamaica, will be visiting London during the period 13-16 June and would like to call on the Prime Minister on 13 June. He is scheduled to arrive in London from Geneva at 0820 that morning.

We recommend that, other commitments permitting, the Prime Minister should agree to see Mr Seaga. Mr Seaga did not attend the 1983 Commonwealth Heads of Government Meeting in New Delhi owing to his preoccupation with Jamaica's negotiations with the IMF. The Prime Minister and Mr Seaga last met when he visited London in June 1982.

Mr Seaga has not yet indicated any specific topic he wishes to raise but we understand that one purpose of his visit to Britain is to promote inward investment to Jamaica. UK/Jamaican negotiations for an Investment Promotion and Protection Agreement may be completed in time to permit signature during Mr Seaga's stay in London. Apart from covering investment promotion and Jamaican economic prospects, a meeting would be a useful opportunity to reaffirm to Mr Seaga the importance we continue to attach to the Commonwealth Caribbean in general and to relations with Jamaica in particular.

Mr Seaga was disappointed over our stance on the Grenada intervention in which Jamaica was a leading participant, but our bilateral relations have not been affected. It is likely that our White Paper in response to the Foreign Affairs Committee's report on the Grenada issue will be published just after Mr Seaga's visit.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

RESTRICTED

cf MASTER OPS

SUBSECT

file

T136A/82 JD
Jamaica

CFO

10 DOWNING STREET

THE PRIME MINISTER

21 June 1982

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T136A/82

Dear Prime Minister,

It was such a pleasure seeing you today. I greatly enjoyed our talks. There are many important things which Britain and Jamaica have to do together.

But I write to thank you for the beautiful gifts which were delivered to my office. The picture is delightful, and I shall treasure the pewter spoons and the coins.

I do hope you enjoyed the rest of your programme.

Warm regards to Mrs. Seaga.

Yours sincerely

Margaret Thatcher

The Rt. Hon. Edward Seaga, M.P.

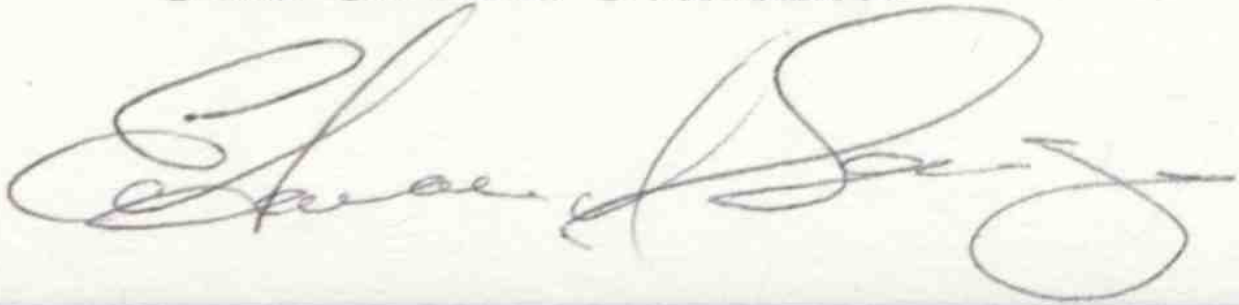
da

Jamaica

With the Compliments

of

The Prime Minister



This picture is an artistic creation of dried bark and flowers, handcrafted in Jamaica. Above is Jamaica's national bird, the Doctor Bird.

John

For thank you letter. The pewter spoons are really nice. In addition to coins.

EJ.

21/6.

This is a pewter reproduction of spoons which were used in Port Royal, Jamaica during the 17th Century.

CONFIDENTIAL

10 DOWNING STREET

From the Private Secretary

21 June, 1982

Dear John,

Visit of Prime Minister of Jamaica

Mr. Seaga called on the Prime Minister at noon today for an hour of talks, followed by lunch. I enclose a record of the conversation.

I am copying this letter and enclosure to Michael Power (Overseas Development Administration), John Rhodes (Department of Trade) and Robert Lowson (Ministry of Agriculture, Fisheries and Food).

Yours ever

John Coles.

John Holmes, Esq.,
Foreign and Commonwealth Office

CONFIDENTIAL

SUBJECT cf master

CONFIDENTIAL

RECORD OF CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF JAMAICA AT NOON ON 21 JUNE AT NO. 10 DOWNING STREET

Present:

Prime Minister	Mr. Seaga
Mr. Ure	Mr. Walker
Mr. Hurrell	Mr. Hart
Mr. Coles	Mr. Barber
	Mr. Brown

The Prime Minister thanked Mr. Seaga for Jamaica's strong support on the Falkland Islands issue. Mr. Seaga said that Jamaica had extended this support not just because of the Commonwealth link but, more importantly, because of the principle at stake. That principle could be of even greater relevance in the future, for example in the cases of Belize and Guyana. He was also worried about the possible deterioration of the internal situation in a number of English speaking states of the Caribbean. When he had spoken to the Prime Minister in Melbourne, he had emphasised the general lack of real security in the area. Grenada was now assembling a defence force of 3,000 personnel. This was probably equal to the total number of personnel engaged on such duties in the whole of the rest of the English speaking Caribbean. Jamaica, with a much larger population than Grenada, had a force of only 2,000 people. Antigua had recently raised the question of a Caribbean security force. Caricom heads would meet in October in Jamaica when this subject could be expected to come up. The outcome might be a decision on a mutual defence effort to deal with internal situations in the area. There were moves afoot to restrict Caricom to true democracies - such a criterion would exclude Grenada and would help in dealing with applications for membership from Surinam and Haiti.

There were problems at three levels. First, a breakdown of internal law and order. To cope with this, there was a need for assistance with training. Jamaica could provide places in

her own institutions but lacked instructors at the highest level. Perhaps the United Kingdom and Canada could help. A second category of problems concerned situations like that in which Belize found herself. Jamaica was impotent to help with the defence of Belize but could perhaps provide some assistance with training. The third category of problems arose from the Falkland Islands situation. The principle that aggression should not pay was inviolate. The action taken by the United Kingdom would deter other aggressors. But there could be a longer term problem in defending an isolated position. There was also the question of future relationships in the area between Latin American countries and English speaking countries of the Caribbean.

He had not included in the above account the question of the dispute between Guyana and Venezuela. He had left it out because there was a distinct possibility that Jamaica might become involved in mediation between the two. Jamaica had very strong relations with Venezuela, the President of which would be visiting Kingston on 1 August for the Jamaican independence celebrations. Word had been received from Venezuela indicating interest in Jamaican mediation. So as to preserve this possibility, Jamaica had been keeping itself free of involvement in the issue.

The Prime Minister recalled a visit she had recently received from a former Venezuelan politician, Dr. Caldera. She had been rather shaken by his statement that despite Venezuela's attachment to democracy it would support Argentina rather than Britain over the Falkland Islands dispute. Mr. Seaga said that this stemmed from Latin American solidarity, which was not dissimilar to Commonwealth solidarity. But the Venezuelans had told Jamaica that they had no aggressive intentions towards Guyana. They well knew that their demand for two-thirds of Guyana territory was unrealistic. But they needed a token, whether territorial or of some other nature. When he had mentioned this point to President Reagan, the latter had suggested

some form of joint development of part of the disputed region. The dispute, which was divisive, could not be left in limbo.

The Prime Minister then reverted to the question of support for Caricom. We were providing police-training for Dominica. Mr. Seaga said that he understood this was proceeding satisfactorily. But states like St. Vincent, St. Lucia, Antigua and Montserrat wanted such training as well. The Prime Minister said that there was clearly a need for an efficient police force in all these states. Would they seek training from Jamaica? Mr. Seaga said that they could provide places in their institutions. Their own training cadre needed to be strengthened. Canada and the United Kingdom were the natural providers of such assistance, though the United States might help as well. He had found that many of the smaller Islands were not even aware of the need for a special branch system. Mr. Ure and Mr. Hurrell explained the assistance which we were already giving in these fields.

The Prime Minister said she understood that Grenada was extending its airstrip. Mr. Seaga confirmed this, but stressed that the important thing was the size of Grenada's defence force which was based on a standard Cuban pattern and backed by extensive broadcasting facilities which covered the whole of the Caribbean. A very highly organised propaganda effort was backed by the military establishment.

Caricom was not able to deal with the overt threat to Belize. Some assurance was needed as to how far the United Kingdom would go in dealing with it, if not alone, then together with Canada. The Prime Minister replied that we had informed the Prime Minister of Belize that the garrison would stay on longer. It would be a deterrent. Mr. Seaga commented that our action over the Falkland Islands would help to minimise the threat but it emphasised the need for our garrison to stay.

/The Prime Minister

The Prime Minister expressed the view that President Reagan's Caribbean basin initiative should help stability. Mr. Seaga recalled the background. At an earlier period, the area was receiving $1.5 billion in various forms. It had been assessed that a further $1.5 billion were necessary. The oil credit facilities provided by Mexico and Venezuela, amounting to $750 million, accounted for half this sum. The hope had been that the United States would supply 50 per cent of the remainder, i.e. $375 million, and that others would make up a similar sum. He had explained to Reagan that the Caribbean was capable of responding very positively to private investment. The two leaders had then worked together to develop the Caribbean basin initiative. This had a public relations aspect in that it was an amalgam of the existing Mexico/Venezuela facility, plus a one-way free trade arrangement with the United States, together with official United States bilateral assistance and increased Canadian bilateral assistance. The initiative was a form of defence for the region. Since 1979, every election in the Caribbean had resulted in a move towards democracy. The region was now "clean" except for Guyana, Surinam, Haiti and Cuba. In the remainder of the area there were some 25 stable democracies. Support for the region was worthwhile for that reason alone. Official aid was necessary to prove to the electorate that the democratic system was better than the Cuban model. Grenada was a major threat - it was so small that very little would be necessary in terms of Soviet/Cuban investment to turn it into a paradise. The United States erred in not putting more aid into the Eastern Caribbean. The European Community should also have put more into that area, by way of official development assistance.

The Prime Minister enquired how much aid was received from the World Bank. We had released a large sum by waiving the proportionality rules and we could not give aid in other ways as well. Mr. Seaga suggested that we should put at the disposal of the Caribbean Development Bank a small team to determine what the smaller states received from multilateral institutions by way of aid and thus how big the remaining gap was. Mr. Hurrell pointed out that this could be done through existing machinery. We knew that Dominica, St. Vincent and St. Lucia were

/not

not receiving as much aid as they would like. But our aid resources were limited. Mr. Seaga observed that the United States' decision to remove barriers to Caribbean trade was a big step forward but the extent to which the states concerned could benefit depended on their infrastructure. Mr. Hurrell commented that the donors were well aware of this point and some infrastructure projects were under way. The Prime Minister stated that we would examine the problem raised by Mr. Seaga. We must take account of the new problem to which he referred - the development of Grenada as a show-piece for the Soviet/Cuban system.

Mr. Seaga said that he was very grateful for continued United Kingdom support. Jamaica had turned round its economy and prospects for growth were now evident. United Kingdom support had fallen a little over the last two years and he hoped we would maintain our level of official development assistance. The ECGD were now responding to Jamaica's needs and trade credits were coming back. Jamaica had paid off all its arrears to the IMF nine months ahead of schedule. But there was a continuing problem with the banana industry. The Commonwealth Development Corporation had just agreed to take part in a new 2,000 acre scheme which would help to recover lost ground. The United Kingdom's agreement to protect ACP bananas against dollar imports would come to an end in May. He hoped we would renew it as the French did. Mr. Hurrell stressed that we were committed to fulfilling our obligations under the Lomé Convention. The Prime Minister pointed out that the European Commission had given us a series of temporary authorities to exclude dollar imports and the current one did not expire until 30 September. Mr. Ure said that a certain company was taking legal action against our licensing system and we were under strong pressure from Latin American countries to modify it. This we would continue to resist. Mr. Seaga said that Jamaica was trying to develop bananas which would be competitive in quality and price with dollar area bananas.

The Prime Minister enquired about the sugar and rum industries. Mr. Seaga said that Jamaica had fulfilled its EC quotas on sugar. It was now considering leasing to private exporters government /estates

estates which were at present badly run. The rum industry had no great problems at present.

The Prime Minister enquired about the state of Jamaica's general relationship with Latin America, describing some of our experiences in connection with the Falkland Islands dispute. Mr. Seaga said that historically there was a sharp division between the English and Spanish speaking states. Cuba was only 90 miles away from Jamaica but the cultural differences gave a feeling of a much greater distance. As more English speaking states became independent, they acquired a greater weight of numbers within the OAS and were therefore more respected. The Falkland Islands issue had strained relations with other OAS states but had not done permanent damage. As a result of his election, Jamaica was regarded by the Latin Americans as a harbinger of democratic development in the Caribbean. It was seen as the country which had "defeated" Cuba. He was under constant pressure to visit Central American states and proposed to do so later this year. He wanted to normalise relations with the whole area, but problems with Venezuela were likely to continue. The strain created by the Falkland Islands issue would disappear with time.

The Prime Minister explained that we were hoping to secure new investment and development in the Falkland Islands. The population was very small. We could bring them towards self-government while keeping responsibility for foreign affairs and defence. Mr. Seaga thought that the size of the population was less important than the quality of leadership. The 1,800 people of the Falklands might survive better as an independent state than the 6,000 inhabitants of the Turks and Caicos Islands. But how did the Prime Minister see the future of the Falklands? The Prime Minister replied that we had moved steadily towards a more democratic system. The next step would be self-government but this would take time. It would be a matter of months before the situation in the Islands returned to normal. Mr. Seaga asked whether for the future it would not be better to aim at an independent Falklands protected, like Belize, by a security arrangement, rather than a colonial situation which would encourage Argentina to maintain its claim. It would be much harder for it to violate an independent state. The Prime Minister

/doubted

doubted whether the Falkland Islands were ready for independence. Moreover, an external guarantee would not be effective - that could be achieved only by the presence of sufficient defensive forces. We would, however, move towards self-government. The Falkland Islands would need protection for a long time to come. There was no question of negotiating sovereignty with Argentina. Mr. Seaga agreed with the latter point. This would simply encourage the Argentines to think that they had lost the battle but not the war. The Prime Minister added that the area would become of considerable strategic importance if ever the Panama Canal were closed. And the Antarctic was of great potential economic importance. Mr. Seaga enquired about the oil prospects around the Falklands. The Prime Minister said that no-one had tried to drill a hole. Perhaps they should do so soon. In conclusion, she emphasised that we did not wish to maintain the present colonial status of the Falklands. The question was one of how quickly we could bring them to self-government. Mr. Seaga commended the Prime Minister on the United Kingdom's handling of the affair. We had avoided over-kill and minimised casualties. The conversation concluded at 1 o'clock.

A.J.C.

21 June, 1982

Jamaica

MR COLES

TALKS WITH JAMAICAN PRIME MINISTER, 12 NOON

He would like to bring:-

High Commissioner
Mr Herbert Walker

Chairman of the Bauxite and Alumina Trading Company (a public sector company) Mr H Hart

Financial Secretary, the Honourable Horace Barbera

Chairman of the National Planning Agency, Dr H Brown

In addition he would like to bring his Press Secretary Mrs Winifred Hunter.
This would make a total of six.
Agree?

done
cl.
21/6.

21 June, 1982

Duty clerk

LIST OF GUESTS ATTENDING THE LUNCHEON TO BE GIVEN BY THE PRIME MINISTER IN HONOUR OF THE HON. EDWARD SEAGA, PRIME MINISTER OF JAMAICA ON MONDAY, 21 JUNE 1982 AT 1.00 PM FOR 1.15 PM

The Prime Minister

Jamaican Suite

The Hon. Edward Seaga	Prime Minister
The Hon. Horace Barber	Financial Secretary
His Excellency the High Commissioner for Jamaica and Mrs. Walker	
Dr. Hedley Brown	Executive Director, National Planning Agency
Mr. Hugh Hart	businessman and brother-in-law of Mr. Seaga

HM Government

Rt. Hon. William Whitelaw, MP and Mrs. Whitelaw	
Rt. Hon. Sir Geoffrey Howe, MP and Lady Howe	
Rt. Hon. Neil Marten, MP	
Mr. Cranley Onslow, MP and Lady June Onslow	

Labour MPs

Mr. Nigel Spearing, MP and Mrs. Spearing	Foreign Affairs Committee. Visited Jamaica February 1982

Conservative MPs

Sir Anthony Kershaw, MP and Lady Kershaw	Chairman of Foreign Affairs Committee
Mr. Winston Churchill, MP and Mrs. Churchill	

Commonwealth

His Excellency Mr. S.S. Ramphal and Mrs. Ramphal	Commonwealth Secretary General

Judiciary

Rt. Hon. Lord Scarman and Lady Scarman	

Press

Mr. Andrew Knight	Editor, The Economist

Finance and Industry

The Lord Pritchard and Lady Pritchard	Rothmans International Ltd.
The Lord Selsdon	UK/Jamaica Committee; organising Mr. Seaga's City Programme (Midland Bank International)
Sir Denis Mountain and Lady Mountain	UK/Jamaica Committee (Eagle Star Insurance Group)
Lt. Commander R.E.F. de Pass and Mrs. de Pass	Chairman, The West India Committee

Jamaica Community Leaders

Dr. Victor Page and Mrs. Page	
Professor D.E. McAuslan and Mrs. McAuslan	
Mr. A.S. Byfield and Mrs. Byfield	

Others

Mr. James Gardner	Veteran distinguished designer who has restored Jamaican historical buildings, including Port Royal, a pet project of Mr. Seaga
Dr. Janet Morgan	Oxford academic, ex-Cabinet Office Friend of Mr. Seaga. Has advised him. Editor of Crossman diaries. Now written biography of Agatha Christie

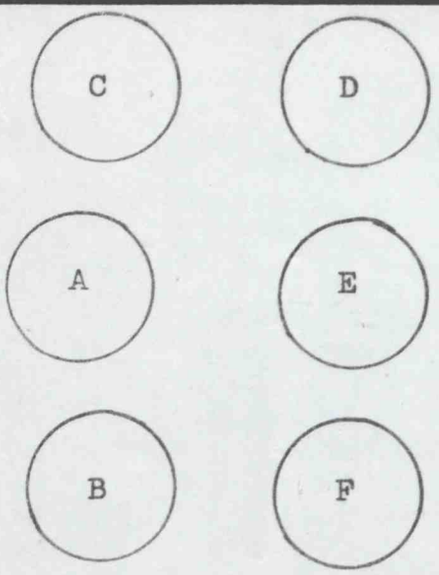
Officials

Mr. J.B. Ure and Mrs. Ure	Foreign and Commonwealth Office
Mr. John Caines and Mrs. Caines	Deputy Secretary, Department of Trade
Mr. R.T. Kemp and Mrs. Kemp	Under Secretary, Export Credits Guarantee Department

10 Downing Street

Mr. Ferdinant Mount	
Mr. John Coles	

23



10 Downing Street
21 June 1982

TABLE A

THE RT. HON. THE PRIME MINISTER
The Hon. Edward Seaga
Lady Howe
His Excellency Mr. S. S. Ramphal
Dr. Janet Morgan
Mr. Andrew Knight
The Lady Pritchard
The Rt. Hon. Lord Scarman

TABLE B

The Rt. Hon. William Whitelaw
The Hon. Horace Barber
Lady June Onslow
The Lord Pritchard
The Lady Scarman
Sir Anthony Kershaw
Dr. Victor Page
Mrs. Ramphal

TABLE C

The Rt. Hon. Sir Geoffrey Howe
His Excellency
the High Commissioner for Jamaica
Lady Kershaw
Lieutenant Commander R. E. F. de Pass
Mrs. Page
Mr. James Gardner
The Lord Selsdon
Lady Mountain

TABLE D

The Rt. Hon. Neil Marten
Mrs. Walker
Sir Denis Mountain
Mrs. Spearing
Mr. R. T. Kemp
Mrs. Caines
Mr. Winston Churchill
Mrs. Byfield

TABLE E

Mr. Cranley Onslow
Dr. Hedley Brown
Mr. J. B. Ure
Mrs. Kemp
Professor D. E. McAuslan
Mrs. Churchill
Mr. John Coles
Mrs. de Pass

TABLE F

Mrs. Whitelaw
Mr. Hugh Hart
Mrs. Ure
Mr. Ferdinand Mount
Mrs. McAuslan
Mr. Nigel Spearing
Mr. John Caines
Mr. A. S. Byfield

Mr. John Coles

RESTRICTED FILE SW

10 DOWNING STREET

From the Private Secretary 18 June, 1982

Visit of Mr. Seaga

The Prime Minister is content that Mr. Seaga should be accompanied at his talks with her by the team listed in paragraph 2 of your letter of 16 June.

I should be grateful if you could arrange for Mr. Ure and Mr. Hurrell to attend the talks also.

I am copying this letter to Mike Power (ODA).

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth

RESTRICTED

PRIME MINISTER

Talks with the Jamaican Prime Minister

I suggest we use the Cabinet Room.

He is expected to be accompanied by:

Mr. Barber	Financial Secretary
Dr. Hedley Brown	Executive Director, National Planning Agency
Mr. Hart	Senior Businessman, advisor and brother-in-law of Mr. Seaga
Mrs Risden-Hunter	Press Secretary

On our side, I have asked Mr. Ure of the FCO and Mr. Hurrell of the ODA to attend.

I attach some notes for your after-lunch speech.

AJC

18 June 1982

The National Archives

DEPARTMENT/SERIES PREM 19 PIECE/ITEM 3411 (one piece/item number)	Date and sign
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Foreign and Commonwealth Office

London SW1A 2AH

18 June 1982

Dear John,

Visit of Mr Seaga, Prime Minister of Jamaica, 20 - 23 June

I enclose two sets of briefs for the Prime Minister's meeting with Mr Seaga on 21 June. Brief No 8 will be forwarded separately. I also enclose notes for the Prime Minister's toast at lunch. We have not yet had confirmation from the Jamaicans of the composition of Mr Seaga's party, but it appears that in any event Mr Seaga would wish to be accompanied by the High Commissioner, Mr H B Walker.

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

VISIT OF MR SEAGA, PRIME MINISTER OF JAMAICA, 20-23 JUNE 1982

LIST OF BRIEFS

STEERING BRIEF: JAMAICAN VITAL STATISTICS

1. Jamaica, political
2. Jamaica, economic
3. Falklands
4. Aid to Jamaica
5. Caribbean Basin Initiative
6. Caribbean regional security
7. Assistance to Jamaican Defence Force
8. Assistance to Special Branch (PUSD providing separately)
9. Venezuela/Guyana dispute
10 Belize
11 Trade relations and investments
12 ECGD
13 Jamaica and the Lomé Convention
14 United Nations Law of the Sea Conference
15 Commonwealth matters

ANNEX 1 Personality Notes on Mr Seaga and Mr Barber
ANNEX 2 Official Programme
ANNEX 3 Mr Seaga's Party

1 Aug.
Venezuela
Guyana
Belize
Falklands.
Police
Caribbean.
Th. Jamaica

VISIT OF THE RT HON EDWARD SEAGA, PRIME MINISTER OF JAMAICA,
20 - 23 JUNE 1982

STEERING BRIEF

A. OBJECTIVES

1. (i) Assure Mr Seaga of UK's support in his efforts to revive Jamaican economy.

(ii) Express warm thanks for Jamaica's support on Falklands.

(iii) Exchange views with him on Caribbean issues, including security.

(iv) Respond positively to any representations, for example on aid and ECGD cover.

B. SUMMARY OF BRIEFS

2. This is Mr Seaga's first visit to the UK as Prime Minister. Mrs Thatcher last met him in Melbourne in 1981. We warmly welcome his visit.

3. Mr Seaga dominates the Jamaican political scene (Brief no 1 and Annex 1). His main priority is the revival of the Jamaican economy. This will be a long haul, but he is having some success. The international community is giving Jamaica massive financial support. (Briefs nos 2 and 4). Until now Mr Seaga has directed his personal energies towards establishing a closer relationship, both political and economic, with the US (Brief no 1). He does not have educational and sentimental links with the UK, unlike many other Caribbean leaders.

4. Anglo/Jamaican relations are already very good and will be strengthened by the visit. We much appreciate Jamaica's robust support on the Falklands (Brief no 3). In London, Mr Seaga will be meeting

/leading

leading figures in the City and in industry, to whom he will be looking for further financial support. They will give him a warm and favourable reception (Brief no 11).

5. Mr Seaga may press for more UK aid. Jamaica has accepted a loan of £2.5m for 1982/83 and we have promised to review the position later in the year. We have recently given Jamaica one million doses of polio vaccine in response to an urgent request after an outbreak (value about £280,000) (Brief no 4). The Jamaicans are anxious to have full ECGD cover restored as quickly as possible. ECGD have recently extended further cover, but the pace of restoration is governed by progress on Jamaica's current account and foreign exchange holdings (Brief no 12). British private investments in Jamaica will be discussed in the City; the conclusion of an Investment Promotion and Protection Agreement would be a useful step forward (Brief no 11). Jamaica is taking steps to deal with the problems of its banana industry and can be reassured that the UK is committed to fulfilling its share of EC obligations under Lomé Banana Protocol. Our licensing system under Community Law is being challenged in the Courts. We are anxious that challenges should not succeed and will seek renewal of protective powers which expire on 30 September (Brief no 13).

6. Both we and the Jamaicans welcome the Caribbean Basin Initiative. This is not a multilateral plan but a series of bilateral arrangements, spurred greatly by President Reagan's plan announced on 24 February. We already play a full part in assisting the Commonwealth Caribbean (Brief no 5). The Falklands crisis points up the need to consider security problems in the Caribbean. Caribbean leaders have paid little attention to this subject. The nature of threats varies considerably, but there is a need for a regional approach. (Brief no 6). We give substantial training and other assistance to the Jamaica Defence Force and Special Branch (Brief nos 7 and 8). On specific issues, we should explain that we do not see a role for ourselves in the Venezuela/Guyana dispute, which we wish to see settled peacefully

/in

in line with the stated intentions of the two parties (Brief no 9). On Belize, we would welcome moves to settle the dispute. The Guatemalans have not approached us for talks. We are grateful for support given by Jamaica and other Commonwealth partners (Brief no 10).

7. Jamaica will be the site of the International Seabed Authority and may press us to sign and ratify the Law of the Sea Convention. After our abstention on the Convention, we are examining the texts (Brief no 14).

8. Mr Seaga could be a useful ally in reforming Commonwealth Heads of Government meetings (Brief no 15).

C. HANDLING OF THE TALKS

9. In addition to having talks with the Prime Minister, Mr Seaga will meet:

(a) the Chancellor. Main subjects likely to be discussed are the Jamaican economy, prospects for the Commonwealth Finance Ministers' meeting, British investment in Jamaica and possible ECGD policy.

(b) Mr Marten. Detailed discussion of UK aid.

(c) Mr Pym. Expected to be largely a courtesy call.

BRIEF NO 1

JAMAICA: POLITICAL

ESSENTIAL FACTS

POLITICAL: INTERNAL

1. Mr Seaga's Jamaican Labour Party won a sweeping victory in the general election of October 1980. In eight years of rule by Michael Manley's People's National Party, real GNP had slumped by nearly 20 per cent and violence was threatening the fabric of society. The JLP's orientation is conservative, pro-private enterprise and pro-West. Prime Minister Edward Seaga is a most impressive leader, but perhaps takes too much on himself. Apart from Hugh Shearer, a former Prime Minister, now Deputy and Foreign Minister, the rest of the ministerial team were new to office. The JLP victory created a new mood of confidence which the Government have been striving to convert into tangible improvements in the economy. Political violence has declined sharply but conventional crime remains extremely serious, especially in downtown Kingston.

EXTERNAL RELATIONS

2. The third world rhetoric of Manley has been replaced by a much more sober and constructive approach under Seaga. Jamaica remains formally a non-aligned country, but its political and economic orientation has moved substantially towards the West. Seaga was the first foreign visitor to call on President Reagan after his inauguration and has been a frequent visitor to the USA since then. Until now Mr Seaga has left relations with Western Europe in Mr Shearer's hands.

3. By contrast with Mr Manley, Seaga is vigorously anti-Cuban. After a period of strain, Jamaica broke diplomatic relations with Cuba in October 1981 following allegations that the Cubans were harbouring wanted Jamaican criminals. We readily agreed to look

/after

JAMAICA: VITAL STATISTICS

Population (mid 1980)	2.172 million
Population Growth Rate (1970-1980)	1.4 per cent
Adult Literacy Rate	86 per cent
GDP per capita (1980)	US$ 1,330
GDP growth (Apr 81/Mar 82)	2 per cent
GDP growth (annual rate 1976/1980)	- 7.2 per cent
Unemployment	27 per cent (est.)
Inflation Rate (1980)	28.6 per cent
- (1981)	12 per cent
Balance of Payments (1981/82)	US $39 million
Balance of Payments (1980/81)	- US $150 million
Net International Reserves (Mar 1982)	- US $543 million
UK Exports to Jamaica (1980)	£33.1 million
UK Imports from Jamaica (1980)	£95.6 million
Jamaican population in UK	500,000 (rough est.)
UK Nationals in Jamaica	2,300

after Jamaican interests in Havana and have been doing so ever since.

Relations With The United Kingdom

4. Relations with Jamaica have continued to be close since independence and are currently excellent. Traditional constitutional, political, cultural and sporting links together with the presence of a large Jamaican community in the United Kingdom (estimates range from 300,000-500,000) have contributed to this.

BRIEF NO 2

JAMAICA, ECONOMIC

POINTS TO MAKE

1. Your economic achievements are most encouraging. How do you see future prospects?

JAMAICA: ECONOMY

ESSENTIAL FACTS

1. Mr Seaga, unlike his predecessor, is working to a comprehensive and persuasive economic recovery programme. Jamaica needs to borrow more to give a longer time for new investment and growth in manufacturing to increase export earnings. This explains his present visit to Europe.

2. Mr Seaga's achievements have been encouraging. Despite the world recession, the Jamaican economy has improved. In the financial year ending March 1982, growth of 2 per cent was achieved, after eight years of negative growth; and a balance of payments surplus of US$ 39 million was accumulated, the first since 1974. Inflation has fallen sharply, but unemployment (about 27 per cent) only marginally. Tourism is booming in contrast to the rest of the Caribbean. But hopes of expansion in the output of bauxite and alumina, the major export earners, have been dashed by the world recession and there have been cutbacks. The damage to the bauxite industry has been offset by the US decision to buy substantial quantities for stockpile.

IMF

3. Under an agreement with the International Monetary Fund of April 1981, Jamaica is receiving US$698 million over a three-year period. The IMF conditions are strict but all targets have been met successfully so far, some ahead of time. The IMF agreement brought in its wake a series of large governmental, institutional and private loans which are keeping Jamaica afloat.

ECONOMIC RELATIONS WITH US

4. Seaga knows that the flow of loans is a necessary but not a sufficient condition for economic recovery. Investment in the private sector and expansion of Jamaica's export markets are top priorities. Mr Seaga sees the US as the key with the US/Jamaican

/business

business committee, led by David Rockefeller, playing an important rôle. New projects are getting off the ground only slowly, but many are at the planning stage. Jamaica is enthusiastic about the Caribbean Basin Initiative (Brief No 5). Under it Jamaica is much more favoured by the Americans than any other Commonwealth Caribbean country. Inevitably this has caused envy elsewhere.

BRIEF NO 3

FALKLANDS

POINTS TO MAKE

Jamaican Support

1. We warmly appreciate robust support of Jamaica. Heartening that UK has had such solid backing from most Commonwealth Caribbean countries (Grenada the exception). This is a principled stand and confirmation of the strength of Commonwealth bonds.

The Future

2. We are giving urgent attention to the economic and social rehabilitation and further developments of the Islands, and the possible options for their future political development and security. However, these are difficult and complex tasks and cannot be undertaken hurriedly. Clearly the Islanders must be given a chance to recover from their recent ordeal and resume a normal way of life. We hope that we will continue to be able to call on the understanding and co-operation of the Commonwealth.

3. We are also aware of the danger that in spite of the surrender of Argentine troops on the Islands the conflict may be prolonged by Argentina. We obviously would have no interest in such prolongation, and it would be a highly dangerous and irresponsible policy on Argentina's part. Jamaica will have a shared interest in persuading her to desist and return to peaceful negotiation.

FALKLANDS

ESSENTIAL FACTS

1. The Jamaican Government were quick to react to the Argentine invasion. On 5 April they issued a statement deploring the invasion, condemning the use of force contrary to UN principles, calling on the Argentines to withdraw and supporting the rights of self-determination for the Falklanders. The performance of Jamaica (and Guyana and Trinidad) at the non-aligned meeting in Havana, where Argentina's supporters dominated, was disappointing.

BRIEF NO 4

AID TO JAMAICA

POINTS TO MAKE

1. Jamaica's economic achievements in last year very encouraging.

2. UK is continuing to assist Jamaica in support of the IMF package. Programme aid loan disbursements were £5 million in 1981/82, and a new loan of £2.5 million has been agreed for 1982/83. Technical cooperation programme continues.

3. (Defensive) Size of 1982/83 dictated by availability of funds in reduced aid programme, but will consider later in year whether more can be found for Jamaica.

POLIOMYELITIS

4. Very sorry to hear of serious outbreak of poliomyelitis in Jamaica; glad we have been able to assist by providing vaccine.

ESSENTIAL FACTS

CAPITAL AID

1. The UK has joined with other bilateral donors in providing substantial capital aid since 1978 to assist with Jamaica's economic problems. Our capital aid consists entirely of successive programme loans. Between 1978 and March 1982 we have provided six loans totalling £38.5 million. All were in response to chronic external financing deficits, and most were in tandem with IMF programmes of economic adjustment. The present IMF agreement is worth $US 700 million over three years from 1981. The international community is giving massive support to Jamaica. Assistance valued at US$ 438 million, towards the target of US$ 465 million, has been promised for 1982/83.

2. The details of the most recent loan to be agreed are now being negotiated with the Jamaican Government. It provides £2.5 million for disbursement by 31 March 1983. The loan has a 10 year maturity with a 3 year grace period at four per cent interest.

3. The size of the 1982/3 loan, probably less than the Jamaicans would wish, is dictated by the availability of funds in the reduced aid programme. We have, however, indicated to the Jamaicans that we will review the size of the pledge later in the year when the extent of our other commitments is clearer. At the meeting in Washington in mid-June of the Caribbean Group for Cooperation in Economic Development, the Jamaicans did not express disappointment about the current loan and our promise to review it.

TECHNICAL COOPERATION

4. Forecast expenditure for 1982/83 is £470,000. Jamaica suffers from serious shortages of trained manpower particularly at middle levels. We provide training in the UK and Technical Cooperation Officers (TCO's), but we can meet only a few of the needs and the funds available this year and next are heavily committed.

5. Our main TC activities are training, support for a forest development project, and consultancies to assist courses at the Administrative Staff College and the establishment of a computer system for the Revenue Board.

POLICE TRAINING

6. Up to half (12) the training places available in the UK are earmarked for Jamaican policemen, and we have also recently agreed in principle (when Mr Rainford, Head of Jamaican Security, was in the UK early in June) to provide at least one, and probably

/two

two, senior police officers for one year to help establish a new Jamaican Police College at Twickenham Park. Police vehicles and other equipment have also been provided during the last two years.

7. Mr Seaga will be able to discuss any new TC requests (eg for assistance to the Civil Service and advice on reconstructing Port Royal) when he sees Mr Marten on 23 June.

POLIOMYELITIS

8. Following a serious outbreak of poliomyelitis, the Jamaican Minister of Health requested British assistance in obtaining 1,000,000 doses of oral vaccine. None was available in North America. We responded immediately and have airfreighted the vaccines to Jamaica as a gift, value about £280,000.

BRIEF NO 5

CARIBBEAN BASIN INITIATIVE

POINTS TO MAKE

1. We have warmly welcomed President Reagan's plan. We hope that trade and private investment will be encouraged and that new donors will come forward.

UK BILATERAL AID

2. (If asked.) Our bilateral aid programme to the region as a whole has been running at about £25 million a year. Within limitations of cuts - unfortunately necessary - in our global aid budget, we will be doing our best to maintain substantial bilateral programmes. No prospect in short term of any increases. We make significant contributions through multi-lateral channels (European Community, Caribbean Development Bank and Inter-American Development Bank).

CARIBBEAN

3. (If asked.) As well as significant financial aid, ACP countries enjoy duty free access to the Commmunity for all their industrial products and most agricultural exports, and help with trade promotion. The special arrangements for sugar, bananas and rum are of special value to the Caribbean ACP states.

1.5

BRIEF NO 5

CARIBBEAN BASIN INITIATIVE

ESSENTIAL FACTS

1. The initiative was formally launched at a meeting of the Foreign Ministers of the US, Mexico, Venezuela and Canada at Nassau in July 1981. President Reagan announced the package of US proposals on 24 February. Foreign Ministers of the Nassau Four plus Colombia endorsed the US plan on 15 March and noted that the problems of the area should be solved 'without military considerations or political preconditions'. They will meet again in Caracas in August to review progress.

2. From the start we have welcomed the US aim of encouraging faster economic and social development in the Caribbean Basin (including Central America) while drawing attention to the already substantial British contribution in the Commonwealth Caribbean. Our line since has been forthcoming in tone about the initiative while avoiding commitment to new money or measures by the United Kingdom. The Caribbean countries (mostly Commonwealth Caribbean) already enjoy very substantial benefits under Lomé. Our aid programme to the region is likely in fact to show a reduction overall in 1983/84. Mr Atkins and Mr Luce warmly welcomed President Reagan's proposals during the debate in the House on Central America on 2 March.

3. President Reagan's proposals still have to be got through Congress where there are already some problems, including rum and the volume of aid proposed for Central America. The centre piece of the programme is the one way free-trade agreement. The programme thus moves emphasis from the application of the American generalized scheme of preferences (not wholly understood by the Caribbean countries), which had not provided enough stimulus. There will be no duties on products from Caribean countries except on textiles and clothing, and on sugar, for which there will be duty free ceilings.

4. Other aspects of the programme are a 10 per cent investment tax credit extended to the Caribbean basin for the next five years;

/moves

moves to encourage the Overseas Private Investment Co-operation to give more support to business interests in the Caribbean Basin; and an increase of $350 million in economic aid, the greater part of it destined for Central America and for Jamaica (US $50 million).

REACTIONS TO THE CBI

5. First reactions to the CBI in the Caribbean Basin to the announcement of the Reagan plan were favourable. Jamaica and Dominica made notably enthusiastic statements. A slightly more pragmatic and cautious line has evolved. CARICOM Ministers have proposed further discussion with the US government on the proposed level of development assistance for Caribbean LDCs and MDCs as aid under the CBI did not appear adequate to lay the necessary infrastructural base. There is disappointment in the Eastern Caribbean that only an extra US $10 million aid is to be made available to them. CARICOM Ministers were disappointed that the CBI contained no specific elements for supporting institutions such as CARICOM and the Caribbean Development Bank. They also reaffirmed the principle that participation in the CBI should be open to 'all CARICOM countries'. This last point refers to the bilateralism of the Reagan plan which enables the US to exclude Grenada as well as Cuba and Nicaragua. Grenada and Cuba have been critical of the plan.

20 aid. votes — Guyana, Suriname. → Grenada, Cuba.

13 Ling. speaking states — Dominica, Montserrat, St. Kitts, Caribbean — E.C. - official missions here.

Small Islands — St. Lucia, St. Vincent, Dominica — Miss Charles — Representative

BRIEF NO 6

CARIBBEAN REGIONAL SECURITY

POINTS TO MAKE

1. Falklands crisis has underlined the need to consider the problems of security in the Caribbean. Nature of threats varies in the Caribbean region. What are your views generally? And on Jamaica's role?

2. UK commitments are to the defence of remaining Associated States (St Kitts-Nevis) and dependencies (Anguilla, Caymans, British Virgin Islands, Turks and Caicos and Montserrat). We also have obligations to Belize. Your views on UK role?

3. Need for regional approach to security. Time for countries of region to discuss the problem. Antigua has proposed discussion of regional security at CARICOM Summit. We understand CARICOM meeting will now not take place in July in Georgetown. What prospects of early meeting?

CARIBBEAN REGIONAL SECURITY

BACKGROUND NOTE

1. The Falklands crisis has concentrated the minds of Caribbean leaders on the problems of security of small states. Apart from the Venezuela/Guyana and Guatemala/Belize disputes, there are no other serious territorial claims in the area. However, the stability of the Caribbean could be upset by internal coups, armed incursions from small groups of dissidents or exiles and Cuban subversion. The potential problems vary from territory to territory.

2. The Deputy Prime Minister of Antigua and Barbuda, Mr Lester Bird, referred to the problems of Caribbean security during a speech to the West India Committee in London on 24 May. He said he had written to the CARICOM Heads of Government proposing discussion at their next meeting of 'the establishment of a regional defence capability'. In seeking to establish such capability Commonwealth Caribbean countries would look to Britain in particular for assistance. It now appears that the CARICOM meeting proposed for July will be postponed. Caribbean Governments are likely to divide their concern into separate areas - Belize, Guyana and the Eastern Caribbean - with different interests.

3. The idea of a common defence force in the Eastern Caribbean has come up from time to time, usually in response to a current event. However, our line has been that for a number of reasons a defence force is not a realistic solution in the Eastern Caribbean. The latest proposal is to have an efficient police force on each island with a special service unit trained under a series of bilateral arrangements between the smaller islands (excluding Grenada) and Barbados. Barbados would then lead whatever contingent seemed necessary to the island under threat where it would co-operate with the police special service unit.

/4. In

4. In the course of recent meetings with Caribbean High Commissions, Mr Onslow has raised the question of regional security as one which needs more thought, but no specific ideas have been discussed.

POLICE

5. In the main, security problems fall to the local police, and we have given substantial assistance from ODA funds, mainly for communications equipment but also for buildings and training. We also provide advice through the regional police adviser and the security liaison officer. The Police College in Barbados is the main centre for training in the Eastern Caribbean. The Jamaicans have plans for setting up a training college for senior policemen. A police TCO, Mr Dunkerley, is in Dominica and his work is highly regarded by the Prime Minister, Miss Charles. With British financial assistance, the Jamaicans have sent a police training team to Dominica. We hope this will be repeated. Two police officers are seconded to TCI.

REGIONAL COASTGUARD IN THE EASTERN CARIBBEAN

6. A study by Royal Navy and HM Coastguard personnel resulted in February 1979 in recommendations for the establishment of a joint coastguard by Barbados, St Lucia and St Vincent and the Grenadines. Barbados and St Vincent have new patrol boats and are working together. We hope St Lucia will join this set up. Training (funded by the British Government) is being provided by Royal Navy teams. The Naval Adviser (Nassau) is to make an assessment of the minimum requirements for the Leeward Islands and advise on the most suitable craft. Financial considerations will determine the priorities, but it is hoped that in time other countries will co-operate.

BRIEF NO 7

ASSISTANCE TO JAMAICA DEFENCE FORCE

POINTS TO MAKE

1. Glad to assist Jamaica, one of the largest recipients of UK Military Training Assistance Scheme (UKMTAS) funds.

2. Good use made of UKMTAS allocation in past. Will maintain level of assistance.

3. (Defensive). Cancellation of UK training exercises. Regret cancellation. Forced upon us by financial restrictions. Other possibilities to assist Caribbean Defence Forces are being considered. Events elsewhere may delay action for the present.

ASSISTANCE TO JAMAICA DEFENCE FORCE

ESSENTIAL FACTS

1. 1982/83 allocation under UKMTAS is £380,000.

2. Jamaican military personnel took up places at Royal Military Academy Sandhurst and Army Staff Course, Camberley.

3. Caribbean Training Exercises. Early in 1981 the Ministry of Defence, for reasons of financial stringency, cancelled the reciprocal military training exercises with Jamaica. These exercises (Trimcraft) had taken place annually for many years. In alternate years, a British contingent went to Jamaica mainly for jungle training and a Jamaican contingent visited the UK for a broad range of training courses. The Jamaican Defence Force greatly valued these exchanges and were disappointed when they were cancelled. The exercises gave them useful practical experiences as well as bolstering morale. The newly created MOD Defence Policy Fund (£5m) might be the source to provide alternative form of help. But criteria for the new Defence Fund have still to be established by MOD. Events in S. Atlantic have slowed progress.

BRIEF NO. 9

VENEZUELA/GUYANA DISPUTE

POINTS TO MAKE

1. After expiry of Port of Spain Protocol on 18 June, Venezuela and Guyana will be bound to begin implementation of the provisions of 1966 Geneva Agreement requiring peaceful settlement.

FALKLANDS CRISIS AND VENEZUELA'S ATTITUDE

2. Venezuelan Government has made it clear both in public statements and to British Ministers that it intends to follow the provisions of the 1966 Geneva Agreement in order to reach a peaceful settlement of this controversy. No evidence that this intention has been altered by events in the Falklands. President Herrera Campins has emphasised publicly there is no parallel between the dispute with Guyana and the Falklands.

UNITED KINGDOM POLICY

3. No change in our historical view on the validity of the 1899 arbitration award. But it would not be right or helpful for the United Kingdom to play any further role in the dispute. Neither the 1966 Geneva Agreement nor the Port of Spain Protocol envisages any further role for us. Governments of Venezuela and Guyana are fully aware that we attach importance to their continued fulfilment of their obligations under the Geneva Agreement.

SUPPORT FOR GUYANA (IF RAISED)

4. No change in our view that, although the 1899 award remains valid, the dispute should be solved by the two countries in accordance with the 1966 Geneva Agreement. We are strongly against the use of force in such disputes. Have continually supported peaceful settlement of dispute.

ARMS SALES TO VENEZUELA (IF RAISED)

5. Not our policy to discuss individual cases (eg Hawk). We are carefully scrutinising all defence sales to South America including Venezuela. Venezuela is a democratic country with whom we have enjoyed good relations. Has repeatedly confirmed her intention to settle this dispute peacefully. We have, therefore, been prepared to sell her military equipment. As usual, applications continue to be considered on their merits on a case-by-case basis.

/Border

BORDER INCIDENT ON 10 MAY

6. Guyanese reported that on 10 May about 15-20 Venezuelan troops briefly entered Guyanese territory. The Venezuelans denied that an incident took place. Whatever the facts, we would hope that border incidents will not occur in the future.

VENEZUELA - GUYANA DISPUTE

BACKGROUND

History of Dispute

1. Shortly after independence (1830) Venezuela laid claim to a large area of the British colony of British Guyana. An arbitration award of 1899 assigned the greater part of the area under dispute to Britain. From the late 1940s the Venezuelans began to argue that this had not been a proper and fair award. The Essequibo area now claimed by Venezuela covers about two thirds of Guyana's territory.

2. Prior to Guyanese independence and in an effort to resolve the dispute, Britain and Venezuela concluded the Geneva Agreement on 17 February 1966. The government of British Guyana participated in the negotiation of the Agreement which was also signed by their Prime Minister. When Guyana attained independence in May 1966 it became a party to the Agreement. A mixed commission set up under this agreement failed to reach a solution. Article IV of the Agreement ruled that in this event the two governments should choose one of the means of peaceful settlement provided for in Article 33 of the UN Charter. On 18 June 1970 however the governments of Guyana, Venezuela and the United Kingdom (at the invitation of the other two governments) signed a protocol which suspended action on the dispute for 12 years.

3. In December 1981 the Venezuelan government notified Guyana and the UK of its intention not to renew this protocol. Consequently, the Geneva Agreement will re-enter into force from 18 June 1982 and Venezuela and Guyana will be bound to begin implementation of the provisions of Article 4 of that agreement requiring peaceful settlement according to Article 33 of the UN Charter.

Jamaican Attitude

4. Jamaica, in common with other Commonwealth Caribbean countries, solidly supports Guyana.

VISIT OF MR EDWARD SEAGA

BRIEF NO 10: BELIZE

POINTS TO MAKE

Belize/Guatemala Territorial Dispute

1. We would welcome moves to settle the dispute. Although some press reports claim that Guatemala wants to re-open negotiations with Britain there has been no approach from the Guatemalan Government. Strictly speaking now that Belize is independent Guatemala should negotiate directly with Belize. But we accept that we will probably have to be involved, at least in the initial stages.

The Commonwealth and Belize

2. Grateful for support given by Jamaica and other Commonwealth partners in securing independence of Belize and helping her establish herself. Britain will continue to play her part in assisting Belize to develop. Any further help Jamaica and others may be able to give will be welcome.

DEFENSIVE POINTS

Withdrawal of British Garrison (If Raised)

3. We have undertaken to maintain a garrison in Belize for as long as may be appropriate. No date has been set for withdrawal although we do not intend to keep British forces there indefinitely.

Consequences of the Falklands Crisis (If Raised)

4. The deployment of a Task Force to the South Atlantic has not diminished our capability to reinforce the Belize garrison. The present heightened tension in the hemisphere as a result of the Falklands crisis will, of course, be carefully considered by us in relation to the presence of the garrison.

/5.

Strength of the British Garrison (If Raised)

5. Some 1600 army and RAF personnel are based in Belize. They have Harriers, Puma helicopters, Rapier anti-aircraft missiles and light guns. There is also a RN frigate on station in the Caribbean.

Commonwealth Help for Belize Defence Force (BDF) (If Raised)

6. We gather Mr Ramphal is considering approaching various Commonwealth Governments about the possibility of a Commonwealth Training Team for Belize. We welcome this idea and hope Jamaica might play a part. Britain has already agreed to assist the building-up of the BDF. We would want our contributions to be harmonized with Mr Ramphal's plan. Therefore important that we should keep in touch as the scheme develops.

VISIT OF MR EDWARD SEAGA

BRIEF NO 10: BELIZE

ESSENTIAL FACTS

Negotiations with Guatemala

Guatemala broke off negotiations for a settlement of the Belize dispute in 1981 before Belize became independent. On independence she severed consular relations with the UK (having already broken diplomatic relations in 1963, also over the Belize issue).

2. There was some hope that negotiations might be resumed, with US help, in the ''lame duck'' phase between the March 1982 Guatemalan Presidential elections and the Presidential inauguration. But those hopes were dashed by the coup on 23 March, which brought a 3-man military junta to power. The junta have made a number of seemingly inconsistent statements about Belize: some suggesting a conciliatory approach, others vigorously propounding Guatmala's claim.

3. On 9 June General Rios Montt, leader of the junta, dissolved it and assumed the Presidency of the country and command of the armed forces. There seems little prospect of any further moves towards settlement until Guatemala's internal situation is more settled and the outcome of the Falklands crisis (on which the junta were strongly pro-Argentine) is clearer.

Jamaican Contribution to Commonwealth Assistance for Belizean Independence

4. In June 1977 the Commonwealth Heads of Governments meeting established a Commonwealth Ministerial Committee on Belize to assist Britain in bringing Belize to an early and secure independence. Jamaica is a member. The Committee were very helpful in the period leading up to independence. Though they last met in September 1980 the Committee has not yet been finally disbanded.

/5.

Belize Defence Force (If Raised)

5. The Commonwealth Secretary-General has suggested that Commonwealth countries might help the Belize Defence Force (BDF) perhaps with a Commonwealth Training Team. While this seems ambitious, Mr Ramphal's move could lead to useful interchange (joint exercises, training schemes and visits). Besides helping the BDF, these might foster a valuable spirit of Caribbean collective security. We believe Mr Ramphal should make the running on this. But we need to keep in touch as his plans develop. (HMG has already offered the BDF a training and equipment perhaps worth £$6\frac{1}{4}$ m).

Belize Garrison (If Raised)

6. (See actual Annex).

ANNEX

VISIT OF MR EDWARD SEAGA

BRIEF NO 10: BELIZE

BACKGROUND

[FOR INFORMATION ONLY]

THE BRITISH GARRISON

1. [Not for use]. OD members have agreed that the withdrawal of the British garrison from Belize (originally set for 21 June 1982) should be postponed until 21 September. This has been communicated to the Prime Minister of Belize in terms that do not shut the door on the possibility of further extension.

[NB. COMMONWEALTH HEADS OF GOVERNMENT EXCEPT FOR MR PRICE (TOGETHER WITH A FEW OF HIS MINISTERS AND SENIOR OFFICIALS) DO NOT KNOW THE DETAILS OF THIS AGREEMENT WHICH SHOULD NOT BE DIVULGED].

BRIEF NO 11

UK TRADE RELATIONS AND INVESTMENT

POINTS TO MAKE

INVESTMENT PROMOTION AND PROTECTION AGREEMENT (IPPA)

1. We would very much like to sign an IPPA with Jamaica. Believe this would be in both our interests. An Agreement would encourage British private investors to consider new investments in Jamaica.

2. Pleased that you have no objection in principle to an IPPA. Hope you will soon resolve remaining difficulties in negotiations of your Agreement with FRG, so that way is clear to negotiate agreement with UK.

UK GOVERNMENT ROLE

3. (Defensive.) We abolished exchange controls soon after coming into office in 1979. UK firms are free to invest where they wish, but it is up to you to make investment attractive to foreign firms. IPPA relevant here.

BRIEF NO 11

UK TRADE RELATIONS AND INVESTMENT

ESSENTIAL FACTS

1. There has been renewed interest in the Jamaican market since Mr Seaga took over. Two UK trade missions have visited Jamaica this year.

2. Trade figures are in £m:-

	1977	1978	1979	1980	1981 (6 months)
UK exports	40.2	48.6	44.7	33.1	21.3
UK imports	78.2	100.1	82.1	95.6	35.2

3. By far the largest item of imports is alumina for the UK chemical industry (in 1980, £59m). Then sugar, under the Lomé Convention duty-free quota (in 1980, £19m), followed by bananas (in 1980, £11.7m).

4. Our exports cover a wide range of goods, mainly general manufactured goods. Our exporters are keen to return to this market ahead of their competitors. But Jamaica has limited ability to pay.

5. The UK private sector have set up a committee to encourage trade and investment in Jamaica chaired by Mr John Pringle, Jamaican Deputy High Commissioner in London.

6. Our model bilateral IPPA text was handed to the Jamaicans in May 1980. Jamaican officials have said that, as FRG was the first to propose agreement, negotiations with FRG should precede those with UK. Few remaining points at issue between them should be resolved before end of year; main problem concerns compensation in the event of expropriation.

BRIEF NO. 12

ECGD

POINTS TO MAKE

1. As the Jamaican economy shows further sustained improvement and the limits fill up ECGD will continue its step by step resumption of cover, in accordance with its usual criteria for the commercial assessment of the risk.

2. (Defensive) ECGD has been asked to provide cover which was (at the time of the enquiry) outside of limits:-

(i) £6$\frac{1}{4}$ million for re-equipment of the Sugar Industry Authority

The proposed project line of credit is too large for ECGD's currently sustainable limits and would uneconomically tie up limited cover without commitment by the borrower. ECGD can consider smaller contracts for the sugar industry on a 'first-come-first-served' basis against the currently available medium term cover (Lord Selsdon of the Midland Bank is pressing for this).

BRIEF NO. 12

ECGD

ESSENTIAL FACTS

1. The Department has resumed cover by stages and the present position is:-

Section 1 (Commercial Account)

Short Term (up to 180 days credit): only where payment is secured by Irrevocable Letter of Credit confirmed by an acceptable bank outside Jamaica (CILC).

Section 2 (National Interest Account)

Short Term: (i) A line of credit for US$ 11 million between Grindlays Bank and the Bank of Jamaica which expires on 31 July 1982;

(ii) Available within a limit of £5 million* (new cover agreed on 1 June 1982)

Medium Term: (up to 5 years credit)

Available within a market limit of £10 million* (increased from £5 million on 1 June 1982).

* Subject to an undertaking from the Jamaican authorities that foreign exchange will be available on due date against local currency deposit.

2. ECGD cover was virtually withdrawn in March 1980 due to Jamaica's acute foreign exchange position and consequent heavy claims. The improved prospects of the Seaga Government's 3-year economy recovery plan led to ECGD offering in December 1980 a line of credit for goods bought on Short Term (up to 180 days) credit. Medium Term credit (up to 5 years) was introduced in

/ July 1981

July 1981.

3. Although ECGD has been under pressure to improve its available cover, take-up of facilities has been slow and the placing of orders by the Jamaicans has been delayed to push the foreign exchange repayment obligation into the second financial year of the recovery programme. The shortage of foreign exchange remains a constraining factor on the improvement of Jamaica's economy. The first year of the recovery programme has shown growth and a small balance of payments surplus resulting from capital inflows, which have permitted the latest increases in exposure under ECGD's Section 2 National Interest Account. Until there is some growth in export revenue to offset the present current account deficits it is unlikely that resumption of cover under the Section 1 Commercial Account will be agreed to. All of ECGD's outstanding claims of £3.2 million due to the earlier foreign exchange difficulties has now been repaid.

4. It has been left to the Jamaicans to 'allocate' the available cover according to their own priorities.

5. Given that ECGD is required to operate on a commercial basis without cost to the taxpayer, the present limits of cover (which have just been reviewed) are as far as can be reasonably justified until the Jamaican economic results show that there has been a further improvement in the current account and foreign exchange positions.

BRIEF NO 13

JAMAICA AND THE LOME CONVENTION

POINTS TO MAKE

Bananas

1. UK committed to fulfilling its share of EC obligations under Lomé Banana Protocol. Encouraged to hear Jamaican Government is taking steps to deal with problems of banana industry. Hope new venture will succeed.

English Court Case (if raised)

2. High Court referring question to European Court of Justice for clarification of points of law. Once referral ready to take place UK likely to appeal.

European Court Case (if raised)

3. UK anxious that this case should not succeed. Will intervene at appropriate time.

4. (If pressed) Cannot comment further on cases where action still pending. But UK will seek renewal of protective powers which expire on 30 September.

ESSENTIAL FACTS

1. As a signatory of the Lomé Convention (which covers aid and trade relations between the EC and 62 African, Caribbean and Pacific (ACP) states) Jamaica enjoys preferential access to the EC market. She derives particular benefit from the special arrangements for sugar, rum, and bananas.

Bananas

2. Under the Lomé Banana Protocol bananas from ACP states are guaranteed preferential access to their traditional markets in the Community. The UK fulfils its share of this commitment by allowing bananas from the Commonwealth Caribbean to be imported freely but controlling imports from the 'dollar area' (Latin America) by means of licensing arrangements. To abandon it would open up our market to the detriment of our traditional Caribbean suppliers (whose bananas are not of high enough quality or cheap enough to be able to compete effectively with dollar area bananas) but the Commission has questioned its compatibility with the free circulation provisions of the EEC Treaty. The Commission has however given the UK a series of temporary authorisations to retain its system. The current authorisation expires on 30 September.

3. Jamaica used to supply about half the UK's banana requirements but the decline in her industry in the late 1970's led to the halving of her exports to the UK. Hurricane Allen also affected Jamaican production in 1980-81. We have heard that the Jamaican Government, the Government-owned banana marketing company and United Brands (parent company of Fyffes, a major importer of Jamaican bananas) are participating in a joint venture to establish new plantation..

4. Chris International, a banana importer which has in the past been granted licences to import small quantities of dollar area bananas, recently took action in the English courts to challenge the validity of the UK's system under Community Law. In June 1981 the matter was referred to the European Court of Justice (ECJ) for an opinion. In addition Chris International have now applied to the ECJ for a judgement that the current Commission authorisation for the UK's licensing system should be declared void.

/Sugar and Rum

Sugar and Rum

5. Jamaica has a quota of 118,300 tonnes of sugar (which she cannot always meet) which she has the right to export to the Community each year at fixed prices, normally well above world prices. In addition as a rum producer Jamaica benefits for the Lomé Rum Protocol which provides for the quantity of ACP rum exported duty-free to the Community to rise each year by a fixed percentage.

BRIEF NO. 14

UNITED NATIONS LAW OF THE SEA CONFERENCE

POINTS TO MAKE (DEFENSIVE ONLY)

1. UK voted in favour of Jamaica as the site of the International Seabed Authority.

UK ABSTENTION ON CONVENTION

2. Abstained when hoped for consensus on Convention was not achieved. This not intended to prejudice our decision on signature and subsequent ratification. We are examining the texts adopted by the Conference in the light of our national interests and the attitude of other governments and will decide accordingly.

UK DEEP SEA MINING LEGISLATION

3. Do not accept that our national legislation on deep sea mining and the Convention are incompatible. Arrangements we are making under our legislation are temporary and no mining would actually take place until 1988. Convention requires that conflicts between pioneer investors be sorted out and we are therefore discussing the situation with other potential deep sea mining countries, but have not yet reached any agreement.

ESSENTIAL FACTS

JAMAICAN INTEREST

1. At Tenth Session in August 1981 the UN Law of the Sea Conference elected Jamaica (for whom UK voted) as the site of the International Seabed Authority, which will be set up when the Convention enters into force, in order to administer the deep sea mining regime. The Preparatory Commission, which will be set up when 50 States have signed the Convention, to prepare for its entry into force, will also be located in Jamaica. The Jamaican authorities have already invested funds in preparing the facilities for the Preparatory Commission and the Authority.

2. The UNLOS Convention was adopted on 30 April 1982. One hundred and thirty countries supported the Convention; 4 (US, Venezuela, Turkey, Israel) opposed; and 17 abstained, including the UK and majority of EC States plus the USSR and most of its allies. The Convention will be opened for signature after the Final Act is signed, probably in Caracas in December. It is unlikely that the US will sign, because they are dissatisfied with the deep sea mining provisions. And it is unclear what other industrialised countries will do (we are examining our position, but have not yet reached a decision). This could affect the financing of the Authority and leave Jamaica with large debts. Mr Seaga may therefore press us to sign.

UK DEEP SEA MINING LEGISLATION

3. Meanwhile there has been controversy about the deep sea mining legislation passed in the US, FRG, UK and France and the Reciprocating States Agreement ('mini-treaty') which they have been discussing among themselves. The G77 see this as a threat to the Convention. We do not accept this argument. In fact an agreement has not yet been reached due to differences among the four.

BRIEF NO 15

COMMONWEALTH MATTERS

POINTS TO MAKE

COMMONWEALTH HEADS OF GOVERNMENT MEETING (CHGM)

1. 1981 meeting in Melbourne was very useful but too formal and too 'public' a meeting. Distinctive feature of CHGMs used to be the informal and confidential nature of Heads of Governments' decisions. Recognise that with over 40 participant members it is more difficult to maintain this, but hope that New Delhi CHGM will see its restoration. Obvious next step is to discuss ways and means of doing this at next meeting (in Tanzania probably in December) of Commonwealth Senior Officials.

POSSIBLE CANADIAN/CARIBBEAN COMMONWEALTH SUMMIT (IF RAISED)

2. Not really a matter for Britain, but understand Commonwealth Secretariat welcome idea. Your views?

SPORTING MATTERS (IF RAISED)

3. Delighted now prospect of full turnout at Brisbane Games, thanks to a large extent to Jamaican intervention.

COMMONWEALTH FINANCE MINISTERS' MEETING (IF RAISED)

4. Chancellor looking forward to receiving Commonwealth colleagues in London.

ESSENTIAL FACTS

JAMAICA AND COMMONWEALTH

1. Jamaica considers the Commonwealth link to be important and traditionally plays an active part in Commonwealth affairs (eg hosted 1975 CHGM and participated in Commonwealth Observers Team in Rhodesia). Mr Seaga hopes that a more united Commonwealth/Caribbean would help to preserve democracies there and that wider Commonwealth link would strengthen such efforts.

1981 COMMONWEALTH HEADS OF GOVERNMENT MEETING (CHGM)

2. Minority of Commonwealth countries considered Melbourne CHGM too much like a mini UN gathering and over-long. Mrs Ghandi, who is to host next (1983) CHGM, seems to share these misgivings. Jamaica was generally satisfied with Melbourne but Mr Seaga could be a useful ally in reformist moves.

POSSIBLE CANADIAN/CARIBBEAN COMMONWEALTH SUMMIT

3. Idea originated at lunch between Mr Trudeau and Commonwealth/Caribbean leaders at Melbourne. Form and timing are hazy. Mr Ramphal enthusiastic but would not wish Commonwealth Secretariat to become involved.

SPORTING MATTERS

4. As a further protest against last year's Springbok tour of New Zealand, a number of (largely African) Commonwealth countries have been threatening to boycott this year's Commonwealth Games (Brisbane, September/October) if New Zealand participated. Commonwealth Games Federation met in May when, as a result of efforts by several countries, the threat was averted. The Jamaicans were particularly helpful. Brisbane should now see full turnout but the issue

/could

could be reopened. We have fulfilled our obligations under Gleneagles Agreement for current rugby club tours of S. Africa.

COMMONWEALTH FINANCE MINISTERS

5. The meeting will be held this year in London 30-31 August. As the Prime Minister is not expected to be in London she will not be involved. The Chancellor will chair and offer hospitality.

CONFIDENTIAL

SEAGA The Rt Hon Edward Phillip George, PC MP

Prime Minister since 30 October 1980. Minister of Finance and Planning, Minister of Mining and Energy, also responsible for Information & Culture. MP for West Kingston since 1962.

Born Boston, Mass, USA, 1930, the son of a Lebanese/Jamaican travel agent. Educated Wolmer's School 1944-8, Harvard University 1948-52 (BA Social Science).

Member of the Legislative Council 1959-62, Member of the House of Representatives for Kingston West since April 1962. Minister of Development and Welfare 1962-6; Minister of Finance and Planning 1967-72. Leader of the Opposition 1974-80.

As a white-skinned Lebanese, Mr Seaga's marginal win in the slum constituency of West Kingston in 1962 was the surprise of that General Election and in the following five years he organised his strong-arm gang into an effective private militia, which intimidated the supporters of his opponent Mr Dudley Thompson in the constituency, and led to his unsuccessful prosecution in 1966 for affray, and to the declaration of a State of Emergency, in the constituency in October 1966. Mr Seaga went on to win the constituency in the 1967 Election and has held it ever since with enormous majorities. Maintains a strong organisation in West Kingston and actively promotes the social well being of his supporters through the West Kingston Trust. In 1972 he held the seat for the JLP with a larger majority than ever, and following a period of well-publicised withdrawal from active politics as a mark of his dissatisfaction with the leadership, he took over from Mr Hugh Shearer as leader of the party in the autumn of 1974.

Mr Seaga is highly intelligent, a hard worker, and an excellent public speaker. Was reputed to have a somewhat cold personality, although this is offset by his attractive, vivacious and intelligent wife, Mitzi, a former 'Miss Jamaica', whom he married in 1965.

/As

As a politician he was handicapped by his race and the absence of family relationships, such as both Bustamante and Shearer have had with the Manley family. Because of this, and of the way he established his power base in his constituency, he was feared as unscrupulous and greedy for power, and his opponents sought to pin the resurgence of political violence to his assumption of the leadership of the Jamaica Labour Party.

Since he became Prime Minister, he has been most impressive and with increasing confidence has become much more outgoing and warm in his personal relations. He virtually won the October 1980 elections for the JLP single handed and totally dominates the new political scene.

The Seagas have a daughter and two sons, one of whom is adopted.

BARBER Horace George, CD

Financial Secretary, Ministry of Finance and Planning.

Born Kingston 1922

Educated Jamaica College and Jesus College, Cambridge, 1951-54.

A career civil servant who has worked almost exclusively in the Ministry of Finance.

Light skinnned and slim with a somewhat Asian cast, he is a sensitive and nervous, energetic man with considerable competence and experience as a Treasury official. Friendly and serious minded, a keen musician (LRSM London).

Married with one son, one daughter.

ANNEX 2

PROGRAMME OF OFFICIAL ENGAGEMENTS FOR MR EDWARD SEAGA, PRIME MINISTER OF JAMAICA

Monday 21 June

12.00 noon	Meeting with the Prime Minister	No 10 Downing Street
1.00 pm	Official Luncheon	No 10 Downing Street
3.00 pm	Meeting with Sir Geoffrey Howe, Chancellor of the Exchequer	No 11 Downing Street

Wednesday 23 June

10.15 am	Meeting with Mr Neil Marten, Minister for Overseas Development	Eland House Stag Place, Victoria, London, SW1
11.00 am	Meeting with Mr Francis Pym, Secretary of State for Foreign and Commonwealth Affairs	FCO
11.55 am	Rehearsal for Privy Council ceremony	Privy Council Office Whitehall, London, SW1
12.40 - 1.05 pm (approx)	Privy Council Ceremony	Buckingham Palace

(Programme for 22 June includes an audience with HM The Queen at 11.40 am: the rest of the day in the City.)

Revised 17 June 1982

ANNEX 3

MR SEAGA'S PARTY

Mr Seaga is expected to be accompanied by:-

A. KINGSTON

1. Mr Horace Barber, Financial Secretary
2. Dr Hedley Brown, Executive Director, National Planning Agency
3. Mr Hugh Hart, senior businessman, adviser and brother-in-law of Mr Seaga
4. Mrs Winnie Risden-Hunter, Press Secretary
5. Miss Maisie Plummer, Director, Office of Prime Minister
6. Miss Dorothy Carter, PA
7. Supt. Noel Eldridge, Security Officer

B. LONDON

8. Mr H B Walker, High Commissioner

(Jamaican High Commission think that Mr Seaga may wish to be accompanied by 1 - 4 and 8 at meetings.)

(1)

RESTRICTED

Prime Minister

Content that Mr. Seaga should bring to his talks with you the 4 people referred to at x below?

Yes ml

A.J.C. 17/6

Foreign and Commonwealth Office

London SW1A 2AH

16 June, 1982

Dear John,

Visit of Mr Seaga, Prime Minister of Jamaica

The Prime Minister will be having talks with Mr Seaga at 12 noon on Monday, 21 June and is giving a luncheon in his honour immediately afterwards.

Mr Seaga would like to be accompanied at his talks with the Prime Minister by Mr Horace Barber, Financial Secretary, Dr Hedley Brown, Executive Director, National Planning Agency, Mr Hugh Hart, a leading businessman and brother-in-law of Mr Seaga, and by Mrs Winnie Risden-Gunter, Mr Seaga's Press Secretary. I should be grateful if you could let me know if this is acceptable to the Prime Minister. x

We are awaiting confirmation from the Jamaicans whether or not Mrs Seaga will accompany her husband. The Social Secretary has been alerted to this possibility.

Apart from the Falklands and other major world events, the main subjects likely to be raised by Mr Seaga during his visit are UK aid to Jamaica, ECGD cover, Jamaica's banana exports, the Caribbean Basin Initiative, and possibly Caribbean security (a subject on which in any case we would hope to sound him out). Aid will be discussed in detail with Mr Marten. A meeting with a Department of Trade Minister was offered to, but not taken up by, Mr Seaga who wishes to pace himself. He may touch on ECGD cover with the Chancellor on the afternoon of 21 June or ask ECGD to discuss the problems with Mr Horace Barber. In the light of this the Prime Minister may wish senior officials from the ODA and the FCO to attend. (John Ure could attend from here). We doubt that ECGD representation would be necessary.

We will be sending briefing before the end of the week. In addition to the subjects mentioned above, we propose that this should cover the Venezuela/Guyana dispute, Belize, UK/Jamaica trade and investment relations and the Law of the Sea Convention, in which the Jamaicans have a special interest.

I am copying this letter to Mike Power (ODA).

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles
Private Secretary
10 Downing Street

FILE cc Mrs Goodchild R M
Mr Taylor

Jamaica

10 DOWNING STREET

From the Private Secretary

4 June, 1982

15/6/82

VISIT OF MR. SEAGA: 21 - 23 JUNE

Thank you for your letter of 28 May to John Coles. The Prime Minister has decided that she would like to entertain Mr Seaga, for whom she has a great regard. She would like to offer him lunch on Monday, 21 June at 1300 hrs, preceded by talks at 1200 hrs. The lunch will be for the usual 48 guests, and I should be grateful for a suggested guest list in due course.

I.W.F.S. RICKETT

John Holmes, Esq
Foreign and Commonwealth Office

PRIME MINISTER

Visit of Mr. Seaga: 21-23 June

You asked whether there was room in your diary to allow you to entertain Mr. Seaga. Assuming that you would like to offer him lunch, the best day would be Monday, 21 June, since you have Questions on the Tuesday and Mr. Seaga is due to be introduced formally into the Privy Council at 12 noon on the Wednesday and this will take some time.

Agree to have a lunch for 48 on the Monday, preceded by talks at 1200?

Yes

3 June 1982

Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

Agree to see Mr Seaga for perhaps 45 minutes on Wednesday June 23? The day is clear at present. MTP 28/V

Yes - he is a great world-wide statesman in that part of the world. We ought to entertain him!

28 May 1982

Dear John,

Call by Mr Seaga, Prime Minister of Jamaica, on Mrs Thatcher

Mr Edward Seaga, the Prime Minister of Jamaica, is due to visit London from the afternoon of 21 until the evening of 23 June. During his time here he will call on Mr Pym and other Ministers. He would also like, if possible, to pay a call on Mrs Thatcher.

This will be Mr Seaga's first visit to Britain since he became Prime Minister in November, 1980 and we should like him to be received by the Prime Minister if this can be arranged. Mrs Thatcher last met him at the Commonwealth Heads of Government Meeting in Melbourne. We much welcome Mr Seaga's visit to the UK. Until now he has concentrated heavily on relations with the USA, where he is a frequent visitor. He has established excellent relations with President Reagan, since being the first foreign head of government to be received in Washington after the inauguration in January 1981. A broadening of contact is in Jamaica's interests. In the Caribbean Jamaica has become a pro-Western bastion. At home, Mr Seaga is striving with some success to revive the economy. After eight successive years of decline under Mr Manley, the economy has now started to grow again. Mr Seaga plans to spend a full day in the City during his visit.

We understand that Mrs Thatcher may be available to see Mr Seaga on Wednesday 23 June. Mr Seaga is due to be introduced formally into the Privy Council that day at 12 noon. We would have recommended that the Prime Minister offer Mr Seaga some hospitality, but understand that it would not be possible during the period 21 - 23 June. As Mr Pym will not be able to act as host, being in Brussels on 21 and 22 June and having other commitments on 23 June, we are exploring the possibility of another senior Cabinet Minister offering something.

Why?

Yours ever

John Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

28 MAY 1982

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