MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Prime Minister Manley of Jamaica

PARTICIPANTS: The President
The Vice President
Brent Scowcroft, Assistant to the President for National Security Affairs
Michael Sotirhos, U.S. Ambassador to Jamaica
Richard H. Melton, Deputy Assistant Secretary of State
Robert S. Pastorino (NSC Notetaker)

Michael Manley, Prime Minister of Jamaica
Keith Johnson, Jamaican Ambassador
David Coore, Foreign Minister
Fred Francis, Foreign Ministry
William Byrne, Foreign Ministry

DATE, TIME AND PLACE: March 15, 1989, 3:55 p.m. - 4:10 p.m.
Oval Office

The President began the meeting by congratulating Prime Minister Manley on his electoral victory, reminding Manley they had previously met on several social occasions.

Prime Minister Manley noted his Government wants the best possible relations with the U.S. He said he would work very hard toward this end and noted several positive changes had taken place in the past year: an improved investment climate and a rising "Manley stock market". He concluded by saying the U.S. would be the center of Jamaican international relations.

The Prime Minister noted he had talked to Bill Bennett and Jack Lawn about plans to continue the fight against drugs; he noted that a common intelligence network is needed.

The President stated that the war on drugs means very much to the U.S.; it is one of our highest priorities. He noted that the U.S. is beginning to realize demand is a great problem.

The President noted the U.S. wants to work with the Manley Government, noting there were big differences previously. He said that Manley or his Minister should communicate with the
United States Government if there are any problems and the United States Government hopes Manley wouldn't object if U.S. officials did the same. He noted there may still be differences, for instance over "neighbors" in the region.

The Prime Minister noted that his Government would be implementing an economic strategy similar to that of Former Prime Minister Seaga, including his privatization program. Manley said he had previously tried government intervention in the economy and it hadn't worked. In the foreign policy sphere, Manley stated he would work for a strong Caribbean, including a possible Caribbean-wide stock exchange, possibly based in Kingston. The Prime Minister noted the significance of the Caribbean Basin Initiative and hoped it would be strengthened.

The Prime Minister said that at some point Jamaica would allow resumption of relations with Cuba, but he would never allow those relations to affect the U.S./Jamaican relationship.

The President asked what the other Caribbean Democracies thought about the resumption. Manley said Jamaica was one of the only countries which did not have relations.

The President noted the U.S. still has serious problems with Cuba. While the Cubans might have changed slightly their relations with the church, the United States has not seen any significant change in Cuba's overall policies. He stated he didn't want Jamaica caught in an East-West problem over Cuba. The U.S. still sees Cuban export and support of revolution in the fragile democracies of Central America and South America.

The Prime Minister noted it would be helpful if information of this type could be passed on to him. He noted he would be working with Carlos Andres Perez on democratization in the region.

The President noted that U.S. policy on Cuba is not a reflective reaction; the U.S. is concerned about Cuba's export of and support for revolution. The United States Government will provide information to clarify the differences between fact and fiction.

The Prime Minister ended the conversation by telling the President that he had an absolute ally in Jamaica.