

THE WHITE HOUSE
WASHINGTON

MEMORANDUM OF CONVERSATION

SUBJECT: The President's Meeting with Prime Minister
A.N.R. Robinson of Trinidad and Tobago

PARTICIPANTS: The President
James Baker, Secretary of State
Brent Scowcroft, Assistant to the President
for National Security Affairs
Bernard Aronson, Assistant Secretary of State
for Inter-American Affairs Designate
Charles Gargano, Ambassador to Trinidad and
Tobago
David Pacelli, NSC (Notetaker)

Prime Minister A.N.R. Robinson
Angus Albert Khan, Ambassador to the United
States
Wilfred Naimool, Senior Advisor to the Prime
Minister

DATE, TIME April 12, 1989, 3:25 p.m. - 3:45 p.m.
AND PLACE: Oval Office

In the preliminary remarks, the President remarked that Ambassador Gargano was "an old friend," and the Prime Minister complimented him for being "an excellent ambassador."

The President began by saying that we want to cooperate in every way with what the Prime Minister was trying to do. The President said he wanted to ask the Prime Minister some questions, but the main thing to underscore was our friendship and cooperation. He asked how long the Prime Minister would be here.

The Prime Minister said he would be here a couple of days, leaving tomorrow evening. He had meetings planned in New York at the UN, including the Secretary General and with Caribbean diplomats.

The President said he was delighted to see the Prime Minister. He wanted to say at the outset what respect he had for what the Prime Minister was trying to do in Trinidad with the economy. The fluctuation in oil prices had an effect on the situation, he said, and he asked if they placed great pressure on the Prime Minister. The President cited the fact that both he and Secretary Baker were old Texas oilmen who understood these

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things. The President also said he wanted to ask about exploration and the effect on the budget.

The Prime Minister conceded that this was a period of uncertainty. He had a new economic program and his country had not yet seen the benefits of it. At the moment, he had a plan of austerity measures. But Trinidad has a unique situation. His administration was the first change in administration in 30 years. It was a peaceful democratic change, which is extraordinary in the world we know. Combined with the economic situation, things are difficult. Nevertheless, by and large, the population has responded responsibly. The Prime Minister cited some "attempts at incitement" but so far, the government had managed reasonably well. We cut expenditures drastically, the Prime Minister stated.

The Prime Minister continued, saying there had been average cuts of 6 percent over the last 5 years in GDP. There was a loss of revenues, which he had to stem. There had been cuts in expenditures and an effort to stabilize revenues. There were cuts in transfers, some privatization of government-owned firms, and disinvestment. There is now an entire new state sector, only with other revenues to stabilize finances. It was quite an experiment.

The President said he wanted to commend the Prime Minister for his efforts. He said he had been told about the privatization efforts. The President asked, "How are people in your country responding?" He also asked if there were elements that were trying to destabilize the situation.

The Prime Minister said there had been a call for a general strike by the labor unions. There had been unity between the middle of the road unions and those of the extreme left. They were trying to have a general strike, but they sensed popular resistance to that. They had attempted to disrupt public services, but we managed to keep them running, the Prime Minister said. Many people did stay at home; it was quite visible.

The President commented that the merchants reacted, he was sure.

The Prime Minister agreed.

The President asked if the Prime Minister had reasonable relations with the unions.

The Prime Minister said yes, with the leader of Trinidad and Tobago Labor Congress, Selwin John, and with the leader of the public service union. There had been cuts in wages and services of 10 percent under the current budget. Consequently, there was a sense of irritation.

The President inquired about inflation.

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The Prime Minister said that it was 9 percent in 1988. Previously, it was 20 percent.

The President said that was exemplary, compared with many countries.

The Prime Minister said yes, prices have not risen so dramatically.

The President said that he had a visit from [Jamaican Prime Minister] Mr. Manley, and asked if he had seen the Prime Minister. The President stated that he hoped that Manley is as moderate a leader as he is now portrayed. Manley had given him assurances of better relations. He is aware of our history of relations, said the President. The President added that he cited this not to have the Prime Minister criticize a fellow Caribbean leader, but because the President did not want Manley to go back to the relations he had before with Castro.

The President continued, saying, "I just wanted you to know that it is a new day; he wants good relations. To be honest with you, I say, let's give it a shot. I had to confess that I did not want to go back to like it was." The President said he brought it up to see if the Prime Minister had any thoughts on how to encourage Manley. Perhaps the Prime Minister could share this with our Ambassador.

The Prime Minister said Manley in the past was carried away by leftist influence in his party and leftist advisors. "I think he has learned now. I am confident of it."

The President said that Manley had taken some tough economic steps, including plans for privatization, which contrasted with "the old Manley." The President said he "was not trying to fine tune the Government of Jamaica" and that we would have good relations "with whoever is in there." He cited our excellent relations with former Jamaican Prime Minister Seaga, who had worked very hard at improving the economy.

The Prime Minister said Manley "doesn't have an option, really." He would not go back to his old ways. "He is a realistic politician."

Secretary Baker said that Manley had made a point to him and to the President that "we have learned from our mistakes." Seaga's changes had been broad enough to include both economic and political reforms.

The Prime Minister said Manley's intelligence and integrity will make it easier for him.

The President said he wanted to note here that we were pleased at the 80 percent overall growth of non-traditional exports from CBI countries since 1983. He added that he knew there was some frustration with CBI (himself included), that it had not gone

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faster. We were working with the Congress to improve it, to extend it longer to help reduce uncertainty. The President also said that he hoped that Trinidad would implement the tax information exchange agreement.

The Prime Minister replied that draft legislation for tax information exchange was before the legislature.

The President said he knew there was a certain frustration in the Caribbean. "We don't want to neglect our democratic friends in one area as we move to [make changes in] another." He said he was referring to Central America. With our new policy, we speak with one voice. We don't want to signal to Trinidad that our interest in Central America means we have any less interest in the Caribbean, the President said, adding, "I want you to know that." Our focus on Central America is not at the expense of the leaders and the countries in the Caribbean.

The Prime Minister said that he tried to help his neighbors in The Caribbean. "We are in a situation where we are creditors as well as debtors."

The President asked where.

The Prime Minister said in Guyana. [Prime Minister] Hoyte is on the right path, but he has unyielding opposition, including from within his own party. Like Manley, "He also has no options."

Secretary Baker said that we had just adopted a new approach to debt under the Brady plan and Trinidad is eligible for this new approach. He added that he didn't know if the Prime Minister had discussed this already.

Ambassador Gargano said that the Prime Minister had indicated that he would like to discuss it.

The President said before the Prime Minister goes, he should come to the Rose Garden. He said that he could send a pretty picture, but it was better to see it in person.

The President and the Prime Minister chatted as they exited the Oval Office for the Rose Garden. The two went off together and the President pointed out the flowers. They then posed for some photographs together. The President then suggested that the rest of the participants come together for a group photograph. The President and Prime Minister returned to the Oval Office where they exchanged good wishes and farewells.

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