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THE PRESIDENT 7324

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THE WHITE HOUSE

WASHINGTON

September 19, 1989

MEETING WITH PRIME MINISTER SANDIFORD OF BARBADOS

DATE: September 20, 1989

LOCATION: Oval Office

TIME: 2:15 p.m. - 2:25 p.m.

FROM: BRENT SCOWCROFT

I. PURPOSE

To underscore the friendly relations between the United States and Barbados and our commitment to democracy and economic development in the Caribbean region.

II. BACKGROUND

Prime Minister Sandiford is in Washington to attend the annual World Bank meetings on September 25-29. He also will meet with several members of Congress, including Speaker Foley and Chairman Rostenkowski, Treasury, and USTR officials.

Barbados has had close and cordial relations with the United States since gaining independence in 1966. A multiparty parliamentary democracy, its major political parties are moderate with similar objectives of economic development, political stability, and pro-Western outlook. The House of Assembly is the third oldest elected body in the Western Hemisphere and recently celebrated its 350th anniversary. Sandiford, who took over upon his predecessor's death in June 1987, is in firm control of his party and the government and does not face re-election until 1991.

✓ Despite our close relations, Barbados has been unhappy with us recently over its decreasing sugar quota, the delay in CBI II legislation, and a Congressionally mandated change to the bilateral tax treaty when it expires at the end of the year. U.S. sugar imports have fallen some 70 percent since quotas were established in 1982. In the tax treaty case, Senator Dodd led the move to kill a tax exemption clause for off-shore insurance firms--an amendment we opposed--which will cost Barbados \$4-6 million.

You should assure the Prime Minister of your strong support for CBI II, although noting that the sugar provision of the bill is a problem. Although acknowledging that our financial constraints have caused a decline in assistance to

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cc: Vice President
Chief of Staff

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the Eastern Caribbean, you should tell him that we are continuing to look for ways to help and our interest in the region remains high. Last week, we announced that sugar quotas would be extended on a straightline basis through September 1990.

Barbados has played a leading role in regional drug cooperation and has cooperated with U.S. interdiction efforts. Barbados hosted a Caribbean Ministerial Drug Conference in March 1988 and its Attorney General will soon introduce strict new anti-drug laws including longer sentences, stiffer fines, and asset forfeiture provisions.

The Prime Minister supports a strong anti-narcotics role for the Regional Security System, a cooperative security mechanism of seven Eastern Caribbean states. It is headquartered in Bridgetown and the Barbados Defense Force plays the leading role in the organization. U.S. military assistance to Barbados and the other Eastern Caribbean states has dropped off sharply over the last two years, which in 1984-87 was running about \$5-6 million to the region annually. We are sending a package forward for FY 1990 to restore spending to prior levels, largely focused on anti-drug efforts.

You should commend Prime Minister Sandiford for his public condemnation of Noriega's attempt to steal the May elections in Panama and for his support for the OAS declaration of July 20 demanding that he leave power by September 1. Sandiford was one of the few heads of government to reply to your circular letter asking for support for OAS efforts (Tab B).

III. PARTICIPANTS

See Participants List

IV. PRESS PLAN

Pool Coverage

V. SEQUENCE

Photo-op followed by brief discussion

Prepared by:
David Pacelli

Attachments

Tab A Points to be Made
Tab B Sandiford Letter to the President, September 1, 1989
Tab C Participants List
Tab D Biography

POINTS TO BE MADE FOR MEETING WITH
PRIME MINISTER SANDIFORD OF BARBADOS

- It is a pleasure to welcome you. We value the close and cordial ties we have had with Barbados for many years.
- I congratulate you and the Barbadian people on your recent celebration of 350 years of parliamentary democracy.
- Although our budgetary constraints have caused a decline in assistance to the Eastern Caribbean, we continue to look for ways to help; our interest in the region remains high.
- My administration is committed to obtaining new legislation to extend and enhance the Caribbean Basin Initiative; I must note, however, that we do have serious problems with the provisions on sugar.
- We value your leadership in regional cooperation in the fight against drug trafficking; we are determined to address the demand side of the problem here in the United States, but we will not neglect interdiction.
- I appreciate your strong public stance on behalf of restoration of democracy in Panama, and I want to thank you for replying to my recent letter on that subject.
- I want to thank you for accepting the nomination of Joy Silverman; she will make a terrific Ambassador.

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Letter from Prime Minister Sandiford

September 1, 1989

Dear Mr. President:

I thank you for your letter of August 22 concerning the situation in Panama.

As you are aware from our previous correspondence on this matter, I share with you an abhorrence of the brutal manner in which the democratic process in Panama was aborted in May of this year by the military authorities under the command of General Noriega. I publicly condemned that act of repression at the time.

Since then the government of Barbados has strongly supported the efforts of the Foreign Ministers of the Organization of American States to resolve the crisis and restore the democratic rights of the people of Panama.

In particular my government endorses the OAS declaration of July 20 calling for a transfer of power in Panama by September 1, 1989, and the holding of free elections as soon as possible. I shall make a public statement on the matter.

I remain convinced, as I know you are, that if the democratic community stays united and firm to its commitment to democracy, a peaceful resolution in the crisis can be found in the best interest of the people of Panama.

Sincerely,

L. Erskine Sandiford

Prime Minister

End of Text of Letter.

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