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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

**Withdrawer**

DLB 5/11/2010

**File Folder** CO077 (JAMAICA) (041896-079999)

**FOIA**

S10-306

**Box Number** 102

SYSTEMATIC

614

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
91025	MEMO	WILLIAM CLARK TO THE PRESIDENT, RE: JAMAICAN INITIATIVES: ANSWERS TO NEW YORK TIMES ARTICLE <b>R 10/7/2022 NSC/DEPT. OF STATE WAIVERS</b>	2	5/12/1982	B1
91026	MEMO	PHOTOCOPIED, EDITED VERSION OF #91025 <b>R 10/7/2022 NSC/DEPT. OF STATE WAIVERS</b>	1	ND	B1
91027	MEMO	COPY OF 91025 WITH EDITS <b>R 10/7/2022 NSC/DEPT. OF STATE WAIVERS</b>	2	ND	B1

**The above documents were not referred for declassification review at time of processing**

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

EMBASSY OF JAMAICA  
1850 K STREET, N.W.  
SUITE 955  
WASHINGTON, D. C. 20006  
TELEPHONE: (202) 452-0660

9/29  
to  
~~signature~~  
CH  
045624  
3200  
CO 077  
FO 002

REF. NO.

September 22, 1981

Mr. James A. Baker, Chief of Staff and  
Assistant to the President  
White House  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

Dear Mr. Baker:

It is with much pleasure that I forward to you the enclosed material relating to some recent activities of my Prime Minister, the Rt. Honourable Edward Seaga. If I or members of my Embassy can be of any further service in this regard, please feel free to contact me.

With kind regards and my very best wishes,

Yours most sincerely,

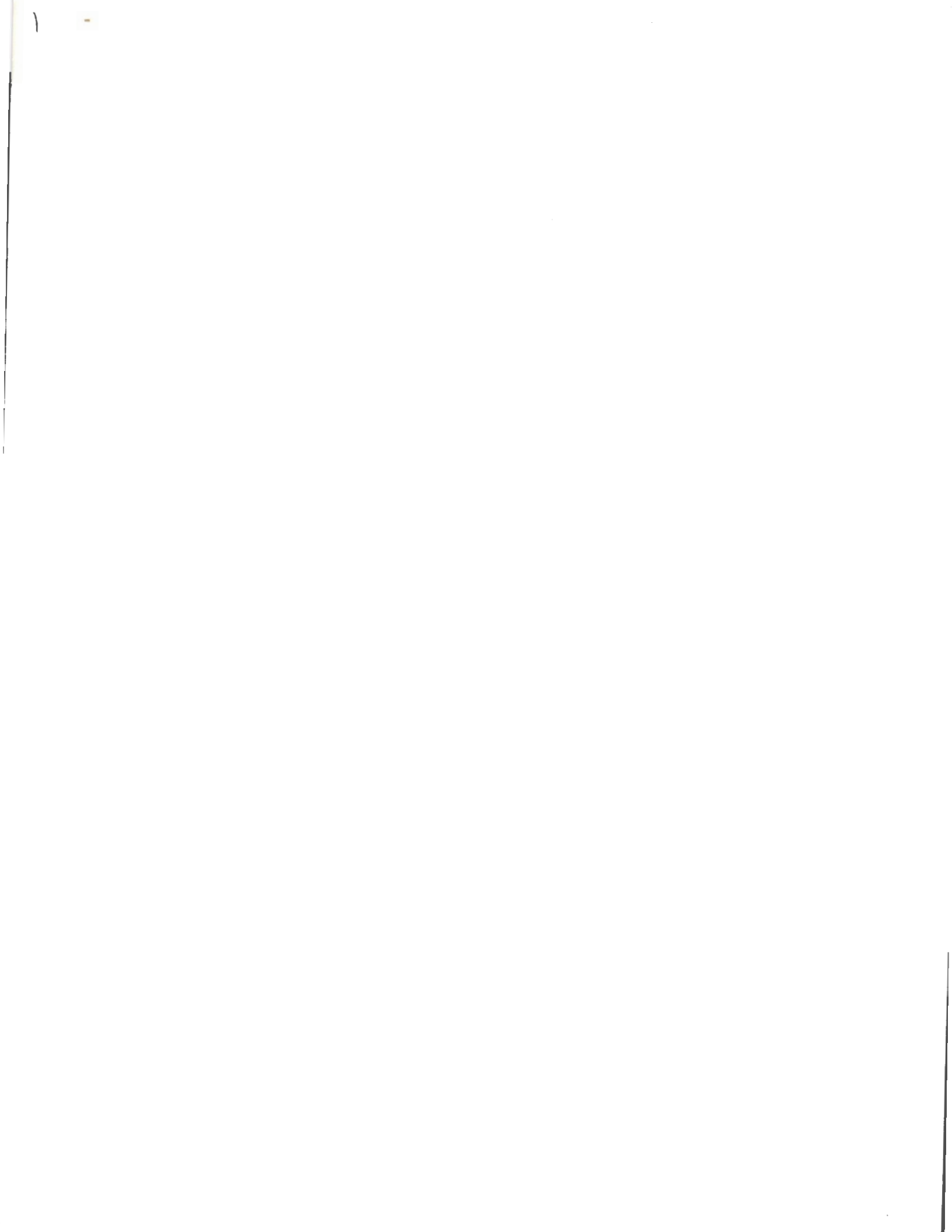
*Keith Johnson*  
(Keith Johnson)  
Ambassador

10/19 checking

Per Florence, draft from  
DOS -> NSC today. Will send over.

- To Allen.  
PROPER  
RESPONSE  
9/28  
MDT  
10/23 -> Draft to JAB

Done  
9/28



Dg

046165

MEMORANDUM

5710

3200

20077

FB006-12

THE WHITE HOUSE  
WASHINGTON

WS

October 23, 1981

ACTION

MEMORANDUM FOR JIM BAKER

FROM: DICK ALLEN *Dick*

x

SUBJECT: Letter to Ambassador Keith Johnson of Jamaica

Attached at Tab A is a suggested reply to Jamaican Ambassador Keith Johnson who forwarded to you materials on Jamaica and Prime Minister Edward Seaga (Tab B).

The reply is polite and appreciative. It has been cleared by State.

RECOMMENDATION

That you approve the suggested reply to Ambassador Johnson at Tab A.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

Attachment

- Tab A Proposed Reply
- Tab B Incoming Correspondence

SUGGESTED REPLY

Dear Mr. Ambassador:

Thank you for the materials you recently forwarded to me. Given the tremendous interest in Jamaica, your thoughtfulness in providing informative brochures, including several of the Prime Minister's key statements, is appreciated.

I look forward to a continuation of the close working relationship between our governments which has existed since the very earliest days of this Administration.

Sincerely yours,

James A. Baker

His Excellency  
Keith Johnson,  
Ambassador of Jamaica.

MEMORANDUM

NATIONAL SECURITY COUNCIL

5710

*RF*

ACTION

October 21, 1981

SIGNED

MEMORANDUM FOR RICHARD V. ALLEN

FROM: ROGER W. FONTAINE *RF*

SUBJECT: Letter to Ambassador Keith Johnson of Jamaica

Attached at Tab A, for Jim Baker's signature, is a State drafted note to Jamaican Ambassador Keith Johnson thanking him for a variety of materials on Jamaica and Prime Minister Seaga which was sent to Mr. Baker (Tab B).

Attached at Tab I is your memo to Jim Baker forwarding the proposed reply for his signature.

RECOMMENDATION

That you sign the memo to Jim Baker at Tab I.

Approve *RF* Disapprove \_\_\_\_\_

Attachments

- Tab I Memo to Jim Baker
- Tab A Proposed Reply
- Tab B Incoming Correspondence

RECEIVED

81 OCT 23 A 9: 23

JANET COLSON

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

PETER

CY TO VP

CY TO MEESE

CY TO BAKER

CY TO DEEVER

CY TO BRADY

Comments:

*[Handwritten signature]*  
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SIGNED

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S/S # 8128460

Date October 19, 1981

81 OCT 19 2:46  
DEPARTMENT OF STATE  
EXECUTIVE SECRETARIAT  
TRANSMITTAL FORM

FOR: Mr. Richard V. Allen  
National Security Council  
The White House

REFERENCE:

TO: James A. Baker FROM: Keith Johnson  
DATE: 9/22/81 SUBJECT: Letter forwarding  
materials relating to some recent activities of Prime

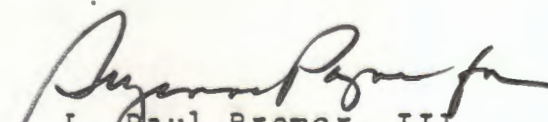
Minister Seaga of Jamaica.  
WHITE HOUSE REFERRAL DATED: 9/30/81 NSC # 8105710  
(if any)

THE ATTACHED ITEM WAS SENT DIRECTLY  
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- An information copy of a direct reply is attached.
- We believe no response is necessary for the reason cited below.
- Other.

REMARKS:

  
L. Paul Bremer, III  
Executive Secretary

---

NATIONAL SECURITY COUNCIL

September 30

To: NSC/Secretariat

From: Roger Fontaine

Please forward the attached file  
-- 5710 -- to the State Department  
for a draft reply for Mr. Baker's  
signature.

Thx.

5710

**DATE:** 9/28/81

**TO:** Irene

Margaret Tutwiler recommended that we forward this letter to Mr. Allen's office with a request that the appropriate member of his staff draft a response to this letter on behalf of Mr. Baker.

Would you please send the draft to my attention?

Many thanks.

**FROM:** Katherine Camalier  
Office of James A. Baker, III  
White House/West Wing  
X 6797

EMBASSY OF JAMAICA  
1850 K STREET, N.W.  
SUITE 355  
WASHINGTON, D. C. 20006

TELEPHONE: (202) 452-0660

9/29 Routine thx +  
to Allen? - -  
anything in f.f.?

REF. NO.

5710

September 22, 1981

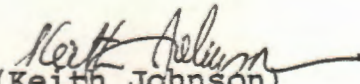
Mr. James A. Baker, Chief of Staff and  
Assistant to the President  
White House  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

Dear Mr. Baker:

It is with much pleasure that I forward to you the enclosed material relating to some recent activities of my Prime Minister, the Rt. Honourable Edward Seaga. If I or members of my Embassy can be of any further service in this regard, please feel free to contact me.

With kind regards and my very best wishes,

Yours most sincerely,

  
(Keith Johnson)  
Ambassador

To Allen  
for a PROPER  
Response. 9/28  
MDT

RECEIVED 29 SEP 81 19

TO ALLEN

FROM CAMALIER, K

DOCDATE 28 SEP 81

JOHNSON, KEITH

22 SEP 81

046165

KEYWORDS: JAMAICA

SEAGA, EDWARD

SUBJECT: MATERIALS RELATED TO SOME ACTIVITIES OF FM SEAGA

ACTION: PREPARE MEMO FOR ALLEN

DUE: 02 OCT 81 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

FONTAINE

COMMENTS NUMEROUS PAMPHLETS & MATERIALS WERE INCLUDED IN A FOLDER.

REF#

LOG

NSCIFID

( M / )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
State	1) 9/30	draft Reply for 12 WH SIG	10/2	
	2) 10/19	lead SL 8128460		
FO	3) 10/19	prepare memo allen to Laker		1/20
Allen	x 10/22	for signature		
	C 10/23	RVA 2nd memo		FO

DISPATCH

ed 1025 Allen

W/ATTCH

FILE

WH (C)

*Allen*

REFERRAL

DATE: 30 SEP 81

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

8128450

DOCUMENT DESCRIPTION:

TO: BAKER, JAMES A

SOURCE: JOHNSON, KEITH

81-4855

DATE: 22 SEP 81

KEYWORDS: JAMAICA

SEAGA, EDWARD

SUBJ: MATERIALS RELATED TO SOME ACTIVITIES OF FM SEAGA

REQUIRED ACTION: DRAFT REPLY FOR WH SIG

DUE DATE: 02 OCT 81

COMMENTS:

*Pls. Return ORIG to NSC Secretariat (attachments)*

*Harold J. Lenz*

FOR ALLEN J LENZ

STAFF DIRECTOR

FOR NSC USE ONLY

FOR INFO

F

O MB C

81 SEP 31 09:46

*Post 3/51*  
*D*

8158450

Handwritten signature and text, possibly including "U.S. Bureau of..."

RECEIVED 05 OCT 81 18

TO ALLEN

FROM TOTTEN, DONALD L

DOC DATE 01 OCT 81

046170

2200

C0077

FO004

PL

57013

FB006-12

KEYWORDS: JAMAICA

FOREIGN ASSISTANCE

MEINEKE, DAVID

SEAGA, EDWARD

SUBJECT: JAMAICAN / US ECONOMIC RELATIONS

ACTION: PREPARE MEMO FOR ALLEN

DUE: 08 OCT 81 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

FONTAINE

NAU

KIMMITT

BAILEY

COMMENTS

REF#

LOG

NSCIFID

( J / )

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

Allen

x 10/09 for signature

C 10/19 Allen approved recon FO

DISPATCH

W/ATTCH FILE web (C)

NSC# 8105891



5891

RECEIVED

81 OCT 13 A 8: 48

JANET COLSON

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

PETER

CY TO VP

CY TO MEESE

CY TO BAKER

CY TO DEEVER

CY TO BRADY

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Comments:

982

NATIONAL SECURITY COUNCIL

ACTION

October 9, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: ROGER W. FONTAINE *RF*

SUBJECT: Letter from Donald L. Totten Regarding  
U.S.-Jamaican Economic Relations

Attached at Tab A is a letter to you from State Senator Donald L. Totten (Illinois) requesting your assistance on a project being promoted by one of his constituents, David Meineke.

Mr. Meineke's proposal is a recycled version of a project for which he attempted to get our endorsement during the campaign. Whether it has merit or not, I strongly advise no involvement in this scheme whatsoever.

Henry Nau concurs.

RECOMMENDATION

That you not respond to Senator Totten's letter nor have any contact with Mr. Meineke.

Approve *[Signature]* Disapprove \_\_\_\_\_

Attachment

Tab A Letter from Senator Totten

RECEIVED

81 OCT 5 P 4: 50

JANET COLSON

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

PETER

CY TO VP

CY TO MEESE

CY TO BAKER

CY TO DEEVER

CY TO BRADY

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Comments:

5891



STATE OF ILLINOIS  
STATE SENATE

DONALD L. TOTTEN

1032 STRATTON BUILDING  
SPRINGFIELD, ILLINOIS 62706

839 WEST HIGGINS ROAD  
SCHAUMBURG, ILLINOIS 60195

October 1, 1981

Hon. Richard V. Allen,  
Assistant to the President for  
National Security Affairs  
National Security Council  
Old Executive Office Bldg  
Washington DC 20506

Dear Dick:

Mr. David Meineke, a constituent of mine, dropped in my office the other day regarding a project dealing with Jamaica.

Mr. Meineke related to me conversations he has had with Prime Minister Seaga and with various agencies of the Federal Government. He also related his concern that American policy is not as supportive of the Seaga administration as it could be.

Mr. Meineke is a partner in the firm of New Media Combine with a Mr. Short. I am enclosing a copy of the project paper and would appreciate any assistance you might be able to give Mr. Meineke.

Keep up the good work.

Sincerely,

A handwritten signature in blue ink that reads "Don".

Donald L. Totten

lw

DAVID E. MEINEKE  
PHOTOJOURNALISTIC PROJECTS  
EXECUTIVE REPORTAGE

NEW YORK:  
POST OFFICE BOX 9001  
HUDSON HEIGHTS, NEW JERSEY 07047  
201: 868-6672

CHICAGO:  
703 EAST GOLF ROAD  
SCHAUMBURG, ILLINOIS 60195  
312: 884-6006

MEMO  
ON  
PROMOTIONAL  
ASSISTANCE  
FOR  
JAMAICAN -  
AMERICAN  
ECONOMIC  
RELATIONS

NEWMECO  
PROJECT  
NO. 8104

©D. Meineke

BACKGROUND

Official American interest in Jamaica increased dramatically with the election of Edward Seaga as Prime Minister.

U.S. News and World Report (5-19-80) said Jamaica is at a political crossroads. One road leads to Havana, the other to Washington.

Caribbean leaders are now looking to Ronald Reagan for money, sympathy, trade, and for patience. Last year the U.S. government gave about \$150 million to Caribbean states and various aid programs. There will be requests for more, much more; and nailing down the Castro setback in Jamaica will be one of the reasons for support.

The Chicago Sun Times (11-3-80), in an article about Seaga, notes that: "The economic problems that confront him are so profound there can be no assurance he will succeed; and these are compounded by political violence; 500 people have been slain since Manley announced he would submit his government to an election. We (the Sun Times) should hope that Seaga will be allowed to govern without being terrorized and that this first economic movement will nudge the country around to viability."

Much of the rest of the Caribbean will be watching. Former Prime Minister Manley, though he wasn't an enemy of America and the West, was the best friend in the region of Cuba's Communist dictator Fidel Castro. Manley's Marxism failed Jamaica. If Seaga can make free enterprise work, he can provide an historic example for other deprived island nations to emulate.

Seaga may become the pivotal voice against Marxism in the economy of the Caribbean and Central America.

Seaga immediately sought U.S. help to rebuild his country. He was the first state visitor to the Reagan White House.

According to Forbes (12-22-80), we can't credit brilliant American diplomacy for the rebirth of democracy in Jamaica. Local issues, the abject values of socialism in the islands, and the spectacle of tens of thousands of refugees fleeing Cuba have all hurt the Marxist cause. "Our policies don't have anything to do with it. We lucked out," says Peter Johnson, former State Department official and now Director of the Central American Action Committee, a private group with U.S. government support aiming to lure private American investment into the area.

The organization's meeting in Miami in November of 1980 lured leading politicians and businessmen from all over the Caribbean to bid for American business.

U.S. executives, including representatives of all aluminum, shipping, manufacturing, clothing, construction, and world enterprises were told Jamaica would welcome foreign investors.

H. Blair Smith, Assistant Chairman of the Board of the Reynolds Metals Corporation, which has an aluminum operation in Jamaica, said he had been "tremendously impressed by the spirit of confidence by the Jamaican businessmen."

"U.S. business leaders are urging aid for the new government of Jamaica to meet what leaders of the Caribbean islands describe as critical shortages of food and foreign exchange." So said the New York Times on 11-12-80.

Investor concern has remained low.

The Jamaican economy faces several other long and short term problems which hamper growth prospects.

As the Kingston Daily Gleaner recently observed: "The unpalatable fact is that since 1974 there has been a growing decline in the level of private, foreign, and domestic investments in Jamaica. In 1977 the decline in net investment reached a disconcerting 83%." This erosion in capital formation was a graphic indication of the reaction of major investors to the politically generated uncertainties in Jamaica.

Business America Magazine (1-15-79) said Jamaica is encountering major economic problems; including a serious foreign exchange crises, inflation, a high unemployment rate, a breakdown of confidence in the private sector, and emigration of skilled and managerial personnel. Major factors responsible include the quintupling of oil prices since 1973; the undiversified nature of the export economy and the fact that prices for major export products have not risen as fast as the prices of imports; recession abroad; and nearly 40% decline in net tourism rates since 1974; and an outflow of the net private capital in place of the traditional capital inflow.

Jamaica has one of the most highly developed labor movements in the third world, yet unrest has mounted as inflation and devaluation have eroded wages and living standards of the workers. Strikes in these areas have hampered production in a number of other sectors.

Jamaica has suffered a serious problem of emigration of managerial, technical, and entrepreneurial personnel. Although Jamaica has always had a high level of emigration during this century, the present phenomenon is

different in that it represents a movement of individuals with higher education and income levels, rather than those that had limited prospects in Jamaica. Key personnel in many fields are leaving faster than replacements can be trained. This has resulted in a serious deterioration of the economy's ability to produce goods and services and to adjust to changing circumstances.

Crime has seriously affected the Jamaican economy. It has frightened tourists, raised public concern, hastened the emigration of skilled people, and inhibited foreign specialists from accepting assignments in Jamaica. Two factors have increased its economic and psychological impact. The increase in violent crimes in the early and mid 1970's and the high percentage of middle-class victims. However, the latest indications are that the rate of violent crimes has begun to drop.

American know-how is also needed. Mervyn Assam, for example, who runs Central Soya of Trinidad (the island produces 80 million pounds of poultry annually) complains that poultry exports dropped 40% last year because a heat wave in the U.S. cut down the supply of American breeder eggs. "We need to start a breeder industry, but we need help. We know pullets, we know broilers, but the breeders are a different kettle of fish." That is the type of American aid he thinks would help.

Aware of all this, Peter Johnson of the U.S. business organization asks, "Why wait until it teeters on the brink of disaster again."

In a tone combining desperation with hope, Jamaica's Edward Seaga declares, "Never has there been an instance where all the pieces fit into one as now. This is a glorious opportunity."

Ogden Reid thinks that now we have an important chance that won't be there indefinitely. He stresses the time is now.

Seaga's prime interest in rebuilding Jamaica can be broken down into the following categories:

1. Food and agriculture
2. Tourism and hotel construction
3. Bauxite
4. Sugar
5. Fuel (gasahol production to reduce oil imports)

He wants most urgently to encourage private enterprise.



"We have to earn our way out of the crisis, not just borrow," Mr. Seaga said. The Bank of Jamaica is completely out of reserves, and the country owes more than \$1 billion, primarily to U.S. banks.

The U.S. has traditionally been Jamaica's major trading partner. The vast bulk of U.S. imports from Jamaica consists of bauxite and alumina. The U.S. has exported a wide variety of foodstuff, raw material, and manufactured goods to Jamaica.

John Kimball, of our State Department, said that in the seven years since 1973 the U.S. has had a foreign exchange of \$2 billion with Jamaica.

Mr. Kimball envisions an economic turn-around with the help of the U.S., the North Atlantic Communities and the Caribbean trading area all participating.

"In the past we have kept them in 100,000 jobs. More than the population of Jamaica (2.2 million) visited Jamaica; so as you can see, we have a very strong relationship with them."

40% of Jamaica's professionals have abandoned the island since 1972, creating a critical lack of doctors, nurses, teachers, and managers.

About the size of Connecticut, Jamaica is the world's second largest producer of bauxite. The mining of bauxite, the processing of alumina, and rising sugar prices enabled Jamaica to double its gross domestic production during the 70's. The island's economy was helped by more than half a million tourists a year, but the rising political violence and slayings in the 70's caused a sharp drop in visitors.

J. P. Morgan said: "Never do business with a man you can't trust." Regarding Jamaica, the private sector here and abroad has heeded his advice. Since the 70's, investment in productive enterprise has plummeted while capital flight, spurred by punitive taxation, outbursts of lawlessness and political unrest has accelerated. Barron's reporter James Grant reported in mid-January 1979: "People died in Jamaica last week because the price of gasoline went up 12¢ a gallon. At last count, six were dead, including three policemen; the streets of Kingston were littered with baracades and stalled cars. Crowds poured through the streets crying, 'The poor can't take it any more,' and they had a point. The rise of consumer prices last year more than tripled to 35%, unemployment is rampant with some 24% of the labor force out of work."

Per capita income fell 40% during the Manley years. Inflation exceeds 20%, after one period in which it soared nearly 50%. Workers in Kingston earn an average of only \$30.00 per week, far below the poverty line. The unemployment rate in most areas is more than 30% and runs twice that in the crime-ridden slums of Kingston.

Nearly all the Caribbean islands share staggering economic problems and teeming over-population. The climbing price of oil sucks money from the Caribbean. The population is young and growing, skills are scarce, unemployment runs from 15% to 50%, technology is thin, and transportation is frequently primitive. On top of that, the Caribbean depends on foreign imports, from food to industrial goods, to survive; and there is always a hurricane that sweeps through now and then to wipe out a year's work.

The most immediate financial disaster area may be Jamaica. The new prime minister says the left wingers left the island almost bankrupt. He says he must reschedule \$1 billion of debt over ten years with a three-year moratorium on payments. Even then, and even with a hoped for pick-up in business and tourism, he says he will need \$250 million more each year, for each of the three years, to get the island back on its feet. A special \$40 million American aid bill is working its way through Congress (12-80), and the International Monetary Fund is putting together a major aid package.

According to Business America (3-10-80) the results of the first year of the IMF program have been mixed, although the Jamaican government has won praise from the IMF for its implementation of the economy.

More and more Jamaicans want their nation to move closer to the U.S., yet this may not happen. For some time now I thought it would be constructive to emphasize the positive aspects of the Seaga administration. In my view, it might counteract some of the prevailing negative attitudes toward foreign aid. The latest surveys show Americans favor almost total budget cuts in foreign aid. I believe that a photo-journalistic project verifying the problems to be solved and showing actual, specific progress towards the solutions of those problems would help allay fears of those suspicious of the waste usually connected with foreign aid.

Recalcitrant legislators might be less grudging in their approval; the media might be inclined to report some encouraging viewpoints if they were furnished by an objective, non-governmental source.

All the above data suggests the following projects:

A suggested method of corresponding with Congressmen is to have over-size picture postcards printed, illustrating the aid projects in operation with a personal story on the reverse side signed by Seaga.

These "postals from the P.M." can be easily disseminated. Additionally, I am told that postcards stand a much greater chance of reaching a Congressman or Senator because the copy is out in the open where everyone can read it enroute to the addressee, so it is usually read in order to prevent the embarrassment of not being "in on the story," so to speak. It is more likely to be read by the addressee than a letter, the contents of which are private until opened. In addition, the postcards are an easy and colorful way to obtain access to the business community, and could be sent on a continuing basis with much the same "home movie" type charm Jack Parr used in his famed "home movie travelogs" on the Tonight Show.

ACTION

I believe photographic stories supporting and verifying a positive point of view would be published; as research has shown little coverage of the Caribbean and interest by the editors contacted.

A suggested photo project is the Twin Rivers program now in operation. It involves teaching bench terracing, conservation of water and stocking of fish on local farms. This program has tended to triple the yield. This is important to Jamaicans, as 40% of the food they import rots before it reaches its destination.

Involved in this program is a farmer with ten children and 2½ acres of land, who could not feed his family. As a result of the terracing program, he is now able to sell 2/3 of what he raises and has plenty left over to feed his family. He went from feeding no one to feeding 30 people on 2½ acres.

The Daily Gleaner, published in Kingston since 1834, is, surprisingly, a marvelous, isolated example of freedom of the press, in that, even when the People's National Party of socialist Michael Manley took over, the paper was able to maintain an independent editorial policy.

Although the Manley government took over radio and television stations and turned them into propaganda organs and helped to finance a rival daily, the Daily Gleaner managed to maintain its independence throughout the Manley regime. A story illustrating the past and present difficulties of maintaining this successful operation would seem to me to be extremely worthwhile, particularly in light of how many independent press voices have been lost in the recent past.

A tradition of freedom of speech as exemplified in the Kingston paper is something the Jamaicans have in common with us. It has kept alive "what's left of freedom of the press on the island." (Barrons 6-18-79)

Another suggested photo project is the court system. In spite of the violence and the deprivation occurring within the country, the average citizen still has confidence in the courts. Though 70% of the people in Kingston are unemployed, even the radicals show restraint and respect for the court system.

Downtown Kingston is a destitute area. Streets are unpaved, garbage is piling up, and buildings are in disrepair. Gangs of young thugs commit muggings and robberies. Crime is so bad that the American embassy has been moved to a safer neighborhood; and yet, there is a teaching program in the slums of Kingston (elementary and secondary technical school) that is so highly regarded by all the Jamaicans that while violence occurs around the school, called "Operation Friendship," the school itself remains inviolate, an island of education within the slum. It is American financed and another good illustration of the U.S. doing something right.

Money, however, isn't the whole story.

Mr. Kimball contends most of the slum clearance could be done without American capital but that it needs American technology. Where better to publicize that fact than in the American media?

According to Variety (11-26-80), Jamaica is hoping to use tourism as an immediate means to help rebuild Jamaica's economy; a multi-city advertising blitz in the U.S. is now underway.

Mr. Seaga said that tourism, which went into a deep slump this past year because of excessive political violence, was making a comeback, with hotel reservations up 20% since his election.

Tourist problems seem to be improving, according to an article in the New York Post (3-3-81): "Indeed the friendliness one encounters is reminiscent of the Jamaica of twenty years ago - when I first visited the island. Security, which was a bugaboo during the Manley administration, appears to be no more a problem than it is contemporarily in any area of the world."

Although there is just about every kind of hotel accommodation from American style luxury beach-fronts to smaller tucked away inns with less than twenty rooms, tourism is still suffering and many people who visit now vow never to return.

Modern Photography (4-79) said that even though, from the standpoint of tourist photography, the island provides thoroughly spectacular scenery, is jammed with character-filled faces, historic homes, villages and markets that could keep a photographer busy for months, the island has acquired a bad reputation over the past few years. People who return from Jamaica complain of bad treatment from the natives, rip-off prices, and being unnecessarily hassled.

Modern Photography urges two serious rules that should always be followed: Keep the car's back doors locked and the windows rolled up if you are travelling alone or with one other person; and if you do become lost and someone offers to get in and show you the way, don't let them. Another thorny problem is taking pictures of people. The Jamaicans feel exploited by photographer tourists and apparently are highly vocal in expressing their views.

Montego Bay has two superior markets; the straw market and the fruit market, but tourists and photographers are cautioned to be inconspicuous.

Seaga wants to combat tourist concern over violence; perhaps with more police patrols in tourist areas.

I think a photo story showing a family having a safe and happy vacation would be reassuring . . . couldn't hurt to show interplay with friendly and helpful policemen.

There are still unique attractions to suggest to tourists:

The Governor's Coach Train is still a wonderful day trip through the mountains and valleys, with stops along the way for sightseeing and picnicking as well as a tour through a rum factory, complete with samples.

Another spectacular, worthwhile visit is Rose Hall, one of the more famous homes of the colonial days now open to the public. The previous owner was known as the witch of Rose Hall because she killed four husbands and assorted lovers before being killed herself at the age of 29 by her fourth husband. The house is beautifully restored and the views are magnificent.

Ever since Seaga was elected, I have been trying to create a package illustrating these viewpoints, feeling it was a constructive example that should be brought to the attention of all, as it might dispel some public cynicism, inspire others to emulate Seaga's policy, and create a more agreeable climate for tourism and business in the Caribbean.

It is, I feel, an opportunity that shouldn't be missed.

## ADDENDUM

Recalling Ogden Reid's view that we now have an important chance that won't be there indefinitely, I think it is important to realize another opportunity that presents itself at this time and place to our benefit, if we grasp it.

Some third world nations, using UNESCO as a vehicle, are attempting to create a censored press on a worldwide basis.

One of the third world's major complaints against the Western press is that the only thing the Western press covers is disaster; that when a third world nation attempts something constructive, the Western press is never there, much less interested. Coverage the likes of which has been discussed in this memo is the type of coverage the third world desires, but claims to never get.

This project has come to the attention of Leonard Sussman, Executive Director of Freedom House in New York, who sees this as a perfect example of a deterrent to UNESCO's efforts towards world censorship. It is, in his opinion, "the last best chance" to defeat what is generally regarded as an unsavory proposition and general end of worldwide freedom of the press.

The stories created would be an excellent example and suggested format for voluntary Western coverage of third world activities that might be used to blunt the edge of those who favor world press censorship.

Mr. Sussman stresses the importance of this project now, as does Leonard Marks, who is Chairman of the World Press Freedom Committee.

Mr. Sussman believes photography can counteract the UNESCO project better than other media because of its immediacy. It is understood without translation or, at its best, without accompanying explanations, which are sometimes biased.

15

ID # 047209  
C0077

**WHITE HOUSE  
CORRESPONDENCE TRACKING WORKSHEET**

- O - OUTGOING
- H - INTERNAL
- I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/11/12

Name of Correspondent: Embassy - Jamaica

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Unopened

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**ROUTE TO:**

**ACTION**

**DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>MS Allen</u>	ORIGINATOR	<u>8/11/12</u>		<u>C</u>	<u>8/11/12</u>
	Referral Note:				
		<u>  /  /  </u>			<u>  /  /  </u>
	Referral Note:				
		<u>  /  /  </u>			<u>  /  /  </u>
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		<u>  /  /  </u>			<u>  /  /  </u>
	Referral Note:				
		<u>  /  /  </u>			<u>  /  /  </u>
	Referral Note:				

**ACTION CODES:**

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

**DISPOSITION CODES:**

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

**FOR OUTGOING CORRESPONDENCE:**

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: \_\_\_\_\_

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Keep this worksheet attached to the original incoming letter.  
 Send all routing updates to Central Reference (Room 75, OEOB).  
 Always return completed correspondence record to Central Files.  
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.



## RECORDS MANAGEMENT ONLY

### CLASSIFICATION SECTION

No. of Additional Correspondents: \_\_\_\_\_ Media: 5 Individual Codes: 3200 \_\_\_\_\_

Prime Subject Code: CO 077 Secondary Subject Codes: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

### PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

**SIGNATURE CODES:**

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie
  
- CLn - First Lady's Correspondence**
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan
  
- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

**MEDIA CODES:**

- B - Box/package**
- C - Copy**
- D - Official document**
- G - Message**
- H - Handcarried**
- L - Letter**
- M - Mailgram**
- O - Memo**
- P - Photo**
- R - Report**
- S - Sealed**
- T - Telegram**
- V - Telephone**
- X - Miscellaneous**
- Y - Study**

WHITE HOUSE MAIL  
RECEPTION AND SECURITY  
OFFICE

1991 NOV 10 PM 4 18

Embassy  
JAMAICA

047209

~~SECRET~~

The President

The White House

Washington, D.C.

Dg

ID # 055961  
0077

### WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 821 01 15

Name of Correspondent: Embassy of Jamaica

MI Mail Report      User Codes: (A) \_\_\_\_\_ (B) \_\_\_\_\_ (C) \_\_\_\_\_

Subject: Unopened

#### ROUTE TO:

#### ACTION

#### DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>DL Clas</u>	<sup>CH</sup> ORIGINATOR	<u>821 01 18</u>		<u>C</u>	<u>821 01 18</u>
	Referral Note:	<u>  /  /  </u>			<u>  /  /  </u>
	Referral Note:	<u>  /  /  </u>			<u>  /  /  </u>
	Referral Note:	<u>  /  /  </u>			<u>  /  /  </u>
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- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

The President

The White House

Washington, D.C.

EMBASSY OF JAMAICA

RECEIVED  
OFFICE OF THE  
ATTORNEY GENERAL

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TR038-01

THE WHITE HOUSE  
WASHINGTON

May 3, 1982

Dear David:

I appreciate very much your letter of March 30 bringing me up to date on the activities of the U.S. Business Committee on Jamaica.

As you know, I had an excellent meeting with Prime Minister Seaga when I visited Jamaica on April 7. He expressed his deep appreciation for the work of the Business Committee and for your personal efforts particularly. I suggested to him the importance of facilitating the work of the Committee and the need to cooperate closely in removing obstacles to the inflow of private capital into the Jamaican economy.

I am hopeful that the necessary conditions to support and accelerate the work of your Committee will be established. I thank you again for this effort you have undertaken and the important contribution you are making to the success of our program and relations with Jamaica.

Sincerely,

Ron

Mr. David Rockefeller  
30 Rockefeller Plaza  
New York, N.Y. 10112

06497355

NSC #8202314

THE WHITE HOUSE  
WASHINGTON

ACTION

April 29, 1982

**SIGNED**

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Letter from David Rockefeller Re the U.S.  
Business Committee on Jamaica

Issue

You need to respond to a letter from David Rockefeller bringing you up to date on the activities of the U.S. Business Committee on Jamaica (Tab B).

Facts

Rockefeller writes about the progress but also the problems of the Business Committee. Only five new investments and one expansion have been approved totaling \$21 million and 1800 jobs. The problems have to do with constraints on licensing of foreign exchange, high import duties, and other factors that inhibit foreign investment.

Discussion

Your letter suggests the excellent meeting you had with Prime Minister Seaga and your hope that he will expedite the resolution of these problems. It also thanks Rockefeller for his efforts.

Recommendation

That you sign the letter to Rockefeller at Tab A. Your speechwriters have cleared the letter.

OK *WPC* NO \_\_\_\_\_

Attachments

- Tab A Response to Rockefeller
- B Incoming letter from Rockefeller

Prepared by:  
Henry Nau

35 100-30 141-73



'82 APR 29 P10:03

030402

mu

#2314

**MEMORANDUM**

**NATIONAL SECURITY COUNCIL**

ACTION

April 15, 1982

MEMORANDUM FOR WILLIAM P. CLARK

**SIGNED**

FROM: HENRY R. NAU

SUBJECT: Letter to the President from David Rockefeller  
Re the U.S. Business Committee on Jamaica

David Rockefeller wrote the President about the work of the U.S. Business Committee on Jamaica (Tab B).

I have attached a memo from you to the President (Tab I) forwarding a reply for his signature.

Fontaine and Bailey <sup>ms</sup> concur.

RECOMMENDATION: That you sign the memo to the President at Tab I.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

Attachments

- Tab I Memo to the President
- A Response to Rockefeller
- B Incoming letter from Rockefeller

MEMORANDUM

#2314

THE WHITE HOUSE  
WASHINGTON

April 10, 1982

→ OBE ?  
needs response  
to DR  
P.W.D.

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: David Rockefeller's Update on U.S. Business  
Committee on Jamaica

Issue

David Rockefeller has written you to bring you up to date on the activities of the U.S. Business Committee on Jamaica.

Views

The Committee has not made as much progress as originally hoped. Only five new investments and one expansion have been completed totaling \$21 million and some 1800 jobs.

Discussion

Rockefeller suggests that you raise with Prime Minister Seaga the following points:

- Urge that an amendment to the Agricultural Incentives Act, which has been in final form since last fall, be approved. This would give impetus to 14 agribusiness projects which are pending.
- Encourage him to develop a plan of action for the major sectors of the economy, such as sugar, tourism and manufacturing, which would set clear priorities for allocation of foreign exchange, application of customs duties, and granting of incentives.
- Urge him to appoint top level members for each of these sectors with full authority to act. This arrangement is working well with regard to bauxite.

.85 468-10 40:55

Attachment

Tab A Letter from Rockefeller

'82 APR 10 A10:22

MW

MEMORANDUM

#2314

NATIONAL SECURITY COUNCIL

ACTION

April 6, 1982

SIGNED

MEMORANDUM FOR WILLIAM P. CLARK

FROM: HENRY R. NAU *HRO*

SUBJECT: Rockefeller's Letter to the President Re Update on U.S. Business Committee on Jamaica

David Rockefeller has written the President to inform him of the activities of the U.S. Business Committee on Jamaica. I have summarized Rockefeller's main points in a memo from you to the President (Tab I).

RECOMMENDATION: That you sign the memo to the President at Tab I or alternatively that you discuss the points with the President personally.

- 1. Sign the memo to the President

OK  NO

- 2. Discuss Rockefeller's letter with the President personally

OK  NO

Attachments

- Tab I Memo to the President
- A Rockefeller letter

# National Security Council The White House

RECEIVED

Package # 2314

APR 16 12:46

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[Signature]</u>	
Bud McFarlane	<u>2</u>	<u>[Signature]</u>	
Jacque Hill	<u>3</u>	<u>[Signature]</u>	
Judge Clark	<u>4</u>	<u>[Signature]</u>	<u>A</u>
John Poindexter			
Staff Secretary			
Sit Room			

I-Information A-Action R-Retain D-Dispatch

### DISTRIBUTION

cc: VP Meese Baker Deaver

Other \_\_\_\_\_

### COMMENTS

National Security Council  
The White House

Package # 2314

09 APR 12 10:31 04

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	_____	_____	_____
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	_____	_____	_____
Staff Secretary	_____ 1 _____	_____	_____
Sit Room	_____	_____	_____
_____	_____	_____	_____

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

cc: VP Meese Baker Deaver

Other \_\_\_\_\_

COMMENTS

National Security Council  
The White House

116

Package #

2314

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	1	<i>[Signature]</i>	
Bud McFarlane	2	<i>m</i>	
Jacque Hill	3	<i>[Signature]</i>	
Judge Clark	4	<i>[Signature]</i>	A
John Poindexter	5	<i>[Signature]</i>	
Staff Secretary	6		D
Sit Room			

I-Information **A-Action** R-Retain D-Dispatch

DISTRIBUTION

cc: VP Meese Baker Deaver

Other \_\_\_\_\_

COMMENTS

This reached me after you left, Jamaica



RECEIVED 05 APR 82 11

TO CLARK

FROM DARMAN, R

DOCDATE 05 APR 82

ROCKEFELLER, DAVID

30 MAR 82

KEYWORDS: INTL TRADE

ECONOMICS

JAMAICA

SUBJECT: LTR FM ROCKEFELLER RE UPDATE ON US BUSINESS COMM ON JAMAICA

ACTION: APPROPRIATE ACTION

DUE: 07 APR 82 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

NAU

BAILEY

FONTAINE

LEVINE

COMMENTS

REF#

LOG

NSCIFID

( C / )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
Clark	x 4/6	Find Pres for info	4/7	
Pres	IP 4/10	for info		
	4/12	noted by Pres		
Sp	S 4/12	Pres for the letter	4/13	
Clark	x 4/16	forward to Pres for sig	4/17	
DISPATCH	C 5/3	Pres sig etc		W/ATTCH FILE

5/3

elm

HA, (C) NB, FO  
W/O cler

9.

*BPM*

3168

*file*

**C.F.**

WS

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FG342  
FG221

THE WHITE HOUSE  
WASHINGTON

May 13, 1982

NOTE FOR DAVID ROCKEFELLER  
ART QUINN  
PETER MCPHERSON  
CRAIG NALEN

The attached is sent for your information.

*Bill Clark*

William P. Clark

CATHY

On log 3186 (attached), you are going to send the note addressed to Rockefeller, Art Quinn, McPherson & Nalen along with a copy of the fact sheet only.

You should have addresses for the first two. McPherson is Director of Aid and Nalin is President of OPIC.

Labels attached.

Thanks, Brian

*BPM*

5/13

*Cathy, I got it'd + sealed envelopes. D*

Jamaican Initiative: Answers to New York Time Article

NSC #8203168

RECEIVED 08 MAY 82 13

TO CLARK

FROM LEVINE

DOC DATE 07 MAY 82

KEYWORDS: JAMAICA  
MEDIA

ECONOMICS

SUBJECT: RESPONSE TO NY TIMES ARTICLE RE REAGAN JAMAICAN PUSH

ACTION: FWD TO PRES FOR INFO

DUE: 11 MAY 82 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS

REF# LOG NSCIFID ( N / )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Pres</i>	<i>IP 5/12</i>	<i>info</i>	<i>11 MAY 82</i>	<i>VP, Sec, FB, MD</i>
<i>-</i>	<i>5/13</i>	<i>initiated by Pres</i>		
<i>C</i>	<i>5/13</i>	<i>Clark's gd memo</i>		<i>cc</i>

DISPATCH, *5/14* *Alv* W/ATTCH FILE *W4* *CH*

U.S.G. Jamaican Initiatives:  
Answers to New York Times Article

Jeff Gerth in his April 27 New York Times article, "Reagan's Jamaican Push Helps US Industry," attempts to show that Administration efforts to help Jamaica in fact were instigated out of concern for big business. The article is ridden with inaccuracies and misinformation.

Recent USG support to Jamaica includes the procurement of 1.6 million tons of Jamaican bauxite for the US strategic stockpile, valued at approximately \$55 million; possible OPIC insurance coverage to the joint GOJ-US company bauxite venture, ALPART; and support for the Rockefeller investment committee.

The Gerth article states that the Administration waived federal laws requiring competitive bidding for stockpile procurements and the use of American-flag vessels for shipping. This is not true. The bauxite program procured bauxite as a target of opportunity, noting its low price, the capability to employ materials exchange and agricultural barter to increase the amount of material procured, and the foreign policy benefits derived from such a program. Considering the vast deficit of materials needed to meet our stockpile goals, the ability to derive some foreign policy benefits from stockpile purchases should be a factor in determining which materials be procured. The Armed Services Committees of the House and Senate fully agree with this approach, and they support the bauxite procurement. Competitive negotiations were employed in the program.

American-flag vessels were not used because they were found unsuitable after an interagency review. Scheduling delays were factors in this determination. The House Merchant Marine Committee wants to review this program to bring pressure on the Administration to use American-flag vessels in all government procurements.

The article states that the Overseas Private Investment Corporation (OPIC) had exceeded its guidelines in offering insurance to one country. This also is not true. Even if the insurance coverage to ALPART currently under consideration is proceeded with, OPIC coverage to Jamaica will still not exceed guidelines.

The article claims that "the efforts of the Rockefeller Committee have yet to match the rhetoric;" this statement is unfair and inaccurate. The committee has demonstrated a very high level of effort. Although new investment in Jamaica has been limited for a variety of reasons, as the economic infrastructure in Jamaica mends from the Manley days and as worldwide economic conditions improve, the investment

foundations built by the Rockefeller committee could yield impressive economic returns for Jamaica.

In order for the momentum of Seaga's economic recovery program to continue, new USG programs such as the ones criticized in the Times article will have to be implemented. Outside of this stray article, the Administration's efforts in Jamaica have been almost uniformly praised and supported by the Hill, the media, and by our allies.

# Reagan's Jamaican Push Helps U.S. Industry

By JEFF GERTH

Special to The New York Times

WASHINGTON, April 27 — President Reagan's expressed wish to transform Jamaica into an economic showplace of the Caribbean has prompted three Federal agencies to waive laws and bend rules, thereby providing more than \$100 million to bolster the Jamaican operations of leading American aluminum companies.

The President has designated Jamaica, under Prime Minister Edward

P. G. Seaga, as the centerpiece of his Caribbean Basin Initiative and as the testing ground for what he describes as the "magic of the marketplace." It is an important theme in both Mr. Reagan's foreign and domestic policy.

The assistance to the aluminum companies, pushed through in the name of helping Jamaica and pleasing the President, underscores the close relationship between the Administration's foreign policy and American business. It also illustrates the extent to which the

Federal bureaucracy responds to Presidential directives, especially when the President has publicly and repeatedly voiced enthusiasm for a project.

At Mr. Reagan's request, David Rockefeller, then chairman of the Chase Manhattan Bank, organized a group of businessmen to help revitalize Jamaica through private investment. But that group, the United States Business Committee on Jamaica, has already concluded that "pure private investment in the more traditional sense

Continued From Page 1, Section 1

will not do the trick by itself, especially in the short run."

The effort to help Jamaica by generating American investment has yet to pay off there, but the Federal assistance to corporations has already stirred questions in Congress.

In one case under investigation by a Congressional committee, the General Services Administration, at President Reagan's direction, organized the purchase of \$67 million worth of Jamaican bauxite for the United States strategic stockpile. The Administration waived Federal laws calling for competitive bidding and use of American-flag vessels.

"I follow the directives of the President," said Roy Markon, G.S.A. commissioner for the Federal Property Resources Service, defending the noncompetitive acquisition. "He said buy Jamaican bauxite, and the best way to do that is a negotiated deal."

The bauxite is mined by the Reynolds Metals Company and the Kaiser Aluminum and Chemical Corporation and shipped, processed and stored by Reynolds, enabling those companies to increase their business and lower their overhead when worldwide demand for bauxite and aluminum is depressed.

To accomplish the deal, the Federal Emergency Management Agency was required to rearrange its priorities for stockpile purchases since, according to Government officials, bauxite was not considered a top priority.

In another case, the Overseas Private Investment Corporation, an independent Federal agency in the executive branch, has tentatively agreed to guarantee a \$50 million loan and grant insurance against political risk such as war or expropriation to Kaiser, Reynolds and the Anaconda Aluminum Company to help those companies expand a jointly owned bauxite venture, known as Alpart. Top OPIC officials acknowledged in interviews that the assistance exceeded the agency's limit on insurance to one country, but they said the agency would alter its procedures because of political pressure and Presidential interest.



United Press International

President Reagan waved to crowds as Jamaican Prime Minister Edward P. G. Seaga welcomed him upon his arrival at Kingston airport on April 7.

### 'We Can Bend the Rules'

"The President says we want to help the Caribbean and Jamaica, so we can bend the rules," said Robert L. Jordan, vice president of OPIC for public and Congressional affairs.

As part of his effort, President Reagan is to meet Wednesday with chief executive officers of American companies that have investments in Jamaica and other Caribbean countries.

President Reagan and other top Administration officials were lobbied for aid to the aluminum industry by Jamaican leaders and the Rockefeller group. More members of the group come from the aluminum industry than from any other industry.

In addition to the investigation by the House Committee on Merchant Marine and Fisheries, some Government and private foreign policy experts have questioned the effect on United States policy making of the Rockefeller group's joint involvement with the Administration, Jamaica and business interests.

Last fall Myer Rashish, then Under Secretary of State for Economic Affairs, concerned about the "limited impact" of efforts to help Jamaica and the State Department's heavy reliance on Mr. Rockefeller as an intermediary with the Jamaican Government, called for a study, according to State Department officials and documents. Mr. Rashish resigned earlier this year, and the Jamaican study has not been completed.

### Relations With Jamaica

Mr. Rockefeller, now retired from the Chase Manhattan Bank, originally agreed to be interviewed about his committee's activities but canceled the appointment, citing personal reasons. Nancy S. Truitt, the committee's executive director, did not return several phone calls.

Under President Reagan and Mr. Seaga, who was elected Jamaica's Prime Minister about the same time as Mr. Reagan won the United States election, Jamaican-American relations have been close. Mr. Seaga replaced a Socialist, Michael Manley, and gained favor with President Reagan because of his conservative philosophy, oriented toward private enterprise. Mr. Seaga was the first foreign leader to visit President Reagan in Washington. The Seaga visit last year led to the creation of Mr. Rockefeller's committee and hope for Jamaican revitalization through private investment.

The philosophic ties and hope remain. President Reagan visited Mr. Seaga in Jamaica earlier this month. He told reporters before he went that Jamaica was "where the whole Caribbean initiative began." While he was there, he praised Mr. Rockefeller's committee. The Caribbean Basin Initiative, announced in February, is a package of private sector-oriented aid, trade and investment incentives that awaits Congressional approval.

### Documents and Interviews

More than a year after the formation of the Rockefeller group, the reality of Jamaican revitalization and American business investment and the efforts of the Rockefeller committee have yet to match the rhetoric, an examination based on documents and interviews with Jamaican and American officials discloses. Specifically, the examination finds little progress, as shown by these developments:

¶ In the 12 months ended March 31, 1982, according to Mr. Seaga, only 18 new American investments totaling \$10 million had started in Jamaica, despite his goal of attracting \$638 million in foreign investment in three years. Six other investments, totaling \$32 million, have been approved but are not yet in operation.

¶ Jamaica's unemployment has remained basically flat over the last year, at about 250,000 people — a rate of 26 percent — and the new American investments have created only 1,000 jobs at most, according to Jamaican figures. Per capita income remained steady while the rate of inflation declined significantly.

¶ Most of the American business investments so far have not involved the 25 companies that are members of the Rockefeller committee such as the Exxon Corporation, Chase Manhattan Bank, Eastern Airlines, the Atlantic Richfield Company and Bank of America. Furthermore, large investments planned by committee members require Government assistance.

### Access to High Officials

¶ Whatever its success, the Rockefeller committee, although not a Government agency, has enjoyed unusual Government support and frequent access to President Reagan and other senior officials, according to Government documents. In Jamaica, the committee is provided office space and an administrative staff by the Jamaican Government, and Secretary of State Alexander M. Haig Jr. has assigned a State Department official to act as liaison with the committee, documents also show.

During one of the committee's meetings with President Reagan, a gathering last July 2 in the Cabinet Room, the President was asked to authorize the purchase of Jamaican bauxite, according to several persons who participated in the meeting. The arrangements and briefing papers within the White House for that meeting were handled exclusively by the office of Michael K. Deaver, White House deputy chief of staff, including Joseph W. Canzeri, then his assistant, according to several of the participants. Administration officials say it is quite unusual for the National Security Council not to brief a meeting that pertains to foreign policy.

Mr. Deaver declined to respond to questions about the meeting. Mr. Canzeri, who resigned earlier this year following disclosure of a low-interest loan he had received from Laurance S. Rockefeller, said that David Rockefeller "may have called me up and requested the meeting." Mr. Canzeri added that it was "probably very possible" that he had scheduled the meeting for the President.



### Military Needs Cited

Last November, while on vacation at his California ranch, President Reagan cited military needs in officially directing the purchase of 1.6 million tons of Jamaican bauxite.

The United States maintains a stockpile of more than 100 crucial or strategic materials for defense needs or for use during national emergencies. The purchase of Jamaican bauxite is the only acquisition specifically directed by Presidential order in more than 20 years, according to G.S.A. officials.

Some Administration officials say bauxite, the ore from which aluminum is obtained, was not a crucial need because the 1981 stockpiling goal for Jamaican bauxite was based on political risk calculations that were made during the administration of Mr. Manley, Mr. Seaga's predecessor, and that are no longer valid. Paul K. Krueger, the assistant associate director for resource preparedness at the Federal Emergency Management Agency, which coordinates stockpile priorities, said in an interview that he would rank bauxite "seventh or eighth" on a list of 13 needed materials.

Under the Strategic and Critical Materials Stockpiling Act of 1979, competitive bidding in stockpile acquisitions can be waived only by the President, who must explain his reasons to Congress.

A few days after President Reagan announced the stockpile purchase, the General Services Administration, the chief procurement agency for the purchase, sent a letter to Congress saying the acquisition would not be competitive because the President had directed a government-to-government negotiation for "foreign policy" reasons.

Roger Campbell, a spokesman for Reynolds Metals, said his company's participation was "an accommodation to the Jamaican Government" and that the Reynolds price quotations were "close to cost."

Late last year Representative Walter B. Jones, Democrat of North Carolina, chairman of the House Merchant Marine and Fisheries Committee, asked the G.S.A. why American-flag vessels were precluded from bidding on the bauxite purchase, since the Cargo Preference Act of 1954 requires Federal agencies to use such vessels when available. The Reynolds ships are registered in Panama.

Reynolds and the General Services Administration said other carriers did not qualify because their ships would not "properly interface" with the "unloading facilities at the Reynolds installation at Gregory," according to G.S.A. documents.

The House committee plans to hold hearings next month on the bauxite acquisition to see whether it was necessary, why competitive practices were not followed and why American ships were precluded, according to Edmund Welch, committee counsel.

### Plant Expansion Sought

President Reagan's interest in bauxite includes the contemplated expansion of Alpart, the jointly owned plant in Jamaica.

Alpart applied last year to the Overseas Private Investment Corporation for insurance against political risk. In the early 1970's, OPIC's board of directors adopted a rule limiting the agency's insurance coverage in any one country to 10 percent of the agency's total exposure. A Senate committee report in 1973 criticized OPIC, asserting that it had bowed to political pressure and imprudently insured aluminum companies in Jamaica.

Although OPIC's coverage in Jamaica is already over the 10 percent limit, according to OPIC officials, the agency has agreed to a \$50 million loan guarantee for Alpart. The agency, according to OPIC and company officials, has also tentatively agreed to extend insurance coverage for some of the expansion, which is expected to cost more than \$100 million.

Craig A. Nalen, president and chief executive officer of OPIC, said in a telephone interview that OPIC's Jamaica exposure was 11 percent but that "we are going to bend a little when there's political pressure." He added that OPIC also had to be "prudent." Mr. Nalen went on to say that he had discussed the Jamaican bauxite insurance issue with President Reagan while they were in Jamaica earlier this month.

He said Mr. Reagan was "heartened to know that the Alpart expansion" was going ahead and that OPIC was "making available partial insurance."

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MEMORANDUM

THE WHITE HOUSE

INFORMATION

WASHINGTON

May 12, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Jamaican Initiatives: Answers to New York Times Article

Jeff Gerth in his April 27 New York Times article, "Reagan's Jamaican Push Helps US Industry," attempts to show that Administration efforts to help Jamaica in fact were instigated out of concern for big business. The article (Tab A) is ridden with inaccuracies and misinformation.

Recent USG support to Jamaica includes the procurement of 1.6 million tons of Jamaican bauxite for the US strategic stockpile, valued at approximately \$55 million; possible OPIC insurance coverage to the joint GOJ-US company bauxite venture, ALPART; and support for the Rockefeller investment committee.

The Gerth article states that the Administration waived federal laws requiring competitive bidding for stockpile procurements and the use of American-flag vessels for shipping. This is not true. The bauxite program procured bauxite as a target of opportunity, noting its low price, the capability to employ materials exchange and agricultural barter to increase the amount of material procured, and the foreign policy benefits derived from such a program. Considering the vast deficit of materials needed to meet our stockpile goals, the ability to derive some foreign policy benefits from stockpile purchases should be an important factor in determining which materials be procured. The Armed Services Committees of the House and Senate fully agree with this approach, and they support the bauxite procurement. Competitive negotiations were employed in the program.

American-flag vessels were not used because they were found unsuitable after an interagency review. Scheduling delays and environmental risks were factors in this determination. The House Merchant Marine Committee wants to review this program to bring pressure on the Administration to use American-flag vessels in all government procurements; this, of course, is not always possible.

The article states that the Overseas Private Investment Corporation (OPIC) had exceeded its guidelines in offering insurance to one country. This also is not true. Even if the insurance coverage to ALPART currently under consideration is proceeded with, OPIC coverage to Jamaica will still not exceed guidelines.

cc Vice President  
Ed Meese  
Jim Baker  
Mike Deaver

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Review 5-7-88

~~CONFIDENTIAL~~

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Authority NSA/State Waivers  
BY *dk* MDATE 10/7/2002

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CONFIDENTIAL

The article claims that "the efforts of the Rockefeller Committee have yet to match the rhetoric;" this statement is unfair and inaccurate. The committee has demonstrated a very high level of effort. Although new investment in Jamaica has been limited for a variety of reasons, as the economic infrastructure in Jamaica mends from the Manley days and as worldwide economic conditions improve, the investment foundations built by the Rockefeller committee could yield impressive economic returns for Jamaica.

In order for the momentum of Seaga's economic recovery program to continue, new USG programs such as the ones criticized in the Times article will have to be implemented. Outside of this stray article, the Administration's efforts in Jamaica have been almost uniformly praised and supported by the Hill, the media, and by our allies.

MEMORANDUM

NATIONAL SECURITY COUNCIL

May 7, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: RICHARD LEVINE *RL*

SUBJECT: "Reagan's Jamaican Push" - response to New York Times Article

Attached at Tab I is the requested memo to the President, answering the Jeff Gerth article's castigation of the Administration's Jamaican initiatives (New York Times, April 27). A more comprehensive Memorandum for the Record is also being prepared. State and GSA concur.

RECOMMENDATION

That you sign the memo to the President at Tab I.

Approve  Disapprove

Attachments

Tab I Memorandum for the President  
Tab A Gerth NYT Article

*Send cc's to:  
Deaver  
Rockefeller  
Leo Quinn  
AID (Macpherson)  
(any others?)*

National Security Council  
The White House

RECEIVED

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Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
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Staff Secretary	2	_____	R
Sit Room	_____	_____	_____

I-Information A-Action R-Retain D-Dispatch

DISTRIBUTION

CY To VP	_____	Show CC	_____
CY To Meese	_____	Show CC	_____
CY To Baker	_____	Show CC	_____
CY To Deaver	_____	Show CC	_____
Other	_____		

COMMENTS

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National Security Council  
The White House

**RECEIVED** Package # 3186

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	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>[initials]</u>	
Bud McFarlane		<u>copy to Paul</u>	
Jacque Hill	<u>2</u>	<u>[initials]</u>	
Judge Clark	<u>3</u>		<u>A</u>
John Poindexter			
Staff Secretary			
Sit Room			

I-Information A-Action R-Retain D-Dispatch

**DISTRIBUTION**

cc: VP Meese Baker Deaver

Other

David Rockefeller

Art Quinn

**COMMENTS**

Joe Piherson (AID)

Craig Vaden

Unclassified

Brian,

Talk to Levine  
about what needs  
to be changed to  
make it declassified.

John



WHITE HOUSE  
WASHINGTON

TO RICHARD LEVINE:

THE ATTACHED MEMORANDUM SHOULD BE EDITED TO MAKE IT UNCLASSIFIED PER OUR EARLIER CONVERSATION.

PLEASE PUT IT IN THE FORM OF A FACT SHEET.

RETURN TO ME WHEN COMPLETED.

THANKS.

BRIAN  
x2585

12 MAY 1982

atives: Answers to Ne

W York Times article, ry," attempts to show p Jamaica in fact were ss. The article (Tab misinformation.

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BY db 10/7/2022  
REASON: Nsc/state waivers  
DATE: 10/7/2022

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MEMORANDUM

THE WHITE HOUSE

INFORMATION

WASHINGTON

DECLASSIFIED

Authority NSC/state waivers

BY du 10/7/2002

4

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Jamaican Initiatives: Answers to New York Times Article

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*at times*

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*Uclas*

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