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ACTION ARA-16**RELEASE IN FULL**INFO OCT-00 ADS-00 AID-07 INR-10 EUR-12 SS-10 CIAE-00  
EB-08 H-01 EXIM-02 NSC-01 NSAE-00 COME-00 LAB-04  
TRSE-00 OPIC-07 OMB-01 STR-14 SIL-01 FRB-03 ICAE-00  
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R 081345Z MAY 82  
FM AMEMBASSY PARAMARIBO  
TO SECSTATE WASHDC 8701  
INFO AMEMBASSY BRIDGETOWN  
AMEMBASSY CARACAS  
AMEMBASSY KINGSTON  
AMEMBASSY MEXICO  
AMEMBASSY OTTAWA  
AMEMBASSY THE HAGUE

C O N F I D E N T I A L PARAMARIBO 1017

E.O. 12065: GDS 05/06/88 (LA ROCHE, RICHARD R.) OR-M  
TAGS: EAID EINV ETRD PEPR NS US  
SUBJECT: FM NAARENDORP ON CBI

1. (C) - ENTIRE TEXT.

2. AT AN APRIL 30 PRESS BRIEFING, FOREIGN MINISTER HARVEY NAARENDORP ONCE AGAIN GAVE VOICE TO HIS NEGATIVE ATTITUDE TOWARD THE CARIBBEAN BASIN INITIATIVE. HE SAID THE US REQUESTED RECIPIENT COUNTRY INPUT INTO THE PLANNING OF THE PROGRAM AND THEN IGNORED THAT INPUT IN FAVOR OF CREATING A PROGRAM WHICH BENEFITTED US INTERESTS AHEAD OF THOSE OF THE RECIPIENTS. AS AN EXAMPLE OF THIS, HE SAID THE CARIBBEAN COUNTRIES SOUGHT AN EMPHASIS ON DEVELOPMENT OF GREATLY NEEDED INFRASTRUCTURE. THE US DECIDED INSTEAD TO EMPHASIZE PRIVATE INVESTMENT. THE US ALSO IGNORED THE CARIBBEAN COUNTRIES' VIEW THAT THE CBI SHOULD BENEFIT THE ENTIRE REGION AND CONTRIBUTE TO CARIBBEAN INTEGRATION BY SPECIFICALLY EXCLUDING  
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THREE NATIONS FROM PARTICIPATING BY INSISTING ON A BILATERAL RATHER THAN MULTILATERAL AID STRUCTURE. FINALLY, NAARENDORP CRITICIZED THE AMOUNT OF ACTUAL AID AVAILABLE AND ITS DISTRIBUTION: "IT IS A SAD THING THAT A THIRD OF THE AID OFFERED WILL GO TO EL SALVADOR, AND WE KNOW WHAT HAPPENS THERE. FOR THE REST OF THE CARIBBEAN REGION, THERE IS ONLY 10 MILLION DOLLARS LEFT TO BE DIVIDED AMONG 20 COUNTRIES, AND THAT IS TOO BAD."

3. COMMENT: NAARENDORP HAS CONSISTENTLY EXPRESSED HIS LACK OF

**REVIEW AUTHORITY: Leonard Kusnitz, Senior Reviewer**

OPTIMISM CONCERNING THE SUCCESS OF THE CBI. HE HAS BASED HIS CRITICISM OF THE PLAN ON THE EXCLUSION OF REGIONAL "REVOLUTIONARIES" (CUBA, GRENADA AND NICARAGUA), WITH WHOM SOME HERE IDENTIFY, IT POTENTIAL FOR DISRUPTING FRAGILE CARIBBEAN INTEGRATION (AS MINI-STATES COMPETE TO GARNER THE MEAGER AID FUNDS AVAILABLE AND COMPETE WITH ONE ANOTHER IN THE US MARKET), AND THE LIMITED AMOUNT OF AID ACTUALLY AVAILABLE. IT MAY BE THAT NAARENDORP'S NEGATIVE ATTITUDE IS THE RESULT OF HIS BELIEF THAT SURINAME HAS VERY LIMITED POTENTIAL TO BENEFIT FROM THE CBI. THE LATTER IS PROBABLY TRUE. SURINAME HAS VERY FEW REMAINING EXPORTABLE PRODUCTS WHICH COULD TAKE ADVANTAGE OF DUTY-FREE ENTRY INTO THE STATES. FURTHERMORE, SURINAME WILL NOT APPEAR PARTICULARLY ATTRACTIVE TO US OR OTHER FOREIGN INVESTORS WHOM CBI WILL ATTEMPT TO MOBILIZE BECAUSE: A) OF A RELATIVELY HIGH WAGE SCALE AND B) PROPOSED PLANS TO TIGHTEN GOVERNMENT CONTROL OVER THE MEANS OF PRODUCTION.

4. SINCE NAARENDORP BELIEVES THAT SURINAME STANDS TO GAIN LITTLE FROM THE CBI, HIS CRITICISM OF THE PLAN MAY BE INTENDED TO SERVE POLITICAL ENDS. FIRST, HE CAN ENHANCE SURINAME'S "REVOLUTIONARY" CREDENTIALS BY SIDING WITH THE MORE RADICAL GOVERNMENTS IN THE REGION WHICH CRITICIZE THE PLAN. SECOND, IF HIS CRITICISMS ARE BELIEVED, THEY WILL NEUTRALIZE DOMESTIC

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SUPPORTERS OF CBI WHO HAVE ATTACKED THE GOVERNMENT'S FAILURE TO CAPITALIZE ON THE POTENTIAL ADVANTAGES THE PLAN OFFERS. WHATEVER HIS MOTIVATION, NAARENDORP'S POSITION, WHICH IS SHARED BY AT LEAST TWO OF BOUTERSE'S OTHER CLOSE ADVISORS, WILL MAKE THE TASK OF SELLING CBI HERE VERY DIFFICULT.  
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