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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection:** BAILEY, NORMAN: Files

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**Date:** 7/11/96

| DOCUMENT NO. AND TYPE                            | SUBJECT/TITLE                                                                                | DATE            | RESTRICTION                           |
|--------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------|---------------------------------------|
| <del>1. paper</del>                              | <del>re: Election of UN Secretary General (1p)</del><br><i>R 1/11/77 NLSF 94-090 #64</i>     | <del>n.d.</del> | <del>P1</del>                         |
| <del>2. paper</del>                              | <del>re: Nuclear Cooperationa (1p)</del><br><i>R 1/11/77 NLSF 94-090 #65</i>                 | <del>n.d.</del> | <del>P1</del>                         |
| 3. note                                          | to Norman Bailey (1p)<br><i>P, 6/15/00 NLSF 94-090 #66</i>                                   | n.d.            | P1 B1                                 |
| 4. paper                                         | re: The Developing Countries at the Cancun Summit (5pp)<br><i>P, 6/15/00 NLSF 94-090 #67</i> | n.d.            | P1 B1                                 |
| 5. chart                                         | re: Cancun summit (4pp)<br><i>P, 6/15/00 NLSF 94-090 #68</i>                                 | n.d.            | P1 B1                                 |
| 6. papers                                        | re: Cancun summit (21pp)                                                                     | n.d.            | R1 B1<br>P5                           |
| <del>7. draft</del><br><del>strategy paper</del> | <del>re: Cancun summit (8pp)</del> <i>CS 10/23/00</i>                                        | <del>n.d.</del> | <del>P5</del><br><i>open 10/23/00</i> |

### RESTRICTION CODES

**Presidential Records Act - [44 U.S.C. 2204(a)]**

- P-1 National security classified information [(a)(1) of the PRA].
- P-2. Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

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

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

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

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Role of the Private Sector

Argument: The private sector should be the primary force in economic development. We are relying domestically on our own private sector to bring about more vigorous economic growth. We believe that many developing country economies can benefit from policies that give the private sector a greater role.

Response:

- 1) Private sector participation provides economic incentives to work and invest while decentralizing economic decision making to the production unit. In the United States we are moving to revitalize our economy by eliminating excessive regulations and government intervention.
- 2) The US will support policies in developing countries to expand private sector involvement by working to eliminate USG disincentives to US private sector involvement in developing countries; exploring new ways to create a more open climate for trade, investment and capital flows; increasing AID's private sector orientation (creating a special Private Sector Bureau); improving other US programs that support the private sector in developing countries; supporting efforts of individual developing countries to create a more favorable internal climate for foreign and domestic private sector activity; strengthening the role of the multilateral institutions in their support of developing country private enterprise; increasing the involvement of individual US firms and private business associations in providing management and technical training for developing country personnel; and seeking more effective ways to bring together developing country enterprises and US suppliers of appropriate technology.

Facts:

The role of private enterprise in developing countries is almost totally dependent on their own national policies. Key is the climate for investment - both domestic and foreign.

Net new US direct investment in developing countries in 1980 is estimated at \$8 billion. This includes transfers of significant amounts of technology and training.

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Brandt Commission Report

Criticism: The United States is not taking the Brandt Commission's Report seriously.

Responses:

1. The United States does take seriously the issues raised by the Brandt Commission Report. I am here in Cancun because I agree that the state of the world economy in general, and that of the less developed countries in particular, merits new and high level attention.
2. I reject the hypothesis of the report that the world is or should be divided in two camps of north versus south.
3. While the report calls for several remedies with which we agree, such as emphasis on the importance of agricultural production, increased energy supplies and open trade, the report also calls for some politically impossible ideas (massive transfers to the South) or very poor areas (SDR-AID Link) in the structure of the world economic system.
4. Nevertheless, the report is useful in focusing global attention on these important development issues before the world community.

Facts: The Report of the Independent Commission on International Development Issues, chaired by Willy Brandt, was issued in February 1980. It's alarming description of the economic state of most developing countries is essentially correct, if perhaps overstated. However, many of the report's proposals for remedies to the developing countries' problems are neither new nor realistic.

We recognize the important role which the international community can play in assisting the developing countries' own development efforts. However, economic performance of the developing countries is primarily a function of their own actions and policies. Uneconomic pricing policies for food, other agricultural products, and other domestically produced or imported products or services have often been the source of poor economic performance. Similarly, protect-

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Department of State Guidelines, July 21, 1987

By Gary C. ... NARA, Date 6/19/87

### Differentiation vs. Universality

Argument: Policies and actions to promote development in developing countries should be tailored to the needs of individual countries or groups of countries.

#### Responses:

1. The international community should recognize the diversity of the developing countries and differing needs of countries at different levels of development and in varying circumstances.
2. Treating developing countries as a monolithic bloc makes it more difficult for developed countries to respond to legitimate developing countries needs.
3. Differentiating among developing countries is not an effort to break developing countries unity, but is an attempt to address development problems more realistically.

Facts: Developing countries are an extremely diverse group. Their resource endowments, population structures, and state of economic development vary dramatically. The appropriate international support for development efforts varies accordingly. The problems of each country or group of countries are best addressed by policies specifically designed to their circumstances or regions. Universal measures applied to all developing countries can lead to a misallocation of resources. Developing countries resist a differentiated approach, especially in international economic negotiations.

Since 1973-74, when they saw the power of the OPEC cartel to raise oil prices, the developing countries have sought to force concessions from the industrial countries by maintaining a united front, especially with the OPEC countries. This approach leads to a proliferation of demands. Every country's needs or wants, no matter how irrelevant or even contradictory to other countries, must be included to maintain unity. For the same reason, the demands cannot be given any order of priority. The net result is a "take it or leave it" package of radical reforms affecting the entire international economic system.

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Economic Cooperation Among Developing Countries

Criticism: The U.S. opposes meetings within the UN system designed to promote Economic Cooperation Among Developing Countries (ECDC).

Response:

1. The U.S. supports the ECDC concept because it is a recognition by developing countries that they themselves are primarily responsible for their own development.
2. Unfortunately, in the UN the value of the ECDC concept has been overshadowed by the insistence of the Group of 77 developing countries that UN-sponsored ECDC meetings be limited to only developing country members of the G-77 but paid for by all members through the assessed budget.
3. The U.S. believes that ECDC meetings within the UN system must respect basic UN principles of sovereign equality of states and universality and, accordingly, must be open to all UN members, both developed and developing countries.

Facts: In 1979 UNCTAD V passed a consensus resolution authorizing three exclusive meetings of Government Experts of Developing Countries on ECDC, and, subsequently, UNCTAD's trade and Development Board authorized two additional meetings over the negative votes of the developed countries. These UNCTAD ECDC meetings were open only to members of the Group of 77 and documentation was not distributed to non-G-77 UN members. The problem of G-77 meetings in the UN system was compounded by SYG Waldheim's approval of the use of UN facilities for exclusive ministerial-level conference in Carabellada, Venezuela.

Although the USG and the developed countries have protested the use of UN facilities for exclusive G-77 meetings to the UN Secretariat and to UNCTAD, it can be expected that the G-77 will continue to press for exclusive use of UN facilities.

The U.S. pays 25 percent of the assessed budget of the United Nations.

LIMITED OFFICIAL USE

UN Conference on Least Developed Countries (LLDCs)

Criticism: The US joined the consensus to adopt the Program of Action for the 1980's for the LLDCs, but the US statement of interpretation which among other things rejected specific aid targets implies US unresponsiveness to the needs of the LLDCs.

Response:

1. The US recognizes the importance of external assistance for the least developed countries, the US, in principle, does not accept aid targets, including those based on a percentage of GNP. We think the external assistance requirements of the developing countries should be based on a realistic assessment of the individual country's economic situation and policy framework including their ability to effectively utilize external funds for development purposes.
2. The US is sympathetic to the needs of the LLDCs and has adopted policies and programs which respond to their specific needs and circumstances. Our opening conference statement laid out a constructive approach to their problems including foreign assistance.
2. A principal value of the Conference was to focus international attention on the economic and social problems of these countries. The Program of Action is useful, particularly in that it recognizes the complementarity between domestic and international measures to achieve development objectives.
3. The Program of Action specifically recognizes that the least developed countries bear the primary responsibility for their own development. This includes setting objectives and priorities and implementing development plans, programs and projects.

Fact: The UN Conference held in Paris, September 1-14, 1981, was the first UN conference focussed exclusively on the LLDCs. The Conference arose from deliberations at UNCTAD V in Manila in 1979. The Conference proceeded in a non-confrontational atmosphere and the Program of Action that was adopted sets out useful guidelines both for the LLDCs and donors.

At the Conference, the OECD countries were successful in achieving a substantial degree of balance in the Program of Action including highlighting the important role which sound domestic policy measures for the agricultural, energy and population sectors can play in LLDC development. Although the language of the Program of Action was moderated in many places, the US did make a statement of interpretation on a number of matters such as aid targets, automatic resource transfers, transportation, IMF, and commodities.

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. Regionalization

Argument: Cooperative regional approaches to economic issues should be thoroughly explored and implemented where appropriate.

Responses:

1. The regional approach enables developing countries, donors, and international institutions to coordinate activities to allow for greater impact of development efforts through reinforcing national efforts.
2. The regional approach can take advantage of expertise already developed by some countries in a region to assist other countries with similar problems.
3. Cooperation among nations of a particular region on trade and other economic issues can often provide far greater economies of scale and more efficient resource allocation than a strictly national approach.
4. Regional development programs reinforce the UN objective of economic cooperation among developing countries (ECDC).

Facts:

The US is currently involved in several regional efforts to coordinate development.

Caribbean Basin Initiative: The US proposed the CBI as a program to coordinate actions by the Caribbean nations, donor countries, and international financial institutions in the areas of trade, investment and foreign assistance to complement the region's own development efforts.

ASEAN: We are committed to a close working relationship with the Association of Southeast Asian Nations (ASEAN). We have benefitted considerably from a better understanding of ASEAN's views on multilateral issues and ways to strengthen our bilateral commercial ties.

ECOWAS: The United States already works closely with the Economic Community of West African States (ECOWAS), as it strengthens economic ties among the countries of West Africa. We consult closely on trade and investment issues and look forward to increasing cooperation.

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Population

Argument: Consistent with traditional concern for human dignity and the quality of life and in keeping with US interests, the US will continue to provide assistance for voluntary family planning and encourage all countries to give careful consideration to population issues.

Response:

1. Over the past decade, about half of all population assistance to developing countries has come from the US. The US will continue to play an active role in international population assistance progress.
2. We urge growing involvement of other donors and an increasing commitment of the developing countries themselves to voluntary family planning.

Facts: World population is likely to increase from the current 4.5 billion to over 6 billion by the year 2000, with 90 percent of this increase occurring in low income countries. This growth will seriously affect economic development aspirations, exacerbating the problems of malnutrition, overcrowded cities, unemployment, deforestation and water supply. These changes will also bring an increased potential for social unrest, urban crime and mass migration.

Increasing numbers of developing country leaders, including Lopez Portillo, Gandhi, Moi and Suharto, have spoken out in support of voluntary family planning programs. They and others, including representatives from Austria, Japan and China, may use the occasion of the Cancun meeting to urge higher levels of international assistance for population programs.

Population and family planning program assistance has been highly successful. In recent years, some thirty developing countries, including China, Indonesia, Tunisia, Thailand, Columbia and Mexico have brought down birth rates significantly through concerted national efforts. However, at present no more than one-third of all couples in developing countries have access to basic family planning information and services, and shortage of funds is now the most serious constraint to further progress in population and family planning. Further fertility reduction in most countries will require considerably greater efforts in motivation and expansion of family planning services.

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Human Resource Development

Argument: Developing country efforts to expand basic education, train key personnel and strengthen local training and research capacities are essential to sustained economic growth and social improvement. Increased international support for these efforts is recommended.

Response:

1. The US offers valuable education and training expertise and experience in support of developing country efforts. However, strong and sustained local leadership is needed to make necessary investments, initiate needed reforms and insure that trained people can employ their talents and skills.
2. The US views as mutually advantageous the transfer of technology through training, professional exchanges and cooperation between US industry, universities, other public and private insitutions and their developing country counterparts.
3. US development assistance programs will continue to support two human resource objectives: expansion of basic education oppourtunities to include women and the rural poor, and strengthening the technical, scientific and managerial leadership of developing country insitutions.

Facts: Six hundred million adults in the developing countries cannot read or do simple calculations. The poorest and most rural developing countries enroll as few as 20 percent of their children. Such low levels of education constrain productivity, social and economic participation, and new technologic, fertility and health practices. Strong and consistent empirical evidence supports basic education as one of the best economic as well as social investments a developing country can make.

Some 300,000 foreign student currently study in the US, most are from developing countrles. About 7,000 are US-sponsored, the remainder are sponsored privately or by their own governments. Most government-sponsored students return home on schedule. US bilateral development assistance for education/human resources is \$110 million (8 percent of total); \$30 million supports basic education. Training in agriculture, health and other fields is \$80-100 million.

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Natural Resource Development

Criticism: The U.S. and other industrialized nations are consuming a disproportionate share of the world's natural resources at the expense of economic growth in the Third World.

Response:

1. There is a correlation between economic growth and resource consumption. We, however, reject the notion that "excessive" resource demand by any country or group of countries is a constraint on the economic development of others.
2. Our collective concern should rather be on how to increase and sustain resource availability over the long term in view of continuing population growth and industrialization. This has been relatively neglected by economic and development planners...and significant progress is possible.
3. Excellent opportunities for expanding resource availability exist through improved planning, better management, conservation and technological innovation. The U.S. is now making substantial reductions in energy and raw materials usage through a combination of these measures. This is a profitable area for increased international collaboration, and we stand ready to share our experience and knowledge.

Facts: There is no evidence that reduced resource consumption by the U.S. would stimulate greater economic growth in the developing countries. A much stronger argument can be made that U.S. economic prosperity has historically had a significant, positive impact on developing country economic and social development.

Future worldwide economic growth will depend on both expanding supplies of minerals and energy, and on maintaining the productive capacity of water resources, forests and soils. However, many poor nations are now finding their development programs being undercut by the degradation of their natural resource base on which food production and industrialization critically depend.

Rich and poor nations thus have shared interest in finding and exploiting new sources of energy and minerals, reducing waste and inefficiencies in use, and improving the management of renewable resources. The U.S., as a world leader in resource management and conservation, is in a strong position to engage the developing countries in effective cooperation in this area, and to change the tone of the recent North-South dialogue on resource development issues.

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Development-Oriented Science and Technology

Argument: International cooperative research combined with strengthened science and technology institutional capacities in developing countries can yield a high return from the resources available.

Response:

1. Science and technology can play a major role in the continuing development of all nations, particularly of developing countries. Pay off from the new high-yielding varieties of wheat and rice now range from \$4-6 billion annually.
2. Strengthening the capacities of developing countries in science and technology, given funds available, can best be accomplished through better utilization of existing resources to reinforce domestic programs in both public and private sectors.
3. We are examining ways in which US development assistance programs can be made more responsive to science and technology objectives of developing countries.
4. We are hopeful that our continued cooperation and that of other nations, particularly oil-exporting nations, will help accelerate the scientific and technological growth of these countries.

Facts: At the 1979 UN Conference on Science and Technology for Development (UNCSTD), the international community was called upon to assist developing countries in strengthening their capacities in science and technology. Since then, science and technology issues have arisen as a discrete subject in a number of international meetings. One result of UNCSTD was a UN resolution calling for long-term financing of science and technology activities. A controversial proposal for a global fund is now under discussion within the UN.

The US and most other developed countries are opposed to the creation of new special funds. The US supported creation of an initial two-year interim fund (1980-1982), but remains under political criticism for failure to meet our \$10M FY 81 pledge to that fund and our lack of support for a long-term fund.

An independent mission by a group of developing country Ministers visited several OPEC countries in June and reportedly succeeded in obtaining Arab support for science and technology activities, including the potential for major funding. The Ministers plan to visit leading developed countries and visited the United States on September 15, 1981.

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## Election of UN Secretary General

Criticism: Foreign Minister Salim A. Salim of Tanzania is challenging incumbent Kurt Waldheim for the position of UN Secretary General (SYG), a race which will be decided in the Security Council most probably in November. The US should take a position.

### Response:

1. Though we have high regard for Secretary General Waldheim and Foreign Minister Salim, we have not taken a position on any of the known or potential candidates for UNSYG.
2. The election will not take place until later in the session, and we will defer any commitment on the SYG election until it is clear who all the candidates are.

Facts: Waldheim's term expires on December 31. He has announced his candidacy for an unprecedented third five-year term. His only announced challenger, Salim, is considered a strong opponent, having won the endorsement of the Organization of African Unity in June. The Tanzanian campaign for Salim, stagemanaged by President Nyerere, has stepped up in recent weeks in an attempt to nail down non-aligned and regional group support.

There is a possibility that a Latin American may enter the race. The names most frequently rumored now are Organization of American States Secretary General Alejandro Orfila and Waldheim's Personal Representative on Afghanistan, Perez de Cuellar of Peru.

The UN Charter states that the General Assembly, upon the recommendation of the Security Council, appoints the Secretary General. Because the veto applies in the election of a Secretary General, all five permanent members of the Council must agree, or, at the minimum, not cast a negative vote. The Security Council will probably begin to meet informally in November to lay out the groundwork for the voting, e.g. set the method of balloting, and to determine who the candidates are. Subsequent to these preliminaries, the actual balloting will take place in the fifteen-member Council. Although other permanent members of the Security Council have not revealed their positions, we believe UK, France, and USSR are leaning to Waldheim while China prefers Salim.

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NLS F94-090 #64

BY smf NARA, DATE 1/12/98

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## Nuclear Cooperation

Criticism: The U.S. discriminates against developing countries through unilateral nuclear export policies, and has not fulfilled its obligations to reduce its nuclear arsenal.

### Response:

1. We recognize that nuclear energy offers the prospect and promise of helping many nations achieve greater energy abundance and security. We are determined to strengthen the United States as a reliable supplier of nuclear equipment, fuel services and technology to other countries under appropriate safeguards and controls.
2. We are committed to strong support of the International Atomic Energy Agency and to active international cooperation in the civil nuclear field.
3. At the same time tht we work together to avoid the spread of nuclear explosives we will also work toward verifiable and equitable nuclear arms control to reduce the chances of nuclear war. In particular, we recently agreed to begin discussions with the Soviet Union on reducing theater nuclear forces.

Facts: Following the 1974 Indian nuclear explosion, the Nuclear Suppliers Group (NSG) was formed to tighten controls on international nuclear exports. The new controls were widely resented by developing countries as an effort to deny them nuclear technology and to impose new obligations without their consent.

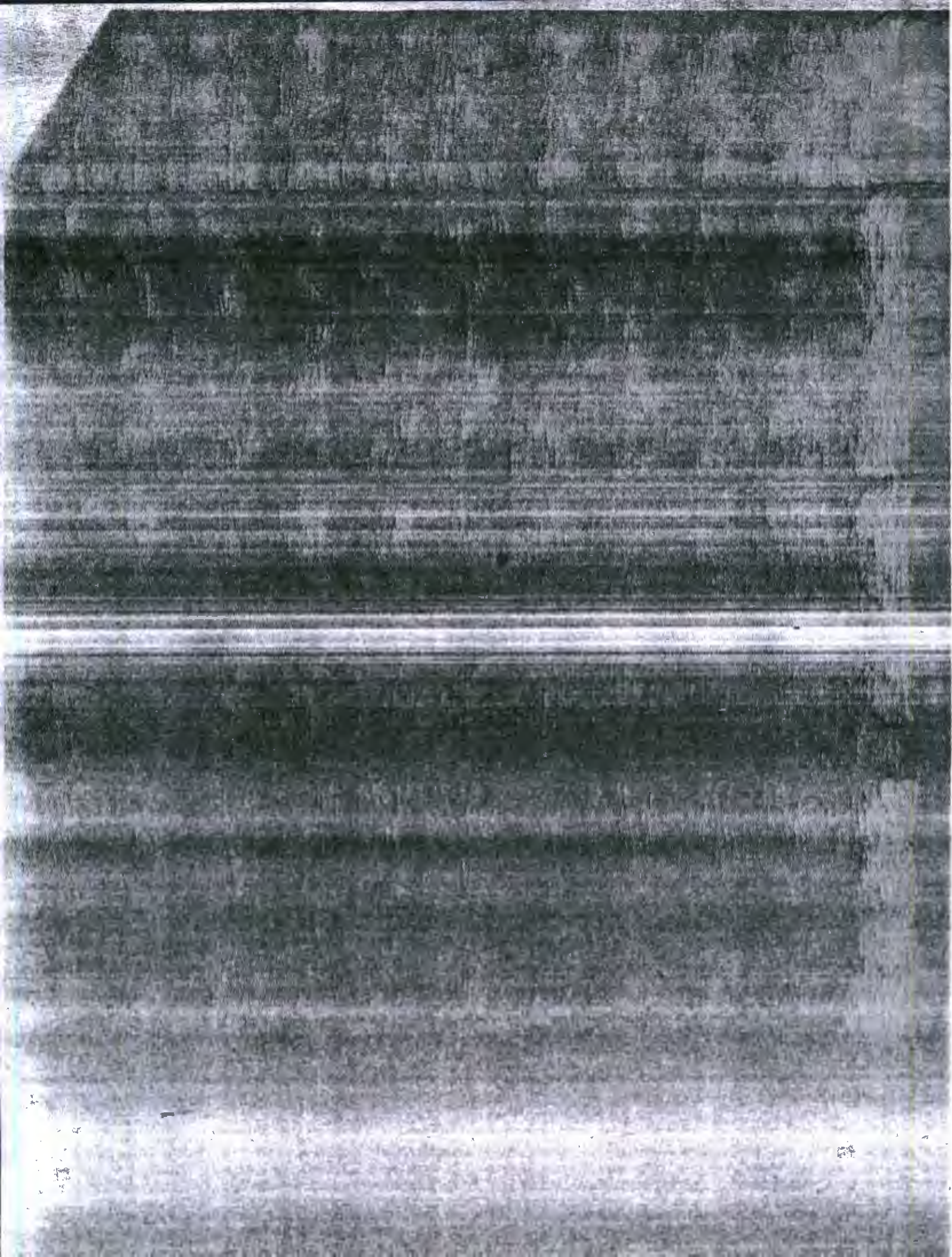
In 1978, the Nuclear Non-Proliferation Act was enacted, which, inter alia, called for the U.S. to seek renegotiation of our existing nuclear agreements to include more stringent controls and for retroactive application of full-scope safeguards (FSS) on nuclear export commitments. Some developing countries have strongly criticized the law. The FSS requirement resulted in a virtual halt in nuclear cooperation with India, Brazil and Argentina.

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NLS F94-090465

BY amf, NARA, DATE 1/12/98

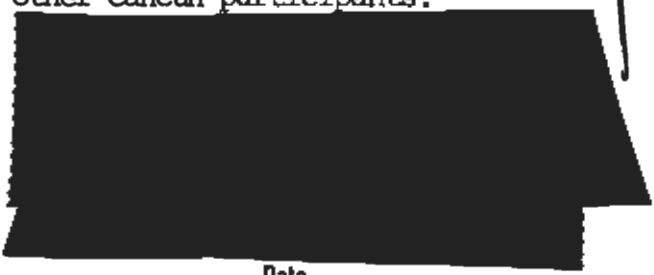


MEMORANDUM FOR: Norman Bailey  
NSC Staff Member  
OEOB

*Cancun*

Enclosed are several additional pieces of work done to support USG participation at the Cancun Summit:

- A summary of LDC participants' views toward the North.
- A baseline assessment of positions/proposals associated with the 21 other Cancun participants.



Date

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NLS F94-070 #66  
By MJD, NARA, Date 6/15/80

## THE DEVELOPING COUNTRIES AT THE CANCUN SUMMIT (U)

Perspective

Attitudes of the LDCs toward the US and other industrial nations are multifaceted reflections of (a) their levels of economic and social development; (b) the extent of their trade, aid, military, and financial ties with the North; and (c) their perception of these ties either as opportunities to advance their own interests or as the perpetuation of dependency relationships. The countries of the South differ markedly among themselves on all three counts.

- o Among the 14 LDCs that will attend Cancun, per-capita incomes vary from \$120 to over \$13,000; manufacturing accounts for as little as 5 percent to as much as 30 percent of GNP; and literacy ranges from less than 20 percent to more than 80 percent of the adult population.
- o Ties to the industrialized countries — products of geography, economic interdependence, and historical circumstance — are very strong, for example, between Saudi Arabia and Brazil and each of the five leading industrial nations that will attend Cancun. Guyana and Tanzania, in contrast, hold very little economic, military, or political interest for most of the North.
- o For various reasons, the interpretations LDCs place on their ties to the North vary widely as well. Some (Algeria) see a dependent relationship where confrontation is necessary to provoke change. Others (Bangladesh and India) perceive dependency but seek change through persistent persuasion. Still others [REDACTED] have views best characterized as ambivalent; they are conscious of both their power and the limitations on it imposed by the industrialized countries, and on some issues these LDCs can swing from friend to adversary when their image is at stake. *let*

Of these three factors, the way in which US-LDC relationships are perceived by Third World leaders is the most susceptible to change in the short run. Expectations of a major alteration of LDC perceptions at Cancun would be naive. Nonetheless, there are many instances of significant improvements in bilateral relations (US-China, Egypt-Israel, US-Mexico) as a result of the establishment of respectful personal relationships between heads of state. Thus, such an approach could begin to move the North-South dialogue beyond the current stalemate. *let*

Country Summaries

Algeria believes that the economic interests of the industrialized countries and those of the developing countries are fundamentally opposed. It thus seeks to reorder the entire international power structure, which it perceives as manipulated by the industrialized countries to exploit the Third World. Algeria believes that the developing

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countries acting together in OPEC-style arrangements can use their control of natural resources to achieve this reform. It will try hard to convince the US to promote progress in the North-South dialogue at Cancun in order to bring other Western states into line as well. (C)

Bangladesh values its relations with the US and with other industrialized countries for their economic aid and for security from threats by India and the Soviet Union. Bangladesh determines its positions on international issues by their impact on its relations with donor countries, particularly the US and the moderate Arab states. For this reason, Bangladesh tries to support US interests in international forums whenever possible. Bangladesh was encouraged by the cooperative US role at the recent Paris UN LLDC conference, which it saw as a US commitment to greater economic assistance to the Third World. Bangladesh hopes that at Cancun, the US will support its quest for continued North-South discussions and Global Negotiations. (C)

Brazil has important economic and commercial ties with the industrialized countries. It views Cancun as an important meeting of high-caliber, widely-respected national leaders. It clearly expects to measure the success of the Summit by the willingness of the US to agree to Global Negotiations. Brazil also wants Summit participants to agree to monitor global progress on such issues as financial and trade graduation, technology transfer, a more open trading system, and Law of the Sea negotiations. At this time, however, Brazil's priorities on these issues are not clearly delineated. (C)

China hopes for close relations with the US, which plays a key role in its foreign and economic policies. Within the limits imposed by differing economic and political systems, China has turned to the industrialized nations for modern industrial equipment and technology, loans, and management expertise. Although wary of the potential impact of this policy on their society and proud of their self-reliance, Chinese leaders believe the opening to the West is vital for China's economic modernization and as a strategic balance against the USSR. (C)

Guyana's President Burnham attacks the policies of the industrialized nations to deflect criticism of domestic economic deficiencies. He has claimed on several occasions that the industrialized nations practice economic aggression against the LDCs. He believes that the US, in particular, presses Guyana for economic reforms because it wants Guyana to alter its political orientation and enter the "US orbit." At the same time, Burnham realizes that much of his foreign aid comes from Western nations and, therefore, accommodates on some matters that do not involve obvious

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ideological sacrifices. If Burnham does not have an opportunity to meet with President Reagan at Cancun, he will feel slighted and probably will be antagonistic toward the US and other industrialized nations for the duration of the Summit. (e)

India's concerns in its relations with the US and other industrialized countries center on the lending policies of the multilateral development banks and Western support for its energy development plans. India values Western economic assistance but considers it unreliable. The US is particularly resented because India perceives that it favors Pakistan and fails to recognize India as the dominant power in the subcontinent. Gandhi may raise the issue of US arms for Pakistan in bilateral discussions at Cancun. India wants to strengthen its role as an LDC leader and will probably eschew confrontational tactics that could endanger the Summit's chances for success. (e)

The Ivory Coast has willingly involved Western Europe, Japan, and the US in its economic development and is pleased with the generally healthy and prosperous economy that has resulted. The Ivorians do not see the West or capitalism as an inherent threat to Africa or the Third World but rather as an essential bulwark for moderate developing states against perceived Soviet and radical threats. Though not a leader in the North-South dialogue or deeply interested in all its aspects, the Ivory Coast does feel the industrialized countries have an obligation to strengthen LDC economies in order to promote Third World stability. Ivory Coast specifically faults the US for its stand against guaranteed minimum world prices for exporters of basic agricultural products. (e)

Mexico is a country on the leading edge of LDC industrialization and has fewer common interests with the poorer and radical less developed states than with the industrialized countries. Even so, it views itself firmly in the Third World Camp. Lopez-Portillo believes that Mexico's status as an advanced LDC and major oil producer puts him in a unique position to be an honest broker in the North-South dialogue. (e)

Nigeria has linked its positions at Cancun to those of the Group of 77 LDC caucus. Nigeria has never been in the forefront of the Third World's call for global redress and stands to gain little of economic value for itself from the North-South talks. Nonetheless, it has become increasingly involved in the North-South dialogue to maintain its claim to African leadership. Nigeria supports the Group of 77 perception that the US lacks genuine interest in the plight of the Third World. Nigeria is not likely to do anything at Cancun that would jeopardize its vital oil interests. (e)

The Philippines government considers itself a close ally of the US. It regards

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Americans as big brothers who have not always been as generous to the Philippines as the historically close ties should dictate. Relationships are friendly with other industrialized countries except France. The Philippines is heavily dependent upon commodity exports and supports Global Negotiations that would address commodity trade issues, reform of the international monetary system, and other issues pushed by the Group of 77. The Philippines stresses moderation and compromise in North-South discussions. (C)

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Tanzania's President Nyerere is esteemed among developing countries, particularly the African ones, for his vision of a "new international order" to redress the supposed economic privileges of the industrialized nations and to reduce LDC dependence on them. Nonetheless, Tanzania maintains cordial and generally close ties with the industrialized nations, which have provided it generous quantities of economic aid. It faces a large number of intractable domestic economic problems and will continue to rely heavily on the West for support. In return, Nyerere is likely to play a key moderating role in the current negotiations on Namibia and in other thorny southern African problems. (C)

Venezuela believes that the international trading system is biased in favor of the industrialized countries. It looks to the US to assume a leadership role to redress alleged wrongs. It will continue to press for UN Global Negotiations that lead to a new international economic order and reforms in the international monetary system, but also believes that LDCs must do more individually and cooperatively to help themselves develop. For its part, Venezuela has attempted to improve its terms of trade by barter-type arrangements with its trading partners. Its active role in North-South forums is motivated by concern for the economic development of LDCs, but is also meant to deflect criticism of Venezuela's role in OPEC price hikes and its own massive oil wealth

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and to demonstrate that Venezuelan foreign policy is independent of the US. (C)

Yugoslavia relations with Western industrialized nations, particularly the US, are very close and friendly. A leader in the Non-Aligned Movement (NAM), it sees close ties to the West as an essential and protective counterbalance to its relations with Moscow. Belgrade needs the Western countries as valuable trading partners and as sources of much-needed loans, but it will not jeopardize its nonaligned status just to favorably impress the West. The Yugoslavs will actively participate in the North-South debates as they see common economic concerns as the strongest force that binds the NAM. They will, however, probably play a moderating role and emphasize the need for cooperation and compromise. This stance in the past has divided Belgrade from rivals such as Cuba that use radical stands to establish their predominance in the NAM. Yugoslavia is on amicable terms with the other Cancun Summit participants and should not present any surprises at the Summit meeting. (C)

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Developing Countries at the Cancun Summit

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| Country<br>(Per Capita<br>GNP) | Attitude Toward the US                                                                                                                                                                          | Economic and<br>Military Ties<br>with the US                                                                                                                                                                                                           | Congruence with US<br>Economic and Political<br>Values                                                                                                                                                                             | Economic Problems                                                                                                                                                                                                                        | Role in North-South<br>Forums                                                                                                                                                                      |
|--------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Algeria<br>(\$1,650)           | Recognizes value of bilateral cooperation with industrial nations; is cautious on details. Sees US as primary obstacle to progress on North-South dialogue.                                     | Half of exports (oil and gas) go to US. Wants to expand natural gas sales and military purchases. Receives no US military or economic aid.                                                                                                             | Single military-dominated party strictly controls most of the economy. Foreign investment generally unwelcome.                                                                                                                     | Inefficient and poorly-managed planned agricultural sector; requires food imports. Severe shortage of skilled workers.                                                                                                                   | Long a leader in LDC forums; often confrontational. Currently chairman of G-77 caucus; possible site for UNCTAD VI in 1983.                                                                        |
| Bangladesh<br>(\$120)          | Dependence on aid drives efforts to maintain good relations with US and all aid donors.                                                                                                         | US bilateral aid 10% of total aid receipts with additional amounts through World Bank. US accounts for about 15% of both exports and imports. Negligible US military aid, private investment, and loans. Debt to US Government is about \$800 million. | Market economy with government enterprises in all major industries; large agricultural sector almost completely privately owned. Democratic process underway for mid-November election of successor to assassinated President Zia. | One of the two LLDCs at Cancun. Fertile land, but lacks other resources. Food self-sufficiency hindered by rapid population growth and vagaries of weather.                                                                              | An important moderate LDC spokesman under late President Zia. New leader lacks Zia's stature, but commitment to Third World causes will remain strong. Uneasy relationship with India.             |
| Brazil<br>(\$1,970)            | Desire for major power status drives independent foreign policy and cordial but not close relations with US. Sees US as more responsible for North-South impasse than other industrial nations. | US constitutes nearly 20% of both Brazilian export and import trade. US loan exposure \$16 billion; direct investments of \$5 billion. Military and economic aid negligible.                                                                           | In transition from military- to civilian-run political system. Largest LDC economy; market policies favored, but several key sectors dominated by state-owned firms.                                                               | Oil imports and debt service alone absorb nearly all of export earnings. Rapid growth policies tempered by austerity measures since 1979. Needs continued inflow of foreign capital while energy substitution and export drives develop. | Leads LDCs on select issues such as trade and technology. Avoids confrontation. Seeks to retain Third World credentials even though economic interests increasingly lie with industrialized world. |
| China<br>(\$500)               | Friendly toward US; sees US as obstacle to Soviet expansionism and source of help in modernization programs.                                                                                    | Provides growing market for US grain and high-technology exports; sells mainly consumer goods to US. Receives no direct US economic or military aid.                                                                                                   | One-party communist dictatorship. Centrally-planned economy originally patterned after Soviet; now experimenting with some decentralization to spur more efficient production.                                                     | Despite reforms, over-centralized control promotes inefficient production and erratic growth. Economic policy still subordinate to broader Communist Party goals. Seeks larger trade and aid ties with West.                             | Broadly supports LDC positions for NIBO; vague on specifics. Criticizes industrial countries, but urges compromise solutions. Has major border dispute with India.                                 |

Developing Countries at the Cancun Summit - continued -

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| <u>Country</u><br><u>(Per Capita</u><br><u>GNP)</u> | <u>Attitude Toward the US</u>                                                                                                                                                                                                      | <u>Economic and Military</u><br><u>Ties with the US</u>                                                                                                                                                                         | <u>Congruence with US</u><br><u>Economic and Political</u><br><u>Values</u>                                                                                                                                           | <u>Economic Problems</u>                                                                                                                                                                                                             | <u>Role in North-South Forum</u>                                                                                                                                                           |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Guyana<br>(\$870)                                   | Assails US for "imperialist" policies; criticism of other industrial nations more muted. Believes US hostility shown by veto of IDB loan and neutrality on Venezuelan border dispute.                                              | Depends heavily on US market for high-grade bauxite exports and as main supplier of food imports. Owes \$17 million to US banks and \$7 million for nationalized US assets. Multilateral aid essential for government survival. | Economy 80% state-run. Government authoritarian and opportunistically leftist.                                                                                                                                        | No growth since 1976. Inadequate management of state firms and politically-motivated disincentives to private production drive economic problems. Rice price ceilings set below farm costs. Lack of opportunity prompts brain drain. | Activist LDC favors verbal confrontation with industrial nations. Serious border dispute with Venezuela may be broached in Cancun bilaterals with US and possibly during plenary sessions. |
| India<br>(\$220)                                    | Relations with US strained but polite. Opposes US arms aid to Pakistan and US presence in Indian Ocean.                                                                                                                            | US trade important but not vital. Current debt mostly official, but beginning to seek commercial bank loans. US aid and investment flows are modest.                                                                            | Democratic political system. Strong state control in industrial sector, but liberalizing trend evident recently. Good record on inflation; GNP growth highly susceptible to weather and oil import prices.            | Strength of local government impedes implementation of national economic policy. Past emphasis on internal economy hinders export earnings. Crucial rail and electricity sectors hobbled by labor problems and inadequate equipment. | A principal founding member of NAM. Works to strengthen image as leader and spokesman for LDCs. Avoids confrontational tactics.                                                            |
| Ivory Coast<br>(\$1,320)                            | Moderate, pro-Western, good relations with France; nonnally cordial with US. President Houphouet-Boigny seeks US commitment to stabilize LDC commodity export earnings and objects to US failure to sign international cocoa pact. | Bulk of economic and military aid from France and EC. US investment, trade, and finance relatively unimportant.                                                                                                                 | One-party government with elected officials. Market-oriented economy with French-style control and planning. One of few African economies with diversified and productive agricultural sector and good growth record. | Current financial squeeze reflects low world market prices for cocoa, coffee, and timber exports and need to control external debt.                                                                                                  | Active participant but no LDC leadership ambitions. Favors dialogue and compromise. By agreement with other Africans will raise commodity export concerns at Cancun.                       |
| Mexico<br>(\$2,430)                                 | Uncomfortable with close political and economic ties to US, yet proud of current good relationship between Lopez-Portillo and Reagan. Strives to diversify its trading partners and chart independent diplomatic course.           | No military ties. US accounts for two-thirds of Mexican exports of mostly manufactures, fuel, and food. Most commercial bank loans and bulk of foreign investment from US.                                                      | Combines vigorous private sector with government control of key industries. One party dominates politics but is responsive to wide variety of interest groups.                                                        | Serious inflation and balance of payments problems stem from overambitious growth and consumption goals; situation exacerbated by high world interest rates and weak oil export market.                                              | Views itself as firmly in Third World camp but also on leading edge of industrialization. Lopez-Portillo emphasizes moderation and accommodation in North-South dialogue.                  |

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Developing Countries at the Caneun Summit - continued -

| <u>Country</u><br><u>(Per Capital</u><br><u>GDP)</u> | <u>Attitude Toward the US</u>                                                                                                                                                                      | <u>Economic and Military</u><br><u>Ties with the US</u>                                                                         | <u>Congruence with US</u><br><u>Economic and Political</u><br><u>Values</u>                                                                                                                                        | <u>Economic Problems</u>                                                                                                                  | <u>Role in North-South Forum</u>                                                                                                                      |
|------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nigeria<br>(\$1,000)                                 | Basically friendly because it wants access to US technology and training. Friction results from its desire to act as spokesman for Africa on international economic questions and southern Africa. | Receives no US economic or military aid. Exports 50% of its oil production to US. Not deeply in debt to US Government or banks. | Economic system combines state planning and control with encouragement for private enterprise and foreign investment. Political system modeled after US but plagued with tribal, regional, and religious conflict. | Development gains have been unevenly distributed; government efforts to correct inequities have been set back by declining oil revenues.  | Considers itself political and economic leader of Black Africa. Will not compromise on North-South issues if its African leadership seen jeopardized. |
| Philippines<br>(\$740)                               | Friendliness toward US based on colonial heritage, useful presence of US military bases, and large Filipino-American community.                                                                    | Most trade takes place with US; American firms heavily invested. Site of largest US military bases outside US.                  | Market-oriented economy with growing public sector. Authoritarian, one-party political system.                                                                                                                     | Commodity-based export economy is dependent upon growth of US economy. Serious problem of foreign indebtedness and expensive oil imports. | Non-confrontational; seeks compromise. Supports Group of 77 Global Negotiations but does not take leadership role.                                    |
| <del>REDACTED</del>                                  | <del>REDACTED</del>                                                                                                                                                                                | <del>REDACTED</del>                                                                                                             | <del>REDACTED</del>                                                                                                                                                                                                | <del>REDACTED</del>                                                                                                                       | <del>REDACTED</del>                                                                                                                                   |
| <del>CTED</del>                                      | <del>REDACTED</del>                                                                                                                                                                                | <del>REDACTED</del>                                                                                                             | <del>REDACTED</del>                                                                                                                                                                                                | <del>REDACTED</del>                                                                                                                       | <del>REDACTED</del>                                                                                                                                   |
| Tanzania<br>(\$210)                                  | Relations cordial given Tanzania's desire to limit Soviet influence in Southern Africa, but Nyerere sees US as leading force in an international economic system that exploits the                 | No military ties and only small trade and aid relations with US.                                                                | Economy heavily socialist with emphasis on equity rather than growth. Political participation considerable within the framework of a one-party system.                                                             | Socialist policies have caused inefficient production, economic stagnation, and especially food shortages.                                | An often vocal, ideological leader in North-South dialogue. Advocates wide-ranging reform of world economy, but avoids confrontation tactics.         |

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Developing Countries at the Cancun Summit - continued -

| <u>Country</u><br><u>(Per Capita</u><br><u>GNP)</u> | <u>Attitude Toward the US</u>                                                                                     | <u>Economic and Military</u><br><u>Ties with the US</u>                                    | <u>Congruence with US</u><br><u>Economic and Political</u><br><u>Values</u>                                                                                               | <u>Economic Problems</u>                                                                                   | <u>Role in North-South Forum</u>                                                                                                                                              |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Venezuela<br>(\$4,040)                              | Works closely with US to defend hemisphere against outside aggression but believes US seeks to break up OPEC.     | A major and reliable oil supplier; second largest US market in Latin America.              | One of few Latin American democracies. Government controls most major industries but private sector healthy.                                                              | Government very dependent on oil revenues; current oil glut has forced it to scale down development plans. | Vigorously advocates Third World positions but defends itself against charges of oil-price gouging.                                                                           |
| Yugoslavia<br>(\$2,500)                             | Friendly; sees US as a necessary counterweight to USSR and an important source of technology and finance capital. | US ranks as its 4th largest trading partner; American financial exposure at \$2.5 billion. | Practices a decentralized brand of socialism that features "worker self-management." Freedom substantial by East European standards but political dissent still punished. | High inflation and large trade deficits brought on by defects inherent in economic system.                 | One of founders of Non-Aligned Movement, but is active participant rather than leader in predominantly economic forums. Desires to serve as mediator between North and South. |

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MEMORANDUM

NATIONAL SECURITY COUNCIL

October 16, 1981

MEMORANDUM FOR THE NSC STAFF

FROM: HENRY R. NAU *HRN*  
SUBJECT: Draft Strategy Paper for Cancun

Attached is a draft strategy paper for Cancun. It is for your information and comment. It gives you some idea of what this meeting is all about and how the United States is approaching it.

Attachment  
a/s

*Cancun*

## U.S. Objectives

The U.S. has multiple objectives to achieve at Cancun:

1. To use the Summit to develop and reinforce personal relationships between you and other heads of state or government, particularly with Mexico by contributing to Lopez Portillo's prestige and interest in a successful conference.
2. To emphasize that the U.S. is sensitive to the economic development problems of the developing countries, that it has a positive record of support for development, and that it is committed to undertake a sound and innovative program of action designed to help spark a cooperative international strategy for a new era of growth and development.
3. To focus the international development dialogue on specific potentials for and obstacles to development which a cooperative effort might help to remove, rather than the contentious, rhetorical issues that have characterized the dialogue under UN Resolution 34/138 on Global Negotiations.

## Background

The majority of the developing countries, particularly in Asia and Africa, acquired their independence and joined the United Nations in the 1950s and early 1960s. Almost immediately these countries began to advocate a new set of institutions and principles to guide international economic relations, arguing that the GATT, World Bank, and IMF had

been created without their participation, practiced weighted voting which kept the developing countries in the minority and benefited predominantly the industrialized countries. The first new institution was the United Nations Conference on Trade and Development. It met for general conferences in 1964 and 1968 and succeeded by the end of the decade in establishing the Generalized System of Preferences (GSP). GSP provided preferential treatment for developing countries in trade relationships in contrast to the most-favored-nation principle of GATT (in which all trading partners, whether developed or developing, are treated the same).

The pressure for new economic institutions and principles accelerated in the 1970s and early 1980s. The first oil crisis in 1973 demonstrated the new leverage of oil exporting developing countries over the industrialized nations. Developing nations as a whole responded to the dramatic oil price increases as a hopeful sign of change in North-South relations and pushed through resolutions in the UN in 1974 calling for the establishment of a New International Economic Order and the Charter of Economic Rights and Duties of States. At subsequent North-South meetings including the Conference on International Economic Cooperation (CIEC) which met from December 1975 to June 1977, developing countries tabled the Integrated Commodity Program (ICP) which sought to imitate oil price increases and to establish a Common Fund and commodity agreements to support and increase prices in some eighteen commodities exported primarily by developing countries. Developing countries also advocated the negotiation of codes to regulate private investment and the transfer of

Altogether, by 1980, some \_\_\_\_ major UN world conferences and \_\_\_\_ Special Sessions of UN General Assembly had been held on specific development issues. After the conclusion of CIEC, developing countries began to call for comprehensive negotiations in a global forum to deal with the interrelationship of issues, to go beyond the mere talk or recommendations of previous conferences, and to take decisions on a one-nation, one-vote basis. In December 1979, the UNGA passed Resolution 34/138 calling for the launching of Global Negotiations (GNs) at a special session of the UN in August 1980. The Special Session failed to reach agreement on the terms and conditions of such negotiations. Mexico and Austria then proposed convening a mini-Summit between industrial and developing countries. Originally recommended by the Brandt Commission report, the mini-Summit or, as it is now known the Meeting on International Development and Cooperation in Cancun, Mexico, became the principal vehicle for reviving Global Negotiations.

All of the countries attending the Cancun Summit, except the United States, have accepted Global Negotiations as defined by UN Resolution 34/138. Only Britain and Germany joined the United States last year in objecting to specific terms and conditions for these negotiations. The political process represented by NIEO and GNs seeks to apply leverage to the industrial world both to extract more resources in concessional aid and to restructure the basic principles and institutions that govern international economic relations and affect the distribution of benefits resulting from these relations.

## U.S. Strategy

The endless round of multilateral conferences and meetings over the past decade clearly serve the objectives of the developing countries which seek to influence and alter existing international economic institutions. The United States, and a few of its allies, on the other hand, pursue their objectives largely through the existing institutions (GATT, IMF, World Bank) and through bilateral and regional relations. Without denying a role for multilateral politics, the United States needs a strategy that shifts the focus to the specialized agencies and to bilateral and regional contacts, and over time develops a more acceptable and balanced agenda and process for the global dialogue.

A strategy to achieve U.S. objectives before and at Cancun should include:

1. presentation of a strong, substantive program of action to meet developing country needs on a cooperative and mutually beneficial basis through the existing institutions of GATT, IMF and World Bank and through a bilateral assistance program integrating domestic policies, trade, aid, foreign assistance and regional opportunities.
2. intensive pre-Cancun bilateral contacts with key developing countries to find a different and more acceptable basis for UN discussions than the terms contained in UN Resolution 34/138;
3. Presidential bilaterals at Cancun that give pride of place to U.S. relations with developing countries, that show good U.S. relations with friendly communist

(China, Yugoslavia) and black African (Nigeria, Ivory Coast) countries, and that emphasize substantive issues of development (leaving negotiations related to the dialogue to other officials);

4. a press effort to portray the United States in a responsive and sensitive but pragmatic, no-nonsense role toward the issues of development and the development dialogue.

#### Substantive Program of Action

Your speech on October 15 is the principal vehicle for implementing the first part of our strategy. This speech puts you in a forward posture, advocating a positive and specific program for world economic growth and development and seeking international cooperation.

By emphasizing substance, the speech draws attention away from the rhetorical and often cynical debate about procedures. It does not frontally attack or reject Global Negotiations but makes abundantly clear that GNs is neither the priority issue we face in confronting development problems nor, as presently constructed, the forum that can best achieve practical and meaningful progress. Your speech in a sense goes beyond the dialogue to something deeper. It accepts the symbolism of dialogue and a political process of discussion with the developing countries but asserts the U.S. view of the pre-conditions, issues and acceptable outcomes of such a dialogue.

International Dialogue

At Ottawa, the United States declared itself willing to "participate in preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress. (Note emphasis.) We do not believe that Global Negotiations as contemplated and defined in U.N. Resolution 34/138 (December 1979) would offer the prospect of meaningful progress. The agenda is at once too general and too far-reaching to provide a practical basis for proceeding. And references to the "New International Economic Order" and the "restructuring of international economic relations" are undesirable reminders of the type of contentious ideological environment in which cooperative solutions are unlikely to be found. We therefore would not return to preparatory talks if they were to be conducted on the basis of U.N. Resolution 34/138. We would ask the Cancun countries to agree to instruct their delegations and encourage others to put aside the substance and agenda of U.N. Resolution 34/138 and begin afresh to work out a procedural basis and agenda that would offer the prospect of meaningful progress.

We are now, and would continue to be, willing to participate in talks with individual countries, with regional groups, with other interested parties -- and even with all countries simultaneously -- provided that:

1. The talks must have a practical orientation toward identifying, case-by-case, the specific potential for and obstacles to development -- obstacles which a cooperative effort might remove.

2. The talks must proceed on a basis that would respect and preserve the competence, functions, powers, voting arrangements, and charters of the specialized international institutions -- and not seek to create new international institutions.
3. The general objective of such talks must be the identification of conditions necessary to increase economic development (rather than a restructuring of the international economic system).
4. Such talks must be entered into in a cooperative spirit rather than one in which views become polarized and chances for agreement are needlessly sacrificed.

We believe these conditions provide the only basis on which practical progress can be made. Preparatory talks conducted on the basis of U.N. Resolution 34/138 have not and could not meet these conditions. But if talks at the U.N. could, on a new basis, meet these conditions, we would be willing to participate in them.

#### Bilaterals at Cancun

While the plenary meeting will be at center stage at Cancun and your statements there will be the major element of your presentation, the bilateral meetings will enable you to carry the US position and your commitment to development cooperation in a more personal manner. Given time limitations, you will need to focus your time on the participants from developing countries. I suggest you see all developing country heads of state or government for at least a courtesy meeting. You can spend more time with key developing countries to highlight good

U.S. relations with friendly communist countries (Yugoslavia, China), with black African countries (Nigeria, Ivory Coast), and with developing countries critical to the outcome of the Cancun Summit itself (Mexico, India, Venezuela, Brazil, Algeria). Many of these countries you will see on the first day, Wednesday, October 21. The others, including the Philippines, Bangladesh and Saudi Arabia, Guyana, and Tanzania, you will meet over the course of the following two days.

We have scheduled no individual bilaterals with the industrial countries at Cancun. This has been done deliberately to highlight the main purpose of the meeting, namely U.S. relations with the developing world, and to avoid any appearance of collusion of the industrial countries against the South. If it seems necessary and appropriate, we can schedule a breakfast meeting on Saturday with all of the heads of state or government from industrial countries at one time. You will be seeing Mitterrand shortly before Cancun and perhaps also Schmidt.

#### A Press Strategy

The press will be frozen out of the conference hotel, and all contacts must be made elsewhere. We are setting up an American press center. There will be little coverage of the multilateral meeting until the final press conference by Lopez Portillo and Kreisky. The press will be hungry. We plan to arrange some way for the bilaterals to be covered by press and photographers so a constant stream of U.S. meetings is the news from Cancun. Secondly, frequent press briefings by U.S. spokesmen on the multilateral meeting should follow the pattern established in Ottawa.