

Ronald Reagan Presidential Library

Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Bailey, Norman A.: Files
Folder Title: Cancun Summit (October 1981) (4)
Box: RAC Box 5

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: **reagan.library@nara.gov**

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

WITHDRAWAL SHEET

Ronald Reagan Library

Collection: BAILEY, NORMAN: Files

Archivist: ggc/mjd

File Folder: Cancun Summit (October 1981) [4 of 6]
Box 903735

Date: 7/15/96

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	from R. T. McNamara to Sec. Regan re: Cancun Summit, pages 5 through 7 (3pp) <i>OPEN</i>	10/5/81	P5 CB 10/23/00
2. paper	re: Proposed North-South Trade Initiative (1p) <i>R 1/11/99 NLSF94-090</i>	9/29/81	P1
3. paper	same as item # 2 (1p) <i>R 1/11/99 NLSF94-090</i>	9/29/81	P1
4. note	to Norman Bailey re: paper (1p) <i>P 6/14/00 NLSF94-090 #71</i>	9/30/81	P1 B1
5. paper	re: Cancun summit (3pp) <i>P7 #72</i>	9/30/81	P1 B1
6. memo	from William Brock to Richard Allen re: Cancun <i>OPEN</i>	9/28/81	P5 CB 10/23/00
7. paper	same as item # 2 (1p) <i>R 1/11/99 NLSF94-090</i>	9/29/81	P1
8. paper	same as item # 2 (1p) <i>R 1/11/99 NLSF94-090</i>	9/29/81	P1
9. memo	from Henry Nau to Richard Darman, et al. re: memcon (2pp) <i>R 1/11/99 NLSF94-090</i>	9/29/81	P1
10. memo	from Dick Allen to Ed Meese/Jim Baker/Mike Deaver re: Cancun dateline (4pp)	9/28/81	P1 B1 P5
11. memo	from H. Nau to R. Allen through N. Bailey re: status report on Cancun (1p) <i>R 1/11/99 NLSF94-090</i>	9/26/81	P1

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].

RECEIVED 06 OCT 81 12

TO ALLEN

FROM MCNAMAR, R

DOCDATE 05 OCT 81

Cancun

KEYWORDS: CANCUN SUMMIT

ECONOMICS

DADZIE, KEN

MEXICO

IGLESIAS, ENRIQUE

SUBJECT: TREASURY MEMO SUMMARIZING MTG BETWEEN MEXICAN OFFICIALS & TREASURY
OFFICIALS ON CANCUN SUMMIT

ACTION: FOR RECORD PURPOSES

DUE:

STATUS C FILES WH

FOR ACTION

FOR CONCURRENCE

FOR INFO

NAU

TYSON

BAILEY

WEISS

FONTAINE

COMMENTS

REF#

LOG

NSC/FID

(C / C)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
--------------------	----------	-----------------	-----	-----------

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

DISPATCH _____ W/ATTCH FILE _____ (C)

To staff for info

RVA has copy

10/05 P.M.



Richard Allen

THE DEPUTY SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

October 5, 1981

MEMORANDUM TO: Secretary Regan
Under Secretary Sprinkel
Assistant Secretary Leland
Deputy Assistant Secretary Dawson

SUBJECT: Cancun Summit

R.D.H.

On Saturday, at the Tidewater Conference we were briefed by two individuals who had just returned from spending Thursday and Friday with senior Mexican officials preparing for the Summit. This included a three-hour meeting with President Lopez Portillo on Friday. The two individuals were Ken Dadzie, Director General for Development and International Economic Cooperation at the United Nations, and Enrique Iglesias, Executive Secretary, United National Economic Commission for Latin America. Under Secretary Rashish also attended the luncheon meetings and my interpretations and comments can be checked or weighed against his.

This memorandum summarizes these individuals' views of the Summit, the current state of thinking in Mexico, and my reactions. At the outset, I would stress that Dadzie provided what could be characterized as a stereotypical Third-World view of the Summit, whereas Iglesias was more balanced in his views.

DADZIE'S COMMENTS

Dadzie himself characterized his account as being rather impressionistic rather than conclusionary. He said he felt this reflected the vague state of the preparations in Mexico. His comments were as follows:

1. Cancun represents a unique political event. Its success would be judged by whether it brings out a "shared perception" of the state of the world economic situation.
2. The objective is to end with a "common understanding of the matters on which we can agree."

3. He said there is a strong "political impulse to global negotiations."
4. Substantial discussions were held on the current account deficit problems of the developing countries and the "disarray of the monetary system." I assume he meant the sharp fluctuations in the United States dollar and excessive liquidity being retained in dollar.
5. He echoed the Swedish line about the need for "an automatic lending process" determined by the developing countries themselves. This would include:
 - a) Mechanism for shifting short-term liquidity needs to long-term external debts;
 - b) Encouraging surplus countries to provide greater direct investment in developing countries; and
 - c) Preserving ODA flows, through legislation to earmark a percentage of GDP to aid or through a scheme of international taxation with revenue accruing to LDCs or aid organizations.
6. His comments indicated that the question of the energy affiliate was still not either well understood or particularly well-defined.
7. In terms of global negotiations, he indicated that the "cardinal objective of Cancun was to give emphasis to this process," but that it should be recognized that Cancun was a political meeting, not a procedural meeting, and therefore the specific questions such as weighted versus unweighted voting in global negotiations should not be expected to be dealt with at Cancun. (Any UN forum makes the question academic.)
8. In terms of the agenda, he indicated that the Mexicans were concerned about having a basically unmanageable list, given both the limited time for individual interventions and the variety of subjects that might be raised by individual countries, given the lack of a formal agenda.

9. In terms of follow-up to Cancun, he said that there was not wide agreement that there even should be an institutionalization of Cancun or regular meetings. He indicated that the Mexican feeling was that it would be sufficient if the Cancun meeting gave emphasis to the "concept of global negotiations." He indicated that stress on mutual interdependence was a satisfactory political outcome at Cancun, and that the follow-up by the appropriate groups with the competence, e.g. UN (for political matters), IMF (for monetary issues), etc., would be appropriate.

IGLESIAS' COMMENTS

Iglesias indicated that Lopez Portillo's expectations were that Cancun would:

1. Admit and recognize the existence of a North-South problem. (NOTE: The President virtually rejected this in his Bank/Fund speech when he called for a discarding of the "North-South" rhetoric.)
2. Not ignore the pluralism in either the developed or developing countries in terms of their specific domestic economic policies.
3. Stress the "mutuality of interests" in such a high-level political/philosophical meeting. (My notes are unclear, but I think he indicated that Lopez Portillo felt that the specific follow-up ideas might be left to the technicians.)

Iglesias indicated that as he sees Cancun, there are the following issues:

1. The stress that it is a political, not a technical, meeting, and should not be expected to provide concrete solutions. Only "signals" would come out of Cancun and that it was very important to manage those signals so that no one perceives it as a failure. He expressed a concern because of the informality and lack of preparation that it would be difficult to avoid some of the participants sending the wrong signals. On the other hand, he recognized that the existence of

such a meeting for the first time was itself a signal of interest and concern. In this regard, he stressed the importance placed on President Reagan's pre-election visit to Mexico, and the strong personal admiration that Lopez Portillo has for the President.

2. He felt that there would be the need to balance internal economic diversity against the assertion there was only one economic policy that might be appropriate. (I took this to be a rejoinder to our stress on using the marketplace to determine prices rather than government-fixed price controls.)
3. Iglesias felt the issue of "something concrete" versus nothing concrete would be the principal focus of the press in Cancun. He felt that the informality of the meeting with a thousand of the world press there would be a problem.
(NOTE: If we handle Cancun as we did Ottawa, this should be minimized.)
4. Cancun itself could be regarded as a global negotiation or a symbol of universal approach. It can also be used to stress the recognition by the developing countries of their needs for domestic policy reform themselves.
5. He indicated the need for a slightly optimistic, but realistic, approach to international economic problems. Neither a pessimistic view of long-term development prospects nor the existing institution would be constructive.
6. He stressed the concern in the Third World over the drift toward protectionism.
7. He talked for some time about the lack of elaborate preparations and the fact that this increased a number of risks in sending the wrong signals or not providing a message of hope out of Cancun. Particularly, he expressed concern that because neither Chancellor Kreisky nor Lopez Portillo have an adequate background in the development field, they themselves could unintentionally send the wrong signals from Cancun and then require countermaking statements from individual governments. (To some extent, I think that this was the civil servant's view that "the policy-maker shouldn't be allowed to set policy.")

8. Iglesias said that the strong indication on the part of the developed countries that all long-term economic solutions must be "joint solutions" would go a long way toward promoting the success of Cancun and indicating the recognition to the Third World of our mutual economic interdependence. In turn, the Third World wants to impress on the developed countries that the developing countries' compliance with conditionality or appropriate policy responses has exceptionally high social and political costs for them at home and that this is, in the current economic situation, promoting economic instability. For example, he cited the drop in the last five years in per capita income in Zambia from \$500 per capita to \$250. The standard view seemed to be that this was in part due to the terms of exchange (I take it by this he meant the U.S. dollar appreciation) and the cost of capital (high interest rates). There was no indication that the Third World will criticize the Arabs or OPEC members for increases in the price of oil that have contributed to their current account deficits.

FOLLOW-UP QUESTIONS

In the follow-up discussions, Hans Blix, the Under Secretary of State for Sweden, indicated that Sweden will press very hard for global negotiations as the "logical conclusion" of Cancun. By contrast, I. G. Patel, Governor of the Reserve Bank of India, indicated that it was not a question of global negotiations, but that the most important achievement of Cancun was the very fact that the heads of state were talking directly with each other about these problems, and that the heads of state should only stress the "need for follow-up action." He then indicated that the follow-up action should be in those areas where there was the "specific competence." Mike Rashish made basically the same point.

PERSONAL REACTIONS

Based on these comments and other discussions during the past week, I would suggest that for the United States there are several issues that we should address. Among them are:

1. Specifically what constitutes "success" at Cancun? How do we define it?
2. To what extent is participation in Cancun itself enough to be a successful effort? If that is stressed so that participation in meetings is the standard of success, does that lead to continued meetings, either political or among the civil servants, and does that take us down an inexorable road to global negotiations with unweighted voting?
3. Does the United States have to propose any new initiatives at all at Cancun?
4. If the United States wants to propose any new initiatives, must they be related to additional commitments of ODA?

If the United States determines that it wishes to have any positive initiatives, I might suggest the following for evaluation:

1. The President could call for a complete examination of the adequacy of the existing performance and competence of the various multilateral institutions.
 - a) Political -- United Nations
 - b) Monetary -- International Monetary Fund
 - c) Development -- IBRD/ADB/IDB/ADB
 - d) Trade -- OECD and GATT
 - e) Other?

This would include an assessment by each government, or by a commission, of whether the existing institutions were or were not adequately meeting the needs of the current and future needs of the developed and developing world. The report itself would take some time, but might serve as an impetus for a subsequent heads of state meeting similar to Cancun in about two years when the report was completed. Alternatively, we could have an exchange of papers by each government as the appropriate follow-up.

2. The head of the OPEC Fund for International Development, Ibrahim Shihata, has suggested that the energy affiliate as originally conceived was not a good idea, but that the OPEC Fund and Saudi Arabia would be interested in supporting an energy affiliate for private investment that could in effect be a multi-lateral exploration and development company privately owned by a group of countries or multinational companies. It in turn would contract with both developing countries and private or nationalized oil firms to promote exploration and development in new areas. They see this as strictly a business or investment proposition, but feel it is also consistent with the needs of developing countries.
3. Perhaps the most telling point that I made over the weekend was to drive home to the participants the fact that there is approximately \$210 billion of variable rate external debt out of \$425 billion total in the developing countries today. Generally priced off of LIBOR, that means that a one percent drop in LIBOR interest rates amounts to a \$2.3 billion cash flow reduction on an annualized basis. Thus, after netting out the effect of increased earnings on floating rate assets (approximately \$115 billion) held by developing countries, a 6 1/2 percent drop in LIBOR would be virtually equal to the \$6.1 billion ODA of the United States in its immediate benefit to the balance of payments of the developing countries. Hence, we should stress the mutuality of interest of the developing countries in seeing the United States bring down its inflation rate not only to increase our economy and promote imports from them, but also to reduce their current account deficits. (In addition, remember that their debt is denominated in dollars and their commodities are often sold in their domestic currency, which is further depreciated against the dollar, thereby exacerbating their current account deficits.)

R. T. McNamar

R. T. McNamar

cc: Myer Rashish
✓ Richard Allen

Bailey

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

October 5, 1981

MEMORANDUM FOR THE HONORABLE DONALD T. REGAN
The Secretary of Treasury

THE HONORABLE JEANE KIRKPATRICK
The U.S. Representative to the United Nations

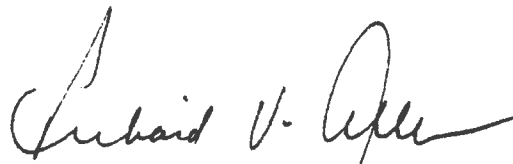
THE HONORABLE WILLIAM BROCK
The U.S. Trade Representative

THE HONORABLE WILLIAM P. CLARK
The Deputy Secretary of State

SUBJECT: Proposed North-South Trade Initiative

I attach some suggestions of possible options in our trade policy toward developing countries (Tab A). I intended to distribute this at our meeting on Tuesday. Some of the options are rather far-reaching but they represent the kind of bold step forward that might eventually attract LDCs fully into the GATT system and cool the political ardor (or at least make it irrelevant) for alternative trade institutions represented by Global Negotiations.

FOR THE PRESIDENT:



Richard V. Allen
Assistant to the President
for National Security Affairs

Attachment

Tab A Proposed North-South Trade Initiative

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

A

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PROPOSED NORTH-SOUTH TRADE INITIATIVE

In support of an export-oriented and market-disciplined model of development, the President would:

(1) Propose that the main focus of the 1982 GATT Ministerial Meeting be the opening of world markets to LDC exports, leading to:

(a) negotiation of phased dismantling of industrial nations' import quotas and other quantitative import restraints and the more gradually phased dismantling of quantitative import restraints by the newly industrializing nations;

(b) negotiation of a GATT Safeguards Code defining the limited circumstances in which quantitative restraints may be imposed hereafter;

(c) negotiation of a phased dismantling of agricultural subsidies (production and export) applied by the industrial nations, with priority for agricultural products of significant production/export interest to LDCs.

(2) Propose that industrial nations commit now to extend and broaden coverage under the Generalized System of Preferences (GSP).

(3) Propose that multilateral and bilateral aid programs provide technical advisory and training services and other assistance designed to enhance the capability of LDCs to adapt their production, marketing and logistical systems to expand their exports.

~~CONFIDENTIAL~~

Review on
September 29, 1987

DECLASSIFIED

NLS F94-090 #69

BY nmf, NARA, DATE 1/12/99

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

October 5, 1981

MEMORANDUM FOR ED MEESE
JIM BAKER
MIKE DEEVER

FROM: DICK ALLEN

SUBJECT: Proposed North-South Trade Initiative

*10/10/81 JCF
dispatched here*

I attach some suggestions of possible options in our trade policy toward developing countries (Tab A). I intended to distribute this at our meeting on Tuesday. Some of the options are rather far-reaching but they represent the kind of bold step forward that might eventually attract LDCs fully into the GATT system and cool the political ardor (or at least make it irrelevant) for alternative trade institutions represented by Global Negotiations.

Attachment

Tab A Proposed North-South Trade Initiative

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT



~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PROPOSED NORTH-SOUTH TRADE INITIATIVE

In support of an export-oriented and market-disciplined model of development, the President would:

(1) Propose that the main focus of the 1982 GATT Ministerial Meeting be the opening of world markets to LDC exports, leading to:

(a) negotiation of phased dismantling of industrial nations' import quotas and other quantitative import restraints and the more gradually phased dismantling of quantitative import restraints by the newly industrializing nations;

(b) negotiation of a GATT Safeguards Code defining the limited circumstances in which quantitative restraints may be imposed hereafter;

(c) negotiation of a phased dismantling of agricultural subsidies (production and export) applied by the industrial nations, with priority for agricultural products of significant production/export interest to LDCs.

(2) Propose that industrial nations commit now to extend and broaden coverage under the Generalized System of Preferences (GSP).

(3) Propose that multilateral and bilateral aid programs provide technical advisory and training services and other assistance designed to enhance the capability of LDCs to adapt their production, marketing and logistical systems to expand their exports.

~~CONFIDENTIAL~~

Review on
September 29, 1987

DECLASSIFIED

NLS E94-090 #70

BY sfj, NARA, DATE 1/12/99

NATIONAL SECURITY COUNCIL

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

September 30, 1981

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN A. BAILEY *715*
FROM: HENRY R. NAU / RUTHERFORD M. POATS *RP*
SUBJECT: Proposed North-South Trade Initiative

You indicated a desire to distribute the set of trade options prepared for the Tuesday meeting on Cancun. The attached memo transmits these options to Brock, Regan, Clark and Kirkpatrick (Tab I). A second memo transmits them to White House staff (Tab II).

RECOMMENDATIONS:

1. That you sign the memo at Tab I to Brock, Clark, Kirkpatrick and Regan.

APPROVE *RP*

SIGNED

DISAPPROVE _____

2. That you sign the memo at Tab II to Meese, Baker, and Deaver..

APPROVE *RP*

DISAPPROVE _____

Attachments:

SIGNED *jcp dispatched*

Tab I Memo to Regan, Kirkpatrick, Brock, Clark
II Memo to Meese, Baker, Deaver

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

MEMORANDUM FOR: Norman Bailey
NSC
Room 373 - OEOB

~~SECRET~~

The attached typescript is a reduced-form version of our Intelligence Assessment, "The Industrial North Goes to Cancun: Rhetoric and Reality."

We are now doing a paper on Cancun from Mexico's perspective and, right before the Summit will do a baseline review of country positions based on clandestine reporting. If I can be of any assistance, please call (351-7555).



Date SEP 3 0 1981

WJH
F44-090 #71
5/15/00

02845

DECLASSIFIED IN PART
NLS #94-096#72

CONFIDENTIAL NOFORN

By MM NARA, Date 6/15/00

Bailey

The Industrial Countries at the Cancun Summit

Cancun

Attitudes of the developed countries to LDCs are a complex amalgam of idealism, realpolitik, and domestic economic considerations. The leaders of the North differ most sharply in the realm of ideals. To socialists, government intervention to secure a redistribution of wealth between North and South is a logical extension of their domestic objective of closing the gap between rich and poor. To conservatives, creation rather than redistribution of wealth is fundamental, and unfettered competition within the private sector is the key to creation. Despite such differences in viewpoints, the developed countries going to Cancun are constrained from making new commitments because of austere budgets and slow economic growth.

ACTED

REDACTED

REDACTED

REDACTED

ACTED

REDACTED

REDACTED

REDACTED

ACTED

REDACTED

REDACTED

CONFIDENTIAL NOFORN

~~CONFIDENTIAL NOFORN~~

~~REDACTED~~

~~REDACTED~~

~~REDACTED~~

~~CTED~~

~~REDACTED~~

~~REDACTED~~

Austria. Chancellor Kreisky is the principal motivating force behind Vienna's interest in North-South issues. He has a strong philosophical commitment to improving the development prospects of LDCs. Like most of his West European colleagues in the Socialist International, Kreisky believes that defending the status quo or ignoring the development needs of the Third World will only benefit indigenous extremist forces to the Soviets' advantage. He has been one of the most outspoken West European critics of US policy in Central America. The Austrians attribute their rather weak aid effort to budgetary constraints and the substantial assistance the country offers East European refugees.

Sweden. Stockholm combines moralistic rhetoric with economic self-interest in its approach to North-South relations. Foreign Minister Ullsten has claimed that "the cardinal motive behind Sweden's development assistance... is solidarity with ... those who are poor and oppressed." In the midst of new austerity measures at home, Sweden continues to provide a high level of aid to LDCs, consistently reaching the UN aid goal of 0.7 percent of GNP. Yet, almost 40 percent of Sweden's foreign aid is repatriated in the form of industrial orders or as payment for Swedish technical expertise. Stockholm shares the general West European view that aiding development of the South will contribute to the stability of many politically volatile areas and believes its impressive aid record merits it a prominent place in North-South discussions.

CIA/OER
30 September 1981

~~CONFIDENTIAL NOFORN~~

TEST 1

-REDACTED

~~REDACTED~~

-REDACTED

ICTED.

-REDACTED

-REDACTED-

REDACTED.

Austria

Strong support based on Socialist leanings; emphasis on neutrality and opposition of largely Catholic population to "rightist repression" in Central America.

Kreisky initiatives *unwelcome,*
tolerated, but he has been
criticized for posturing and
neglect of domestic concerns.

DEPENDENCE ON LULUs FOCUSES ON crude oil imports from OPEC.

Declining since 1978 due to budget constraints; pronounced shift to multilateral aid.

Largely aimed at North Africa.

Sweden

**Strong moral commitment
combined with economic self-
interest.**

Minority government continuing generous foreign aid even while questioning costs of domestic social-welfare programs.

Dependent on LDCs for one-half of domestic oil needs. Exports to LDCs have doubled as share of total over past decade.

Continued high commitment despite domestic austerity programs; nearly 40 percent is bilateral tied to export programs.

Sees little scope for additional private investment in LDCs because of poor profit potential despite government subsidies and support.

This table is Confidential Not for Release

CIA/OER

RECEIVED 30 SEP 81 13

TO ALLEN

FROM BROCK, W

DOCDATE 28 SEP 81

KEYWORDS: SUMMIT

INTL TRADE

CM

SUBJECT: RESPONSE TO D/R 307 RE CANCUN / MFA / GATT

ACTION: PREPARE MEMO FOR ALLEN

DUE: 30 SEP 81 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

NAU

WEISS

POATS

COLSON

LENZ

BAILEY

COMMENTS ** URGENT PLEASE NOTE THREE HOUR TURNAROUND ON CABINET LEVEL

MEMOS **

REF#

LOG 8105454

NSC/FID DR810307 (D /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
--------------------	----------	-----------------	-----	-----------

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

DISPATCH _____ W/ATTCH FILE _____ (C)

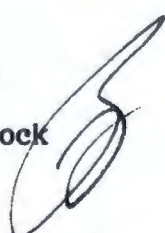
THE UNITED STATES TRADE REPRESENTATIVE

WASHINGTON

20506

September 28, 1981

MEMO TO: Richard Allen
FROM: William E. Brock
SUBJECT: Cancun



Thanks for the note. Our staff at USTR will strongly support your staff and the interagency committee preparing the background material and strategy for Cancun. We have a good story to tell in the trade area and we should ensure that developing countries, as well as other developed countries, recognize the enormous contribution the U.S. market has made in spurring economic development abroad.

You raised a question about the MFA and whether we consider it appropriate to bring that subject up at Cancun. First - yes we can hold firm on a rational MFA from the developing countries point of view. The United States is taking a leading, and moderating, role in the current MFA negotiations. This will continue. The EC and LDC positions on MFA renewal are in direct conflict and we are trying to bring the two sides together. As part of our position, we have proposed the elimination of the clause permitting rollbacks in LDC textile trade. This issue is of very major importance for developing countries.

In addition, we are proposing that the growth and flexibility of large quotas from Hong Kong, Korea, and Taiwan be limited, which would allow us to provide more favorable access for the small and new suppliers, particularly the least developed. We should be able to hold firm on this position, as the domestic industry and the Congress are on board, at least for now (despite occasional tremors). Important LDC participants have privately indicated their support for our proposal.

The main obstacle to renewing the MFA on this basis is the restrictive position of the EC. This is a serious problem which will require much additional work and intensive negotiation. Accordingly, I feel strongly that it would be hazardous and perhaps even counterproductive to introduce the subject at Cancun. At most we might refer to the conciliatory mediating role the U.S. has played, and will continue to.

You raised another question concerning the interests of the developing countries in the GATT Ministerial. The GATT Ministerial will focus on those issues of the 80's which can strengthen the international trading system. This will mean bringing into the system those trade and trade-related problems which currently are discussed and solved outside it. Likewise, it will mean integrating into the system those countries whose trading regimes still lie outside the discipline of the GATT. Any efforts which seek to unify and strengthen the GATT, therefore, must focus on developing countries, as you pointed out.

A practical look at trade confirms this opinion. Developing countries currently play an enormously more important role in world trade flows than they did a decade ago. LDCs provide the fastest growing market for U.S. exports; aligning their trade policies with the accepted norms of the GATT will increase our shipments and their growth even further.

We are making every effort not to cast GATT Ministerial discussions with developing countries in a North/South light. Not only would that be unrealistic, given the wide and growing differences among the economies of developing countries, but it would ensure that political ideologies, rather than economic policies, provide the backdrop for discussions.

We are concentrating our efforts on identifying issues for the Ministerial and its follow-up work plan which will be of special interest to developing countries, but which also provide GATT-wide benefits. Two obvious agenda items that satisfy these criteria are a strengthened discipline in the GATT process and the related subject of the use of safeguard actions. This latter subject could be expanded to include structural adjustment, an issue of long-term interest to the LDCs.

The central purpose of my 10 nation trip in Asia was to enlist them, particularly ASEAN, in support of a strengthened and liberalized world trading system. As my earlier memo stated, no nations have a larger interest in open markets than do developing countries. I am consciously embarked upon an effort to align us in common purpose with them. That's the goal, and we are making progress.

In sum, the only place where we can realistically hope to move toward open market regimes is in the GATT. These are the 'Global' Negotiations that will get results - and that is the bottom line.

Finally, we must recognize that efforts to include developing countries in the world trading system have to be sincere if they are going to be successful. Developing countries will have to play an important part in the preparation for the Ministerial if we expect the results to be sustainable.

Your support of our efforts is most appreciated.

5734

RECEIVED

81 SEP 29 12:22

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:

SHOW CC

SHOW CC

SHOW CC

SHOW CC

SHOW CC

For Staffing
9/30

rw 5454 / DR 307

NATIONAL SECURITY COUNCIL

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

September 30, 1981

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN A. BAILEY *715*
FROM: HENRY R. NAU / RUTHERFORD M. POATS *RP*
SUBJECT: Proposed North-South Trade Initiative

You indicated a desire to distribute the set of trade options prepared for the Tuesday meeting on Cancun. The attached memo transmits these options to Brock, Regan, Clark and Kirkpatrick (Tab I). A second memo transmits them to White House staff (Tab II).

RECOMMENDATIONS:

1. That you sign the memo at Tab I to Brock, Clark, Kirkpatrick and Regan.

APPROVE _____

DISAPPROVE _____

2. That you sign the memo at Tab II to Meese, Baker, and Deaver..

APPROVE _____

DISAPPROVE _____

Attachments:

Tab I Memo to Regan, Kirkpatrick, Brock, Clark
II Memo to Meese, Baker, Deaver

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

MEMORANDUM FOR THE HONORABLE DONALD T. REGAN
The Secretary of Treasury

THE HONORABLE JEANE KIRKPATRICK
The U.S. Representative to the United Nations

THE HONORABLE WILLIAM BROCK
The U.S. Trade Representative

THE HONORABLE WILLIAM P. CLARK
The Deputy Secretary of State

SUBJECT: Proposed North-South Trade Initiative

I attach some suggestions of possible options in our trade policy toward developing countries (Tab A). I intended to distribute this at our meeting on Tuesday. Some of the options are rather far-reaching but they represent the kind of bold step forward that might eventually attract LDCs fully into the GATT system and cool the political ardor (or at least make it irrelevant) for alternative trade institutions represented by Global Negotiations.

FOR THE PRESIDENT:

Richard V. Allen
Assistant to the President
for National Security Affairs

Attachment

Tab A Proposed North-South Trade Initiative

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PROPOSED NORTH-SOUTH TRADE INITIATIVE

In support of an export-oriented and market-disciplined model of development, the President would:

(1) Propose that the main focus of the 1982 GATT Ministerial Meeting be the opening of world markets to LDC exports, leading to:

(a) negotiation of phased dismantling of industrial nations' import quotas and other quantitative import restraints and the more gradually phased dismantling of quantitative import restraints by the newly industrializing nations;

(b) negotiation of a GATT Safeguards Code defining the limited circumstances in which quantitative restraints may be imposed hereafter;

(c) negotiation of a phased dismantling of agricultural subsidies (production and export) applied by the industrial nations, with priority for agricultural products of significant production/export interest to LDCs.

(2) Propose that industrial nations commit now to extend and broaden coverage under the Generalized System of Preferences (GSP).

(3) Propose that multilateral and bilateral aid programs provide technical advisory and training services and other assistance designed to enhance the capability of LDCs to adapt their production, marketing and logistical systems to expand their exports.

~~CONFIDENTIAL~~

Review on
September 29, 1987

DECLASSIFIED

NLS E94-090 #73

BY slf, NARA, DATE 1/12/99

MEMORANDUM

#5781

THE WHITE HOUSE

WASHINGTON

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

MEMORANDUM FOR ED MEESE
JIM BAKER
MIKE DEAVER

FROM: DICK ALLEN

SUBJECT: Proposed North-South Trade Initiative

I attach some suggestions of possible options in our trade policy toward developing countries (Tab A). I intended to distribute this at our meeting on Tuesday. Some of the options are rather far-reaching but they represent the kind of bold step forward that might eventually attract LDCs fully into the GATT system and cool the political ardor (or at least make it irrelevant) for alternative trade institutions represented by Global Negotiations.

Attachment

Tab a Proposed North-South Trade Initiative

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PROPOSED NORTH-SOUTH TRADE INITIATIVE

In support of an export-oriented and market-disciplined model of development, the President would:

(1) Propose that the main focus of the 1982 GATT Ministerial Meeting be the opening of world markets to LDC exports, leading to:

(a) negotiation of phased dismantling of industrial nations' import quotas and other quantitative import restraints and the more gradually phased dismantling of quantitative import restraints by the newly industrializing nations;

(b) negotiation of a GATT Safeguards Code defining the limited circumstances in which quantitative restraints may be imposed hereafter;

(c) negotiation of a phased dismantling of agricultural subsidies (production and export) applied by the industrial nations, with priority for agricultural products of significant production/export interest to LDCs.

(2) Propose that industrial nations commit now to extend and broaden coverage under the Generalized System of Preferences (GSP).

(3) Propose that multilateral and bilateral aid programs provide technical advisory and training services and other assistance designed to enhance the capability of LDCs to adapt their production, marketing and logistical systems to expand their exports.

~~CONFIDENTIAL~~

Review on
September 29, 1987

DECLASSIFIED

NLS F94-070 #74

BY any NARA, DATE 1/12/97

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

PROPOSED NORTH-SOUTH TRADE INITIATIVE

In support of an export-oriented and market-disciplined model of development, the President would:

(1) Propose that the main focus of the 1982 GATT Ministerial Meeting be the opening of world markets to LDC exports, leading to:

(a) negotiation of phased dismantling of industrial nations' import quotas and other quantitative import restraints and the more gradually phased dismantling of quantitative import restraints by the newly industrializing nations;

(b) negotiation of a GATT Safeguards Code defining the limited circumstances in which quantitative restraints may be imposed hereafter;

(c) negotiation of a phased dismantling of agricultural subsidies (production and export) applied by the industrial nations, with priority for agricultural products of significant production/export interest to LDCs.

(2) Propose that industrial nations commit now to extend and broaden coverage under the Generalized System of Preferences (GSP).

(3) Propose that multilateral and bilateral aid programs provide technical advisory and training services and other assistance designed to enhance the capability of LDCs to adapt their production, marketing and logistical systems to expand their exports.

~~CONFIDENTIAL~~

Review on
September 29, 1987

DECLASSIFIED

NLS E94-070 #74

BY amf NARA, DATE 1/12/97

NSC/S PROFILE

UNCLASSIFIED

ID 8105379

RECEIVED 29 SEP 81 12

TO ALLEN

FROM BREMER

DOCDATE 29 SEP 81

KEYWORDS: SUMMIT

Cancun

SUBJECT: TENTATIVE LIST OF CANCUN SUMMIT PARTICIPANTS

ACTION: PREPARE MEMO FOR ALLEN

DUE: 30 SEP 81 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

TYSON

NAU

BAILEY

FONTAINE

COMMENTS

REF# 8128121

LOG

NSCIFID

(H /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

DISPATCH

W/ATTCH FILE (C)



DEPARTMENT OF STATE

Washington, D.C. 20520

UNCLASSIFIED

September 29, 1981

MEMORANDUM FOR MR. RICHARD V. ALLEN
THE WHITE HOUSESUBJECT: Tentative List of Cancun Summit
Participants

As requested by Mr. Chuck Tyson, attached is a tentative list of three highest ranking representatives expected to attend the Cancun Summit from each participating country.

A handwritten signature in dark ink, appearing to read "L. Paul Bremer, III".

L. Paul Bremer, III
Executive SecretaryAttachment:

As stated

UNCLASSIFIED

TENTATIVE LIST OF CANCUN SUMMIT PARTICIPANTS

*Algeria	Col. Chadli BENDJEDID President	Abdelaziz KHELLEF Minister of Commerce	Hadj M'Hamed YALA Minister of Finance
*Austria	Bruno KREISKY Chancellor	Dr. Willibald PAHR Minister for Foreign Affairs	Adolf NUSBAUMER Minister of State
Bangladesh	Abdus SATTAR Acting President	Prof. Mohammad Shamsul HUQ Minister of Foreign Affairs	Mohammad Saifur RAHMAN Minister of Finance
Brazil	Aureliano CHAVES Acting President	Ramiro Elysio Saraiva GUERREIRO Minister of Foreign Affairs	Ernane GALVEAS Minister of Finance
*Canada	Peirre Elliott TRUDEAU Prime Minister	Mark MacGUIGAN Sec. of State for Ext. Affairs	Allan J. MacEACHEN Minister of Finance
China	ZHAO Jianying Premier, State Council	HUANG Hua Vice Premier & Min. Forn. Affs.	
*France	Francois MITTERAND President	Claude CHEYSSON Minister of Foreign Affairs	Jacques DELORS Minister of Economy & Finance
*Germany	Helmut SCHMIDT Chancellor	Hans-Dietrich GENSCHER Minister of Foreign Affairs	Hans MATTHOFER Minister of Finance
Guyana	Forbes BURNHAM Executive President	Rashleigh Esmond JACKSON Minister of Foreign Affairs	SALLAHUDDIN Minister of Finance
*India	Mrs. Indira GANDHI Prime Minister	P.V. Narasimha RAO Minister of External Affairs	Ramaswamy Iyer VENKATARAMAN Minister of Finance
Ivory Coast	Felix HOUPHOUET-BOIGNY President	Simeon AKE Minister of Foreign Affairs	Abdoulaye KONE Minister of Economy & Finance
Japan	Zenko SUZUKI Prime Minister	Sonoda SUNAO Minister of Foreign Affairs	Michio WATANABE Minister of Finance
*Mexico	Jose LOPEZ PORTILLO President	Jorge CASTANEDA de la Rosa Secretary of Foreign Relations	David IBARRA Munoz Sec. of Finance & Public Credit

*Nigeria	Alhaji Shehu SHAGARI President	Ishaya AUDU Minister of External Affairs	Amb. B.A. CLARK Ext.Affairs Director for Economic & Int.Org. Affairs
Philippines	Ferdinand E. MARCOS President	Carlos P. ROMULO Minister of Foreign Affairs	Cesar VIRATA Minister of Finance
Saudi Arabia	Khalid Al SA'UD Prime Minister	Prince Sa'ud Al FAYSAL Minister of Foreign Affairs	Muhammad 'Ali ABA AL-KHAYL Min. of Finance & Nat.
*Sweden	Thorbjorn FALLDIN Prime Minister	Ola ULLSTEN Minister of Foreign Affairs	Hans BLIX Forn.Affairs Under Secretary for Intl. Development Coop.
*Tanzania	Julius K. NYERERE President	Salim Ahmed SALIM Minister for Foreign Affairs	Amir H. JAMAL Minister for Finance
United Kingdom	Margaret THATCHER Prime Minister	Lord CARRINGTON Sec.of State for Forn. & Com. Afs. & Min. of O'seas Devel.	Sir Geoffrey HOWE Chancellor of the Exchequer
United States	Ronald REAGAN President	Alexander M. HAIG, Jr. Secretary of State	Donald REGAN Secretary of the Treasury
Venezuela	Luis HERRERA Campins President	Jose Alberto ZAMBRANO Velasco Minister of Foreign Affairs	PEREZ GUERRERO
*Yugoslavia	Sergej KRAIGHER President	Josip VRHOVEC Fed. Sec. for Foreign Affairs	Petar KOSTIC Fed. Sec. for Finance
United Nations#	Kurt WALDHEIM Secretary General		

*Countries which participated in the first and second Ministerial Preparatory Meetings, November 1980 and March 1981 in Vienna. All 22 countries participated in the third and last Ministerial Preparatory Meeting, August 1981 in Cancun.

#Secretary General Waldheim is the only observer invited to the Summit.

N. Bailey

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

DECLASSIFIED
NLS F94-090 #75

~~CONFIDENTIAL~~

BY snf, NARA, DATE 1/12/99

September 29, 1981

MEMORANDUM FOR: WHO - RICHARD DARMAN
EB - ROBERT HORMATS
TREASURY - MARC LELAND
EB/SEN - CHARLES MEISSNER
E - MIKE RASHISH

FROM: HENRY R. NAU *NRN*

SUBJECT: Memo of Conversation Between
Georg Lennkh, Assistant to the Chancellor
of Austria, Nikolaus Scherk, Minister-
Counselor of the Embassy of Austria, and
Henry R. Nau

Cancun

Lennkh outlined Kreisky's position at this point on Cancun and conveyed his impression of where other countries stand based on his consultations in New York last week.

Kreisky believes that something must be said about Global Negotiations. He sees two choices: agree on language now and get it out of the way or decide that the issue can only be resolved by the heads of state themselves at Cancun. I indicated that neither choice was desirable. The first choice was impractical. No one would compromise on language before the meeting. The second choice was undesirable because it would focus Cancun on the Global Negotiations subject and little else. At this point I said we should assume that the Chairman's Summary will say no more about Global Negotiations than the letter of invitation, namely that the meeting facilitated agreement on the launching of Global Negotiations.

On substance Lennkh indicated that Kreisky was playing with this concept of infrastructure contained in the Brandt letter. The idea is unformed but implies a focus on major projects -- railroads, communications, etc. -- in many cases with a regional focus. I indicated that this concept was useful to the extent that it drew attention to capabilities for participation in commercial activities and counterbalanced to some extent the emphasis in recent years on basic human needs. However it was only half-a-loaf. There could be no discussion of aid for infrastructure development without an equal emphasis on the international economy and the subjects of growth, trade liberalization, investment flows, and leverage of private financial resources. The purpose of developing infrastructure in the poor countries is to permit them to participate more effectively in the international economic system.

~~CONFIDENTIAL~~

Lennkh indicated that the Cancun countries had met over dinner in New York last week. The general feeling was that something must be decided on Global Negotiations. India and Yugoslavia said privately that the content of Global Negotiations could always be redefined but that the concept was inviolable. They will not say this publicly however. I indicated that the United States did not reject Global Negotiations in principle but in practice did not see any purpose in resuming the New York discussions. A possible bridge might be struck between the U.S. position and the private positions of key countries like India and Yugoslavia in the following manner:

1. India, Yugoslavia and others would cease daily statements of support for Global Negotiations. This would imply no backing down from their support of Global Negotiations but would ease somewhat the expectations that are building.
2. The United States would initiate intensive pre-Cancun contacts to explore alternatives that would keep GNs in New York on ice for the time being and involve follow-up through a Cancun-type format.
3. A possible compromise might emerge at Cancun in which the U.S. reaffirmed its support for the concept of Global Negotiations while all countries agreed that the content of Global Negotiations required more thorough definition through the work of an Executive Committee of the Cancun countries reporting periodically on its progress to the UN. The precise link-up over time between the Cancun Executive Committee and Global Negotiations would be left unspecified.

Lennkh responded that such an outcome was conceivable but that it would require extensive consultations before Cancun. He urged that the U.S. become active in this process as soon as possible.

Lennkh asked once again if the U.S. delegation could visit Kreisky in Vienna. I suggested that the best opportunity for this would be Rashish's trip to the XCSS in mid October. We both agreed that a Kreisky visit to Washington before Cancun was not possible but the two would meet in Cancun for a bilateral. Kreisky plans to arrive in Mexico City already on October 18.

cc: Norman Bailey
James Rentschler
Charles Tyson

As of Monday, September 28, 1981

Cancun

Tentative Arrival Times of Heads of State/Government at Cancun

Sunday, October 18 - 9:40 p.m. - Austria

Tuesday, October 20 - 3:00 p.m. - Mexico
6:30 p.m. - China
8:00 p.m. - Yugoslavia

Wednesday, October 21 - 10:00 a.m. - India
10:30 a.m. - United States
11:00 a.m. - Nigeria
12:30 p.m. - Sweden
3:00 p.m. - United Kingdom
4:00 p.m. - Federal Republic of Germany
4:30 p.m. - Japan
5:00 p.m. - France
6:00 p.m. - Brazil
6:30 p.m. - Canada

RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 10 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

OUTLINE OF PRESIDENT'S SPEECH ON DEVELOPMENT

I. U.S. Context, Experience and Development

- A.) U.S. capacity to identify with the ideal(s) of development. U.S. itself was both an underdeveloped country and a revolutionary society -- and remains true to its finest traditions as a champion of liberty and opportunity for all.
- B. U.S. capacity for compassionate action. U.S. is unsurpassed in its record as a haven for the "poor ... huddled masses yearning to breathe free ... the homeless (and) tempest-tossed ..." -- and as a contributor of financial aid and technical assistance to other countries in need.
- C. U.S. capacity to serve as a useful example for successful development. Idealistic rhetoric A. and charity B. are not enough. Self-sufficiency is the goal. And our experience and success suggest that this requires:
 - 1. a favorable climate for investment;
 - 2. access to markets with potential growth;
 - 3. technical assistance;
 - 4. fair opportunities and incentives for work; and
 - 5. action programs tailored to the potential and constraints of the local/regional environment.

These are what allowed the U.S. to develop ("from the uncharted territory Columbus found ... " if speech is on Columbus Day) ... And these are what a program for others' successful development must be rooted in.

II. U.S. Approach to World Development

- A. The key role of domestic policies. Putting our domestic houses in order is the first order of business. Without this step, there is no basis for effective international cooperation.
- B. The achievements of the postwar international economic system. The system works, as evidenced by recent World Bank studies, and no one has gained more in the last decade than developing countries themselves.

- C. U.S. approach to self-sufficient development through appropriate institutions emphasizing practical orientation toward trade, investment and foreign (especially technical) assistance. It is this practical orientation that must prevail over unproductive rhetorical exercises or grandly idealistic schemes.

-- to expand markets for products from developing countries:

- o through GATT ministerial (1982) and subsequent trade talks, seek reduction of discrimination against LDC products via:

- adoption of a general and liberal "safeguards" code;
- gradual reduction of certain categories of coverage under MFA (perhaps); and
- gradual dismantling of developed-country subsidies of certain tropical agricultural products (Note: requires attention to domestic sensitivities);

- o commit to implement safeguards code under GATT;
- o commit now to seek legislation to extend the Generalized System of Preferences (GSP -- which expires in '85), and express willingness to expand GSP coverage;
- o in MFA negotiations, seek to maintain overall 6% growth rate while redirecting benefits from "big three" (Taiwan, Hong Kong, South Korea) to smaller and newer developing country suppliers.

-- to improve the investment climate:

- o propose new "International Investment Insurance Agency" (multi-lateral, building on U.S. experience with unilateral OPIC);
- o support increased World Bank and IFC activity as catalysts of co-financing arrangements in developing countries (perhaps offer U.S. proposal);
- o negotiate special bilateral tax and investment policy agreements (trading improved investment protection arrangements for honoring developing country tax holiday/sparing arrangements under U.S. law).

-- to promote and provide foreign, especially technical, assistance;

- o (Note that most effective technology transfer is through private investment and associated technical transfers and training; hence, improving investment climate (as above) is most important key to technical assistance.) But in addition ...;
- o refocus AID resources to give greater emphasis to the development of practical and sustainable productive enterprise in developing countries;
- o encourage the American private sector to become more involved in technical assistance in developing countries (as a market development strategy, not simply pro bono);
- o develop a new or enhanced (Peace Corps)-type program to send technically qualified Americans abroad as part of technical assistance teams;
- o give greater emphasis to the training of people from developing countries;
- o target programs to encourage energy production in developing countries, both conventional and renewable sources.

-- to develop practical programs appropriately tailored to the local and regional environment.

- o cooperate with other governments and the private sector in the development of workable regional action programs -- such as the one we (with others) have initiated for the Caribbean Basin;
- o reject the artificial and simplistic division of the world into "North-South," and reject naive one-world images -- while emphasizing the diverse and pluralistic character of the 150-plus nations of the world and the need to give greater attention to opportunities for problem-solving on a regional scale;
- o seek to develop other such regional action programs with interested countries and investors for other regions;

- o (Optional: reduce participation in unproductive and distractive rhetorical exercises that suffer from either excessive ideological polarization or excessively global ambition -- concentrate on activities likely to produce meaningful results.)

~~SECRET~~

5656

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~
WITH SECRET ATTACHMENT

September 26, 1981

ACTION

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN BAILEY *NB/*

FROM: HENRY R. NAU *HRN*

SUBJECT: Status Report on Cancun

Bailey, Tyson, and I thought it useful to provide you and, through you, Meese, Baker, and Deaver with a summary update on where we stand on developments related to Cancun. The other countries have been active for several weeks pushing their ideas and pet projects. We have yet to decide on, let alone initiate, our own strategy. The memorandum to Meese, Baker, and Deaver and accompanying outline of a Presidential speech suggest that the time is now. We recommend that you forward the memorandum immediately with copies to Darman, Fuller, Anderson, Gergen.

RECOMMENDATION

That you sign the memorandum at Tab I.

Approve ✓

Disapprove _____

SIGNED

Attachment

Tab I Memorandum to Meese, Baker, and Deaver for signature

cc: Chuck Tyson

~~CONFIDENTIAL~~
WITH SECRET ATTACHMENT

Review on September 26, 1987

DECLASSIFIED

NLS E94-090 #76

BY Amf, NARA, DATE 1/12/99

~~SECRET~~