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WITHDRAWAL SHEET

Ronald Reagan Library

Collection: BAILEY, NORMAN: Files

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File Folder: Cancun Summit (October 1981) [6 of 6]
Box ~~90373~~ 5

Date: 7/15/96

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. paper	re: Cancun Summit (7pp) 5	8/6/81	P1
2. cable	201200Z AUG 81 (2pp)	8/20/81	P1
3. paper	re: Mexico Summit (1p) D 1/11/99 NLSF94-090	8/6/81	P1
4. paper	re: Ottawa Summit (1p) D 1/11/99 NLSF94-090	8/6/81	P1
5. memo	from Richard Allen to Ed Meese/James Baker/Michael Deaver re: President's participation in Cancun (1p) R 1/11/99 NLSF94-090	8/20/81	P1
6. memo	same as item # 5 (1p) R 1/11/99 NLSF94-090	8/20/81	P1
7. paper	re: Relations with LDCs (6pp)	8/14/81	P1 P5
8. memo	from Henry Nau through Norman Bailey to R. Allen re: President's participation in Cancun (2pp)	8/14/81	P1 P5
9. memo	from Marc Leland to Cabinet Council on Economic Affairs re: Cancun Summit (3pp)	8/5/81	P1 P5
10. report	re: The Mexico Summit. pages 1-4 (6pp, partial) pages 5-10 (6pp) R 1/11/99 NLSF94-090	6/22/81	P1
11. letter	from President Portillo to President Reagan (3pp) R 1/11/99 NLSF94-090	4/30/81	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-5 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].

MEMORANDUM

Bailey - FYI

#5013 Add-on

NATIONAL SECURITY COUNCIL

September 4, 1981

INFORMATION

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN A. BAILEY

FROM: HENRY R. NAU *HRN*

SUBJECT: Cancun Meeting with Haig, Regan and Meese,
September 8, 4 p.m., Roosevelt Room

Cancun

The meeting should take initial decisions in three areas:

1. What policy areas we want to push in preparations for Cancun and which Cabinet Council will have responsibility for each of these areas?

Of the areas identified in the policy paper distributed for this meeting (Tab A), the most important are:

- a. Caribbean Basin Proposal - Stuck in bowels of STR. Should decide on date for Brock's Trade Policy Committee to send advanced proposal to NSC for review and decision.
- b. Trade - Set date for Cabinet-level review of MFA policy and broader trade policy toward developing countries at GATT Ministerial in 1982 and thereafter.
- c. Investment - Ask Cabinet Council on Economic Affairs to develop initiatives, both to encourage foreign investment in developing countries and to catalyze private company contributions to development assistance in those countries.
- d. Finance - Expedite review of U.S. policy toward multilateral development institutions and set date for consideration by Cabinet Council on Economic affairs.

- e. Aid - Decide on strategy to secure passage of FY82 foreign aid legislation and ask State to develop with AID proposals to reallocate aid resources to trade and investment initiatives.
 - f. Global Negotiations - Set date for Cabinet level review of an options paper already in the works (submitted to you separately), preferably in NSC.
2. What major policy pronouncements do we anticipate between now and Cancun and how will these be coordinated? (These issues arise out of the tactics paper at Tab B.)
- a. Secretary Haig's Speech on Relations with Developing Countries - Whether and when this speech will be given. Ask that follow-up group to be established at this meeting be charged with coordinating speech drafts.
 - b. UNGA Speech - Involves only a section on economic relations with developing countries (drawn from Haig's speech).
 - c. World Bank Speeches -
 - 1) President's speech?
 - 2) Secretary Regan's Speech - Ask that follow-up group coordinate drafts.
 - d. President's Speech Just Before Cancun (about one week) - Volunteer NSC to initiate draft which can be coordinated through follow-up group.
3. What bilateral contacts do we need to initiate between now and Cancun and at Cancun? (These issues also arise out of the paper at Tab B.)
- a. Kreisky's request to meet with U.S. officials and then later with the President himself?
 - b. Communications before Cancun with Lopez Portillo?
 - c. Bilateral communications before Cancun with key developing countries?

- d. Bilateral communications or coordination with industrial country allies?
- e. Bilateral meetings at Cancun?

At the end of the meeting, ensure that a follow-up group is established under your direction as a central coordinating staff for monitoring and reporting weekly progress to Haig, Regan and Meese on policy matters, speech drafting, and bilateral diplomatic contacts.

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WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.



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~~CONFIDENTIAL~~

MEMORANDUM

#4883

THE WHITE HOUSE

WASHINGTON

August 20, 1981

~~CONFIDENTIAL~~

7/20 dispatched as copy to the addresser JCP

MEMORANDUM FOR ED MEESE
JAMES BAKER
MICHAEL DEEVER

FROM: RICHARD V. ALLEN *Bud*
SUBJECT: Policy Action Requirements for President's
Participation in Cancun

In two and a half months, the President participates in the Cancun Summit. Until now, the Administration has not focused in depth or breadth on its policies toward the developing countries. The attached paper (Tab A) develops a framework of policy themes and an inventory of issue actions to initiate such a review. It can serve as an initial roadmap for our internal discussions and then for White House directives to the Cabinet Councils and the agencies to push forward various decisions and programs so the President can present at Cancun a philosophy and program totally consistent with his ideas (and not the ideas of his predecessors buried in the recesses of the bureaucracy).

I would recommend an early meeting to review this matter and to initiate the desired actions.

Attachment

Tab A Paper on US Policy Framework and Inventory
of Issues for Relations with LDCs

cc: Richard Darman

7/20 dispatched JCP

~~CONFIDENTIAL~~

Review 8/14/87

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NLS F94-090 #86

BY *smf* NARA, DATE *1/12/97*

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Boiley
#4883

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 20, 1981

~~CONFIDENTIAL~~

Cancun

8/21

8/25

8/27

MEMORANDUM FOR ED MEESE
JAMES BAKER
MICHAEL DEEVER

FROM: RICHARD V. ALLEN *Bul*
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of Issues for Relations with LDCs

cc: Richard Darman

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NLS F94-090 #87

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Review 8/14/87

BY amf NARA, DATE 1/12/99

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THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 7 - 9 LISTED ON THE
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

Annex I

List of countries whose Heads of State or of Government are being invited to the International Meeting on Cooperation and Development.

Algeria	Japan
Austria	Mexico
Bangladesh	Nigeria
Brazil	Philippines
Canada	Saudi Arabia
China	Sweden
France	United Kingdom
Federal Republic of Germany	United Republic of Tanzania
Guayana	United States of America
India	Venezuela
Ivory Coast	Yugoslavia

In accordance with the decision of the Second Vienna Consultations of Foreign Ministers on the question of convening an International Meeting on Cooperation and Development, the wish for the participation of the Head of State or of Government of the Soviet Union was conveyed to the Soviet Union.



الاجتماع الدولي للتعاون و التنمية

国际合作和发展会议

REUNION INTERNACIONAL SOBRE COOPERACION Y DESARROLLO
REUNION INTERNATIONALE SUR LA COOPERATION ET LE DEVELOPPEMENT
INTERNATIONAL MEETING ON COOPERATION AND DEVELOPMENT

ANNEX II.

IMCD/PM/INF.5

ENGLISH

August 2, 1981

PREPARATORY MEETING OF MINISTERS OF FOREIGN AFFAIRS

Cancún, 1-2 August, 1981

PRESS RELEASE

PREPARATORY MEETING OF FOREIGN MINISTERS FOR THE CONVENING
OF THE INTERNATIONAL MEETING ON COOPERATION AND DEVELOPMENT

1. The Preparatory Meeting of Foreign Ministers for the convening of the International Meeting on Cooperation and Development (IMCD) met at Cancún, Mexico, on the 1st and 2nd of August, 1981. The Preparatory Meeting, co-chaired by Mr. Jorge Castañeda, Secretary of Foreign Affairs of Mexico and Mr. Willibald Pahr, Federal Minister for Foreign Affairs of Austria, was attended by Ministers of Algeria, Austria, Bangladesh, Brazil, Canada, China, France, Federal Republic of Germany, Guyana, India, Ivory Coast, Japan, Mexico, Nigeria, Philippines, Saudi Arabia, Sweden, United Republic of Tanzania, United Kingdom, United States of America, Venezuela and Yugoslavia. (The list of the Heads of Delegation is annexed).
2. The IMCD will be held in Cancún, Mexico, on October 22nd and 23rd, 1981, under the Co-Chairmanship of the President of Mexico, José López Portillo, and the Federal Chancellor of Austria, Bruno Kreisky.
3. In accordance with the letter of invitation addressed to the Heads of State or Government participating in the IMCD, the Preparatory Meeting dealt with the following three questions: evaluation of recent developments in the field of international cooperation for development; definition of the main topics to be considered at the October Meeting, and finalization of preparations for this Meeting.
4. During the discussions, the character of the Meeting as established in the two Vienna consultations and expressed in the letter of invitation, was confirmed. Accordingly, the Meeting will be political in character, conducted in an open and informal atmosphere, not engaging in negotiations but providing an opportunity for an exchange of views on major issues of international cooperation for development.

/...

5. In evaluating recent developments, the current situation regarding the Global Round of Negotiations was assessed; the importance of the conclusions of the Caracas Conference on Economic Cooperation among Developing Countries was highlighted, and a positive appraisal was made of the Ottawa Summit Declaration in regard to relations between developed and developing countries.

6. The Ministers agreed, after extensive discussions, that the Meeting will not work on the basis of a formal agenda, but rather within a discussion framework which would:

- reflect the complexity of the current problems of the world economy as well as the interrelationship among them;
- offer the opportunity for an exchange of views of a general nature on the future of North-South relations, in particular on interdependence and mutuality of interest among developing and developed countries;
- encompass major areas of concern on which to focus discussions; and
- allow for the possibility that participants could address additional questions if they so desire.

The Ministers further agreed that, in conformity with the letter of invitation, while having no formal link with the Global Round of Negotiations, a main objective of the Meeting should be to facilitate agreement with regard to the said Global Round of Negotiations by means of achieving a real meeting of minds and positive political impetus by Heads of State or Government for these and other efforts of international economic cooperation in other fora, without in any way preempting or substituting for them.

Accordingly, they agreed on the following item as the framework for discussions at the Meeting: the future of international cooperation for development and the reactivation of the world economy, including areas such as food security and agricultural development; commodities, trade and industrialization; energy; monetary and financial issues.

7. The Ministers confirmed that the conclusions of the Meeting will be expressed in a summary by the Co-Chairmen.

8. It was agreed that the Secretary General of the United Nations will be invited to the Meeting as a special guest.

9. Agreement was also reached on a number of procedural and organizational questions.
10. The Ministers expressed their gratitude to the Government of Mexico for the warm reception and hospitality provided for the Preparatory Meeting.

Cancún, Mexico, August 2nd, 1981

AGENDA ITEMS FOR GLOBAL NEGOTIATIONSANNEX III

<u>AGENDA ITEM</u>	<u>INTERNATIONAL FORUM</u>
1. <u>Raw Materials and Food</u>	
Stabilization of export earnings	IMF
Storage, processing, transportation, marketing, distribution of commodities and raw materials	FAO, WFC, UNCTAD MDBs, UNDP
Development of natural resources	MDBs
Expansion of food production (Resource transfers, R and D, national strategies)	FAO, IFAD, MDBs, CGIAR, UNDP, etc.
World food security	FAO, WFC, IWC
2. <u>TRADE</u>	
Protectionism, structural adjustment, access to markets	GATT, UNCTAD
Shipping	UNCTAD
3. <u>ENERGY</u>	
Measures to meet energy requirements	MDBs
Conservation	
Exploration, research and development of energy sources	MDBs, UNCNRSE
Supply and demand of energy	
LDC participation in downstream activities	
4. <u>DEVELOPMENT</u>	
Transfer of technology	UNCTAD, UNIDO, UNICSTD, UN Conference on Inter- national Code of Conduct on the Transfer of Technology
Promoting industrialization of LDCs (restructuring world industry/positive adjustment)	UNIDO, GATT, UN Regional Commissions

Development of LDC infrastructure

UNIDO, MDBs, UNDP

National demographic policies

ECOSOC, UNFPA

Assist LLDCs to overcome structural problems

UN Conference on LLDCs, IBRD, GATT, UNDP

5. Money and Finance

Financing of balance of payments deficits

IMF, IBRD

Transfer of resources:

Concessional (ODA)

Non-Concessional (investment, access to capital markets, co-financing)

IMF/IBRD Dev. Committee
DC and DC Task Forces,
UN Commission on TNC

Debt problems

IMF

International liquidity

IMF

Exchange rate surveillance

IMF

LDC participation in decision-making

IBRD, IMF

Adjustment process and contributions of IFIs

IBRD, IMF

Terms and Conditions for use of IMF Resources

IMF

Impact of inflation on growth development

IMF, IBRD

Protection of financial assets (indexing and confiscation)

Explanation of Acronyms

CGIAR	Consultative Group on International Agricultural Research
ECOSOC	UN Economic and Social Council
FAO	Food and Agriculture Organization
GATT	General Agreement on Tariffs and Trade
IEA	International Energy Agency
IFAD	International Fund for Agricultural Development
IMF	International Monetary Fund
IWC	International Wheat Council
LLDCs	Least Developed Countries
MDBs	Multilateral Development Banks
IBRD	International Bank for Reconstruction and Development (World Bank)
ADB	Asian Development Bank
AfDB	African Development Bank
IDB	Inter-American Development Bank
UN Commission on TNC	United Nations Commission on Transnational Corporations
UNCNRSE	United National Conference on New and Renewable Sources of Energy
UNCTAD	United National Conference on Trade and Development
UNDP	United National Development Program
UNFPA	United Nations Fund for Population Activities
UNICSTD	United Nations Intergovernmental Committee on Science and Technology for Development
UNIDO	United Nations Industrial Development Organization
WFC	World Food Council

RECEIVED 11 JUN 81 17

TO PRES FROM LOPEZ PORTILLO, JOSE DOCDATE 30 APR 81
KREISKY, BRUNO 30 APR 81
FONTAINE 11 JUN 81

KEYWORDS: SUMMIT
AUSTRIA
HS

MEXICO
AGENDA

*File
Cancun Summit*

SUBJECT: NSC CONSENT AGENDA ITEM RE CANCUN SUMMIT

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

FOR COMMENT

FOR INFO

ALLEN

TYSON

FARRAR

NAU

 BAILEY

RENTSCHLER
STEARMAN

COMMENTS

REF#

LOG

NSC/FID

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

W/ATTCH FILE (C)

NATIONAL SECURITY COUNCIL

June 11, 1981

INFORMATION

MEMORANDUM FOR RICHARD V. ALLEN

FROM: ROGER FONTAINE

SUBJECT: Cancun Summit: NSC Consent Agenda Item

Attached at Tab A is the President's formal invitation from Mexico's President Lopez Portillo and Austria's Chancellor Bruno Kreisky, Co-chairmen of the International Meeting on Cooperation and Development, to attend the Cancun summit on October 22 and 23. Twenty-two heads of state will attend. The Soviet Union has been invited but apparently has not responded.

The Meeting will be an exchange of views on major economic issues in an informal atmosphere. There will be no negotiating according to the sponsors. The sponsors also hope such a high level political gathering will give some impetus to the Global Round of Negotiations. A preparatory meeting of foreign ministers will be held in Cancun in early August.

ISSUES

- Both the Soviet Union and China are invited. Polemics between them and aimed at us is possible.
- Some Third World participants (Algeria, Tanzania) may also engage in standard polemics.
- On the whole, however, it is a fairly friendly list of invitees. (The real firebrands -- Cuba, Nicaragua, Libya, etc., are not invited.)
- It is unlikely any real consensus will develop on global issues. The U.S. needs to be prepared to state its views on global negotiations.

April 30, 1981

Excellency,

We have the honour of addressing Your Excellency, on behalf of the Heads of State or of Government of Algeria, Canada, France, the Federal Republic of Germany, India, Nigeria, Sweden, United Republic of Tanzania and Yugoslavia, and on our own behalf, in order to invite you to participate personally in the International Meeting on Cooperation and Development, which will be held at the level of Heads of State or Government, in Cancún, México, on 22nd and 23rd of October, 1981.

This joint initiative on the part of eleven developing and developed countries emerges from the common concern over the present state and prospective difficulties of the world economy, in particular the stagnation of multilateral economic negotiations and the limited progress achieved in international cooperation for development.

They share the view that problems of cooperation and development need to be given urgent attention at the highest political level.

The Meeting will be political in character and provide the participating leaders an opportunity to have an exchange of views on major issues of international cooperation for development in an open and informal atmosphere; there is no intention of engaging in negotiations. The exchange of views

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NLS F94-090 #89

BY 44, NARA, DATE 1/12/99

His Excellency
Ronald Reagan
President of the United States of America

The White House
Washington, D.C. 20500

at the Meeting should inter alia lead to a greater understanding and a deeper appreciation of interdependence amongst nations, its relevance, importance, and implications. While having no formal link with the Global Round of Negotiations, a main objective of the Meeting should be to facilitate agreement with regard to the said Global Round of Negotiations by means of achieving a real meeting of minds and positive political impetus by Heads of State or of Government for these and other efforts of international economic cooperation in other fora, without in any way preempting or substituting for them.

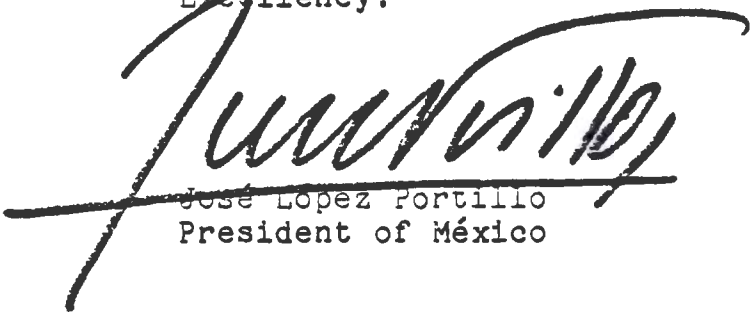
Instead of a formal agenda, the Meeting will work within a discussion framework which would reflect the complexity of the current problems of the world economy as well as the inter-relationship among them. It is expected that useful suggestions for facilitating the work of international cooperation for development will emerge from the deliberations of the Meeting; these may be summarized by the Chairman if necessary.

A list of those countries whose Heads of State or of Government are being invited to the Meeting is attached to this letter as well as preliminary information on the organizational aspects of the meeting.

We hope that Your Excellency will find it possible to accept this personal invitation.

A preparatory meeting at the level of Foreign Ministers will be held in Cancún, México, early in August to evaluate further developments, define the main topics, and finalize the preparations of the Meeting. All those countries on the list whose Heads of State or of Government agree to attend the International Meeting on Cooperation and Development will be invited to this preparatory meeting.

On behalf of the Heads of State or of Government of the aforementioned countries, and on our own behalf, we beg Your Excellency to accept the expression of our highest esteem, and our best wishes for the continued prosperity of your country and the personal good fortune of Your Excellency.



José López Portillo
President of México



Bruno Kreisky
Federal Chancellor of Austria

A n n e x I

List of countries whose Heads of State or of Government are being invited to the International Meeting on Cooperation and Development.

Algeria	Japan
Austria	Mexico
Bangladesh	Nigeria
Brazil	Philippines
Canada	Saudi Arabia
China	Sweden
France	United Kingdom
Federal Republic of Germany	United Republic of Tanzania
Guyana	United States of America
India	Venezuela
Ivory Coast	Yugoslavia

In accordance with the decision of the Second Vienna Consultations of Foreign Ministers on the question of convening an International Meeting on Cooperation and Development, the wish for the participation of the Head of State or of Government of the Soviet Union was conveyed to the Soviet Union.

A N N E X II

INTERNATIONAL MEETING ON COOPERATION AND DEVELOPMENT

Preliminary information regarding arrangements for the Meeting.

1. GENERAL INFORMATION

The Meeting will be held in the resort city of Cancún on the Caribbean coast of México, approximately 175 miles east of Mérida Yucatán. The location and flight times from principal gateway cities in North America are shown on the appended map.

The dates for the Meeting are October 22 and 23, 1981 with the 21st. and the 24th. of October as arrival and departure days.

The Meeting will be held at the Cancún Sheraton Hotel. The climate for that time of the year is normally hot and windy. (max. 28°C. min. 15°C).

Dress will be casual sport throughout the duration of the Meeting.

2. ORGANIZATION AND PREPARATION

The Mexican Government has taken steps to ensure all the necessary conditions for the Meeting. To this effect, a Secretariat has been set up with the responsibility for all organizational and logistical preparation, including the requirements of participants, services for the Meeting, security, press arrangements, etc.

The Secretariat is located in the Foreign Ministry of México (Secretaría de Relaciones Exteriores). All communications or inquiries should be directed to:

Coordinador General - RICD
Secretaría de Relaciones Exteriores
Avenida Ricardo Flores Magón No. 1
México 3, D. F. México.

Telephones: 529-2510; 529-2512; 526-5021
Telex: 1771000; 1774424; 1774425; 1774426
Cable: RELACIONES COORDINACION - RICD MEXICO CITY

3. RECEPTION AND ACCOMMODATION ARRANGEMENTS

Each Head of State or Government will be received at Cancún Airport on October 20 or 21 and transported to the Sheraton Hotel. Each Head of State or Government and up to ten additional members of his Party will be the guests of the

Mexican Government and will stay at the Sheraton Hotel. Additional members of each Party will be responsible for their own expenses, although lodging arrangements will be coordinated by the Secretariat.

Transportation in Cancún will be provided for Heads of State or Government. Also, pool transport will be available during the Meeting between hotels, the airport and the center of Cancún.

Access to the Sheraton Hotel will be restricted and limited to official members of each Head of State or Governments party. No press will be permitted to enter the grounds of the Meeting site.

Each Head of State or Government will enjoy the use of a two room suite and ten additional rooms in the Sheraton Hotel. Each Head of State or Government is, of course, free to decide to which members of his official party these rooms are assigned. Other members of the party will be assigned rooms at nearby hotels.

No events for Heads of State or Government are foreseen outside the grounds of the Sheraton Hotel during the Meeting.

In order to meet all requests for accommodation, countries are urged to inform the Secretariat, at the latest by August 31, of the number and names of persons accompanying each Head of State or Government as official members of the party. Hotel assignments for persons not staying at the Sheraton will be made by the Secretariat and communicated at an appropriate time.

Because the number of available hotel rooms in Cancún is limited, the Mexican Government regrets that it must limit to 75 the total number of persons from each country, including press, security, etc. coming to the Meeting.

4. PARTICIPATION

In accordance with the decision taken in Vienna by the Foreign Ministers of the eleven co-sponsoring countries, invitations are being addressed only to Heads of State or Government. Heads of State or Government who wish their Ambassadors to México to accompany them should include them in their official party. No observers are being invited.

Due to the shortness and nature of the Meeting, spouses are not generally expected to accompany Heads of State or Government.

5. CONFERENCE SITE

The Sheraton Hotel has all the facilities common to a resort installation, such as indoor and outdoor swimming pools, beach facilities, tennis courts, motion picture theatre, restaurants, bar, etc. During the Meeting there will be 24 hour room service. Complete medical facilities will be installed within the hotel.

Each suite for a Head of State or Government consists of a bedroom, a sitting room and two full baths. Each Head of State or Government will have at his disposal within the suite direct telephone facilities to the home capital. Additional communication facilities will be centrally available in the hotel (telephone, telex, etc.). Heads of State or Government requiring special telecommunications arrangements are requested to inform the Secretariat as soon as possible.

Meals will be served at normal hours in the various restaurants of the hotel. No formal social occasions are foreseen. The President of México will host an informal dinner for Heads of State or Government on the evening of October 21.

The working sessions will take place in a Conference Room in which a table will be set up, accommodating the Heads of State or Government. Each Participant may be accompanied by a maximum of two advisers who will be seated immediately behind. No other persons will be allowed to enter or remain in the Conference Room during sessions. Special identification badges will be issued to advisers in order to facilitate security controls.

6. LANGUAGES

Simultaneous interpretation into Arabic, Chinese, English, French and Spanish will be provided during all sessions of the Meeting. Any services for special language requirements should be provided by the country concerned at its own expense.

It is suggested that each Head of State or Government be accompanied by a personal, multilingual interpreter in order to facilitate communications and informal contacts during the days of the Meeting.

7. INFORMATION AND PRESS FACILITIES

Given the fact that the Meeting will be closed to the public and to the press and that access to the Meeting site will be severely restricted, countries are urged to limit press and information media representatives traveling to Cancún. For those that do come, the following facilities will be available:

All press and media representatives will be accommodated close to the Press Center. Members of the press will not have access to the Sheraton Hotel during the course of the Meeting. A maximum of 30 members of the press and media from each participating country will be accredited by the Secretariat.

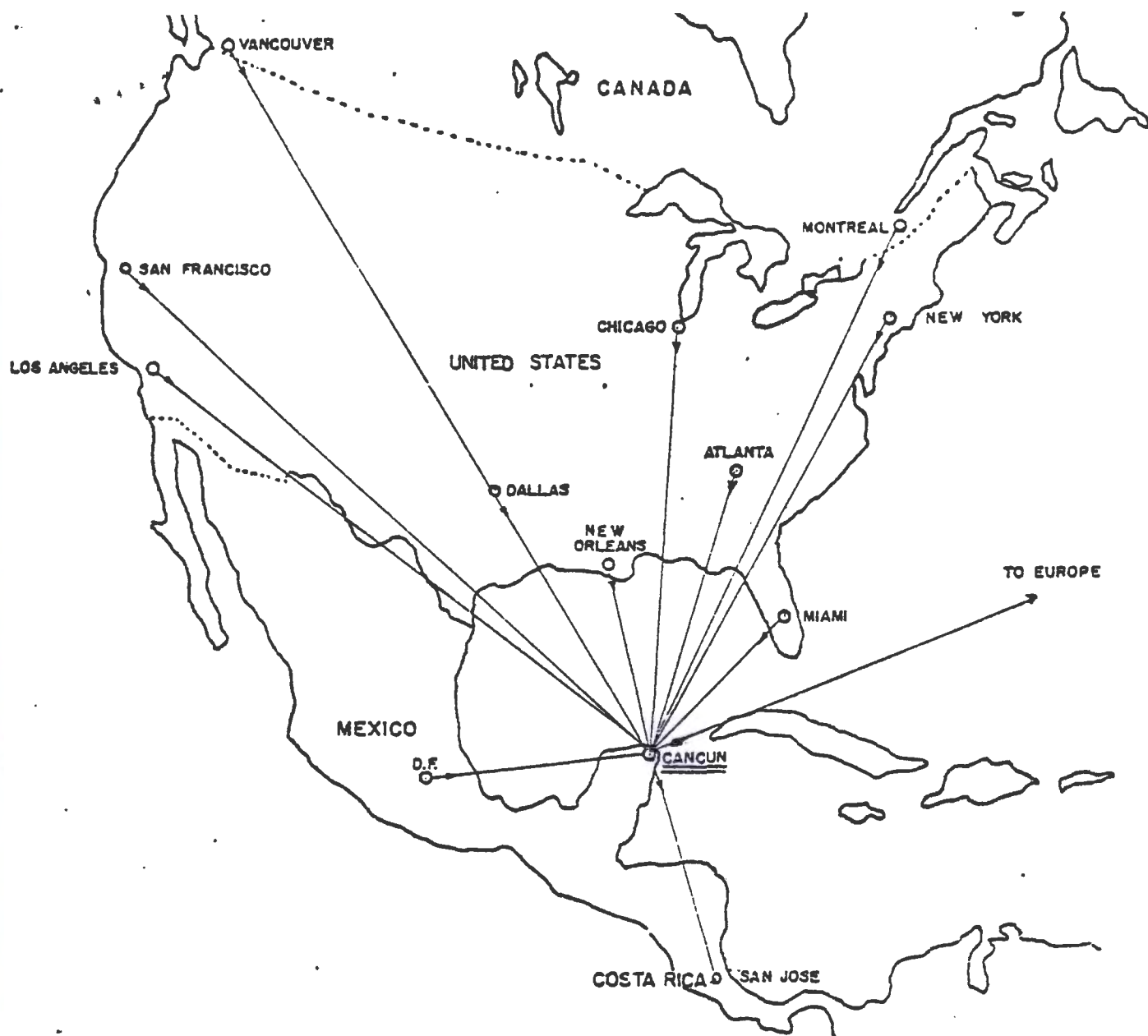
The Press Center will have adequate facilities for briefings and communications for television, telephone, telex, radiophotos, etc. The Secretariat foresees that the Heads of State or Government will appoint a Spokesman who will periodically brief the media. Television and photographic images from the Sheraton Hotel will be fed to the Press Center where they will be available for direct transmission abroad. Facilities will be available at Cancún Airport and at the Press Center for Heads of State or Government who wish to have press conferences or make press statements.

8. AIRPORT FACILITIES

The airport for arrivals and departures will be Cancún International. Due to limited apron parking facilities, private government aircraft will be sent to nearby airports after discharging passengers at Cancún.

Cancún International Airport is served by regularly scheduled commercial flights from New York, Los Angeles, Miami, Houston, San José Costa Rica, as well as México City. Heads of State or Government and their official parties, should advise the Secretariat of travel plans well in advance.

May 1, 1981



AIR DISTANCES AND FLIGHT TIMES

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Cancun Summit

(U) THE MEXICO SUMMIT: SIGN OF A NEW ERA IN
NORTH-SOUTH NEGOTIATIONS?

(c) Summary

The planned heads-of-state meeting of 22 rich, poor, and in-between countries in Cancun, Mexico, in October is meant to revive the North-South dialogue of the 1970s. But in fact it could mark the decline of serious attempts to negotiate global economic bargains and instead usher in a new period in which the dialogue becomes increasingly ceremonial while influential countries pursue their interests in other ways. There is a growing differentiation among developing countries and, in a worldwide economic slump, a growing pressure for bilateral "deals" and concessions. Although the summit proposal grew out of the work of the Brandt Commission on international development needs, the meeting is unlikely to achieve the goal of launching global negotiations to restructure the international economic system.

Whatever substantive importance the Mexico summit has may lie more in its implications for West-West, rather than North-South, relations. For many countries, the illusion if not the actuality of progress in North-South relations continues to be important. Economic and humanitarian aid has a well-developed political constituency in Europe, for example, although governments are reluctant to commit themselves to large new resource transfers--as the African, Caribbean, and Pacific states discovered to their dismay during the renegotiation of the Lome Convention in 1979.

The summit offers the US an opportunity to develop European support for US policy. Concrete results could help consolidate a trend toward political, if not economic, moderation in the developing world which was exhibited at the last UN General Assembly and the nonaligned movement's ministerial

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meeting in New Delhi in February. In any event, the evolving two-track process exemplified by the plans for Cancun suggests a change in traditional North-South bargaining patterns. Global issues will continue to occupy such universal forums as the General Assembly, but the real negotiations will take place elsewhere--conceivably in Cancun followup meetings.

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Introduction

(U) A North-South summit meeting of 22 countries (see list, p. 2) is planned for October 22-23 in Cancun, Mexico. The prime movers are Austrian Chancellor Kreisky and Mexican President Lopez Portillo, but German Chancellor Schmidt was an early supporter and Canadian Prime Minister Trudeau is a fervent advocate. Their aim is to bring together in a remote hideaway leaders representing carefully selected developed and developing countries for informal discussion of world economic problems. Over the past year the US remained aloof from summit preparations, but has now said that it probably will participate.

(C) The Mexico meeting will come three months after the West's own industrial-country summit in Ottawa in July. The host for the Ottawa summit, Prime Minister Trudeau, has linked the two meetings, telling leaders of developing countries that North-South issues to be discussed in Mexico will be an important element in the Ottawa talks. Moreover, Europeans see an East-West opportunity in reaffirming Western interest in the developing countries at a time when many LDC leaders are concerned about their economic problems and suspicious of the Soviet Union following its invasion of Afghanistan. The meeting will come after more than a year of unsuccessful efforts at the UN to reach agreement on procedures and agenda for global negotiations to restructure the international economic system. These cross-cutting relationships give the October summit more importance than could have been anticipated when the concept was first broached.

(C) The idea for the Mexico meeting grew out of the work of the Brandt Commission on international development needs, a group of eminent persons from North and South assembled by former Chancellor Willy Brandt in September 1977 to rethink relations between developed and developing countries. Even before release of the group's report in February 1980, Brandt had begun discussing with UN Secretary-General Waldheim, Schmidt, Kreisky, and others the desirability of a summit meeting to overcome the stalemate in North-South negotiations. Lopez Portillo seized the opportunity to host the affair and took on the difficult task of rounding up developing-world support.

Summit Plans: An Unstructured Seminar

(C) From the beginning the organizers have conceived of the Mexico meeting as an informal, unstructured seminar designed to encourage a free exchange of ideas. When Brandt first broached

the idea, he spoke of a working session attended by only a few summiteers, not a public performance. The Mexican hosts have said that preparations should be minimal so as to allow open discussion between the leaders--but at the same time have begun preparing background materials. The Austrian cosponsors believe that detailed briefing papers of the kind prepared for the formal summits of the industrial countries, such as in Ottawa, not only are unnecessary but would be undesirable for a meeting that should consist of a private "confrontation of ideas."

(U) Schmidt and Trudeau may have in mind as a model the Jamaica mini-summit of rich and poor countries that they attended in December 1978 at Runaway Bay. Organized by (then) Jamaican Prime Minister Michael Manley, the seven chiefs of government present had no set agenda, issued no communique, and met without having to claim "success" or acknowledge "failure." Afterward, Trudeau said that despite the informal nature of the meeting, "they were all more in agreement than if the purpose were to make agreements." The 14 hours of talks on North-South issues served educational purposes and made progress on resolving the thorny issue of a common fund for commodities. The fact that the US did not attend reduced expectations about the outcome and perhaps made credible the informal seminar format.

(U) The Mexico meeting will take place at an equally sunny, remote location, the island resort of Cancun (on the Gulf of Mexico), where luxury hotels and a "Club Med" pleasure camp are located--but the number of participants at 22 will be far larger. The invitation list decided on at a March 1981 preparatory meeting includes:

Developed Countries

OPEC Countries

Other Developing Countries

Austria, Canada, France,
Japan, Sweden, United
Kingdom, United States,
West Germany

Algeria, Nigeria,
Saudi Arabia,
Venezuela

Bangladesh, Brazil,
China, Guyana, India,
Ivory Coast, Mexico,
Philippines, Tanzania,
Yugoslavia

(S) There was some support for inviting the Soviet Union. The cosponsors agreed to invite the Soviets if they wanted to come, but Moscow has indicated it will not participate. From the beginning, Soviet leaders have showed disinterest in the enterprise.

(S) The Soviet Union has never considered itself part of the North-South dialogue and, while willing to help developing countries attack rhetorically the "capitalist-colonialist legacy," it accepts no responsibility for the present international economic order. Although faced by increasing Third World demands to match its

political rhetoric with economic deeds, it gives little development assistance except to such countries as Cuba and Vietnam. Viewing Third World economic problems as the result of Western imperialist and capitalist policies, the Soviets do not accept, for example, UN percentage-of-GNP guidelines for development aid. As could be expected under the circumstances, Soviet comment on plans for the summit has been sparse, one Foreign Ministry official calling it a "remote and minor matter compared to current Soviet preoccupations."

(S/NF) A communist country that did want to attend was Cuba, because of Fidel Castro's pretensions as a Third World leader (and Cuba's current chairmanship of the nonaligned movement). But faced with the prospect of losing the US if Cuba were invited, the organizers opted for a US presence. (All US conditions for participation were met: a date after the summer months; no substantive decisions to be taken; and the number of participating countries to be kept small and to exclude Cuba.)

The European Origin

(C) The Mexico summit is a lineal descendant of another European initiative in selective North-South encounters: the 1974-77 Conference on International Economic Cooperation. To continue the work of CIEC, World Bank President Robert McNamara in 1977 suggested the creation of the Brandt Commission, which in turn proposed a North-South summit.

(U) In Europe, unlike the US, resource transfers and humanitarian assistance have a well-developed political constituency. There is widespread awareness, cutting across party lines, of substantial European dependence on Third World raw material and energy resources and the need therefore for more assured security of supply and predictability of price. Development cooperation with the Third World has been a cornerstone of the European Community's foreign relations. The most dramatic recognition of the commercial, financial, and technical interdependence between the EC Ten and many developing countries with which Europe has historic and former colonial ties is the Lome Convention, a special trade and aid relationship with 58 African, Caribbean, and Pacific countries.

(C) The Brandt Commission report reflected accurately the deeply felt humanitarian impulses and enlightened self-interest underlying European attitudes toward the Third World and the widely held belief that the industrialized countries should be more forthcoming in meeting LDC needs.* Although critics on both

* The Commission's 18 members included Katherine Graham and Peter G. Peterson of the US, as well as representatives from Europe and the developing countries.

sides of the Atlantic attacked the report as irrelevant to the realities of the 1980s, in several European countries it enjoyed considerable success as a mass market paperback. Embassy London remarked, for example, that the report's popularity in the UK:

"...shows that the only significant and vociferous body of opinion in the country--drawn from both the Labour Party opposition and elements within the Conservative Party itself [e.g., ex-Prime Minister Heath]--is strongly sympathetic with the aims and aspirations of the developing countries as expressed in G-77 positions on most North-South issues."

(c) In recent months Foreign Minister Genscher, who represents a broad spectrum of West German public opinion, has reorganized his ministry in order to give greater weight and attention to the issues underlying global negotiations in the UN. German proponents of the North-South dialogue assert a distinct national interest in responding to Third World needs, which they see as enhancing German access to markets and raw materials and creating political stability in the newly independent nations. Their impact can be seen in German public opinion data: in March-April 1980, 70 percent of the respondents in one poll thought foreign aid to the developing countries should either remain the same or be increased. A similar question put to US respondents in December 1980 brought a contrary response: 69 percent would decrease foreign aid.

(U) Attitudes in other European countries vary from the almost totally unreserved, uncritical support of developing countries found in the Netherlands and Scandinavia to the more cautious, skeptical view expressed in France, but overall popular feeling is markedly more responsive than in the US.

(c) This favorable mind-set toward the developing countries does not mean that European leaders are ready to give away the store. With weakened economies trapped in recession and governments committed to curtailing public expenditure, finance ministries are loath to commit themselves to major new resource transfers. The 1979 renegotiation of the Lome Convention, for example, was a major disappointment to the 58 LDCs involved. They complained that the increased financial aid for 1980-85 promised under Lome II fell far short of meeting their needs; the failure to grant significant new concessions dissipated some of the good will that had greeted the 1975 agreement.

(c) Summit Proposal a Slow Starter

For a long time the summit proposal had little appeal for many Group of 77 leaders. It was conceived in Europe and did not respond to the global negotiations priority the G-77 leadership

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had set. It exposed the fissures between radical and moderate states, OPEC members and non-members (some of which, like Mexico, are oil exporters), larger, more successful countries and the poorest of the poor. It even exposed rivalries within regions, such as that between Venezuela and Mexico.

From the beginning, OPEC hardliners and radical states were suspicious of the Lopez Portillo-Kreisky initiative which, coming as it did before the Special Session of the UN General Assembly, looked alarmingly like a Trojan Horse bearing a German saddle. In 1980 the G-77 expected to strike a deal with the industrial countries for a global round of negotiations under UN auspices, to begin in January 1981, which would restructure the world economic order. The summit proposal looked like a retreat from the path mapped at Havana.

After the demise of the CIEC exercise, moreover, the G-77 had rejected ever again holding North-South meetings on a selective basis; yet that was the essence of Brandt's proposal. Furthermore, it looked like "institution shopping," a renewed search by the industrialized countries for an arena less threatening than the universalized UN General Assembly. Algeria, the originator of the proposal for global negotiations in the UN and a longtime leader in the quest for comprehensive agreements between North and South, was particularly hostile.

The cool reaction from certain LDCs, the pending UNGA Special Session, and the US election forced a delay in plans for the summit. But by November 1980, when the first preparatory conference was held in Vienna, the future of global negotiations appeared increasingly questionable and the summit began to look like the only arena for continuation of North-South talks. Algeria reluctantly agreed to participate if the purpose was to clear the path for global negotiations; with support from Yugoslavia, it sought to tie the proposed meeting as closely as possible to those negotiations. (One casualty was Willy Brandt, whose substantive involvement was vetoed by the Algerians.) The Vienna preparations revealed the tension between the European conception of a generalized seminar on development issues--including, as did the Brandt report, the responsibility of the South to put its own house in order--and those like Algeria who sought a formal agenda treating the detailed subjects the nonaligned movement had selected for global negotiations.

The Mexican desire for an informal, friendly gathering linked in some general way to global negotiations sought to accommodate these different views, but also reflected the style and personality of President Lopez Portillo. His idealistic and philosophical view of the summit's purpose was far removed from that of other key G-77 countries. Moreover, the concept may have reminded some

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OPEC leaders of Lopez Portillo's ill-received proposal in 1978 for a meeting between oil producers and consumers. Venezuela, which currently chairs the Group of 77 in New York, feared that scheduling, or even discussing, the summit before agreement on global negotiations could provide an excuse for inaction on the tough issues. Brazil expressed similar doubts.

The only real enthusiasm for the summit among the LDCs came from the poorest of the poor, those countries who are forced into "all the running one can do to stay in the same place." For these nations, many of whose economies may be in permanent crisis throughout the 1980s, a new international forum in which to air their woes was welcome. Bangladesh, for example, vitally dependent upon aid flows for the survival of its development program, lobbied hard (and successfully) for an invitation to the summit.

The poorest countries have particular reason to be concerned about rising energy costs, a concern that poses a continuing threat to the fragile unity of the G-77 and which may well be expressed at the summit to the chagrin of OPEC. Many oil-importing LDCs, for example, saw energy cooperation as the principal justification for the G-77's Conference on Economic Cooperation Among Developing Countries, held in mid-May in Caracas.

While the non-oil countries sought, in Caracas and elsewhere, meaningful discussions of supply priorities, price, and concessional financial arrangements, OPEC has not been as forthcoming as the poor countries would like. In preparations for the UN Conference on New and Renewable Sources of Energy in Nairobi this August, for example, OPEC has obtained the deletion of language linking the meeting to problems of oil price and LDC debt. If it appeared that oil price and supply were to be singled out for special attention at the Mexico summit, it would be impossible for Saudi Arabia at least, and possibly the other OPEC countries invited (Algeria, Nigeria, and Venezuela), to attend. The summit has posed a problem for OPEC from the beginning because, unlike the G-77 Caracas meeting or the UN energy conference, OPEC has little control over it.

(C) Link to Global Negotiations

Although some governments have begun circulating position papers, most organizers of the Mexico summit believe there should be only a short list of broad discussion topics. The Germans have suggested specifically energy, trade, development assistance, and monetary and financial matters. Nothing will keep heads of state from raising other topics, however, and Chancellor Schmidt, for example, is expected to emphasize the importance of foreign investment in the development process and the need to curb population growth in the Third World.

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The subject of global negotiations is bound to arise, both because some G-77 leaders see the summit as a launching pad for the global round and because it will be an opportunity to vent their frustration over the delay in the take-off. The US insisted in May that the UN defer action on global negotiations at least until after the meetings in Ottawa and Cancun and until the next regular session of the General Assembly. The new administration wanted time to review US economic relations with the developing countries and to put the question of global negotiations in that larger context. When the heads of state gather in Mexico, the 36th General Assembly already will have been in session for five weeks and Third World delegates will have had ample opportunity to urge quick agreement on procedures and agenda for global negotiations. G-77 leaders at Cancun therefore may press hard for a commitment on progress in global negotiations.

The Third World--or at least its United Nations branch--holds wildly exaggerated hopes for global negotiations, believing they can somehow alleviate the pressing financial problems confronting many LDCs. Some of these hopes have rubbed off on the preparations for Cancun. Despite earlier indications to the contrary, the draft letter of invitation agreed to last March at Vienna linked the summit to global negotiations, stating "a main objective of the meeting should be to facilitate agreement with regard to said global round on negotiations by means of achieving a real meeting of minds and positive political impetus by heads of state...." The G-77 insists that Cancun is not an alternative to global negotiations, but it hopes that the statesmen assembled there will find the heretofore missing political will to agree to begin the process of restructuring the world economy.

This inflation of expectations was one reason for the initial US reluctance to participate in a North-South summit. More recently, the announced US determination to defer a decision on participation in global negotiations at the UN until after the Ottawa and Cancun meetings has served, however unintentionally, to magnify the significance of the Mexico summit. Whatever its real importance, a dramatic meeting of world leaders on the Yucatan Peninsula is bound to generate expectations, particularly in the LDCs, of concrete and important progress which can not be fulfilled. British economist Dudley Seers has warned that the summit could be a repetition of the abortive World Economic Conference of 1933, which broke up in disorder, making international collaboration thereafter more difficult. The developing countries will expect concrete results from Cancun.

~~(c)~~ Cancun in Perspective

The October summit could mark the end, for the foreseeable future, of serious attempts to negotiate global economic bargains between North and South. It may be the last gasp of a decade-long

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effort at multilateral diplomacy which will expire in fact if not in name when the 35th UN General Assembly finally adjourns this summer, almost certainly without agreement on either procedures or agenda for global negotiations.

The effort began in the UN Economic and Social Council, then shifted, in turn, to the UN Conference on Trade and Development, the Conference on International Economic Cooperation, the UN Industrial Development Organization, and finally the General Assembly itself. In all this institution-hopping, the accomplishments have been few (the creation of the International Fund for Agricultural Development, agreement on the concept of a common fund, the possibility of a World Bank energy affiliate, some adjustment in the way the International Monetary Fund and other established institutions operate), but the frustrations on both sides have been many. Although some nations now hope that the Cancun meeting can give the necessary impetus to global negotiations, the summit organizers have agreed that no effort will be made there to reach formal decisions on this or any other subject.

The summit may mark the end of an era, but it could also signal a new beginning in international economic relations, while serving some very useful purposes in the short run. It could:

- Consolidate a trend toward political moderation in the Third World exhibited at the 35th UN General Assembly and the nonaligned movement's ministerial meeting in New Delhi--if there are some concrete results. European Community and Canadian officials believe that many developing countries are turning away from communist models and that the West should seek to strengthen this movement in all possible forums including the summit.
- Educate leaders of developing countries about the economic problems shared by developed and developing countries, and their probable international effects. At the Jamaica mini-summit, for example, Third World participants were surprised and depressed by the pessimism of Schmidt, Trudeau, and Australian Prime Minister Fraser.
- Provide an alternative, even if largely rhetorical and ceremonial, forum for discussion of some of the issues that were to have been taken up in global negotiations. This could shore up European support for US policy more generally, as it would give evidence that the US is a reliable partner responsive to its allies' security concerns. (Recent polls indicate that in oil-poor France and Germany the possibility of disrupted oil supplies from Third World countries is perceived as the foremost national security threat.)

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--Focus renewed attention on the energy problem in a world-wide context. Any discussion of international energy problems carries some risk to the OPEC countries and could bring out the differing interests of the oil-producing and non-oil-producing LDCs.

Over the longer term, agreement on the summit may be evidence that bargaining patterns in the North-South arena are beginning to change. Global negotiations may become, like the new international economic order (NIEO) or world disarmament, a ritualistic incantation of a worldwide goal, but a goal that has lost its operational meaning.

The very conception of the summit violates the G-77's insistence on global negotiations in a universal forum. Robert L. Rothstein in a study* last year predicted that worldwide trends in food, energy, trade, and debt in the coming decade will set developing country against developing country, leading to a frantic quest for bilateral "deals" and concessions. The summit underlines the increasing differentiation among the developing countries and is a sign that the constructs of North and South, which have dominated international economic discussions, may no longer be as useful as they once were. It provides evidence of an evolving two-track process in which the global approach to meeting LDC needs, characteristic of the past North-South dialogue, is increasingly paralleled by more selective policies based on mutual self-interest.

At the same time, the difficulty in launching global negotiations is likely to reinforce efforts at collective self-reliance among the LDCs. The G-77 meeting in mid-May in Caracas was a major manifestation of the efforts at South-South accommodation which, in parallel to North-South negotiations, have increasingly engaged the developing countries since the nonaligned summit in Havana in 1979. Although little progress was made toward the goal of establishing a global system of trade preferences among the G-77, the Caracas meeting provided a forum for setting LDC priorities before the Ottawa and Cancun meetings. Given the effort most LDCs must expend on paying for food, energy, and capital imports from the developed countries and OPEC, it is questionable whether collective self-reliance will fare better than the quest for a North-South package agreement.

World leaders may do little more than go on holiday together in October, but the meeting's origin, organization, and participation suggest the beginning of a new phase in relations between

* See INR Report No. 1411, "The United States and the Third World in the 1980s," July 10, 1980 (~~LIMITED OFFICIAL USE~~).

industrial and developing countries. Although there may be no followup like Jamaica, it is conceivable that Cancun could lead to further meetings ranging from CIEC-like commissions looking at energy, trade, or other issues to an institutionalized North-South gathering like the annual economic summit of the industrialized countries.

Possible followup meetings to Cancun are already being considered. Some Europeans are discussing the redefinition of negotiations on North-South issues outside the UN framework. Alternatives under discussion include work on specific issues, commissioned by the Mexico summit participants, to be done by small representative groups and later ratified by future North-South summit meetings.

The Mexico summit will be concrete evidence of an increased selectivity in relations between industrial and developing countries. Both the US and other developed states already are concentrating on bilateral arrangements with the few LDCs that, in Orwell's phrase, are more equal than others. Changing perceptions of national security needs, regional leadership potential, and the need to focus increasingly limited resources will all play a part in this triage; and the global dialogue so beloved by the G-77 may be treated more and more as a residual area of concern.

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