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(Foreign Affairs: Twenty-Two Nation Summit,
10/21/1981-10/23/1981 Cancun, Mexico)
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FOIA

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
243588	SPEECH	OPENING REMARKS FOR PRESIDENT AT CANCUN	8	ND	B1

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

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

SCENARIO/SCHEDULES

TENTATIVE SCHEDULE - CANCUN SUMMIT

<u>DATE</u>	<u>TIME</u>	
<u>October 21</u>	0900	Depart Andrews AFB
	1030	Arrive Cancun Greeted by President Lopez Portillo at Airport
	1100-1130	Bilateral Meeting--Lopez Portillo (confirmed; at airport)
	1140	Arrive Smerston Hotel by Helicopter
	1230-1330	Bilateral Meeting & Luncheon-- Chinese Premier Zhao Ziyang (suggested)
	1400-1430	Bilateral Meeting--Indian Prime Minister Gandhi (confirmed)
	1530-1600	Possible Press Briefing--Secre- tary Haig (driving time to/from briefing site: 15 minutes)
	1730-1800	Bilateral Meeting--Nigerian President Shagari (confirmed)
	1815-1845	Bilateral Meeting--Venezuelan President Herrera Campins (confirmed)
	1900-1930	Possible Press Briefing--Secre- tary Haig
	2015	Dinner (private)
<u>October 22</u> <u>Thursday</u>	0915-0935	Bilateral Meeting--Yugoslav President Kraigher (<u>suggested</u> alternate time)
	0930	Coffee in Delegates' Lounge
	1000-1330	First Plenary Session
	1330 - 1345	Bilateral Meeting--Philippine President Marcos (confirmed)

<u>DATE</u>	<u>TIME</u>	
<u>October 22</u> (continued)	1345	Luncheon (President invited to luncheon hosted by Prime Minister Gandhi for all delegation heads; decision pending)
	1400-1430	Possible Press Briefing--Secretaries Haig and Regan
	1600-1630	Coffee in Embassy Lounge
	1630-1700	Second Plenary Session
	1900-1930	Possible Press Briefing--Secretaries Haig and Regan
	2000	Cocktails
	2030	Dinner hosted by President Lopez Portillo for Heads of State or Government and Foreign Ministers
	2200	Dinner concludes
<u>October 23</u> <u>Friday</u>	0830-0845	Bilateral Meeting--Bangladesh Acting President Abdus Sattar (confirmed)
	0855-0910	Bilateral Meeting--Algerian President Bendjedid (requested)
	0915-0930	Bilateral Meeting--Tanzanian President Nyerere (requested)
	0935-0950	Bilateral Meeting--Guyanese President Burnham (confirmed)
	1000-1330	Third Plenary Session
	1330-1400	Free Time
	1400-1500	Bilateral Meeting & Luncheon--Saudi Arabian Crown Prince Fahd (confirmed)
	1500-1530	Possible Press Briefing--Secretaries Haig and Regan
	1630-1900	Fourth Plenary Session

<u>DATE</u>	<u>TIME</u>	
October 23 (continued)	1900	Co-chairmen Joint Press Conference
	2030-2200	Dinner Hosted by means of Pollegation (House of Delegation plus three advisors)
October 24 (continued)	0845-0930	(tentative*) Breakfast hosted by Pollegation with: - Prime Minister Trudeau of Canada - Prime Minister Thatcher of the UK - President Mitterrand of France - RAG Delegation Head - Prime Minister Suzuki of Japan - Prime Minister Fallon of Sweden
	1000	Possible Press Briefing--Secretaries Haig and Regan
	1100	Departure from Cancun
	1630	Arrive at Andrews AFB

*N.B. This is tentative. No invitations should be extended until it has been agreed upon after arrival at Cancun.

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SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH MEXICAN PRESIDENT LOPEZ PORTILLO

Wednesday, October 21

1100 - 1130 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Mexican Participants: President Herrera
 Others (to be determined)

Summit-Related Themes and Objectives

- To congratulate Lopez Portillo on his leadership and to note our expectation that the meeting will enhance our bilateral relationship.
- To seek his assurances the conference will permit a free exchange of ideas and to present our own positions on major development issues.
- To assess Mexico's willingness to collaborate with us in encouraging the Salvadoran left to participate in elections.
- To encourage continued, strong Mexican support for the Caribbean Basin Initiative.
- To note satisfaction with the recent trade talks.

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SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING AND LUNCHEON WITH CHINESE PREMIER ZHAO ZIYANG

wednesday, October 21

1230 - 1330 hours

Place: President's Suite

Briefing material in

"Bilaterals Common Themes"
and "PRC"

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)
 Interpreter

Chinese Participants: Premier Zhao Ziyang
 Foreign Minister Huang Hua
 Others (to be determined)

Summit-Related Themes and Objectives

- Establish personal rapport and invite Zhao to the U.S.
- Gain support for our North-South position; emphasize a positive U.S. program for addressing the problems of the LDCs; explain how we will handle Global Negotiations in the UN General Assembly; relate North-South issues to our East-West concerns. In this context, stress the need for Communist flexibility in Kampuchea coalition-building.
- Reiterate your commitment to expanded technology transfer and defensive arms sales.
- Address Taiwan arms sales.
- Mention the need for safeguard on nuclear exports.

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SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH INDIAN PRIME MINISTER INDIRA GANDHI

Wednesday, October 21

1400 - 1430 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Indian Participants: Prime Minister Gandhi
 Foreign Minister Narasimha Rao
 Others (to be determined)

Summit-Related Themes and Objectives

- Establish personal rapport with Prime Minister Gandhi.
- Reassure her that despite policy differences, the U.S. seeks constructive relations with India.
- Emphasize positive U.S. program for addressing problems of developing nations.
- Explain how we see the Summit arriving at a successful conclusion.

SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH NIGERIAN PRESIDENT SHAGARI

Wednesday, October 21

1730 - 1800 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig

Richard V. Allen, NSC
Notetaker (to be determined)

Nigerian Participants: President Shagari
 Minister of External Affairs Audu

Summit-Related Themes and Objectives

- Develop a personal relationship with President Shagari and emphasize the positive U.S. program for addressing the problems of developing countries.
- Explain how we see the Summit arriving at a successful conclusion, including how we would handle the issue of Global Negotiations (GNS) in the UN General Assembly (UNGA) and a possible follow-on to the Summit.
- Reaffirm our commitment to an OAU peacekeeping force in Chad.
- Indicate that we are committed to a Namibian settlement in 1982 and will need Nigerian support to attain that goal.
- Reinforce the importance we attach to our bilateral relations, particularly the expansion of our commercial relations.

SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH VENEZUELAN PRESIDENT HERRERA

Wednesday, October 21

1815 - 1845 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Venezuelan Participants: President Herrera
 Others (to be determined)

Summit-Related Themes and Objectives

- Develop a personal relationship with President Herrera and emphasize the positive U.S. program for addressing the problems of developing countries.
- Explain how we see the Summit arriving at a successful conclusion, including how we would handle the issue of Global Negotiations (GNs) in the UN General Assembly (UNGA) and a possible follow-on to the Summit.
- Recognize the closeness of the U.S.-Venezuelan relationship, emphasizing the mutuality of our interests in the Caribbean Basin region.

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SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH YUGOSLAV FOREIGN MINISTER KRAIGHER

Thursday, October 22

0915 - 0935 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)
 Interpreter

Yugoslav Participants: Foreign Minister Kraigher
 Others (to be determined)

Summit-Related Themes and Objectives

- Discuss the U.S. position on North-South dialogue and underline our desire to work with Yugoslavia on the issue.
- Declare support for Yugoslavia's efforts to cope with its economic problems and our desire to be helpful in this area.
- Encourage the Yugoslavs to support U.S. efforts to pursue the Middle East peace process following Sadat's death.
- Explain briefly our position on the resumption of disarmament talks with the U.S.S.R.

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CANCUN

SUMMIT PLENARY SESSIONS

First Session: Thursday, October 22 Briefing Material in
1000 - 1330 hours MULTILATERAL ECONOMIC
ISSUES Book

Second Session: Thursday, October 22
1630 - 1900 hours

Third Session: Friday, October 23
1000 - 1330 hours

Fourth Session: Friday, October 23
1630 - 1900 hours

Place (all sessions): Sheraton Hotel Meeting Room

U.S. Participants: The President
Secretary Haig
Two Others (to be determined)

The plenary sessions have no fixed agenda, but their agreed "framework for discussions" will include food security, trade, energy and investment. We cannot predict in what order these issues will be raised; and other issues -- certainly Global Negotiations -- will also likely be introduced.

Themes and Objectives

Issue: Food Security and Agricultural Development

- Stress that the most important element of food security is increasing developing countries' food production. To that end, developing countries should:
- Adopt appropriate agricultural policies, especially price incentives for farmers;
 - Encourage involvement of both the local and foreign private sectors in food storage and marketing/distribution programs; and
 - Increase investment in their agricultural sectors.

- Emphasize that the U.S. is the largest donor of food aid and the largest bilateral donor of agricultural development assistance.
- Point out that food and agricultural problems will remain high on the U.S. list of development priorities.
- Urge other nations to share more equitably in the burden of providing food and, agricultural development assistance by calling for additional pledges to the Food Aid Convention (FAC), the International Emergency Food Reserve (IEFR).
- Encourage the development of grain reserves by other exporters and developed importers.

Issue: Commodities, Trade and Industrialization

- Emphasize the importance of trade and of an open trading system in the development process.
- Underline the strong U.S. record in trade with developing countries.
- Convince others that the GATT is the appropriate forum in which to consider trade liberalization. In that context, we are beginning preparations for the 1982 GATT Ministerial.
- Make it clear that the U.S. has cooperated extensively with international organizations in seeking solutions to problems in commodity markets.

Issue: Energy

- Stress that energy is one of the most important and urgent policy challenges facing developing countries, requiring new approaches to domestic policy by the developing countries.
- Highlight U.S. energy achievements, particularly the decline in oil imports from 8 mmb/d in 1979 to 5.4 mmb/d in 1981. Such savings are having a favorable impact on the availability and price of the petroleum supplied by OPEC to developing countries.
- Urge that developing countries work out acceptable terms to encourage expanded energy development by private companies, foreign and domestic.

- Signal the importance of changing the thrust of multi-lateral energy lending so as to increase its multiplier effect on private investment in energy resource development.
- Reassure participants that the U.S. supports, within the context of currently approved or pledged contributions, the energy development programs of the multilateral lending institutions.
- Express willingness to join energy discussions between producers, consumers and developing countries, but oppose the notion that a global energy "plan" can or should be devised.

Issue: Monetary and Finance

- Present the U.S. approach to economic growth and development: sound domestic economic policies, along with trade, private investment, and commercial capital flows are seen as much more important than official assistance to long-term economic growth in most developing countries.
- Indicate that multilateral development banks must support sound economic policies and catalyze private resources for development; our bilateral assistance will concentrate on: (a) mobilizing their resources and promoting private sector growth; and (b) food, energy and population, with emphasis on institution building and technology transfer.
- Point out clearly that private markets must play the primary role in recycling funds from surplus to deficit countries. The International Monetary Fund's role is to promote sound programs of economic adjustment.
- Emphasize that combating inflation should be the number one economic priority and that short-term costs, such as high interest rates, are far outweighed by the longer term benefits. Premature reflation would reduce growth.

Issue: Global Negotiations

- Insure that any preparatory process for global negotiations that the U.S. may return to is new and therefore not linked to UNGA Resolution 34/138.
- Gain agreement to the U.S. "considerations" for return to preparatory talks on UN Global Negotiations.

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- Arrive at an understanding that personal representatives of the needs of state or government represented at Cancun should meet informally from time to time. The representatives would be of sub-ministerial rank. (The U.S. could use such a forum as a control mechanism on the dialogue and to insure that the U.S. "considerations" are being honored in New York.)

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SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH PHILIPPINES PRESIDENT MARCOS

Thursday, October 22

1330 - 1345 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Philippines Participants: President Marcos
 Others (to be determined)

Summit-Related Themes and Objectives

- Emphasize U.S. measures to help LDCs and explain how we see the Summit concluding successfully.
- Express pleasure at the excellent state of relations between our two countries.
- Indicate support for Marcos' start in normalizing the Philippine political process.
- Reiterate the invitation to visit the U.S. extended to Marcos in Manila in June.
- Assure Marcos you intend to send an ambassador to the Philippines before too long.

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SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH BANGLADESH ACTING PRESIDENT SATTAR

Friday, October 23

0830 - 0845 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Bangladesh Participants: Acting President Sattar
 Others (to be determined)

Summit-Related Themes and Objectives

- To offer assurances of our support for the orderly and constitutional transfer of power presently underway.
- To demonstrate our continuing concern for the special needs of the least developed countries.

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SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH ALGERIAN PRESIDENT BENDJEDID

Friday, October 23

0855 - 0910 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Algerian Participants: President Bendjedid
 Others (to be determined)

Summit-Related Themes and Objectives

- A rapport with Bendjedid.
- A heightened Algerian concern with Qadhafi.
- Algerian flexibility on the Western Sahara.
- Agreement to disagree on Global Negotiations.

SCENARIO

MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH TANZANIAN PRESIDENT NYERERE

Friday, October 23

0915 - 0930 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Tanzanian Participants: President Nyerere
 Others (to be determined)

Summit-Related Themes and Objectives

- Reaffirm with the Tanzanians that the U.S. remains committed to financially assisting economic development in LDCs and we take North-South issues seriously.
- Stress that the main impetus for development must come from the LDCs themselves and, at a time of limited resource flows, this means encouraging the most efficient possible allocation of existing resources.
- Counter the Tanzanian view that poor LDCs would benefit from a radical restructuring of the existing system, pointing out why we feel such a move would be detrimental to their development goals.
- Reiterate our intention to pursue an internationally acceptable settlement in Namibia.

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MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING WITH GUYANESE PRESIDENT BURNHAM

Friday, October 23

0935 - 0950 hours

Place: President's Suite

U.S. Participants: The President
 Secretary Haig
 Richard V. Allen, NSC
 Notetaker (to be determined)

Guyanese Participants: President Burnham
 Others (to be determined)

Summit-Related Themes and Objectives

- Develop a personal relationship with Burnham, reassuring him of U.S. interest in the people of Guyana and emphasizing the positive U.S. program for addressing the problems of developing countries.
- Explain how we see the Summit arriving at a successful conclusion, including how we would handle the issue of Global Negotiations (GNs) in the UN General Assembly (UNGA) and a possible follow-on to the Summit.
- (If raised) Reiterate our policy of strict neutrality in the territorial dispute.

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MEETINGS, PARTICIPANTS, AND EMPHASIS OF THEMES AND OBJECTIVES

BILATERAL MEETING AND LUNCHEON WITH SAUDI CROWN PRINCE FAHD

Friday, October 23

1400 - 1500 hours

Place: President's Suite

U.S. Participants: The President
Secretary Haig
Richard V. Allen, NSC
Notetaker (to be determined)

Saudi Participants: Crown Prince Fahd
Others (to be determined)

Summit-Related Themes and Objectives

- Establish a personal rapport with Crown Prince Fahd and reassure him of our enduring commitment to the kingdom's security. Build a sense of mutual interest in a broad range of key security, political and economic issues.

- Express our confidence in the continuity of Egyptian policies and U.S. support for Egypt.

- Discuss heightened dangers to regional stability in the wake of President Sadat's assassination and emphasize U.S. determination to deal with these challenges.

- Welcome our complementary assistance efforts for Sudan.

- Assure Fahd we remain committed to achieving a comprehensive Middle East peace and, in this context, note our mixed reaction to Fahd's "eight principles" for Middle East peace.



DEPARTMENT OF STATE

Washington, D.C. 20520

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CANCUN SUMMIT

Consolidated List
of
Foreign Delegation Members

MEXICO

1. President Jose Lopez Portillo
2. Jorge Castaneda, Secretary of External Affairs
3. David Ibarra Munoz, Secretary of Finance
4. Jose Andres Oteyza, Secretary of Patrimony and Industrial Development
5. Dr. Rose Luz Alegria, Secretary of Tourism
6. Hector Hernandez, Under Secretary for International Trade, Commerce Secretariat
7. Jorge Eduardo Navarrete, Under Secretary for Economic Affairs, Foreign Relations Secretariat
8. Horacio Flores de la Pena, Mexican Ambassador to France
9. Miguel Marin Bosch, Prive Secretary to Jorge Castaneda
10. Bernardo Sepulveda, Advisor to Miguel de la Madrid Hurtado (PRI candidate for Mexico's 1982 Presidential elections)
11. Andres Rosental, General Coordinator for the International Meeting on Cooperation and Development
12. Javier Matus Pacheco, Advisor to President Lopez Portillo
13. Mauricio Toussaint, Private Secretary to Jorge Castaneda

VENEZUELA

1. Luis Herrera Campins, President
2. Jose Alberto Zambrano Velasco, Foreign Minister
3. Humberto Calderon Berti, Minister of Energy and Mines
4. Manuel Perez Guerrero, Minister of State for International Economic Affairs
5. Sebastian Alegrett, President of the Foreign Trade Institute
6. Julio Sosa-Rodriguez, Former Venezuelan Ambassador to the U.S.

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GDS, 10/17/87

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State Waiver
BY *db* DATE: 11/12/2019

BRAZIL

1. Foreign Minister Ramiro Saraiva Guerreiro
2. Carlos Augusto De Proenca Rosa, Chief, Department of Economic Affairs, Foreign Ministry
3. Alvaro Da Costa Franco Filho, Adviser to Chief of the President's Civil Household
4. Ronaldo Mota Sardenberg, Special Adviser on Bilateral Affairs, Foreign Minister's Staff
5. Roberto Abdenur, Coordinator of Economic Affairs, Foreign Minister's Staff
6. Bernardo Pericas Neto, Press Secretary, Foreign Ministry
7. Jose Arthur Denot Medeiros, Chief of Division of Commercial Policy, Foreign Ministry
8. Flavio Miragaia Perri, Coordinator of Political Affairs, Foreign Minister's Staff
9. Fernando Jose De Moura Fagundes, from the Secretariat General of the National Security Council
10. Commander Ernesto Heitor Mello Da Cunha, Special Advisor to Delegation
11. Sergio Silva Do Amaral, Secretariat of Planning in the Presidency
12. Mario-Theresa Lazaro, Foreign Minister's Staff
13. Unnamed Representative of the Finance Ministry

GUYANA

1. President Forbes Burnham
2. Desmond Hoyte, Vice President for Economic Planning
3. Rashleigh Jackson, Foreign Minister
4. Dr. Mohamed Shahabuddeen, Attorney General and Minister of Justice
5. James Matheson, Head of Economic Division of the Ministry of Foreign Affairs
6. Dr. Richard Van West-Charles, Minister of Health
7. Ronald Austin, Assistant Political Adviser to the President
8. Desmond Thomas, Assistant Economic Adviser to the President
9. James Matheson, Chief, Economic Division, Minister of Foreign Affairs

AUSTRIA

1. Willibald Pahr, Foreign Minister
2. Adolf Nussbaumer, Minister of State
3. Georg Reisch, Director of MFA's Economic Policy Bureau
4. Peter Jankowitsch, Ambassador to the OECD
5. Alfred Missong, Ambassador to Mexico
6. Georg Lennkh, Foreign Policy Assistant to the Chancellor
7. Gabriele Holzer, Foreign Policy Assistant to the Chancellor

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YUGOSLAVIA

1. President Sergej Kraigher
2. Josip Vrhovec, Federal Secretary for Foreign Affairs
3. Kazimir Vidas, Assistant Federal Secretary for Foreign Affairs for International Economic Relations

CANADA

1. Prime Minister Trudeau
2. Mark MacGuigan, Foreign Minister
3. Bernard Drabble, Associate Deputy Minister, Ministry of Industry, Trade and Commerce
4. John Paynter, General Economic Relations Division, External Affairs
5. Larry Smith, Assistant Under Secretary of State, External Affairs
6. Marcel Masse, President, Canadian International Development Agency
7. G. Elliot, Director General, Office of General Trade Relations, Industry Trade and Commerce
8. (Unnamed), Representative from the Prime Minister's Office
9. (Unnamed), Representative from the Privy Council

UNITED KINGDOM

1. Prime Minister Thatcher
2. Douglas Hurd, Minister of State, FCO
3. Sir Kenneth Cousins, Second Permanent Secretary of H.M. Treasury
4. Sir Peter Preston, Permanent Secretary, Overseas Development Administration
5. Richard Evans, Assistant Under Secretary, FCO
6. Nicholas Bayne, Head of Financial Relations, FCO

FRANCE

1. President Francois Mitterrand
2. Foreign Minister Claude Cheysson
3. Jean-Pierre Cot, Minister-delegate for Cooperation
4. Jacques Attali, Presidential Advisor
5. Jacques Delors, Minister of Economy and Finance

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SWEDEN

1. Prime Minister Falldin
2. Foreign Minister Ullsten
3. Hans Blix, Under Secretary, MFA, and Personal Representative of the PM for the North/South Summit
4. Ulf Dinkelspiel, Deputy Permanent Under Secretary, MFA
5. Goran Johansson, Under Secretary, Prime Minister's Office
6. Per Jodahl, Director, Multilateral Economic Affairs, MFA
7. Haakon Granquist, Director for Multilateral Trade, MFA/Commerce Ministry Combined Staff
8. Anders Forsse, Director General, Swedish International Development Authority

FRG

1. Hans-Dietrich Genscher, Vice Chancellor and Foreign Minister
2. Hans Werner Lautenschlager, State Secretary, Ministry of Foreign Affairs
3. Rainer Offergeld, Minister of Economic Cooperation
4. Dr. Hans-Dieter Sulimma, Ministry of Foreign Affairs, Ambassador for North/South Issues
5. Dr. Bohnet, Ministry of Economic Cooperation

JAPAN

1. Zenko Suzuki, Prime Minister
2. Sunao Sonoda, Foreign Minister
3. Toshio Komoto, Director General Economic Planning Agency
4. Kiichi Watanabe, Vice Minister of International Trade, Finance Ministry
5. Hiroya Sano, Director General, Economic Affairs Bureau, Ministry of Agriculture, Forestry and Fisheries
6. Tadayoshi Nakazawa, Director General, International Trade Administration Bureau, Ministry of International Trade and Industry
7. Kiyooki Kikuchi, Deputy Minister, Foreign Ministry
8. Kenichi Yanagi, Director General, Economic Cooperation Bureau, Foreign Ministry
9. Shozo Kadota, Director General, United Nations Bureau, Foreign Ministry
10. Masamichi Hanabusa, Deputy Director General, African Bureau, Foreign Ministry

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JAPAN (continued)

11. Tomio Uchida, United Nations Bureau, Economic Affairs Division, Foreign Ministry
12. Yoji Sugiyama, Director, Economic Affairs Bureau, Second Resources Division, Foreign Ministry
13. Terusuke Terada, Director, Press Division, Foreign Ministry

PRC

1. Zhao Ziyang, Vice Premier
2. Huang Hua, Vice Premier and Foreign Minister
3. Wang Bingqian, Minister of Finance
4. Li Peng, Vice Minister of Finance
5. Pu Shouchang, Vice Minister of Foreign Affairs
6. Han Xu, Director of the Americas and Oceania Department, Ministry of Foreign Affairs
7. Zhang Zai, Deputy Director of the Americas and Oceania Department, MFA
8. Zhang Wenpu, Division Chief (U.S.) of the Americas and Oceania Department, MFA
9. Zhang Zhenxiong, Third Secretary of the Protocol Department, Ministry of Foreign Affairs
10. Gu Huaming, Secretary to the Vice Premier (Mme. Huang Hua)

THE PHILIPPINES

1. Ferdinand E. Marcos, President
2. Mrs. Imelda Romualdez Marcos
3. Cesar Virata, Prime Minister/Finance Minister
4. Manuel Collantes, Acting Foreign Minister
5. Roberto Ongpin, Industry and Trade Minister

NIGERIA

1. Alhaji Shehu Shagari, President
2. Ishaya Audu, Minister of External Affairs
3. B.A. Clark, Director General for Economic and International Organizatin Affairs, Ministry of External Affairs
4. Victor Masi, Minister of Finance
5. Alhaji Bello Maitama Yusuf, Minister of Commerce
6. Al-Haji Yahaya Dikko, Petroleum Advisor to the President
7. E.C. Edozien, President's Special Advisor for Economic Affairs

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TANZANIA

1. President Julius Nyerere
2. Salim Salim, Minister of Foreign Affairs
3. Amir Jamal, Minister of Finance
4. Kighoma Malima, Minister of Planning and Economic Affairs
5. Ben Mkapa, Minister of Information
6. P.M. Rupiah, UN Permanent Representative
7. Paul Bomani, Probable Ambassador to the U.S.
8. Simon Mbilinyi, Presidential Economic Adviser
9. Anthony Daraja, MFA International Organizations Division,
Economic Section Head
10. A.G.K. Mwakabugi, Ministry of Planning
11. E.K. Kamba, Ministry of Finance

IVORY COAST

1. Simeon Ake, Minister of Foreign Affairs
2. Denis Bra Kanon, Minister of Agriculture
3. Adonit Manouan, Director of Political Affairs, Ministry
of Foreign Affairs
4. Timothee N'Guetta Ahoua, Ambassador to the United
States
5. Julien Kakou, Ivory Coast Ambassador to Mexico

INDIA

1. Prime Minister Indira Gandhi
2. Narasimha Rao, Foreign Minister
3. L.K. Jha, Chairman, Economic Administration Reforms
Commission
4. G. Parthasarathi, Chairman, Indian Council of Social
Science Research
5. Dr. Manmohan Singh, Member Secretary, Planning Commission
6. Dr. P.C. Alexander, Secretary to the Prime Minister
7. Romesh Bhandari, Secretary, Ministry of External Affairs
8. N. Krishnan, GOI Resident Representative at UN
9. D.S. Kantekhar, Indian Ambassador to Mexico
10. K.K. Bhargava, Joint Secretary (Economic), Ministry of
External Affairs
11. K.K.S. Rana, Joint Secretary, Office of the Prime Minister

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SAUDI ARABIA

1. Crown Prince Fahd, Deputy Prime Minister
2. Prince Saud-al-Faisal, Minister of Foreign Relations
3. Muhammad Ali Aba al Khayl, Minister of Finance and National Economy
4. Sheik Abdullah Ali Reda, Vice-Minister of Foreign Relations for Economic and Cultural Affairs
5. Sheik Mohammed Shasarah, Ambassador to Mexico
6. Ambassador Ma'amon Kabbani, Chief, West Department, Office of Foreign Relations
7. Ambassador Hassan Al-Shawaf, Director, Office of Foreign Relations
8. Dr. Nizar Madani, Counselor, Ministry of Foreign Relations
9. Ahmad Kattan, Third Secretary, Ministry of Foreign Relations
10. Said Abdul Khaleq Shuwailah, Secretary, Ministry of Foreign Relations
11. Abdullatif Al-Maimani, Counselor, Ministry of Foreign Relations
12. Ma'amon Kourdi, Counselor, Ministry of Foreign Relations
13. Hisham Marzouki, Second Secretary, Ministry of Foreign Relations

ALGERIA

1. Col. Chadli Bendjedid, President
2. Mohamed Seddik Ben Yahia, Minister of Foreign Affairs
3. Abdelaziz Khellef, Minister of Commerce
4. Hadj M'Hamed Yala, Minister of Finance
5. Driss Djazairi, Ambassador to Belgium

BANGLADESH

1. Justice Abdus Sattar, Acting President
2. Professor Shamsul Huq, Minister of Foreign Affairs
3. Humayun Rasheed Chokudhury, Foreign Secretary
4. Tabarak Husain, Ambassador to the United States
5. M. Muhiuddin, Joint Secretary, External Resources Division, Ministry of Finance
6. Farooq Sobhan, DCM, Mission to the United Nations
7. Musud Ahmed, Director General for International Economic Affairs, Ministry of Finance

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OFFICIAL STATEMENTS

DEPARTURE STATEMENT
FOR THE PRESIDENT
OCTOBER 21, 1981

TODAY WE LEAVE ON A HISTORIC JOURNEY THAT NO OTHER PRESIDENT BEFORE HAS TAKEN, ONE INDICATIVE OF THE CHANGING WORLD IN WHICH WE LIVE. TOMORROW I WILL BE MEETING IN CANCUN, MEXICO, WITH 21 OTHER HEADS OF STATE OR GOVERNMENT, FROM ALL QUARTERS OF THIS EARTH, TO DISCUSS ECONOMIC PROBLEMS FACING THE WORLD COMMUNITY. WE WILL TOGETHER REPRESENT TWO-THIRDS OF MANKIND -- FROM COUNTRIES PRODUCING NEARLY THREE-FOURTHS OF THE WORLD'S WEALTH.

I AM GOING TO CANCUN BECAUSE WE LIVE IN AN ECONOMICALLY INTERDEPENDENT WORLD.

DURING THE POST-WAR PERIOD, PROFOUND CHANGES HAVE TAKEN PLACE IN THE WORLD ECONOMY THAT HAVE EXPANDED U.S. INTERESTS IN THE FUNCTIONING OF THE ^{INTERNATIONAL} ECONOMIC SYSTEM. WE HAVE BECOME HIGHLY DEPENDENT ON THIS SYSTEM. OUR ECONOMY WILL SUFFER IF THE WORLD ECONOMY DOES NOT FUNCTION PROPERLY. IN VERY ROUGH TERMS, ONE OF EVERY EIGHT INDUSTRIAL JOBS IN THE U.S. ECONOMY IS TIED DIRECTLY OR INDIRECTLY TO WORLD TRADE; THE AGRICULTURAL PRODUCTION FROM ONE OF EVERY THREE ACRES HARVESTED IN THE U.S. IS SOLD ON THE INTERNATIONAL MARKET.

WE USUALLY THINK OF THE INTERNATIONAL MARKET AS EUROPE OR JAPAN. WE MUST SHED THESE CONCEPTUAL BLINDERS. THE DEVELOPING COUNTRIES BUY MORE UNITED STATES EXPORTS THAN THE EUROPEAN COMMUNITY AND JAPAN COMBINED -- 36 PERCENT OF OUR EXPORTS, OVER \$65 BILLION.

THE DRAMATIC ENERGY DEVELOPMENTS OF THE PAST DECADE HAVE MADE US ACUTELY AWARE OF OUR ECONOMIC INTERDEPENDENCE WITH DEVELOPING COUNTRIES. WE IMPORT ONE-THIRD OF THE OIL WE CONSUME, ALMOST ALL OF THESE IMPORTS ARE FROM DEVELOPING COUNTRIES. OTHER COMMODITIES IMPORTANT TO OUR PROSPERITY AND SECURITY SUCH AS TIN, ALUMINUM, COPPER, CHROME AND COBALT ARE IMPORTED FROM DEVELOPING COUNTRIES. TO THIS LIST WE CAN ADD A VAST NUMBER OF CONSUMER PRODUCTS FROM THE TEA AND COFFEE WE DRINK TO THE NATURAL RUBBER IN THE TIRES WE DRIVE ON.

BUT U.S. INTEREST IN THE DEVELOPING WORLD STRETCH BEYOND JUST ECONOMICS. WE HAVE STRONG POLITICAL INTERESTS. MEXICO, BRAZIL, NIGERIA, INDIA, CHINA AND SAUDI ARABIA ARE KEY REGIONAL POWERS. OTHER DEVELOPING COUNTRIES HAVE AIDED US IN THE IRANIAN HOSTAGE RETURN, IN RESOLUTION OF THE ZIMBABWE CONFLICT, IN ARBITRATING THE IRAN-IRAQ WAR, IN PURSUING PEACE IN THE MIDDLE EAST AND IN OUR ATTEMPTS TO GET FOREIGN TROOPS OUT OF THE AFGHANISTAN AND CAMBODIA.

FINALLY, WE HAVE MAJOR HUMANITARIAN INTEREST IN THE DEVELOPING WORLD. TWO THIRDS OF MANKIND RESIDES IN THESE COUNTRIES. THE AVERAGE LOT OF MANKIND IS THE LOT OF THE DEVELOPING WORLD. IRRESPECTIVE OF RACE, RELIGION, POLITICS OR CREED, THE AMERICAN PEOPLE HAVE ALWAYS BEEN WILLING TO OPEN THEIR HEARTS AND POCKETS TO PROVIDE HUMANITARIAN ASSISTANCE TO THOSE LESS FORTUNATE THAN THEMSELVES.

I AM GOING TO CANCUN BECAUSE I BELIEVE
THE LEADERSHIP OF THE WORLD HAS A CHOICE TO MAKE.

WE ALL WANT TO BETTER CONDITIONS OF MANKIND AND FULFILL THE ASPIRATIONS OF OUR POPULATIONS. WE CAN TRY TO DO THIS UNDER PRESENT CONDITIONS OF SLOW GROWTH, INFLATION, RISING PROTECTIONIST PRESSURES, INCREASING UNEMPLOYMENT AND AUSTERE BUDGETS -- THAT IS WE CAN ALL SCRAMBLE TO CLAIM AS MUCH OF THE STATIC WORLD PRODUCT AS POSSIBLE -- OR WE CAN CHOOSE A DYNAMIC ALTERNATIVE WHERE WE WORK TOGETHER FOR GREATER OUTPUT, HIGHER INCOMES AND MORE EMPLOYMENT. WE MUST MAKE OUR DIVERSITY A STRENGTH; WE MUST DRAW UPON OUR UNIQUE CULTURES, HISTORIES AND EXPERIENCE TO FASHION ECONOMIES THAT PRODUCE; AND WE MUST AS A GROUP OF NATIONS, LAUNCH A NEW ERA OF ECONOMIC GROWTH. IT IS IN THIS SPIRIT OF COOPERATION AND RESOLVE THAT I JOURNEY TO MEXICO TO MEET MY COLLEAGUES.

MY MEETING IN CANCUN, MEXICO WILL NOT RESULT IN
RESOUNDING PRONOUNCEMENTS THAT WILL CHANGE THE HISTORY OF
MAN. OUR CO-HOST IN CANCUN, CHANCELLOR BRUNO KREISKY OF
AUSTRIA, EXPRESSED IT NICELY IN A LETTER TO ME JUST A FEW
DAYS AGO, "THE CANCUN SUMMIT IS NOT THE PLACE TO ENTER INTO
NEGOTIATIONS OR DETAILED QUESTIONS OF EITHER SUBSTANCE OR
PROCEDURE...IT IS A UNIQUE OPPORTUNITY TO EXPRESS OUR
POLITICAL WILL TO SUCCEED IN OUR EFFORTS TO FIND MUTUALLY
ACCEPTABLE SOLUTIONS."

IT IS WITH GREAT REGRET THAT I HAVE LEARNED THAT, DUE
TO ILLNESS, CHANCELLOR KREISKY WILL NOT BE ABLE TO JOIN US
IN CANCUN. THE WORLD OWES TO HIM, AND TO OUR OTHER HOST,
PRESIDENT LOPEZ PORTILLO OF MEXICO, A DEBT OF GRATITUDE FOR
ARRANGING THIS CONFERENCE.

ALL OF US SHARE A CERTAIN DESIRE FOR ECONOMIC GROWTH,
AND FOR A SUCCESSFUL MEETING WHICH WILL TRANSLATE TO A
BETTER LIFE FOR ALL THE PEOPLES OF THIS PLANET.

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Food Security and Agricultural Development

Objectives:

-- Stress that the most important element of food security is increasing developing countries' food production. To that end, developing countries should:

- Adopt appropriate agricultural policies, especially price incentives for farmers;

- Encourage involvement of both the local and foreign private sectors in food storage and marketing/distribution programs;

- Increase investment in their agricultural sectors.

-- Emphasize that the US is the largest donor of food aid and the largest bilateral donor of agricultural development assistance;

-- Point out that food and agricultural problems will remain high on the U.S. list of development priorities;

-- Urge other nations to share more equitably in the burden of providing food and, agricultural development assistance by calling for additional pledges to the Food Aid Convention (FAC), the International Emergency Food Reserve (IEFR).

-- To encourage the development of grain reserves by other exporters and developed importers.

Context

Food security, which is the assurance of regular and adequate supplies of food, and hunger are viewed as critical development problems. Close to a half billion people, mostly in developing countries, are under-nourished. Between 1971-80, world food production grew at an annual rate of 2.5%, short of the 4% goal set by the World Food Conference in 1974. This 2.5% overall growth obscures problems felt by several geographic areas. On a per capita basis, the African region suffered a decline in food production of 1.1% over this period, while the Far East region increased per capita food production by only 0.7%. While African per capita decline in food production was due to an actual

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decline in production (caused, in large part, by sub-Saharan Africa's sustained drought and major changes in the topography of the land), the low increase in per capita food production in the Far East has been due to population growth. For the Latin American region as a whole, average overall annual food production over the ten year period has been 3.6%, the highest growth rate of all developing and developed regions.

The statistics of hunger obscure the demographics of who is affected by hunger in the developing world and by the many diseases to which undernourishment contributes. More than half are children. Women are affected more often than men, and those living in rural areas more often than urban residents. Most of the world's hungry live in the Indian subcontinent, Southeast Asia and sub-Saharan Africa. Many also live in the Middle East and in parts of Latin America.

An important constraint to improved output in most developing countries has been national pricing policies which fail to provide price incentives to the farmer. Lack of price incentives is especially characteristic of those developing countries, for instance Tanzania, that have adopted Marxist or centrally-planned economic models. In addition to policy problems, most developing countries are handicapped by undeveloped storage, processing, distribution and marketing capacity. These problems have been emphasized in many studies, including the report of the Brandt Commission and the recent World Bank Study on Sub-Saharan Africa.

The US interest in alleviating hunger stems from America's historic and characteristic humanitarianism, which finds the widespread presence of hunger an abomination. Making food available to food deficit developing countries has often been a positive force for economic growth and political stability in foreign countries. Food aid has often acted as a catalyst for strong bilateral relationships. In addition, supplying food aid to needy countries also adds to US strength domestically. As we provide food aid to poor countries, we add to our farm prosperity by building markets for the future. Finally, with agriculture as the largest employer in most developing countries, agricultural development often becomes the foundation for economic growth.

World efforts to address food security and agricultural development, in which the U.S. is a world leader, have concentrated on addressing the major elements of world food security: increased developing country food production; food aid; and grain reserve policies.

The policies and programs adopted by the developing countries themselves in the food and agricultural area are the most important single factor in increasing food production. These policies are more important than external aid, although foreign assistance will remain important for the very poorest countries. An important factor in improving output in most developing countries is pricing policies that provide an adequate economic incentives to the farmer to increase his production.

Most Summit participants agree with the US position that developing countries should increase food production as essential to ensuring world food security. Some may also criticize the US and other developed countries for reducing bilateral and multilateral aid, opposing budget increases for international organizations and failing to agree to specific development goals as showing insensitivity towards the hungry. Such criticisms overlook the US (1) record as the largest donor of food and the largest bilateral donor of agricultural development assistance; (2) commitment that food and agricultural problems will remain high on our list of development priorities, although foreign assistance is not excluded from our efforts to reduce federal expenditures; (3) public recognition that many of the poorer countries, despite efforts to integrate them into the world economy, may have to rely heavily on concessional assistance for some time to come.

Food Aid and Agricultural Development Assistance represent the second element of world food security. The US is the largest donor of food and the largest bilateral donor of agricultural development assistance. The bulk of US multilateral aid is disbursed through the multilateral development banks (MDBs). In FY 1980, MDB lending for agriculture totalled \$4.6 billion, or 28% of total MDB lending. The US also makes substantial contributions to more specialized organizations, such as the Food and Agriculture Organization of the UN and the World Food Program (WFP). We have also pledged annually 4.47 million tons of food aid of a targetted 10 million tons to the Food Aid Convention and 125,000 of a targeted 500,000 tons to the International Emergency Food Reserve. Neither of these targets has been met by the international community. Bilateral aid: Roughly half of our bilateral assistance is devoted to agricultural development programs in developing countries. Our PL 480 program provided in excess of \$1.7 billion in food aid to needy people in about 80 countries FY 1980. Summit participants who received such aid included Bangladesh, Brazil, China, Guyana, India, Ivory Coast, the Philippines and Tanzania.

Grain reserve policies represent the third element of world food security and are a major international concern. The US is the only nation with a conscious policy of holding open market grain reserves, accessible to the foreign buyer of grain on the same basis as the domestic buyer. However, the US is perceived as the major stumbling block to the conclusion of an international grain reserves system. At the most recent International Wheat Council meeting, the US opposed the draft proposal for a new agreement based upon an internationally-coordinated system. Although we indicated we would consider other proposals based on market-oriented national reserves, we have not provided specific details. This has led to other proposals in other fora, such as the World Food Council, for the establishment of grain reserves available to the developing countries to meet emergency situations.

We have responded by emphasizing the continuing availability of our reserves to all buyers and stressing that other exporters and major importers should establish grain reserves without awaiting the conclusion of a new international agreement. Most other developed countries and developing countries disagree; the EC governments argue that such reserves should only be established in the context of an international system and the developing countries, including most Cancun participants, seek an agreement which also stabilizes prices and finances stocks in developing countries. Mexico has been particularly vociferous, because the Mexican Minister of Agriculture is the President of the World Food Council.

Key Points To Make

-- The United States takes pride in its leadership role in the quest for food security, the assurance of adequate food supplies for the world's population.

-- The key to ensuring food security is an increase in developing country food production. Developing countries should adopt appropriate policies, especially relating to price incentives for farmers.

-- We have been the largest donor of food aid and the largest bilateral donor of agricultural development assistance.

-- Although foreign aid is not excluded from our efforts to reduce federal expenditures, we intend for food and agricultural problems to remain high on our list of development priorities.

-- We recognize that some of the poorer countries may have to rely heavily on concessional assistance for some time to come.

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-- We are the only nation which acquires and releases its grain reserves in an open market system in response to changes in international supply and demand. Our market system also provides buyers for substantial and increasing quantities of developing countries' products.

Pitfalls to Avoid

-- Avoid a US commitment to participate in negotiations on international grains reserve proposals. We believe existing proposals do not sufficiently take account of market forces. A grains reserve agreement may be too narrow a focus for world food security.

-- Decline urgings to pledge additional food aid or formalize existing arrangements. The US is already the largest donor; others should do more, especially developed country exporters, the wealthy countries and upper-income developing country, by contributing to international food aid mechanisms such as the Food Aid Convention and the International Emergency Food Reserve. However, these should not be made binding commitments.

-- Reject inferences that possible declines in US funding to promote food security and agricultural development signal US insensitivity to hunger and malnutrition. Foreign aid cuts represent one facet of our program relaunching the US economy, which has important benefits for the developing world. Even reduced levels may more effectively promote development, because we will make our aid more effective.

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Developing Country Food Production

Argument: The United States is not doing enough to support increased food production in the developing countries.

Response:

1. The U.S. believes that, first of all, developing countries themselves must do more to support increased food production, particularly by assuring that farmers receive adequate prices.
2. Developing countries must also encourage involvement by both the local and foreign private sectors to ensure adequate storage, processing, marketing, and distribution of food.
3. Increased commitments to agricultural research by the developing countries will permit farmers to harvest more food.
4. Developing countries should support institutions, 1) which deliver results of agricultural research to farmers (e.g. extension services); and 2) which provide agricultural credit.

FACTS: Food production increases in developing countries are indispensable to avoid declines in per capita food consumption. Despite some progress, millions in Latin America and several Asian countries remain malnourished. A deepening food crisis is developing in several African countries, particularly the Sahel region of West Africa, where per capita agricultural production continues to decline.

The labor-intensive food production strategies, as in Korea, Taiwan and Brazil, which stressed access to agricultural resources, services and infrastructure (such as credit facilities and rural roads) result in increased food production and consumption. Our assistance was important in creating self-reliant agriculture in those areas.

Agricultural research increases food production, resulting in lower costs to both farmers and consumers. The rapid spread of high yielding varieties of Green Revolution fame in Asia, the Near East and parts of Latin America contributed to food production growth exceeding population growth in these regions. In 1976-77 alone, high yielding varieties resulted in an additional 23.3 million metric tons of wheat -- enough to feed 95 million people for one year, or Central America for almost five years.

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Agricultural Development Assistance

Argument: The United States has not provided sufficient agricultural development assistance in the developing countries.

Responses:

1. US agricultural development assistance has averaged over \$700 million annually and strengthens the capability of developing countries to alleviate hunger and malnutrition.
2. Our assistance focuses on increasing food production through small-farm, labor-intensive agriculture, proven to be the most effective, and on increasing the incomes of poor people.
3. We will allocate over one-half of our FY 82 Development Assistance (about \$703 million) to help accelerate developing country agriculture.
4. New emphasis will be placed on plant improvement, increased irrigation efficiency, tropical agricultural production and human and animal disease control, such as elimination of the tsetse fly in Africa.

FACTS: The US is the largest donor of bilateral agricultural development assistance; approximately one-quarter of all developed country assistance. Our assistance has focused on helping others help themselves; for instance, the US assisted in the creation of 7 agricultural universities in India in the 1950s and 60s. Our assistance policies have aimed at increasing food supplies sufficiently to make an impact on malnutrition. US assistance played an important role in creating self-reliant agricultural systems in Taiwan, Korea and Brazil and has been an important factor in Thailand, India and the Philippines.

US-supported technical assistance covers a wide range of activities: conducting agricultural research; developing institutional and human resources; assisting in the adaptation and application of agricultural and institutional technology; and rendering advisory services to governments and the private sector in the developing countries.

Each program is tailored to the needs of the individual country and complements policies in the developing countries aimed at increasing investment in the agricultural sector, institutional and other reforms. This policy recognizes that while the major efforts must be made by the developing countries themselves, external technical, financial and food assistance can significantly accelerate the development process.

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Food Aid

Argument: Developing countries should receive more food aid, preferably on a multilateral basis; food aid should not be used as a weapon.

Response:

1. The United States is the world leader in efforts to stimulate development and nourish the world's poor through food transfers. In FY 81, the value of our food aid programs exceeded \$1.7 billion, about half in grant aid and half in highly concessional food financing.
2. While our bilateral food aid program is well established and has proven useful to recipient countries, we also recognize the value of multilateral food aid. Thus, we have pledged \$220 million in food aid to the World Food Program for the 1981-82 biennium, plus a 125,000 ton annual pledge to the International Emergency Food Reserve.
3. We believe that as more food aid is needed it should come from new donors (e.g., those OPEC members not currently contributing, and the centrally planned economies) as well as those developed and wealthier developing donors in a position to increase their donations (e.g., Japan and Brazil).
4. (To be used only if issue of food aid as a weapon is raised). The United States, as a sovereign state, has the right to determine the use of our resources and the responsibility, self-imposed and scrutinized closely on the international level, to decide such questions only after a careful weighing of all factors. Humanitarian concerns in the face of hunger, poverty, and emergencies play a basic, pivotal role in our decision-making. We think our record is good, and we stand on it.

Facts: Food aid represents one of the basic resource transfers in the North-South equation. The U.S. has an excellent record of consistent generosity. Our food aid permits food deficit developing countries to use their scarce foreign exchange for other priority needs. Over the past six years, we have increased our annual food aid outlays by \$500 million, from \$1.2 billion in 1975 to \$1.7 billion in 1981. Bangladesh and India are recipients of our bilateral food aid. Developing countries appreciate our efforts, though their demands continue as the overall need increases. We have advocated a greater sharing of the burden of feeding the needy, both by new donors and by current donors in a position to do more. We pledge a minimum quantity of 4.47 million tons annually to the 10 million ton target of the international Food Aid Convention. This amount includes our pledge of \$220 million to the \$1 billion target of multilateral World Food Program for the 1981-82 biennium. Additionally, we pledge 125,000 tons annually to the 500,000 ton target of food aid under the International Emergency Food Reserve.

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International Grain Reserves

Argument: The US should cooperate with efforts to establish a system of nationally-held, internationally-coordinated grain reserves to enhance world food security.

Response:

1. The US believes that grain reserves are only one element of world food security. The most important element is increased food production in LDCs themselves.
2. The US is proud of its record on world food security issues. Our food aid and agricultural assistance programs have helped alleviate hunger and malnutrition in many countries of the world. We alone have a conscious reserve policy which can meet both domestic and international needs.
3. We believe appropriate national policies, which provide incentives for farmers to produce, are vital to improved food security.
4. We believe that national grain reserves which are responsive to market factors are preferable to the system of nationally-held, internationally-coordinated reserves currently under discussion in the International Wheat Council. We urge other nations to join the US in holding grain reserves without waiting for an international agreement.

FACTS: Since the World Food Conference in 1974 the international community has repeatedly called for a new Wheat Trade Convention (WTC) to enhance world food security by setting up an international grain reserve system. The US is not prepared to support the latest effort to set up a reserve system, the International Wheat Council's draft of a new WTC, because it does not take sufficient account of market responsive national reserves.

The US open market system gives foreign buyers equal access to our grain with domestic buyers. Our farmer-owned reserves encourage farmers to hold stocks when prices are low and sell them when prices are high, thus contributing to stabilization and overall food security. No other nation has such a reserve. Major importers, such as USSR and China, generally buy for short-term needs while other major exporters, such as Canada, Australia and Argentina, keep in stock only what they can't sell. India alone among LDCs does hold grain reserves for its own consumption.

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