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THE WHITE HOUSE
WASHINGTON

SUMMARY SCHEDULE OF THE PRESIDENT

CANCUN, MEXICO

OCTOBER 23, 1981

R E V I S E D

AS OF 8:45 pm OCT. 22, 1981

NOTE: All Notes and Guest and Staff
Instructions on prior schedule are still
applicable.

FRIDAY, OCTOBER 23, 1981

7:30 am Staff breakfast (Room 633).

Attendees: Secretary Haig
Secretary Regan
J. Baker
M. Deaver
R. Allen
M. Anderson
J. Canzeri
R. Darman
C. Fuller
D. Gergen
L. Speakes

8:00 am Briefing in President's suite.

Attendees: The President
Secretary Haig
Secretary Regan
J. Baker
M. Deaver

PRESS POOL COVERAGE

8:30 am Bilateral meeting with President
Bendjedid of Algeria.

PRESS POOL COVERAGE

8:45 am Meeting concludes.

9:00 am Bilateral meeting with President
Nyerere of Tanzania in suite.

OFFICIAL PHOTOGRAPHER

9:15 am Meeting concludes.

9:30 am Official Photo and Honor Book signing
on patio area.

10:30 am Third Plenary Session begins.

1:30 pm Third Plenary Session concludes.

2:00 pm Bilateral meeting and luncheon with
Crown Prince Fahd of Saudi Arabia in
suite.

OFFICIAL PHOTOGRAPHER

- 3:00 pm Meeting concludes.
- 4:00 pm Fourth Plenary Session begins.
- 7:00 pm Fourth Plenary Session concludes.
- 9:00 pm Farewell dinner in honor of President Lopez Portillo, to be held on the Sheraton lawn.
- 11:00 pm Dinner concludes and THE PRESIDENT returns to suite.

REMAIN OVERNIGHT

CANCUN FOLLOW-UP

Craig Fuller

10/23
3:30

The United States, as all other countries participating in the Cancun Conference, recognizes the importance of a follow-up process that over time will give effect to the excellent and constructive spirit that has characterized the conference.

Emphasis must be placed on solving problems, dealing concretely in practical terms with the roadblocks to economic growth and development. This means that we must make the best use of the established international agencies, such as the IMF, World Bank, GATT, etc., that have the experience, competence, responsibility and successful track record in solving problems.

While the subject of a Cancun follow-on has been touched upon during our discussions, we have not had the time at Cancun to work out agreement on the specifics of the follow-on process, even though there is agreement on its need. The United States Government has listened to the ideas of the delegations, and members of the United States Delegation have had many opportunities for conversation with the representatives of the other participating countries.

We think it may be useful to explain the direction our thinking has taken, recognizing, of course, that the details remain to be worked out. Our proposal is as follows:

1. We should take advantage of the momentum generated at Cancun and the discussions held by the 22 Heads of State and Government by convening a meeting of the personal

representatives of these 22 leaders in the next two to three months. This meeting would address in greater detail the next steps.

2. At this meeting, the 22 representatives, with the advice of representatives of the appropriate institutions, such as the IMF, World Bank, GATT, etc., would elaborate on the discussions held at Cancun and would prepare a request to these institutions for studies and reports on the major issues of world economic development which were addressed at Cancun: food, trade, energy, and finance. The institutions would be invited to complete these reports within a year's time.

3. Upon completion of these reports, a Conference on World Economic Growth and Development would be convened to which all member countries of the United Nations would be invited. This conference would review and analyze the reports that had been submitted.

4. Upon completion of the conference, and in the light of the discussions held there, the competent institutions would undertake to deal with in a practical and constructive way the problems and opportunities for world economic development which had been identified.

essence about the workings of the international economy itself.

out [These areas of common ground - in particular this acknowledgement of the reality of interdependence and the interlinkage of issues - underlined the need for global problems to be approached on a global basis. In this respect we examined questions of process as well as of substance. With respect to the ~~former~~ ^{question of} the basic process of international discussions without which progress on substance is impossible - we had a broad discussion of approaches to a proposed round of Global Negotiations. Again ~~there~~ ^{it} seemed many areas of common ground. All were aware of the difficulties which had been encountered in the preparations to launch Global Negotiations and that a fresh start had to be made. All implicitly acknowledged ^{the} ~~that~~ ^{role of the UN} it would be reasonable to pursue the search for solutions to universal problems in more universal forums, while of course ^{emphasizing} recognizing the competences and functions of the Specialized ^{and independence} bodies as defined in the Association Agreements. Similarly all understood that such a process should be aimed at positive and meaningful results and that it should be conducted in a non-confrontational and cooperative spirit.

that the codification of this conference and Against this background the Heads of Government requested the Secretary-General of the United Nations in his personal ^{then} capacity to convene, after appropriate consultations and by the end of the year, an informal group to discuss preparations for a mutually acceptable process of Global Negotiations in circumstances offering the prospect of meaningful progress. ^{Such} ~~Such~~ ^{such}

~~members might include not only representatives of the countries participating at Cancun, but also representatives of other interested countries.~~ The Heads of Government undertook to keep in close touch with one another in the intervening period and to designate personal representatives to participate in the group.

With respect to substance we focussed on what we viewed as the major issues and the challenges facing the world economy under the headings of: food security and agricultural development; commodities, trade and industrialization; energy; and monetary and financial issues. The relevant priorities attached by each country to given issues not surprisingly differed somewhat, depending on the nature and level of development of the country concerned. Underlying all our discussions, however, was the clear sense that our basic objectives and our basic priorities were similar. It was also clear that the political will of all participants at Cancun to move forward on them and to take action to solve them was strong.

10/23
3:30 p

GN OPTIONS (October 23 -- 1:00 p.m.)

OPTION (1)

Stand on yesterday's statement. State that we are pleased by the cooperative/constructive spirit shown here -- but that we do not yet have a sufficient basis to conclude that the understandings we have sought have been fully accepted. State that we intend to follow up promptly with particular countries to seek their concurrence in these understandings -- and that when such agreement is reached, we would be willing to engage in a new preparatory process.... /Argue that Co-Chairmen's statement should be silent on GN's since these were not an agreed agenda topic./

OPTION (2)

Offer a specific follow-on proposal emphasizing preparatory work by specialized agencies leading to a U.S.-sponsored Conference on Global Economic Growth. (See Draft on "Cancun Follow-On.")
/Note: This could be combined with other options./



OPTION (3)

Work with the Canadians on their draft Chairmen's statement -- modifying it to exclude rhetoric on "global problems to be approached on a global basis," etc.; keeping the conclusion that "a fresh start had to be made"; shifting the follow-on responsibilities away from Waldheim (or to a combination of Waldheim and the Cancun Co-Chairmen); and keeping the Ottawa Summit language. (See edited Canadian draft.)

OPTION (4)

Offer Canadians/Mexicans a wholly different U.S. text for the Co-Chairmen's statement along the lines discussed in the U.S. Delegation this a.m. (See drafts. Note remaining difference between "talks leading to global negotiations" and "talks on the subject of global negotiations.")

ARGUMENTS - PRO AND CON

OPTION (1) -- Stand on yesterday's statement.

PRO

- has virtue of consistency;
- avoids rush to U.N. that may be associated with Option (3) or (4).

CON

- risks losing international good will earned by participation to this point.

OPTION (2)

PRO

- is a positive alternative; if combined with (1) it would help offset what others might view as negativism.

CON

- if accepted, could simply be pocketed -- with other countries still pressing claim for GN's;
- if rejected, could play as rejection of U.S. initiative (for which groundwork has not been fully prepared).

OPTION (3)

PRO

- works with document likely to be on table regardless -- improving it (perhaps), while nonetheless preserving U.S. right to offer its own statement.

CON

- it could (is likely to?) come out unsatisfactorily; and the very act of working with it gives it a degree of legitimacy.

OPTION (4)

/Incorporate this morning's discussion by reference. Perhaps overtaken by existence of Canadian draft. NOTE: Language is perhaps more positive toward GN's than Canadian draft.

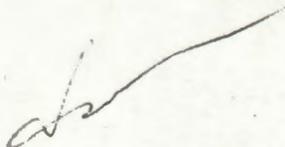
• came here w/ understanding
that this was not an
agenda item

• I came here to work
together

THE WHITE HOUSE

WASHINGTON

October 23, 1981

MEMORANDUM FROM JOSEPH CANZERI: 

Will the following please come to the 6th floor Conference Room for a meeting at 3:15 P.M.:

SECRETARY AL HAIG

SECRETARY DONALD REGAN

JAMES A. BAKER

MICHAEL DEEVER

RICHARD ALLEN

MARTIN ANDERSON

RICHARD DARMAN

CRAIG FULLER ✓



Date 10/23/81

Presidential Party Departure Notice

From Cancun To Washington, D.C.

NAME CRAIG FULLER HOTEL SHERATON ROOM NO. 622

Aircraft

You are a passenger on AF-1

Time of Departure 11:00 am

Transportation

Your transportation to the airport will depart at 9:30 from
Sheraton Your car number is _____.

Your bus number is _____.

Baggage

Baggage will be picked up outside the door of your room. Baggage must be available before 7:30 am on 10/24/81; where it will be transported to your aircraft.

DO NOT under any circumstances lock your luggage. **DO NOT** carry exposed or unexposed film in your luggage, as it must be X-Rayed by the Secret Service and any film in your luggage will be ruined by the X-Ray. Film must always be hand carried.

If you find that your baggage has been tampered with, or any object that you do not recognize has been placed in it, notify the U.S. Secret Service **IMMEDIATELY**.

THE WHITE HOUSE
WASHINGTON

DEPARTURE PROGRAM

NOTE: All Guests and Staff manifested on Air Force One board immediately upon arrival.

Marine One arrives Cancun International Airport and blocks in front of Air Force One. The President deplanes, is met and escorted to the platform by President Lopez Portillo. Enroute, The President signs the Honor Book of the Municipality of Cancun.

NOTE: The book will be held by a hostess, and not placed on a desk.

Upon reaching the platform The President, with President Lopez Portillo on his left, will face the terminal.

Anthems of U.S. and Mexico
Twenty-one Gun Salute

The President, escorted by President Lopez Portillo, follows the Commander of the Honor Guard and proceeds to U. S. and Mexico flags and acknowledges.

The President is escorted to Air Force One by President Lopez Portillo and boards.

10/23/81 5:30 pm



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

NEWS BRIEFS

ENGLISH



MORNING

OCTOBER 24

FROM AP, NOTIMEX AND IPS

MSG184/1

CANCUN: SUMMIT ENDS WITH CO-CHAIRMAN PRESS CONFERENCE

CANCUN, MEXICO OCT 23 (IPS)--THE NORTH-SOUTH SUMMIT HERE ENDED TODAY WITH A CONSENSUS AMONG THE 22 HEADS OF STATE OR THEIR SURROGATES TO MOVE AHEAD WITH THE GLOBAL NEGOTIATIONS IN THE UNITED NATIONS AND TO PROMOTE ACTIONS TO IMPLEMENT THEM, SAID THE CO-PRESIDENTS OF THE CONFERENCE, MEXICAN PRESIDENT JOSE LOPEZ PORTILLO AND CANADIAN PRIME MINISTER PIERRE ELLIOTT TRUDEAU.-

LOPEZ PORTILLO SAID THAT THE FACT THAT A CONFERENCE WAS HELD AMONG 8 INDUSTRIALIZED COUNTRIES' LEADERS AND 14 THIRD WORLD LEADERS UNDERSCORED THE GRAVITY OF THE PROBLEMS FACING THE WORLD AND THE NEED TO CONFRONT THEM IN THE CONTEXT OF NORTH-SOUTH RELATIONS.-

HE POINTED OUT THAT THERE WAS NO EXPECTATION THAT THE MEETING WOULD ADOPT CONCRETE DECISIONS. RATHER IT WAS TO EXCHANGE POINTS OF VIEW, IDENTIFY THE PROBLEMS AND PROPOSE SOLUTIONS WHICH COULD BE DISCUSSED AND TAKEN TO THE TRADITIONAL FORA FOR NEGOTIATION.

THE MEXICAN PRESIDENT SAID THAT THE DISCUSSIONS HAD BEEN 'EXTREMELY POSITIVE AND CONSTRUCTIVE', AND THAT WHILE VIEWS HAD DIFFERED, AS EXPECTED, PARTICIPANTS SHOWED UNDERSTANDING AND POLITICAL WILL.-

HE ADDED THAT A 'RECEPTIVE ATMOSPHERE' REIGNED IN TALKS ON THE FOUR BASIC ISSUES UNDER CONSIDERATION AT THE SUMMIT -- FOOD SECURITY AND AGRICULTURAL DEVELOPMENT, TRADE AND COMMODITIES, ENERGY AND MONETARY AND FINANCIAL QUESTIONS. THERE WAS A MAJORITY FEELING IN FAVOUR OF MUTUAL CONCERTED ACTION BETWEEN THE NORTH AND THE SOUTH TO FIND SOLUTIONS TO THE PROBLEMS IN THESE FIELDS, HE SAID. (MORE)

REFERRING TO THE 'GLOBAL NEGOTIATIONS' ON INTERNATIONAL ECONOMIC ISSUES, WHICH HAVE STILL NOT BEEN LAUNCHED IN THE UN, LOPEZ PORTILLO ANNOUNCED THAT DURING THEIR TWO DAYS OF DISCUSSIONS 'THE HEADS OF STATE AND GOVERNMENT CONFIRMED THE ADVISABILITY OF SUPPORTING, WITHIN THE UNITED NATIONS, A CONSENSUS TO BEGIN GLOBAL NEGOTIATIONS ON A MUTUALLY AGREED BASIS, AND IN CIRCUMSTANCES WHICH OFFER THE PROSPECT OF SIGNIFICANT PROGRESS, WITH A SENSE OF URGENCY'.-

AFTER READING THE FINAL COMMUNIQUE, BOTH LOPEZ PORTILLO AND TRUDEAU STRESSED THE SIGNIFICANCE OF THIS GENERAL AGREEMENT.-

THE MEXICAN LEADER SAID THAT THE ISSUE OF GLOBAL NEGOTIATIONS, ONE OF THE PROBLEMS DEALT WITH IN THE MEETING, AROUSED DISAGREEMENTS BUT, HE ADDED, THAT THEY WERE 'PROBLEMS OF PROCEDURE AND COMPETENCE' AND 'NOT OF SUBSTANCE'.-

THE NATURE OF THE TOPIC AND ITS COMPLEXITY IMPLIED DISCUSSION BUT NOT CONFRONTATION, HE ADDED. NEITHER DID IT MEAN THAT THOSE WHO HAD PRESSED FOR THE IMMEDIATE LAUNCHING OF THOSE NEGOTIATIONS HAD GIVEN WAY.-

THE CANADIAN PRIME MINISTER SAID THAT 'NO COUNTRY OPPOSED THE GLOBAL NEGOTIATIONS', BUT HE ADMITTED THAT THE PARTICIPANTS IN THE SUMMIT WERE NOT ABLE TO REACH A CONSENSUS REGARDING PROCEDURE OR THE PACE AND TIMETABLE FOR MOVING AHEAD WITH THE NEGOTIATIONS.

NATIONAL NEWS / HEADLINES OF THE MEXICAN DAILIES

MEXICO, D.F., 23 OCTOBER 81 (NOTIMEX) -
THE FOLLOWING ARE THE HEADLINES OF THE PRINCIPAL
MORNING NEWSPAPERS OF MEXICO'S CAPITAL CITY :

- EXCELSIOR : '"GLOBAL NEGOTIATION - MUTUALLY
 ACCEPTABLE - ASSERTS THE U.S.'".
- UNO MAS UNO : '"AGAINST THE SPREAD OF POVERTY,
 NEGOTIATION : JLP'".
- EL UNIVERSAL : '"THOSE IN POWER BELONG TO HUMANITY,
 NOT HUMANITY TO THEM : JLP'".
- EL DIA : '"JLP DEMANDS THE INTRODUCTION OF A
 NEW, JUST AND EGALITARIAN WAY OF
 TREATMENT IN THE WORLD'".
- EL NACIONAL : '"MEXICO PROCLAIMS AT THE SUMMIT :
 SOLIDARITY, NOT SUBORDINATION'".
- EL SOL DE MEXICO : '"U.S. ACCEPTS TO INICIATE GLOBAL
 NEGOTIATIONS'".
- NOVEDADES : '"FOOD FOR THE WORLD, NOT ARMS :
 LOPEZ PORTILLO'".
- EL HERALDO DE
MEXICO : '"HUMANITY DOES NOT BELONG TO THE
 POWERFUL, CLAIMS JLP'".
- LA PRENSA : '"STOP POVERTY NOW. COLLABORATION
 AND AGREEMENT ASKED JLP'".

7/15

SUMMARY BY THE CO-CHAIRMEN OF THE INTERNATIONAL
MEETING ON COOPERATION AND DEVELOPMENT

We, the Co-Chairmen, had the great honour to preside over a meeting of Heads of State and Government designed to focus on relationships between North and South, particularly the serious economic problems confronting the international community. The United Nations Secretary-General attended as a special guest.

We strongly believe that the very fact that 22 leaders from some of the world's most influential yet diverse countries were prepared to come to Cancun and discuss these issues clearly demonstrated the importance and gravity that they attached to them. The North/South relationship was seen as one of the most serious challenges to be faced in the coming decade, ranking with and linked to the maintenance of world peace, as a priority for the attention of all governments.

The spirit which prevailed among us as we addressed these fundamental issues was extremely constructive and positive. It was clear from the outset that we were not here - indeed we could not be here - to take decisions on behalf of the rest of the world. Our task was rather to bring our voices to bear at the highest level on the fundamental issues, to identify the major problems and to try to evaluate and promote possible solutions. With this end in mind we spoke openly and frankly to one another and did not try to evade the hard issues. Nor did we indulge in recrimination or casting of blame on others. We were not bound by traditional bureaucratic entanglements nor did we allow ourselves to be shackled by posturing or rhetoric. The atmosphere throughout was receptive to new ideas and approaches and a willingness to listen and understand. We believe that together we succeeded in creating a spirit of genuine confidence and trust amongst ourselves.

Our task now will be to ensure that we build upon this trust and understanding, carry this momentum forward into the future and translate thought into action and progress with the aim of revitalizing the world economy and accelerating the development of developing countries. It is in this light that Heads of State and Government were clearly determined to attack

the problems on an urgent basis in the international institutions existing for this purpose, and to continue to give their personal attention to this process.

Obviously there were differences of view expressed. Among 22 very diverse nations it could not be expected that interests would be identical or approaches necessarily the same. But what struck us most forcefully were the many areas of shared priorities and of common ground. Thus, while various roads were suggested to solve the problems facing us, in virtually every case the basic objectives were shared by all of us.

All participants recognized the importance of interdependence in terms of the functioning of their economies, reflected in the fact that the economic prosperity of any country or group of countries increasingly depends on the existence of conditions for growth and stability in other nations. They all appreciated that many of the economic problems which beset them individually could only be solved through joint action among states and that in this sense there was a high degree of mutual self-interest involved in promoting closer international cooperation. There was a strongly shared view that in the global community the problems of economic disparities among nations needed to be seen as the responsibility of all and therefore required concerted action. The view was expressed that, in an increasingly integrated world economy, no country or group of countries can evade their responsibilities. In this respect, regret was voiced about the absence of the Soviet Union from the Meeting.

At the same time the importance of strengthening and increasing the effectiveness of cooperation among developing countries was seen as an element of growing significance in international relations. Many participants regretted the amount of resources devoted to armaments which could be better employed for developmental purposes.

It was recognized that many of the problems were deep and complex and not subject to quick or simplistic solutions. With a long and difficult period ahead, leaders committed themselves to working together to try to build an international economic order in which all states would be able to realize their potential with equal opportunities, and the developing countries in particular would be able to grow and develop according to their own values.

. . .

The Heads of State and Government confirmed the desirability of supporting at the United Nations, with a sense of urgency, a consensus to launch Global Negotiations on a basis to be mutually agreed and in circumstances offering the prospect of meaningful progress. Some countries insisted that the competence of the specialized agencies should not be affected.

With respect to substance we focussed on what we viewed as the major issues and the challenges facing the world economy under the headings of: food security and agricultural development; commodities, trade and industrialization, energy; and monetary and financial issues. Throughout the Meeting the discussion was pragmatic and direct, touching both on broad approaches and frequently on specific details. These discussions made clear the political will of all participants at Cancun to move forward and to take action.

Food Security and Agricultural Development

Discussions on this topic indicated several general areas of understanding and shared viewpoints regarding the following principal questions:

- Persistent and widespread manifestations of hunger are entirely incompatible with the level of development attained by the world economy and, in particular, with existing food production capacity. Within as brief a period as possible, hunger must be eradicated. This objective is clearly an obligation of the international community and constitutes a first priority both at the national level and in the field of international cooperation.
- Sustained and long-term internal effort on the part of the developing countries to attain increasing self-sufficiency in food production is the basic element in obtaining a real answer to the problem of hunger. Nevertheless, this effort requires timely and sufficient international technical and financial support in coordination with internal policies and strategies.
- First, developing countries should define and put into operation, with the aid of ample and effective international support, national food strategies covering the entire cycle of food production, productivity,

distribution and consumption, that include effective action for rural development, by means of increasing incomes of food producers, which, paradoxically, are the ones most affected by hunger.

- Food aid should be seen as a temporary tool in emergency situations. Such situations could well continue to exist -perhaps unfortunately at an even higher scale- over the next years; but food aid should not be used as a permanent replacement for the necessary development of the required food production in developing countries themselves.
- The rate of population growth in some countries leads to increases in food demand that are difficult to meet.

The experience of a certain number of countries has shown that development of a population policy aids in solving some of the most acute aspects of the food problem.

- The workings of international agricultural and food organizations operating within the framework of the United Nations need to be reviewed in order to avoid duplication of work, to use available resources more effectively and to improve their general efficiency.

A number of other points were mentioned during the course of the debate. Among the more important were the following:

- A long-term program geared to the eradication of hunger by the year 2000 should be prepared, including elements of both internal effort and international cooperation.
- A number of steps could be taken to improve the effectiveness of food security mechanisms. Among these are the negotiation of a new international grains agreement; coordination of national food reserves; expansion of the International Emergency Food Reserve, increasing the predictability and continuity of contributions to it; establishment of reserves sufficient to cover the food security needs of developing countries, especially the least developed.

- Task forces could be sent from developed to developing countries, in order to assist the latter in developing and implementing agricultural programs and effectively disseminating high-productivity agricultural techniques.
- International trade conditions also exert a considerable influence on the agricultural and food situation of developing countries. Trade barriers raised against agricultural products hinder the growth of agricultural activity and the achievement of food security objectives.
- The recent setting up of a "food facility" within the compensatory financing scheme in the International Monetary Fund constitutes an important step. In the future, however, it would be necessary for the resources allocated and the terms of access to those resources to be more compatible with the needs of food-importing developing countries.
- The International Fund for Agricultural Development (IFAD) requires prompt replenishment of its resources so that it may continue its operations without interruption.

Commodities, Trade and Industrialization

Participants addressed a range of problems under this item.

- Noting the slow progress in implementing the UNCTAD Integrated Program for Commodities, particularly in the negotiation of new commodity agreements, they agreed on the need to complete procedures for bringing the Common Fund into operation. Because earnings from commodity exports are of fundamental importance to the economic growth and stability of developing countries, a range of possible approaches was suggested including more intensive efforts to negotiate effective international agreements to stabilize commodity prices, and other measures aimed at stabilizing developing country earnings from commodity exports.

- The need to improve the Generalized System of Preferences for developing countries was also recognized, as well as the need for continued efforts on the part of governments to resist protectionist pressures.
- Several participants noted the contribution which the proposed GATT Ministerial Meeting in 1982 could make to addressing trade problems of developing countries, including barriers to trade in agriculture and obstacles to the further processing of their raw material exports.
- A number of participants referred to the importance of industrialization of developing countries and the contribution which increased trade could make to this objective. Restructuring of developed country industries was identified as being relevant to this objective, as was a positive result from the renegotiation of the Multifibre Arrangement.
- The need to help developing countries improve their infrastructures, including transportation and storage facilities, was also raised and a proposal for mobilizing resources to this end was presented.

Energy

- It was recognized that energy is one of the key problem areas of the 1980s that must be tackled seriously and urgently. The problem was characterized more as a global one than as purely a North-South issue.
- In order to ensure an orderly transition from the era of hydro-carbons to the era of diversified energy sources, the proposal for a World Energy Plan as a framework providing an overall approach covering this complex process was recalled and interest expressed in it.
- The potential contribution of regional energy cooperation schemes was also pointed out in the discussion.
- It was also recognized that energy conservation must be pursued by major oil-consuming countries. Development of new and renewable sources of energy also required emphasis, as was agreed at the recent Nairobi Conference.

- Emphasized in the discussion was the serious problem developing countries face in meeting their large energy import bills which for many represent a good part of their limited foreign exchange earnings.
- The need for increased energy investment, from both private and official sources, in developing countries was stressed. Support was expressed by many participants for expanded energy lending in developing countries by the World Bank and, in this respect, the establishment of an Energy Affiliate was advocated.
- Some participants suggested the need for better exchange of information between energy producing and consuming countries in order to facilitate long-term energy planning.

Monetary and Financial Issues

- Participants reviewed the financial difficulties being experienced by developing countries with regard to their balance of payments deficits, their debt service burden and their development financing needs.
- They discussed conditions of access by developing countries to the various sources of financing and the role of the relevant multilateral institutions, in particular the International Monetary Fund and the World Bank, in the light of the current economic and financial problems facing developing countries.
- Points raised by some participants in the discussion included the impact of high interest rates, the creation and distribution of liquidity and role of the SDR as a main reserve asset and in financing development, IMF conditionality, the decision-making process in the international financial institutions, access to capital markets and the respective role of private and official sources of external capital in development financing.
- Several suggestions were noted for improved international financial cooperation.

THIRD WORLD WELCOMES SUMMIT COMMITMENT

BY CHARLES J. HANLEY
ASSOCIATED PRESS WRITER

CANCUN, MEXICO (AP) -- AFTER YEARS OF FIGHTING FOR NEGOTIATIONS TO RESHAPE THE GLOBAL ECONOMY, THIRD WORLD COUNTRIES SAID TODAY THEY WELCOMED THE VAGUELY WORDED COMMITMENT THAT ENDED THE CANCUN SUMMIT.

MEXICO'S PRESIDENT, SPEAKING GLOWINGLY OF THE SPIRIT OF CANCUN, DECLARED AT THE MEETINGS CONCLUSION FRIDAY, THE DIALOGUES ARE NO LONGER AT AN IMPASSE.

BUT THERE ARE CLEAR SIGNS OF MIXED FEELINGS OVER THE OUTCOME.

WE DON'T KNOW HOW LONG THIS WILL TAKE TO GET STARTED, SAID AN INDIAN OFFICIAL, REFERRING TO THE ABSENCE OF A TIMETABLE FOR GLOBAL NEGOTIATIONS.

CANADA'S PRIME MINISTER PIERRE ELLIOTT TRUDEAU SUGGESTED THAT THIRD WORLD NATIONS WERE NOT COMPLAINING MORE LOUDLY ABOUT THE RESULTS OF CANCUN BECAUSE PRESIDENT REAGAN AGREED TO CONTINUE THE DIALOGUE.

FOR SEVERAL YEARS, THE UNITED STATES HAS RESISTED DEMANDS BY LESS DEVELOPED COUNTRIES THAT MAJOR ECONOMIC DISPUTES BETWEEN THE INDUSTRIALIZED AND DEVELOPING WORLD -- INCLUDING WHAT THE THIRD WORLD VIEWS AS UNFAIR TRADE POLICIES, INSUFFICIENT AID PROGRAMS AND OTHER ISSUES -- BE BROUGHT BEFORE THE UNITED NATIONS, WHERE NEGOTIATIONS MIGHT PRODUCE A NEW INTERNATIONAL ECONOMIC ORDER.

IN 12 1/2 HOURS OF TALKS OVER TWO DAYS AT THIS MEXICAN CARIBBEAN RESORT, REAGAN AND THE LEADERS OF 21 OTHER RICH AND POOR NATIONS DISCUSSED THE TOP ISSUES AND THE POSSIBILITY OF SETTING UP A MECHANISM

FOR REAL BARGAINING AMONG THE WORLDS MORE THAN 150 COUNTRIES.

BUT REAGAN SET PRE-CONDITIONS, AND THE FINAL SUMMARY OF THE TALKS BY THE CO-CHAIRMEN, MEXICAN PRESIDENT JOSE LOPEZ PORTILLO AND TRUDEAU, SHOWED THE CONFEREES FAILED TO REACH SPECIFIC AGREEMENT ON DETAILS OF FUTURE NEGOTIATIONS.

THEIR STATEMENTS SAID THE 22 LEADERS CONFIRMED THAT IT IS DESIRABLE AND URGENT TO SUPPORT AT THE UNITED NATIONS A CONSENSUS TO BEGIN GLOBAL NEGOTIATIONS ON A MUTUALLY ACCEPTABLE BASIS AND IN CIRCUMSTANCES OFFERING THE PROSPECT OF SIGNIFICANT PROGRESS.

ALGERIAN U.N. AMBASSADOR MOHAMMED BEDJAQUI SAID THE CONCLUDING STATEMENTS MEANT THE UNITED NATIONS HAS RECEIVED THE NECESSARY POLITICAL PUSH IN ORDER TO ... NO LONGER DELAY THE GLOBAL NEGOTIATIONS.

BEDJAQUI, WHOSE COUNTRY CURRENTLY LEADS THE THIRD WORLD ALLIANCE AT THE UNITED NATIONS, SAID CONSULTATIONS ON GLOBAL TALKS WOULD BEGIN IN THE U.N. GENERAL ASSEMBLY NEXT WEEK.

NOTING THAT THE FINAL STATEMENTS INCLUDED THE WORD URGENT, BEDJAQUI TOLD REPORTERS, URGENCY DOES NOT MEAN WE WAIT INDEFINITELY.

THE ALGERIAN ALSO HINTED AT A POSSIBLE THIRD WORLD SHOWDOWN WITH THE REAGAN ADMINISTRATION OVER INTERNATIONAL FINANCIAL INSTITUTIONS.

IT WOULD TAKE AWAY FROM GLOBAL NEGOTIATIONS IF WE EXCLUDED QUESTIONS OF FINANCE, BEDJAQUI SAID.

ONE OF REAGAN'S PRE-CONDITIONS FOR GLOBAL ECONOMIC TALKS IS AGREEMENT THAT THE INDEPENDENCE OF THE FINANCIAL INSTITUTIONS -- THE WORLD BANK AND INTERNATIONAL MONETARY FUND -- WILL NOT BE REDUCED. BUT

MANY IN THE THIRD WORLD HAVE LONG WANTED TO OVERHAUL THE INSTITUTIONS TO GIVE THEIR COUNTRIES GREATER SAY IN THEIR OPERATIONS.

THE HIGH-RANKING INDIAN OFFICIAL, WHO SPOKE WITH REPORTERS ON CONDITION HE NOT BE IDENTIFIED, CALLED THE SUMMIT A PARTIAL SUCCESS BECAUSE IT DECIDED WE SHOULD ENGAGE IN GLOBAL NEGOTIATIONS.

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CANCUN: MEXICO AND BRAZIL SUPPORT IMMEDIATE GLOBAL NEGOTIATIONS
WHILE VENEZUELA VACILLATES

AN INTER PRESS SERVICE SPECIAL

BY MARIO DE CAUTIN

CANCUN, MEXICO OCT 23 (IPS)--WHILE MEXICO AND BRAZIL GAVE THEIR STRONG SUPPORT TO THE IMMEDIATE INITIATION OF GLOBAL NEGOTIATIONS AT THE NORTH-SOUTH SUMMIT THAT ENDED HERE TONIGHT, VENEZUELA TOOK A MORE CAUTIOUS POSITION.

VENEZUELAN PRESIDENT LUIS HERRERA CAMPINS ENDORSED THE NEED FOR UN SPONSORED NEGOTIATIONS, BUT MADE NO STATEMENT ABOUT THEIR URGENCY, ACCORDING TO REPORTS FROM CLOSED DOOR MEETINGS.-

MEXICO, BRAZIL, AND VENEZUELA, ALONG WITH GUYANA, ARE THE ONLY LATIN AMERICAN COUNTRIES ATTENDING THE NORTH-SOUTH SUMMIT, AND AS SUCH ARE INFORMALLY REPRESENTING THE REGION AT THE CONFERENCE. VENEZUELA'S POSITION DAMPENED HOPES THAT THE FOUR COUNTRIES WOULD PRESENT A UNIFIED POSITION AT CANCUN.-

TWO CONTENTING POSITIONS HAVE EMERGED ON THE GLOBAL NEGOTIATIONS, WHICH HAVE BEEN BLOCKED SINCE 1979 BY THE NEGATIVE ATTITUDE OF SOME OF THE INDUSTRIALISED COUNTRIES, PARTICULARLY THE UNITED STATES.-

ONE POSITION, WHICH WAS SUPPORTED BY THE MAJORITY OF HEADS OF STATE AT CANCUN, CALLS FOR A NEW ROUND OF GLOBAL NEGOTIATIONS TO BEGIN NEXT JANUARY AT THE LATEST (MORE).-

THE SECOND POSITION, WHILE SUPPORTING THE IDEA OF NEGOTIATIONS, BELIEVES THAT INSTEAD OF BEING CARRIED OUT WITHIN THE UN FRAMEWORK THEY SHOULD BE HELD IN SPECIALISED INTERNATIONAL AGENCIES, SUCH AS THE GENERAL AGREEMENT ON TARIFFS AND TRADE (GATT), THE WORLD BANK, AND THE INTERNATIONAL MONETARY FUND (IMF), WHERE THE INDUSTRIALISED COUNTRIES HAVE VIRTUAL DECISION-MAKING POWER.-

THIS, IT IS ARGUED BY OPPONENTS, AMOUNTS TO A REJECTION OF THE MAJORITY POSITION -- CHAMPIONED BY THE THIRD WORLD AND SUPPORTED BY COUNTRIES LIKE CANADA, FRANCE, GREAT BRITAIN AND JAPAN -- THAT THE ECONOMIC PROBLEMS UNDER DISCUSSION ARE INTERDEPENDENT AND MUST BE ADDRESSED IN A GLOBAL FORUM.-

A LATIN AMERICAN REPRESENTATIVE AT THE CONFERENCE TOLD IPS THAT REFERRING THE NORTH-SOUTH TALKS TO THE SPECIALISED AGENCIES IS TANTAMOUNT TO GIVING THE INDUSTRIALISED COUNTRIES VETO POWER.-

MEXICAN PRESIDENT JOSE LOPEZ PORTILLO AND THE BRAZILIAN MINISTER OF FOREIGN RELATIONS, RAMIRO SARAIVA GUERREIRO, ARGUED THROUGHOUT THE DEBATE THAT NEGOTIATIONS SHOULD TAKE PLACE IN THE UN GENERAL ASSEMBLY WHERE EQUAL VOTING POWER CAN INSURE THAT DECISIONS ARE MADE BASED ON 'DEMOCRATIC CONSENSUS' BETWEEN THE COUNTRIES OF THE NORTH AND SOUTH. (MORE)

THE BRAZILIAN FOREIGN MINISTER WAS PARTICULARLY FORCEFUL IN ARGUING FOR THE IMMEDIATE INITIATION OF UN SPONSORED GLOBAL NEGOTIATIONS.-

LOPEZ PORTILLO AND SARAIVA GUERREIRO WERE INDIRECTLY RESPONDING TO YESTERDAY'S STATEMENT BY US PRESIDENT RONALD REAGAN, WHO REITERATED HIS POSITION THAT THE NORTH-SOUTH DIALOGUE 'MUST RESPECT THE COMPETENCE, FUNCTIONS AND POWERS OF THE SPECIALISED INTERNATIONAL AGENCIES'.-

THE FAILURE OF HERRERA CAMPINS TO MAKE ANY ALLUSION TO THE US POSITION NOR TO THE URGENCY OF NEGOTIATIONS CAUSED UNEASINESS AMONG SOME PARTICIPANTS AT THE CONFERENCE, WHO SAID THAT THE VENEZUELAN PRESIDENT HAD BEEN CAREFUL NOT TO APPEAR TO CONTRADICT PRESIDENT REAGAN, WITH WHOM HE HAD MET TWO DAYS BEFORE THE SUMMIT.-

ACCORDING TO ONE OBSERVER, HERRERA CAMPINS' RELATIVELY WEAK POSITION ON THE ISSUE OF GLOBAL NEGOTIATIONS DREW HARSH CRITICISM FROM OTHER LATIN AMERICAN DELEGATES. (END)

BY JAMES GERSTENZANG
ASSOCIATED PRESS WRITER

CANCUN, MEXICO (AP) -- PRESIDENT REAGAN DECLARED FRIDAY THAT GREAT PROGRESS HAD BEEN MADE AT THE 22-NATION CONFERENCE OF THE WORLDS RICHEST AND POOREST COUNTRIES. BUT HE WARNED AGAINST CREATING SOME GIGANTIC NEW INTERNATIONAL BUREAUCRACY TO ALLEVIATE POVERTY.

AS THE NORTH-SOUTH SUMMIT FINISHED ITS WORK, THERE WERE NO SIGNS FROM THE CLOSED MEETINGS THAT SPECIFIC STEPS WERE AGREED UPON TO LESSEN THE PRESSING PROBLEMS IN THE DEVELOPING WORLD, ALTHOUGH FOOD AND AGRICULTURE WERE DISCUSSED FOR AT LEAST THREE HOURS AND OTHER TALKS FOCUSED ON ECONOMIC AND ENERGY ISSUES.

THE QUESTION OF A WORLD BANK ENERGY AFFILIATE TO HELP POOR NATIONS MEET INCREASING ENERGY COSTS RECEIVED WIDESPREAD SUPPORT, ACCORDING T O

A BRITISH SPOKESMAN, WHO SAID THAT NO ONE SPOKE AGAINST IT ALTHOUGH REAGAN DID NOT ADDRESS THE SUBJECT.

WHITE HOUSE SPOKESMAN DAVID R. GERGEN SAID THE PROPOSAL, LONG OPPOSED BY THE UNITED STATES, RECEIVED MIXED SUPPORT AND DISAGREED WHEN TOLD THAT A MEXICAN OFFICAL HAD SAID THERE WAS GENERAL CONSENSUS ON THE ISSUE.

MEANWHILE, THE NIGERIAN FOREIGN MINISTER, ISHAYA AUDU, WAS SKEPTIC AL ABOUT THE SUPPORT REAGANS PROPOSAL FOR AGRICULTURAL TASK FORCES WOULD RECEIVE FROM HARD HEADED FARMERS IN THE UNITED STATES. THE ASSISTANCE OF THE FARMERS WOULD BE CALLED FOR IN THE PLAN.

AS THE CONFERENCE NEARED THE END OF ITS SECOND AND FINAL DAY, GERGEN SAID REAGAN WAS VERY PLEASED WITH THE DISCUSSIONS THAT HAVE TAKEN PLACE HERE.

THE SPOKESMAN SAID THAT ALTHOUGH REAGAN HAD LEARNED A GREAT DEAL FROM WHAT HE HEARD IN THE GROUP SESSIONS AND INDIVIDUAL MEETINGS WITH OTHER LEADERS, HE HASNT CHANGED HIS VIEWS ON THE BASIC QUESTION OF DEVELOPMENT.

GERGEN SAID THAT DURING A ONE-HOUR DISCUSSION ABOUT TRADE THERE WA S A GREAT CONSENSUS IN FAVOR OF OPEN TRADE AND OPEN MARKETS AND AN EXPRESSION OF CONCERN ABOUT RISING PROTECTIONISM.

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PM-REAGAN-SUMMIT, BJT, 680

U.S. OFFICIALS EXPRESS DELIGHT AS NORTH-SOUTH SUMMIT CONCLUDES

EDS: LEAD PROSPECTS UNCERTAIN

BY GEORGE GEDDA

ASSOCIATED PRESS WRITER

CANCUN, MEXICO (AP) -- THE REAGAN ADMINISTRATION, EXPRESSING DELIGHT

HT THAT A 22-NATION ECONOMIC SUMMIT WAS ONE OF COOPERATION NOT CONFRONTATION, WILL JOIN OTHER COUNTRIES IN GLOBAL NEGOTIATIONS TOWARD EASING THE PROBLEMS OF THE WORLD'S POOR.

LEADERS OF RICH AND POOR NATIONS ALIKE AGREED FRIDAY NIGHT TO LAUNCH

CH GLOBAL NEGOTIATIONS IN CIRCUMSTANCES OFFERING THE PROSPECT OF MEANINGFUL PROGRESS.

U.S. OFFICIALS, WHO ASKED NOT TO BE IDENTIFIED, SAID THE NEXT LIKE

LY STEP WILL BE A CALL BY U.N. SECRETARY-GENERAL KURT WALDHEIM TO CONVENE A MEETING TO CARRY OUT THE MANDATE OF THE SUMMIT. PRESIDENT REAGAN WAS TO DISCUSS THIS ISSUE WITH WALDHEIM BEFORE FLYING HOME THIS MORNING.

EVEN BEFORE THE CONFERENCES CLOSING SESSION, REAGAN DECLARED THAT GREAT PROGRESS HAD BEEN MADE, BUT HE WARNED AGAINST CREATING SOME GIGANTIC NEW INTERNATIONAL BUREAUCRACY TO ALLEVIATE POVERTY.

AFTER TWO DAYS OF MEETINGS COVERING SOME 12 HOURS OF PLENARY DISCUSSIONS, MEXICAN PRESIDENT JOSE LOPEZ PORTILLO AND CANADIAN PRIME MINISTER PIERRE ELLIOTT TRUDEAU ISSUED A JOINT PRESS STATEMENT ANNOUNCING THE AGREEMENT ON GLOBAL NEGOTIATIONS.

THE AGREEMENT OFFERS NO PROMISE OF SHORT-TERM RELIEF FOR THE WORLD

S POOR, AND IT DID NOT COMMIT THE UNITED STATES TO ACQUIESCE TO ANY FUNDAMENTAL CHANGES IN THE INTERNATIONAL ECONOMIC SYSTEM. BUT ADMINISTRATION OFFICIALS TOLD REPORTERS THAT THE MEETING PROVIDED A SHARP CONTRAST TO PREVIOUS ATTEMPTS AT NORTH-SOUTH DIALOGUES SINCE THE

EARLY 1960S

THE POINT TO BE EMPHASIZED, SAID ONE OFFICIAL, IS THAT FOR THE FIRST TIME AT A NORTH-SOUTH CONFERENCE, NATIONS HAVE SAT DOWN AND COME OUT WITH A COMMONALITY OF VIEW.

ACCORDING TO THE OFFICIAL, THERE WAS VERY LITTLE RECRIMINATION, AND VIRTUALLY EVERY LEADER PARTICIPATED IN THE SUMMIT IN A SPIRIT OF COOPERATION AND NOT CONFRONTATION.

OF CRITICAL IMPORTANCE TO THE UNITED STATES WAS A PARAGRAPH IN THE FINAL STATEMENT ASSERTING THAT THE INDEPENDENCE OF SUCH INSTITUTIONS AS THE WORLD BANK, THE INTERNATIONAL MONETARY FUND AND THE GENERAL AGREEMENT ON TRADE AND TARIFFS SHOULD NOT BE AFFECTED BY ANY FUTURE GLOBAL NEGOTIATIONS.

THESE INSTITUTIONS -- ALL DOMINATED BY INDUSTRIALIZED COUNTRIES -- ARE

AT THE HEART OF THE INTERNATIONAL AID, MONETARY AND TRADING SYSTEM. SOME NATIONS HAVE ARGUED THAT CONTROL OVER THESE INSTITUTIONS SHOULD BE SHIFTED TO THE U.N. GENERAL ASSEMBLY, WHERE THIRD WORLD COUNTRIES ARE IN THE MAJORITY.

AS THE SUMMIT FINISHED ITS WORK, THERE WERE NO SIGNS FROM THE CLOSED MEETINGS THAT SPECIFIC STEPS WERE AGREED UPON TO LESSEN THE PRESSING PROBLEMS IN THE DEVELOPING WORLD, ALTHOUGH FOOD AND AGRICULTURE WERE DISCUSSED FOR AT LEAST THREE HOURS AND OTHER TALKS FOCUSED ON ECONOMIC AND ENERGY ISSUES.

CANCUN, MEXICO OCT 23 (IPS)--THE HARDLINE POSITION TAKEN BY THE US DELEGATION TO THE NORTH-SOUTH SUMMIT HERE, HEADED BY PRESIDENT RONALD REAGAN, HAS MADE IT DIFFICULT TO ARRIVE AT AN AGREEMENT THAT WOULD EFFECTIVELY DEAL WITH THE ENERGY CRISIS.-

ALL THE OTHER PARTICIPANTS HERE AT THE INTERNATIONAL CONFERENCE ON COOPERATION AND DEVELOPMENT, IN ONE WAY OR ANOTHER, HAVE INDICATED A NEED FOR MULTILATERAL MEASURES TO IMPROVE PRODUCTION OF KNOWN ENERGY SOURCES AND DEVELOP NEW AND RENEWABLE SOURCES.-

THE THIRD WORLD COUNTRIES HAVE MAINTAINED A UNANIMOUS POSITION IN FAVOUR OF CREATING A WORLD BANK AFFILIATE WHICH WOULD FINANCE ON CONCESSIONAL TERMS ENERGY PROGRAMMES IN THIRD WORLD OIL IMPORTING COUNTRIES.-

THE WORLD BANK AGREED TO ESTABLISH AN ENERGY AFFILIATE LAST YEAR, BUT IN FEBRUARY THE REAGAN ADMINISTRATION WITHDREW US SUPPORT FROM THE AGREEMENT. WITH THE UNITED STATES THE LARGEST CONTRIBUTOR TO THE BANK, THE PROJECT IS BLOCKED.(MORE)

THIS MORNING REAGAN AGAIN OPPOSED CREATING A WORLD BANK ENERGY AFFILIATE. THE US POSITION HAS BEEN TO INCREASE THE PERCENTAGE OF WORLD BANK FUNDING DESTINED FOR ENERGY, BUT NOT TO INCREASE THE TOTAL CAPITALISATION.-

FRANCE'S POSITION, VOICED BY PRESIDENT FRANCOIS MITTERRAND, IS TO INCREASE THE BANK'S CAPITALISATION, DESIGNATING THE ADDITIONAL FUNDS FOR ENERGY PROGRAMMES IN THE THIRD WORLD.-

THERE WAS UNANIMOUS AGREEMENT, HOWEVER, THAT THE ENERGY PROBLEM IS SERIOUS. ACCORDING TO THE INTERNATIONAL ENERGY AGENCY, WHICH GROUPS THE OIL IMPORTING INDUSTRIALISED COUNTRIES, BY 1990 THE WORLD OIL DEMAND WILL OUTSTRIP SUPPLY, PERHAPS BY AS MUCH AS 5.5 HILLION BARRELS A DAY (B/D).-

ALTHOUGH THE INDUSTRIALISED COUNTRIES WILL HAVE REDUCED THEIR CONSUMPTION FROM 40 TO 36 MILLION B/D BY 1990, THE THIRD WORLD WILL HAVE INCREASED ITS FROM TEN TO 18 MILLION B/D.-

BUT, UNLIKE MOST OF EUROPE AND ESPECIALLY JAPAN, THE UNITED STATES HAS ITS OWN ENERGY RESOURCES AND IT HAS MORE CAPITAL TO DEVELOP ALTERNATIVE SOURCES. THUS FINANCING FOR ALTERNATIVE PROJECTS BECOMES A NECESSITY FOR EVERYONE BUT THE UNITED STATES.-

THE THIRD WORLD HAS ASKED FOR MORE, THOUGH. THE DEVELOPING ECONOMIES NEED FULL ACCESS TO THE INDUSTRIALISED NATIONS' MARKETS TO ALLOW THEM TO ACCUMULATE THE CAPITAL NEEDED TO PAY THEIR GROWING IMPORT COSTS, INCLUDING ENERGY.(MORE)

EDS: TOPS WITH CLOSE OF SUMMIT
BY JAMES GERSTENZANG

ASSOCIATED PRESS WRITER

CANCUN, MEXICO (AP) -- THE SUMMIT CONFERENCE OF 22 OF THE WORLDS RICHEST AND POOREST NATIONS ENDED HERE FRIDAY NIGHT, AND ITS HOST PROMISED, WE WILL TRANSLATE OUR WORDS INTO ACTION TO HELP THE DEVELOPING COUNTRIES.

EVEN BEFORE THE CONFERENCES CLOSING SESSION, PRESIDENT REAGAN DECLARED THAT GREAT PROGRESS HAD BEEN MADE, BUT HE WARNED AGAINST CREATING SOME GIGANTIC NEW INTERNATIONAL BUREAUCRACY TO ALLEVIATE POVERTY.

MEXICAN PRESIDENT JOSE LOPEZ PORTILLO, WHOSE GOVERNMENT SPENT BY UNOFFICIAL ESTIMATE \$8 MILLION TO CONDUCT THE UNPRECEDENTED CONFERENCE, SAID THE MEETINGS PARTICIPANTS WERE MADE MORE AWARE OF THE PROBLEMS OF THE WORLDS HUNGRY INHABITANTS. BUT CO-CHAIRMAN PIERRE ELLIOTT TRUDEAU, PRIME MINISTER OF CANADA, CAUTIONED: I DONT THINK WE CAN SAY THE NORTH-SOUTH DIALOGUE WILL BE RESOLVED TOMORROW.

AS THE SUMMIT FINISHED ITS WORK, THERE WERE NO SIGNS FROM THE CLOSED MEETINGS THAT SPECIFIC STEPS WERE AGREED UPON TO LESSEN THE PRESSING PROBLEMS IN THE DEVELOPING WORLD, ALTHOUGH FOOD AND AGRICULTURE WERE DISCUSSED FOR AT LEAST THREE HOURS AND OTHER TALKS FOCUSED ON ECONOMIC AND ENERGY ISSUES.

LOPEZ PORTILLO SAID THE DELEGATES DIDNT FALL INTO RECRIMINATIONS. BUT TRUDEAU, ACKNOWLEDGING THAT NO OPEN CRITICISM WAS VOICED, SAID: WE DID EXPRESS OPENLY TO ONE ANOTHER THE KIND OF DIFFERENCES WE SAW.

SPEAKING AT A PRESS CONFERENCE HE HELD WITH THE CANADIAN PRIME MINISTER, THE MEXICAN PRESIDENT CALLED FOR JOINT ACTION TO HELP SOLVE INDIVIDUAL ECONOMIC PROBLEMS AND SAID ATTACKING ECONOMIC DISPARITIES IS THE RESPONSIBILITY OF ALL.

TRUDEAU SAID THE MOST IMPORTANT RESULT OF THIS MEETING WAS STIMULATING DISCUSSIONS BETWEEN THE DEVELOPED NORTHERN NATIONS AND THE LESS-DEVELOPED SOUTHERN NATIONS.

NORTH -SOUTH DIALOGUE / DEPARTURE OF THE HEADS OF STATE

CANCUN, MEXICO, 24 OCTOBER, 81 (NOTIMEX) -
THE HEADS OF STATE AND MINISTERS OF FOREIGN AFFAIRS
WHO HAVE BEEN GATHERED HERE TO REACTIVATE THE NORTH-
SOUTH DIALOGUE WILL DEPART TODAY FROM THE HEADQUARTERS
OF THE MEETING.

THE FIRST TO LEAVE WILL BE THE PRIME MINISTER OF CHINA,
ZHAO ZIYANG, AT 7:25 LOCAL TIME - HE WILL GO TO MEXICO
CITY WHERE HE WILL HAVE A FOUR DAYS' OFFICIAL VISIT;
U.S. PRESIDENT RONALD REAGAN WILL TAKE OFF AT 10:15;
THE CHANCELLOR OF BRAZIL, RAMIRO SARAIVA GUERRERO AT
11:00; LUIS HERRERA CAMPINS, PRESIDENT OF VENEZUELA,
AT 13:15 AND AT 15:45 THE PRESIDENT OF FRANCE, FRANCOIS
MITTERRAND.

THE PRIME MINISTER OF INDIA, INDIRA GANDHI, WILL MAKE A
PRIVATE VISIT TO THE ARCHEOLOGICAL ZONE OF MITLA AND
MONTE ALBAN IN OAXACA (IN THE SOUTHEAST OF THE COUNTRY).
MEANWHILE, THE PRIME MINISTER OF GREAT BRITAIN, WILL
ATTEND THE SIGNING OF A TREATY OF COOPERATION FOR THE
STEEL INDUSTRY, IN MEXICO CITY.

LOCAL / ZIYANG'S VISIT

CANCUN, MEXICO, 24 OCTOBER 81 (NOTIMEX) -
THE CHINESE PRIME MINISTER, ZHAO ZIYANG, WILL BE ON A
FOUR DAYS' OFFICIAL VISIT IN MEXICO CITY, STARTING TODAY.
HE WILL MEET THE MEXICAN PRESIDENT, JOSE LOPEZ PORTILLO,
ATTEND A MEETING OF THE NATIONAL CONGRESS, AND WILL
ALSO VISIT THE FACILITIES OF THE INDUSTRIAL COMPLEX OF
CIUDAD SAHAGUN, IN HIDALGO.

NORTH-SOUTH DIALOGUE / ACCOMMODATION COSTS

CANCUN, MEXICO, 24 OCTOBER 81 (NOTIMEX) -
THE COSTS OF ACCOMMODATION FOR THE 15 THOUSAND PERSONS
ATTENDING THE INTERNATIONAL MEETING ON COOPERATION AND
DEVELOPMENT, INCLUDING REPORTERS, SECURITY STAFF,
MEMBERS OF THE FOREIGN DELEGATIONS, SPECIAL GUESTS
AND SERVICE PERSONNEL, WILL REACH MORE THAN 24 MILLION PESOS
(937,500 DOLLARS), ADVISED THE MINISTER OF TOURISM.

IT WAS ALSO POINTED OUT THAT THERE WAS A FIVE PER CENT
DECREASE IN THE NORMAL NUMBER OF NATIONAL AND INTERNATIONAL
TOURISTS IN CANCUN DUE TO THIS EVENT, BUT THAT THE
NUMBER OF JOURNALISTS AND OFFICIALS EXCEEDED THE NORMAL
NUMBER OF VISITORS.

MSG11771

CANCUN: FRENCH DELEGATION STRESSES 'POSITIVE ATMOSPHERE', US SILENT ON ENERGY AND COMMON FUND

CANCUN, MEXICO, OCT 23 (IPS/BY JIM LOBE)--WHILE THE FRENCH DELEGATION SAID IT WAS SATISFIED WITH THE 'POSITIVE ATMOSPHERE' SURROUNDING THE DISCUSSIONS OF THE 22 PARTICIPANTS AT THE NORTH-SOUTH SUMMIT MEETING HERE, THE UNITED STATES ALONE REMAINED SILENT DURING TODAY'S DISCUSSIONS ON ENERGY AND THE COMMON FUND.-

A FRENCH SPOKESMAN SAID MAJOR PROGRESS HAS BEEN MADE IN GAINING SUPPORT FOR THE FUTURE OPERATION OF THE COMMON FUND THAT WAS AGREED TO IN 1979, BUT STILL AWAITS RATIFICATION BY TWO-THIRDS OF UN MEMBER STATES BEFORE ITS FULL IMPLEMENTATION AND OPERATION.-

TODAY, FRANCE, THE UNITED KINGDOM AND AUSTRIA ARE REPORTED TO HAVE ANNOUNCED THEIR INTENTION TO RATIFY SOON THEIR PARTICIPATION IN THE FUND.-

AS NEGOTIATED IN 1979, THE COMMON FUND WOULD OPERATE TO PROTECT THOSE THIRD WORLD COUNTRIES WHICH RELY ON THE EXPORT OF ONE OR TWO RAW MATERIALS FROM THE RECENT WILD FLUCTUATIONS BY ESTABLISHING A FLOOR ON PRICES.-

IN THE LAST SEVERAL YEARS, COMMODITY PRICES HAVE FALLEN TO THEIR LOWEST LEVELS IN REAL TERMS SINCE 1950, WREAKING DISASTER ON SOME A NUMBER OF THE WORLD'S POOREST COUNTRIES.-

THE UNITED STATES AGREED TO JOIN THE FUND IN 1979 UNDER THE CARTER ADMINISTRATION, BUT RATIFICATION BY THE US CONGRESS IS STILL PENDING, AND THE REAGAN ADMINISTRATION HAS THUS FAR IGNORED THE ISSUE. REAGAN REPORTEDLY DID NOT PARTICIPATE IN TODAY'S DISCUSSION OF THE FUND'S PROSPECTS.(MORE).-

A SIMILAR DYNAMIC REPORTEDLY TOOK PLACE WHEN THE DISCUSSION TOOK UP ENERGY ISSUES.-

WHILE AUSTRIA REPORTEDLY TABLED AN AS YET UNRELEASED RESOLUTION ON COORDINATING THE WORK OF A NUMBER OF GLOBAL INSTITUTIONS TO WORK ON ENERGY ISSUES AS A WORLD-WIDE INITIATIVE, MOST OF THE DISCUSSION CENTRED ON FORMER WORLD BANK PRESIDENT ROBERT MCNAMARA'S PROPOSAL FOR A WORLD BANK ENERGY AFFILIATE.-

THE FRENCH SPOKESMAN NOTED THAT FRANCE, AS WELL AS OTHER EUROPEAN COUNTRIES, GAVE THE AFFILIATE'S CREATION THEIR FULL SUPPORT. SAUDI ARABIA, HE SAID, GAVE THE INITIATIVE THEIR 100 PER CENT BACKING.-

ONLY THE UNITED STATES FAILED TO SUPPORT THE IDEA. SINCE THE SUMMIT BEGAN YESTERDAY, US SPOKESMEN HAVE REPEATEDLY TOLD THE PRESS THAT THE REAGAN ADMINISTRATION SEES NO NEED TO CREATE AN ENERGY AFFILIATE AN INSTITUTION AT HIS TIME.-

INSTEAD, US SECRETARY OF THE TREASURY DONALD REGAN SAID YESTERDAY 'UPPING' THE 27 PER CENT OF THE BANK'S CURRENT LENDING FOR ENERGY 'SOMEWHAT', BUT APPEARED TO RULE OUT ANY INCREASE IN US CONTRIBUTIONS TO THAT END.-

IN SPITE OF THAT, THE FRENCH ARE INCLINED TO SEE US SILENCE ON THE QUESTION DURING THE MEETING AS A DECISION NOT TO REJECT THE IDEA OUT OF HAND. THEY ARE THUS ENCOURAGED BY THE MORNING'S DEVELOPMENTS.-

OBSERVERS HERE REGARD SAUDI ARABIA'S '100 PER CENT' SUPPORT

CANCUN: ALGERIA OFFERS QUALIFIED SUPPORT TO ENERGY AFFILIATE

CANCUN, MEXICO, OCT 23 (IPS)--ALGERIA HAS DECLARED ITS WILLINGNESS TO SUPPORT THE PROPOSED WORLD BANK ENERGY AFFILIATE PROVIDED THE FINANCIAL RESPONSIBILITY IS NOT LIMITED TO OIL SURPLUS NATIONS.-

ALGERIAN AMBASSADOR TO THE UNITED NATIONS, MOHAMMED BEDJAQUI, TOLD PRESSMEN HERE LAST NIGHT HE WOULD BE HAPPY TO SEE THE 22-NATION SUMMIT TAKE A POLITICAL DECISION ON THE MATTER TODAY.-

BUT POLITICAL OBSERVERS THOUGHT IT VERY UNLIKELY THERE WOULD BE A CONSENSUS ON THE ISSUE BECAUSE THE UNITED STATES CONTINUES TO BE STRONGLY OPPOSED TO SUCH AN AFFILIATE.-

'THE AMERICANS ARE JUST NOT WILLING TO TALK', ONE THIRD WORLD DIPLOMAT TOLD IPS.-

BEDJAQUI, WHO DESCRIBED THE PROPOSAL AS A 'VERY GOOD IDEA', CAUTIONED THAT THE FINANCING OF SUCH AN AFFILIATE SHOULD BE CAREFULLY EXAMINED WITH ALL ITS INHERENT IMPLICATIONS.-

ASKED IF ALGERIA, ONE OF THE MEMBERS OF THE ORGANIZATION OF PROBLEUM EXPORTING COUNTRIES (OPEC), WOULD BE WILLING TO CONTRIBUTE FUNDS, HE SAID THE ANSWER TO THAT QUESTION WOULD DEPEND ON THE STRUCTURE OF THE PROPOSED AFFILIATE.-

ALTHOUGH HE DID NOT DISCLOSE WHAT TYPE OF STRUCTURE HE HAD IN MIND, BEDJAQUI SAID HE WOULD BE SCEPTICAL IF THE PROPOSED AFFILIATE WAS GEARED ONLY TO 'TAKE MONEY FROM OPEC'. (END).-

MSG106/1

CANCUN: UN RESPONDS TO CHARGES THAT IT HAS TOO MANY BODIES DEALING WITH FOOD

CANCUN, MEXICO OCT 23 (IPS)--A UN SPOKESMAN TODAY SAID THAT IF THERE ARE TOO MANY UN-SPONSORED BODIES DEALING WITH FOOD ISSUES, AS SOME LEADERS HERE HAVE CHARGED, IT IS NOT THE FAULT OF THE UNITED NATIONS.-

WITHOUT NAMING WHICH LEADERS HAD MADE THE CHARGES, THE UN SPOKESMAN TOLD IPS THAT 'THESE BODIES WERE ALL CREATED BY UN MEMBER STATES'.-

YESTERDAY EVENING, US TREASURY SECRETARY DONALD REGAN TOLD A PRESS CONFERENCE THAT PRESIDENT RONALD REAGAN 'LEARNED' THAT THERE WAS A 'NEED TO RE-EXAMINE SOME OF THE UN INSTITUTIONS' DEVOTED TO FOOD QUESTIONS, DURING THE AFTERNOON SESSION OF THE CONFERENCE WHICH LOOKED AT FOOD AND AGRICULTURE.-

NOTING THAT THERE MAY BE 'OVERLAPPING' FUNCTIONS PERFORMED BY SOME THE UN BODIES, REGAN SUGGESTED NOT ONLY THAT THEIR WORK SHOULD BE BETTER COORDINATED, BUT THAT PRESIDENT REAGAN THOUGHT 'THERE MIGHT BE FEWER INSTITUTIONS'.-

THE MEXICAN FOREIGN MINISTER, JORGE CASTANEDA, IN SUMMING UP YESTERDAY'S FOOD DISCUSSION SAID 'THE PRESIDENT OF TANZANIA, MR (JULIUS) NYERERE, ESPECIALLY PARTICIPATED ON VARIOUS OCCASIONS. AMONG OTHER SUBJECTS, HE EXPRESSED SPECIAL INTEREST ON THE MATTER OF SUBSIDIES. HE WANTED TO KNOW WHETHER AGRICULTURE, AS AN ACTIVITY WAS SUBSIDISED OR NOT IN PRACTICALLY ALL COUNTRIES OF THE

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CANCUN: NIGERIA SAYS US CONDITIONS ON GLOBAL NEGOTIATIONS ARE
'TOUGH'

CANCUN, MEXICO OCT 23 (IPS)--NIGERIAN FOREIGN ISHAYA AUDU TODAY CHARACTERISED AS 'TOUGH' US PRESIDENT RONALD REAGAN'S FOUR POINT CONDITIONAL ACCEPTANCE OF GLOBAL NEGOTIATIONS.-

ADDRESSING A PRESS BRIEFING, AUDU SAID: 'ALTHOUGH THE AMERICANS HAVE NOT SHUT THE DOOR, THEY HAVE SET TOUGH CONDITIONS'. NIGERIA IS THE FIRST THIRD WORLD COUNTRY SO FAR TO EXPRESS ITS RESERVATIONS OVER THE REAGAN STAND ON GLOBAL NEGOTIATIONS HERE.-

AUDU SAID HE WAS NOT PESSIMISTIC ABOUT THE FUTURE OF GLOBAL NEGOTIATIONS, BUT HOPED THE REAGAN ADMINISTRATION WOULD 'SOFTEN' ITS STAND AS IT WENT ALONG.-

HE SAID THERE IS A 'VERY ARDUOUS AND TORTUOUS' ROAD AHEAD FOR MOST THIRD WORLD COUNTRIES. ASKED TO IDENTIFY THE 'STUMBLING BLOCS', HE SAID HE HAD TWO PARTICULAR ISSUES IN MIND.-

FIRST, THAT HIS COUNTRY WOULD GO TO NO OTHER FORUM EXCEPT THE UNITED NATIONS, AND SECOND THAT HE DISAGREES WITH REAGAN'S ASSERTION THAT INTERNATIONAL INSTITUTIONS LIKE THE WORLD BANK AND THE INTERNATIONAL MONETARY FUND (IMF) SHOULD HAVE THE FINAL SAY IN CRUCIAL MATTERS AFFECTING THIRD WORLD NATIONS.-

HE ADDED THAT EVEN THOUGH REAGAN URGED THE NEED FOR FURTHER TALKS, HE DID NOT SPECIFY WHERE THESE TALKS SHOULD TAKE PLACE.-

'BUT WHAT FORUM DOES HE REFER TO', ASKED AUDU. (MORE).-

THE NIGERIAN FOREIGN MINISTER ALSO DISAGREED WITH THE US POSITION ON TWO OTHER MATTERS. HE SAID HE DID NOT SUBSCRIBE TO THE US VIEW THAT THE WORLD'S ECONOMIC ILLS SHOULD BE LEFT IN THE HANDS OF PRIVATE TRADERS AND FOREIGN INVESTORS.-

THERE SHOULD BE A HAPPY BALANCE OF THE TWO DEPENDING ON THE ON THE CIRCUMSTANCES OF THE PARTICULAR COUNTRY, HE ADDED. REAGAN PROBABLY ASSUMED THE AVAILABILITY OF A WELL DEVELOPED INFRASTRUCTURE IN THIRD WORLD COUNTRIES, HE SAID, BUT THIS IS NOT SO.-

CITING THE EXAMPLE OF THE UNITED STATES IN ITS EARLY DAYS, AUDU SAID THE PIONEERS WHO WENT INTO THE SOUTH TO START NEW LIVES HAD THE ADVANTAGE OF CHEAP LABOUR IN THE FORM OF SLAVES.-

AUDU ALSO DISAGREED WITH THE US PRESIDENT ON A SECOND ISSUE. WHILE THE US OPPOSED THE CREATION OF A NEW ENERGY AFFILIATE IN THE WORLD BANK, NIGERIA WELCOMED SUCH AN INITIATIVE. BUT HE CAUTIONED THAT ANY SUCH AN AFFILIATE SHOULD BE FUNDED BY ALL COUNTRIES, INCLUDING THE INDUSTRIALISED, AND NOT BY OIL SURPLUS COUNTRIES ALONE.-

IN AN OBVIOUS REFERENCE TO THE UNITED STATES, HE HYPOTHESISED THAT IF ONE OF THE 22 COUNTRIES AT THE SUMMIT TOOK A RADICAL VIEW AND FOUND ITSELF A MINORITY OF ONE, THAT COUNTRY SHOULD MAKE A SELF APPRAISAL OF ITSELF. PERHAPS IT MAY COME TO THE CONCLUSION:

ZCZC NDP889 AA

.ENGLIPS

MSG129/1END

CANCUN: CREATION OF 'CLUB OF MEXICO' PROPOSED.-

CANCUN, MEXICO OCT 23 (IPS)--A GROUP OF FOOD EXPERTS TODAY PROPOSED THE CREATION OF A 'CLUB OF MEXICO' SIMILAR TO THE 'CLUB OF ROME' TO FIGHT THE BATTLE AGAINST WORLD HUNGER.-

THE IDEA WAS SUGGESTED IN A REPORT BY SPANIARD JOAQUIN ANTUNAZ, PREPARED AT THE REQUEST OF THE SOCIAL COMMUNICATION COORDINATING BODY OF THE MEXICAN PRESIDENCY.-

ANTUNAZ TOLD IPS THAT FORMER GERMAN CHANCELLOR WILLY BRANDT WOULD LAUNCH THE CLUB. THE CLUB WOULD 'IN NO WAY' BE AN EXTENSION OF THE NORTH-SOUTH SUMMIT NOW MEETING IN CANCUN, 'BUT WOULD CERTAINLY BE INFLUENCED BY ITS SPIRIT, A SPIRIT WHICH REVEALS A NEW MOOD AND A NEW MEANS OF ADVANCING INTERNATIONAL RELATIONS AND DIALOGUE'.-

THE CLUB WOULD NOT BE RESTRICTED TO THE 22 COUNTRIES REPRESENTED AT THE SUMMIT, BUT WOULD INVOLVE FOOD EXPERTS FROM ALL COUNTRIES OF THE WORLD, ANTUNAZ SAID. (ENDS).-

NORTH-SOUTH DIALOGUE / FUENTES

CANCUN, MEXICO, 24 OCTOBER 81 (NOTIMEX) -
THE HIGH INDEX OF WORLD INFLATION IS ESPECIALLY CAUSED BY INCREASING ARMS BUDGETS : THERE ARE RICH COUNTRIES THAT RESENT INFLATION BUT NEVERTHELESS SPEND BILLIONS OF DOLLARS ON ARMAMENTS, AFFIRMED TODAY THE AMBASSADOR AND MAN OF LETTERS CARLOS FUENTES.

THE MEXICAN DIPLOMAT ATTENDED THE MEETING AS OFFICIAL SPOKESMAN FOR THE MEXICAN DELEGATION.

LOCAL / THATCHER - STEEL AGREEMENT

CANCUN, MEXICO, 24 OCTOBER 81 (NOTIMEX) -
THE PRIME MINISTER OF GREAT BRITAIN, MARGARET THATCHER, WILL TRAVEL TODAY TO MEXICO CITY BY INVITATION OF THE MEXICAN PRESIDENT, JOSE LOPEZ PORTILLO - SHE WILL ATTEND THE SIGNING OF AN AGREEMENT ON COOPERATION IN STEEL PRODUCTION BETWEEN THE COMPANIES DEVY INTERNATIONAL AND SIDERURGICA LAZARO CARDENAS - LAS TRUCHAS.

MARGARET THATCHER WILL ALSO PARTICIPATE IN NEGOTIATIONS TO SUPPLY ENGINEERING SERVICES TO MEXICO.

THIS AGREEMENT ON COOPERATION WILL INVOLVE AN AMOUNT OF 300 MILLION POUNDS STERLING (14 BILLION PESOS), WHICH WILL PERMIT AN INCREASE OF A MILLION AND A HALF TOMS IN THE NATIONAL PRODUCTION OF STEEL

SOCIALIST MITTERRAND MAKES CHANGES IN FRENCH FOREIGN POLICY

BY PAUL TREUTHARDT
ASSOCIATED PRESS WRITER

PARIS (AP) -- THE DAY SOCIALIST FRANCOIS MITTERRAND CAME TO POWER AS

PRESIDENT OF FRANCE, DIPLOMATS AT THE FOREIGN MINISTRY WERE ANXIOUS TO POINT OUT THAT THE FUNDAMENTALS OF FRENCH FOREIGN POLICY DO NOT CHANGE, ALTHOUGH A NEW GOVERNMENT MAY CHANGE POINTS OF EMPHASIS.

AFTER NEARLY SIX MONTHS IN OFFICE, MITTERRAND IS STARTING TO MAKE THOSE CHANGES IN EMPHASIS VERY VISIBLE. THE DEEP ROOTS OF FRENCH POLICY REMAIN, BUT ABOVE GROUND MUCH HAS CHANGED.

IN A SPEECH IN MEXICO CITY BEFORE LAST WEEKS NORTH-SOUTH SUMMIT CONFERENCE IN CANCUN -- A SPEECH DESCRIBED BY AIDES AS THE VERY PHILOSOPHY OF THE NEW FOREIGN POLICY -- MITTERRAND ISSUED A MESSAGE OF HOPE TO ALL FREEDOM FIGHTERS WHICH RAISED HACKLES IN A NUMBER OF LATIN AMERICAN CAPITALS, NOT TO MENTION WASHINGTON.

CLAUDE CHEYSSON, HIS MINISTER FOR EXTERNAL RELATIONS, WAS QUOTED A

SAYING IN A RECENT INTERVIEW WITH THE NEWSPAPER LE MATIN THAT THE AMERICANS CURRENTLY CONSIDER US AS THEIR SUREST ALLIES BECAUSE OF MITTERRANDS TOUGH STAND ON SUCH EAST-WEST ISSUES AS AFGHANISTAN, HIS INCREASED DEFENSE SPENDING AND HIS GOOD PUBLIC SUPPORT.

BUT HE WAS QUOTED BY LE MATIN AS ADDING THAT RELATIONS WITH THE UNITED STATES CAN GIVE THE IMPRESSION OF REMARKABLE CONTRADICTIONS: PERFECT AGREEMENT ON EAST-WEST (RELATIONS), RECIPROCAL ANNOYANCE AND INCOMPREHENSION OVER A WHOLE SERIES OF SECTORS, AND DIVERGENCES ON ECONOMICS WHICH COULD LEAD ONE DAY TO A SERIOUS CRISIS.

CHEYSSON WAS REPORTED AS SAYING THE MITTERRAND GOVERNMENT IS CRITICAL OF WHAT HE CALLED THE U.S. OBSESSION WITH THE NOTION OF ALLEGED SOVIET INVOLVEMENT IN ALL PROBLEMS. HE ALSO WAS QUOTED AS SAYING THAT WASHINGTONS DETERMINATION TO STICK WITH HIGH INTEREST RATES IS ANOTHER MAJOR PROBLEM AREA.

NATIONAL NEWS / ELECTRIC ENERGY

MEXICO, D.F. 23 OCTOBER 81 (NOTIMEX) -
BY 1982, MEXICO WILL HAVE AN INSTALLED ELECTRIC POWER
CAPACITY OF 19 MILLION 203 THOUSAND KILOWATTS, WHICH
IS 9 PER CENT MORE THAN THAT EXISTING IN 1981, OF
17 MILLION 629 THOUSAND KILOWATTS - BRINGING ELECTRICITY
TO 60 MILLION MEXICANS. THIS INFORMATION WAS GIVEN BY
A SPOKESMAN FOR THE FEDERAL COMMISSION FOR ELECTRICITY
(CFE).

THE GOVERNMENT AGENCY INDICATED THAT THIS INFRASTRUCTURE
PERMITS THE DISTRIBUTION OF ELECTRIC POWER TO 21 THOUSAND
240 RURAL COMMUNITIES IN THE MEXICAN REPUBLIC, USING
95 THOUSAND 625 KILOMETERS OF TRANSMISSION LINES.

THE CFE IS ALSO WORKING ON THE CONSTRUCTION OF CARBON-
ELECTRIC POWER PLANTS, LIKE THE ONE ON THE RIVER
ESCONDIDO, WHICH WILL HAVE A CAPACITY OF ONE MILLION 300 THOUSAND
KILOWATTS AND WILL START OPERATING BY THE END OF THIS YEAR.

THE CFE CURRENTLY HAS ONE GEOTHERMIC PLANT OPERATING, IN
CERRO PRIETO, BAJA CALIFORNIA, WITH A GENERATING CAPACITY
OF 180 THOUSAND KILOWATTS, AND IT IS FORESEEN THAT BY THE
END OF THIS CENTURY, MEXICO WILL HAVE AN INSTALLED
CAPACITY OF TWO MILLION GEOTHERMIC KILOWATTS.

AS FAR AS NUCLEAR ELECTRICITY IS CONCERNED, THE CFE
IS CONSTRUCTING A POWER PLANT IN LAGUNA VERDE, VERA-
CRUZ, WITH TWO GENERATING UNITS OF 654 KILOWATTS EACH,
AND AN INSTALLED CAPACITY OF 1 MILLION 308 THOUSAND
KILOWATTS, ADDED THE SPOKESMAN.

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PM-POLISH, BJT, 590

TROOPS CALLED OUT TO STOP PROTESTS

BY THOMAS W. NETTER
ASSOCIATED PRESS WRITER

WARSAW, POLAND (AP) -- POLISH SOLDIERS WILL BE DISPATCHED NATIONWIDE.

TO QUELL RIOTS, SAFEGUARD FOOD DISTRIBUTION, AND POSSIBLY BREAK STRIKES IN WHAT THE COMMUNIST GOVERNMENT CALLS INDISPENSABLE ACTIONS IN SAVING THE STATE.

THE ANNOUNCEMENT FRIDAY CAME AS WILDCAT WALKOUTS GRIPPED 36 OF POLANDS 49 PROVINCES, THE STATE NEWS AGENCY PAP SAID. ONLY HOURS EARLIER, THE INDEPENDENT SOLIDARITY UNION, OUTRAGED OVER

R ALLEGED POLICE HARASSMENT AND WORSENING FOOD SHORTAGES, HAD SAID IT WOULD STAGE A ONE-HOUR STRIKE NEXT WEDNESDAY TO PROTEST A CRISIS IN EVERY FIELD.

THE GOVERNMENT ACTION, WHICH APPEARED TO FALL SHORT OF A MARTIAL LAW

AW DECREE, WAS THE TOUGHEST RESPONSE TO SOLIDARITY'S CHALLENGE TO THE COMMUNIST AUTHORITIES SINCE THE 9.5-MILLION MEMBER UNION WAS FORMED 1

4 MONTHS AGO.

DAMAGE DONE TO THE COUNTRY'S INTERNAL LIFE FORCED THE GOVERNMENT INTO TAKING STRONG, IF UNPOPULAR, MEASURES, GOVERNMENT SPOKESMAN JERZY URBAN SAID. THESE INCLUDE THE SUPPRESSION OF STREET PROVOCATIONS AND FORCING PEOPLE TO RESPECT THE RULE OF LAW.

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MSG165/1END

GREECE: NEW GOVERNMENT MOVES TO CURB INFLATION

ATHENS OCT 23 (JANA)--THE RECENTLY ELECTED PAN HELLENIC SOCIALIST GOVERNMENT IN GREECE HAS IMPOSED CONTROLS ON THE PRICE OF FOOD AND MANUFACTURED GOODS TO CURB INFLATION WHICH IS NOW ESTIMATED AT NEARLY 25 PER CENT.--

THE GREEK TRADE MINISTER SAID THAT COMMITTEES WILL STUDY PRODUCTION COSTS TO DETERMINE RETAIL PRICES ON THE MARKET.--

THIS MEASURE IS THE FIRST THE IS EXPECTED TO ANNOUNCE IN THE NEXT SEVERAL WEEKS IN A BID TO BRING THE INFLATION RATE DOWN TO 20 PER CENT.(END).--

HSG172/1

SAUDI ARABIA: UPHILL BATTLE TO WIN ARAB SUPPORT FOR FAHD PLAN

A MIDDLE EAST REPORTER/INTER PRESS SERVICE FEATURE

BEIRUT OCT 23 (MER-IPS)-SAUDI ARABIA'S PROPOSED PLAN FOR MIDDLE EAST PEACE HAS SPARKED CONFLICTING RESPONSES IN THE ARAB WORLD, AND THE GAP APPEARS TO BE WIDENING BETWEEN ITS SUPPORTERS AND OPPONENTS.-

THE DIVERGENCE IS ALSO THREATENING NEXT MONTH'S ARAB SUMMIT CONFERENCE IN MOROCCO WHICH, IN VIEW OF THE CURRENT DIVISIONS IN ARAB RANKS, COULD WELL BE A SHOWDOWN BETWEEN THE MILITANT SOVIET ALLIED STATES, LED BY SYRIA AND LIBYA, AND THE PRO-WESTERN CONSERVATIVE REGIMES, LED BY SAUDI ARABIA.-

SAUDI ARABIA, LIKE ALMOST ALL ARAB STATES, HAS BEEN OPPOSED TO THE US SPONSORED CAMP DAVID ACCORD WHICH LED TO THE PEACE TREATY BETWEEN EGYPT AND ISRAEL. BUT WITH THE STRENGTH OF OPPOSITION VARYING FROM STATE TO STATE, THE SAUDIS HAVE STOOD ON THE MODERATE END OF THE SCALE, EXPRESSING ONLY RESERVATIONS.-

BEIRUT OCT 23 (MER-IPS)--THE EGYPTIAN GOVERNMENT OF PRESIDENT HOSNI MUBARAK, WHILE OBVIOUSLY DETERMINED TO KEEP UP THE PEACE PROCESS WITH ISRAEL, HAS GIVEN SIGNALS THAT IT INTENDS TO TAKE A TOUGHER LINE REGARDING PALESTINIAN RIGHTS IN THE CURRENT ROUND OF TALKS ON THE PROPOSED SELF-RULE IN THE WEST BANK AND GAZA.-

MUBARAK TOLD AMERICAN CORRESPONDENTS IN CAIRO ON MONDAY THAT EGYPT WILL MAKE EXTENSIVE EFFORTS TO ENSURE THE SUCCESS OF THE AUTONOMY TALKS WITH ISRAEL AND THE US BUT WILL MAKE NO CONSENSIONS ON THE PALESTINIAN QUESTION.-

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AM-CONGRESS ROUNDUP, 560

SENATORS URGE REAGAN TO ABANDON SALE

WASHINGTON (AP) -- INCREASINGLY CONFIDENT SENATE OPPONENTS OF THE PROPOSED SALE OF \$8.5 BILLION IN SOPHISTICATED WEAPONS, INCLUDING AWACS PLANES, TO SAUDI ARABIA, FRIDAY URGED PRESIDENT REAGAN TO ABANDON THE PROPOSAL RATHER THAN SUFFER AN EMBARRASSING DEFEAT.

THE OPPOSITION WAS BOLSTERED BY THE ADDITION OF SEN. DALE BUMPERS, D-ARK., WHO HAD BEEN UNCOMMITTED. THAT MADE THE ASSOCIATED PRESS TALLY

54-37 AGAINST THE SALE. A VOTE IS DUE WEDNESDAY.

SEN. EDWARD M. KENNEDY, D-MASS., ADVISED REAGAN TO WITHDRAW THE SALE. I BELIEVE THE PRESIDENT SHOULD ACT TO END THIS UNFORTUNATE CONFRONTATION AND AVOID AN EMBARRASSING AND UNNECESSARY REPUDIATION OF

HIS POSITION BY THE SENATE.

BUT IN CANCUN, MEXICO, REAGAN SAID HE WAS CAUTIOUSLY OPTIMISTIC AND WOULD RENEW HIS LOBBYING CAMPAIGN ON MONDAY.

MEANWHILE, THE PENTAGON FORMALLY NOTIFIED CONGRESS OF ANOTHER CONTROVERSIAL ARMS PROPOSAL, THE SALE TO PAKISTAN OF 40 ADVANCED F-16 JET FIGHTERS FOR \$1.1 BILLION.

THE ADMINISTRATION SUFFERED DEFEAT ON ANOTHER MATTER WHEN A SENATE SUBCOMMITTEE VOTED TO CUT \$4.3 MILLION IN RESEARCH MONEY FOR THE ADMINISTRATION-BACKED PLAN TO CLEAN UP THE DAMAGED THREE MILE ISLAND NUCLEAR PLANT IN PENNSYLVANIA.

THE SENATE APPROPRIATIONS SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT REDUCED THE PROPOSED AMOUNT FOR THE CLEANUP-RELATED STUDY

ISRAEL ANGRY OVER PERCEIVED U.S. PRESSURE

BY MARCUS ELIASON

ASSOCIATED PRESS WRITER

TEL AVIV, ISRAEL (AP) -- THE GOVERNMENT IS ANGRY OVER WHAT IT SEES AS INCREASING U.S. PRESSURE FOR ISRAELI CONCESSIONS TO EGYPT IN THE PALESTINIAN AUTONOMY TALKS FOLLOWING THE ASSASSINATION OF EGYPTIAN PRESIDENT ANWAR SADAT.

IN A STATEMENT CLEARLY ADDRESSED TO WASHINGTON, FOREIGN MINISTER YITZHAK SHAMIR WARNED AGAINST EXPLOITING SADAT'S DEATH TO PRESSURE ISRAEL.

SHAMIR'S STATEMENT FRIDAY WAS AIMED AT SUGGESTIONS FROM WASHINGTON THAT ISRAEL HELP BOLSTER THE POST-SADAT GOVERNMENT OF PRESIDENT HOSNI MUBARAK BY MAKING NEW CONCESSIONS AT THE BARGAINING TABLE.

INSTEAD OF PRESSURE, SHAMIR SAID, ISRAEL NEEDS ADDITIONAL ASSURANCES THAT THE PEACE PROCESS WILL CONTINUE IN SADAT'S ABSENCE.

IF ANYONE IN THE WORLD WISHES TO ASSUAGE ISRAELI DOUBTS AND CALM ITS FEARS HE MUST NOT MAKE IT HARDER FOR US BY APPLYING PRESSURE AND MAKING DEMANDS WE WILL ANYWAY NOT ACCEPT, SHAMIR SAID IN A SPEECH IN TEL AVIV.

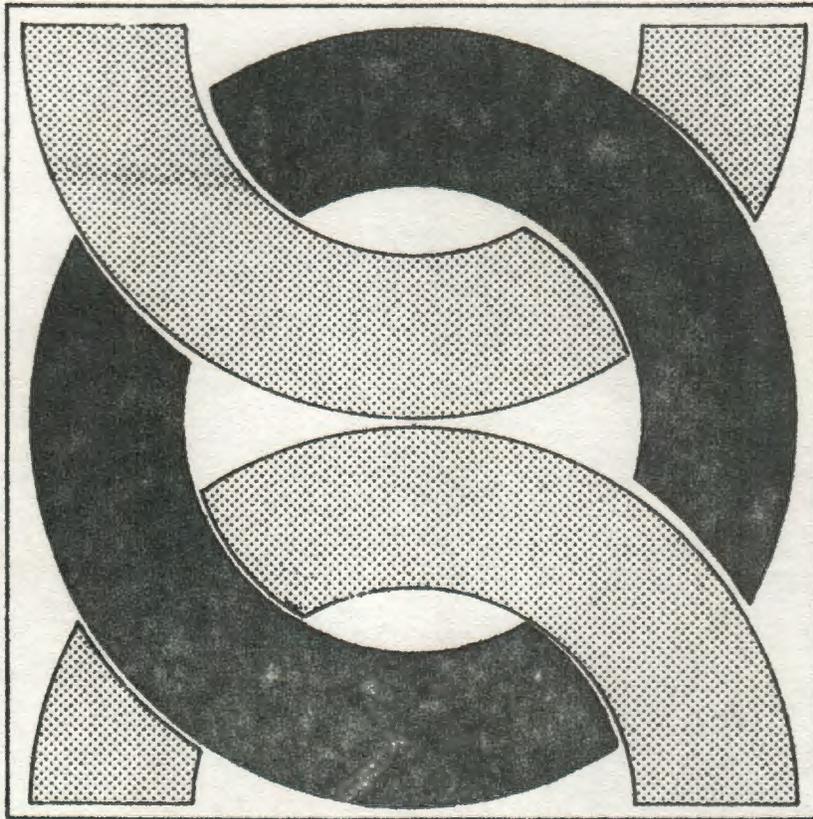
HE ALSO NOTED THAT SIMILAR PRESSURE HAS COME FROM SOME EGYPTIAN OFFICIALS, WHO CLAIM THE DEADLOCK IN THE AUTONOMY TALKS, SUPPOSEDLY CAUSED BY ISRAEL, EMBOLDENED THE MOSLEM FANATICS WHO ASSASSINATED SADAT ON OCT. 6.

SHAMIR SAID THE ZEALOTS WHO KILLED SADAT WOULD HAVE ACTED NO MATTER WHAT STAGE THE PEACE TALKS WERE IN. SHAMIR SAID HE WOULD RAISE THE ISSUE WITH EGYPTIAN FOREIGN MINISTER KAMEL HASSAN ALY WHEN HE ARRIVES HERE SUNDAY.

NO GOOD WILL COME OF APPEALS TO ELEMENTS IN THE WORLD TO APPLY PRESSURE ON ISRAEL IN THE AUTONOMY NEGOTIATIONS, SHAMIR WARNED.

THE FIRST ROUND OF AUTONOMY TALKS SINCE SADAT'S DEATH BEGAN THURSDAY IN TEL AVIV, BUT THERE WERE NO IMMEDIATE SIGNS OF ANY PROGRESS. THE NEGOTIATORS HAVE ADJOURNED THE TALKS FOR THE WEEKEND.

THE U.S.-SPONSORED NEGOTIATIONS ARE INTENDED TO WORK OUT A FORMULA FOR SELF-RULE FOR THE 1.2 MILLION PALESTINIANS LIVING UNDER ISRAELI OCCUPATION ON THE WEST BANK OF THE JORDAN RIVER AND IN THE GAZA STRIP



ΣΑΘΕΪΝ 1981

~~CONFIDENTIAL~~

C.F. 018874CA
FO006-02

ATTACHMENT

October 13, 1981

NOTE FOR DICK DARMAN

FROM: CRAIG L. FULLER

Attached are the Cabinet responses
on the initial Cancun briefing
papers.

For your review prior to tomorrow's
meeting.

Attachment

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURES
dlb 11/15/2019

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C. F.

THE WHITE HOUSE
WASHINGTON

ATTACHMENT

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CABINET ADMINISTRATION STAFFING MEMORANDUM

DATE: October 7, 1981 NUMBER: 018874CA DUE BY: 10 a.m., Friday, October 9, 1981

SUBJECT: Cancun Summit Briefing Papers

F0006-02

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input type="checkbox"/>	Baker	<input type="checkbox"/>	<input type="checkbox"/>
Vice President	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Allen	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Garrick	<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input type="checkbox"/>	<input type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>	Gray	<input type="checkbox"/>	<input type="checkbox"/>
Agriculture <i>see memo</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Beal	<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
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Remarks: The attached briefing papers have been developed by the State Departments interagency group in preparation for the Cancun Summit (Oct. 21-23). Some issues remain to be resolved and additional materials will be sent to you for review.

Please provide any views you may have on the attached papers by 10 a.m., Friday, October 9, 1981.

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ATTACHMENT

RETURN TO: Craig L. Fuller
Deputy Assistant to the President
Director,
Office of Cabinet Administration
456-2823

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURES
Mr 11/15/2019



DEPARTMENT OF STATE

Washington, D.C. 20520

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October 6, 1981

MEMORANDUM FOR MR. RICHARD V. ALLEN
THE WHITE HOUSE

Subject: Cancun Economic Summit Briefing Papers

Attached for your review are briefing papers on the multilateral economic issues to be discussed at the October 21-23 Cancun Summit. These papers have been prepared by an interagency drafting group chaired by Ambassador Charles Meissner and have been fully cleared among the agencies concerned. Ambassador Meissner has updated the papers to reflect current U.S. goals and strategy for Cancun, but several papers may have to be revised when we have reached decisions on Cancun initiatives and global negotiations. Papers on IFAD and the Law of the Sea are now under revision and will be forwarded as soon as possible.

We would appreciate having your comments on the attached papers within the next few days so that we can press on with other elements of the President's Cancun briefing book.

L. Paul Bremer, III
Executive Secretary

Attachments:

Briefing Papers

DECLASSIFIED
Dept. of State Guidelines, July 21, 1997
BY dh NARA, DATE 11/15/2017

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Dept. of State Guidelines, July 21, 1997
BY db NARA, DATE 11/15/2013

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FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

Feb 7
pg 1

Food Security and Agricultural Development

MAIN OBJECTIVES

1. Reassure others that the US shares their concern about the problem of hunger and malnutrition.
2. Stress that no amount of external aid to developing nations can supplant the importance of appropriate agricultural policies, especially relating to prices as that provides farmers with incentives.
3. Reassure others that although foreign assistance is not excluded from our efforts to reduce federal expenditures, that food and agricultural problems will remain high on our list of priorities.
4. Urge that other nations share more in the burden of providing food and agricultural development assistance by committing themselves to more fully to multilateral efforts.
5. Encourage the development of grain reserves by other exporters and developed country importers, but state that we remain open to alternative approaches which address the problems of adequate grain reserves.

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BY State 11/15/2015

BEAR IN MIND

1. Others may think that the US will significantly cut its financial commitment to food aid and development assistance.
2. Others may characterize our emphasis on developing nations helping themselves as an attempt to palliate a decreased financial commitment to food aid and assistance programs.
3. The International Wheat Council, an organization of wheat exporting and importing nations, should remain the international forum for discussions relating to grain reserves.

CHECKLIST

1. Stress our support of self-help efforts by developing nations.
2. State that our agricultural development assistance program will continue to focus on helping the small farmer.
3. State that the US will support developing nations' policies which will improve the performance of the private sector.
4. State that although foreign assistance is not excluded from our efforts to reduce federal expenditures, that food and agriculture will remain high on our list of development priorities.
5. Encourage other nation to assume more of the obligation of providing food aid by pledging to the FAC, the IEFK, and the WFP.
6. Encourage the development of grain reserves by other exporters and developed importers.

U.S. STATEMENT
FOOD SECURITY AND AGRICULTURAL DEVELOPMENT

THE PRESENCE OF HUNGER IN THE WORLD IS A MAJOR CONCERN TO THE U.S. AND, I AM SURE, TO THE PEOPLE OF ALL NATIONS THAT ARE REPRESENTED HERE TODAY. OUR MEETING AT CANCUN PROVIDES US WITH AN OPPORTUNITY TO DISCUSS ASSURING REGULAR AND ADEQUATE FOOD SUPPLIES FOR THE WORLD'S POPULATION AND TO OFFER WAYS IN WHICH THE INTERNATIONAL COMMUNITY MIGHT COOPERATE MORE EFFECTIVELY IN RESPONDING TO THE NEEDS OF THE HUNGRY AND MALNOURISHED.

THE U.S. SHALL CONTINUE ITS LEADERSHIP ROLE IN THE QUEST FOR FOOD SECURITY. FIRST, THE U.S. WILL CONTINUE TO BE THE LARGEST DONOR OF FOOD AID AND THE LARGEST DONOR OF BILATERAL AGRICULTURAL DEVELOPMENT ASSISTANCE. SECOND, THE UNITED STATES SHALL CONTINUE TO ACQUIRE AND RELEASE ITS GRAIN RESERVES IN AN OPEN MARKET SYSTEM IN RESPONSE TO CHANGES IN INTERNATIONAL SUPPLY AND DEMAND. IN FACT, THE U.S. IS THE ONLY COUNTRY WHO KEEPS MAJOR GRAIN RESERVES.

THE U.S. SEES FOUR MAJOR AREAS THAT MUST BE DISCUSSED IF WE ARE TO INCREASE WORLD FOOD SECURITY. FIRST, THE MOST IMPORTANT REQUIREMENT FOR WORLD FOOD SECURITY IS AN INCREASE IN FOOD PRODUCTION IN THE DEVELOPING COUNTRIES THEMSELVES. NO AMOUNT OF EXTERNAL ASSISTANCE CAN SUPPLANT THE IMPORTANCE OF APPROPRIATE AGRICULTURAL POLICIES - ESPECIALLY PRICING - WITHIN A DEVELOPING COUNTRY. IN ALL COUNTRIES, FARMERS MUST RECEIVE SOME ASSURANCE OF AN ADEQUATE RETURN BEFORE UNDERTAKING THE INVESTMENT NEEDED FOR INCREASED PRODUCTION.

SECOND, FOOD AND AGRICULTURE MUST REMAIN HIGH ON OUR LIST OF DEVELOPMENT PRIORITIES FOR FOREIGN ASSISTANCE BOTH BILATERAL AND MULTILATERAL. WE BELIEVE IN HELPING COUNTRIES TO HELP THEMSELVES. BUT WE ALSO RECOGNIZE THAT SOME COUNTRIES, DESPITE THEIR OWN EFFORTS, WILL STILL REQUIRE TECHNICAL ASSISTANCE AND CONCESSIONAL AID FOR SOME TIME TO COME. OUR AGRICULTURAL DEVELOPMENT ASSISTANCE PROGRAM WILL CONTINUE TO FOCUS ON HELPING THE SMALL FARMER. THE PRIVATE FARMER IS THE KEY TO IMPROVED AGRICULTURAL PRODUCTION. FIFTY PERCENT OF THE U.S. BILATERAL AND PROGRAM WILL BE USED IN THE SUPPORT OF AGRICULTURE. THE U.S. WILL ACCORD SPECIAL ATTENTION TO SUPPORTING DEVELOPING POLICIES AND PROGRAMS WHICH WILL IMPROVE THAT PERFORMANCE AND WHICH WILL HELP MOBILIZE PRIVATE SECTOR RESOURCES FOR DEVELOPMENT PURPOSES.

INTERNATIONAL COOPERATION SHOULD ALSO EXTEND TO THE AREA OF FOOD AID. ADDITIONAL MEMBERS OF THE INTERNATIONAL COMMUNITY MUST ASSUME MORE OF THE OBLIGATION ENTAILED IN PROVIDING FOOD AID. IN PARTICULAR, WE CALL ON COUNTRIES WHO HAVE NOT DONE SO, ESPECIALLY OPEC, THE UPPER INCOME DEVELOPING COUNTRIES, AND THOSE INDUSTRIALIZED COUNTRIES WITH CENTRALLY PLANNED ECONOMIES, TO MAKE PLEDGES IN CASH OR COMMODITIES UNDER THE FOOD AID CONVENTION, THE WORLD FOOD PROGRAM, AND THE INTERNATIONAL EMERGENCY FOOD RESERVE.

THIRD, WE MUST CONTINUE TO SEARCH FOR AN INTERNATIONAL GRAINS AGREEMENT. WE KNOW THE KEY PROBLEMS OF WHO SHOULD BEAR PURCHASE AND STORAGE COSTS, OF WHAT PRICES STOCKS ARE BOUGHT AND SOLD AND FOREIGN EXCHANGE PROBLEMS OF DEVELOPING COUNTRIES.

WE MUST WORK TOWARD A SOLUTION THAT PROTECTS CONSUMER AND PRODUCER INTERESTS, RESTS ON MARKET PRINCIPLES AND PROVIDES MORE FOOD SECURITY.

FOURTH, INTERNATIONAL COOPERATION IN THE CASE OF FOOD EMERGENCIES RESULTING FROM NATURAL DISASTERS MUST BE IMPROVED.

Food Security and Agricultural Development

During discussions of food security, the assurance of regular and adequate food supplies for the world's population, and agricultural development, we will want

-- to 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 relating to price incentives;

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

-- to emphasize the US record as the largest donor of food aid and the largest bilateral donor of agricultural development assistance;

-- to state that although foreign assistance is not excluded from our efforts to reduce federal expenditures, the world's food and agricultural problems must remain high on our list of development priorities;

-- to 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), and the World Food Program (WFP);

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

-- to urge the strengthening of international disaster relief cooperation.

CONTEXT

Food security and hunger are critical development problems. Close to a half billion people, mostly in developing countries are undernourished. Almost all of the two billion population growth expected by year 2000 will be in developing countries. For these reasons, the developing countries represented at Cancun will likely seek higher external assistance to meet emergency food needs and to accelerate domestic food production.

At Cancun, we should emphasize the continuing strong leadership role of the US in addressing the elements of world food security: agricultural development assistance to increase developing countries' food production; food aid; and grain reserve policies. We should also stress that food and agricultural

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policies and programs of the developing countries themselves are more important than external aid.

The most important element of food security is increased developing country food production. A principal constraint to improved output in most developing countries is pricing policies that subsidize the urban consumer at the expense of the farmer.

Secondly, most developing countries are handicapped by undeveloped storage, processing, distribution, and marketing capacity. The developing countries should encourage involvement of both the local and foreign private sectors in the development of their infrastructures and the development and application of agricultural technology.

Most Summit participants will at least privately support the US position that developing countries should increase food production as essential to ensuring world food security. Publicly, however, some developing countries may chastise the US for seeming insensitivity towards the hungry and call for further aid. The US should (1) recount its record as the largest donor of food and the largest bilateral donor of agricultural development assistance; (2) state that although foreign assistance is not excluded from our efforts to reduce federal expenditures, food and agricultural problems must remain high on our list of development priorities; (3) recognize 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; and (4) reiterate that the US will continue its high commitment to such aid.

Food Aid and Agricultural Development Assistance represent the second element of world food security. The US can take pride in its record as 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 targetted 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 will provide in excess of \$1.7 billion in food aid to needy people in about 80 countries this fiscal year.

There is no one issue within this area that any Summit participant is likely to raise as a criticism of the US. If, however, any participant should raise the general issue that the US has not been generous enough in its commitment to alleviate hunger, the US may (1) reiterate the US record; (2) state that although foreign aid is not excluded from our efforts to reduce federal expenditures, that food and agricultural problems must remain high on our list of development priorities; and (3) call for additional pledges to the FAC, the WFP, and the IEFR.

Grain Reserve Policies represent the third element of world food security. 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. Not only does our open market system provide full access to the foreign buyer of grain, but our market system also provides buyers for substantial and increasing quantities of developing countries' products.

At the most recent International Wheat Council meeting, the US opposed the draft proposal for a new agreement based upon an internationally-coordinated system. However, we would consider other proposals based on market-oriented national reserves. Other exporters and major importers should establish such reserves without awaiting a new International Wheat Agreement proposal. (EC governments argue that such reserves should only be established in the context of an international system. The developing countries will seek an agreement which also stabilizes prices and finances stocks in developing countries.)

KEY POINTS TO MADE

-- 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.

-- 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, food and agricultural problems must remain high on our list of development priorities.

-- 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.

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-- The most important element of food security is an increase in developing countries' food production. No amount of external aid can supplant the importance of appropriate agricultural policies--especially related to pricing.

-- Other nations should also share in the obligation of providing food aid to the world's hungry. We call on others to pledge additional food aid to the FAC, the WFP and the IEF.

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Developing Country Food Production

Argument: Long run food security can only be achieved if and when the food deficit developing countries produce enough food for their own needs, or earn enough foreign exchange to import the food they need.

Response:

1. Sound macroeconomic and agricultural policies that reflect the importance of the agricultural sector are essential to increasing food production in any countries
2. Even allowing for differences among developing countries, the development of agricultural technology and its delivery to farmers is likely to require a substantially greater committment of resources than in the past.
3. Institutions at the national, regional, and local levels must receive increased support to enable them to serve low income producers and consumers.
4. Successful implementation of a broadly participatory agricultural development strategy not only will augment food output, but also will contribute to achieving the multiple objectives of a more equitable distribution of income, increased employment opportunities, a more balanced pattern of rural and urban development, and conditions more conducive to reduced population growth.

Facts: A labor-intensive food production strategy which assures that the broad majority of farmers, including small farmers, have access to agricultural resources, services and infrastructure (such as credit facilities and rural roads) can translate into increased food production and consumption, and increased employment. The success of this strategy, however, depends on the existence of an overall policy framework that makes food production profitable and does not discriminate against the agricultural sector. In contrast, a more capital-intensive food production strategy may exacerbate the rural un-employment problem if machines displace labor, and most troubling, such a strategy is not likely to alleviate hunger and malnutrition because those who are hungry will lack the jobs (hence incomes) to purchase the food they need.

While the policy initiatives needed to implement an equitable growth strategy must be generated by the developing countries themselves, the U.S. will maintain its commitment to accelerating the process through the provision of technical, financial, and food assistance.

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Agricultural Development Assistance

Argument: The United States provides substantial agricultural development assistance which can significantly accelerate increased food production in the developing countries.

Responses:

1. The main objective of US agricultural development assistance is to strengthen the capability of developing countries to alleviate hunger and malnutrition.
2. Accordingly, our assistance focuses on increasing food production, primarily through small-farm, labor-intensive agriculture; and on increasing the incomes of poor people so they can purchase the food they need.
3. We will continue our commitment to alleviate hunger and malnutrition by allocating over one-half of our FY 82 Development Assistance (about \$830 million) to help accelerate agricultural development in the developing countries.
4. We will combine the considerable expertise of US universities and the private sector with capital and food assistance to support broadly participatory agricultural development.

Facts: To increase food supplies sufficiently to begin to make an impact on malnutrition, there must be a substantial increase in investment in the agricultural sector in most developing countries, along with complementary policy, institutional and other reforms. While the bulk of these efforts must be made by the developing countries themselves, external technical, financial and food assistance can significantly accelerate the process.

US-supported technical assistance plays an important role in 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.

In many developing countries assisted by the US, increased small farmer production often depends on the performance of the private sector. Therefore, the US will support developing country policies and programs which improve that performance and which mobilize private sector resources for development purposes.

PL 480 food aid and the local currency generated from the sale of food aid will increasingly be used to complement technical and financial assistance to achieve both short-run nutrition objectives and longer run production objectives.

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Food Aid

Criticism: 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 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, including which countries will be the recipients of our food aid. We also bear willingly 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 US has an excellent record of consistent generosity. Our food aid permits food deficit to developing countries to use their scarce foreign exchange for other priority needs. Over the past six years, we have increased our food aid outlays by \$500 million, from \$1.2 billion in 1975 to \$1.7 billion in 1981. 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

Criticism: 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 is proud of its record on world food security issues. We alone have a conscious reserve policy which can meet both domestic and international needs. Our food aid and agricultural assistance programs have helped alleviate hunger and malnutrition in many countries of the world.
2. 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 are hopeful that alternative proposals for food security grain reserves will take into account the merits of market-responsive national reserves.
3. We support the International Wheat Council, an organization of wheat exporters and importers, as the appropriate forum for the discussion of alternative proposals for food security reserves.
4. 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 participated in the 1978/79 UNCTAD negotiations on a new WTC, which broke down over the issues of price bands and stock size.

Following the UNCTAD effort, the International Wheat Council developed a less-rigid approach to a new Wheat Trade Convention which has the approval of most of the other members, including the EC and Japan. Recently the US told European leaders and the other members of the International Wheat Council that we will not proceed with negotiations on a new Wheat Trade Convention based on the Council's current proposal, explaining that it does not take sufficient account of market responsive national reserves.

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COMMODITIES, TRADE AND INDUSTRIALIZATION

COMMODITIES, TRADE AND INDUSTRIALIZATION

MAIN OBJECTIVES:

1. To emphasize the importance of trade and of an open trading system in the development process.
2. To 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.
3. To make it clear that the US has been cooperative in seeking solutions to problems in commodity markets.
4. To restate our belief that industrialization can not be centrally directed, but is a response to market forces.

BEAR IN MIND:

1. Some developing countries believe the US supports the GATT Ministerial primarily to avoid global negotiations.
2. Most other Cancun participants are willing to include trade in global negotiations.
3. Mexico is not a GATT member and will be less than enthusiastic about the GATT Ministerial.
4. Many other Cancun participants see regulation of international commodity markets and centrally planned redeployment of industry as the most promising solution to the problem of price instability and unemployment.

CHECKLIST:

1. Stress that trade plays an important role in the development process by providing the funds to finance development, and that an open global trading system will provide the greatest opportunities for the developing countries to expand and diversify their exports.
2. State our general commitment to maintain open markets, resist protectionism, and facilitate adjustment in our economy.
3. To announce our intention to work with others to prepare for the 1982 GATT Ministerial, which will lay the groundwork for further liberalization, strengthening, and increased discipline in the international trading system.
4. Stress that while the US favors trade in commodities through free markets, we have cooperated with many organizations seeking solutions to the problems faced by developing countries dependent on commodities.

COMMODITIES, TRADE AND INDUSTRIALIZATION

THE UNITED STATES IS COMMITTED TO AN OPEN WORLD TRADING SYSTEM WHICH WILL PROVIDE ALL COUNTRIES AN OPPORTUNITY TO STRENGTHEN AND DIVERSIFY THEIR ECONOMIES. TRADE CAN PROVIDE A STRONG ENGINE FOR GROWTH BOTH IN DEVELOPED AND DEVELOPING COUNTRIES. INCREASED EXPORTS LEAD TO AN INCREASE IN PRODUCTION, EMPLOYMENT AND DEVELOPMENT. THEY LIKewise LEAD TO A GREATER INTEGRATION AND INFLUENCE IN THE WORLD TRADING SYSTEM.

THE UNITED STATES RECOGNIZES THE IMPORTANT CONTRIBUTION MADE BY TRADE IN SPURRING ECONOMIC ACTIVITY IN MANY DEVELOPING COUNTRIES. EXPORT EARNINGS OFTEN PROVIDE THE PRIMARY SOURCE OF FUNDING FOR DEVELOPMENT. THEY ARE ALSO VITALLY IMPORTANT FOR FINANCING IMPORTS OF FOOD AND OTHER BASIC NECESSITIES. THE UNITED STATES IS COMMITTED TO CONTINUE EFFORTS DESIGNED TO ENSURE THAT DEVELOPING COUNTRIES ARE MORE FULLY INTEGRATED INTO THE INTERNATIONAL TRADING SYSTEM AND ARE ABLE TO DERIVE INCREASED BENEFITS FROM IT.

WE ARE COMMITTED TO A STRENGTHENED MULTILATERAL TRADING SYSTEM AS EMBODIED IN THE GATT. IN THAT REGARD, THE UNITED STATES IS READY TO WORK CLOSELY WITH ITS DEVELOPED AND DEVELOPING COUNTRY TRADING PARTNERS TO PREPARE FOR A GATT MINISTERIAL IN 1982. THIS MINISTERIAL WILL LAY THE GROUNDWORK FOR GREATER LIBERALIZATION, STRENGTH, AND DISCIPLINE IN THE INTERNATIONAL TRADING SYSTEM. ONE IMPORTANT FOCUS OF THE MINISTERIAL'S EFFORTS WILL BE THE INCREASED PARTICIPATION OF DEVELOPING COUNTRIES IN THE GATT SYSTEM ON THE BASIS OF GROWING BENEFITS

AND RESPONSIBILITIES. ACTIVE PARTICIPATION IN THE GATT WILL GIVE DEVELOPING COUNTRIES THE BEST MEANS TO INFLUENCE THE EVOLUTION AND MANAGEMENT OF THE INTERNATIONAL TRADING SYSTEM.

COMMODITIES ACCOUNT FOR MORE THAN HALF THE EXPORT EARNINGS OF THOSE DEVELOPING COUNTRIES WHICH DO NOT EXPORT PETROLEUM. THE UNITED STATES RECOGNIZES THE IMPORTANT ROLE THAT COMMODITIES PLAY IN THE ECONOMIC DEVELOPMENT OF MANY COUNTRIES, AND COOPERATES WITH PRODUCERS AND CONSUMERS IN A GOOD NUMBER OF COMMODITY ORGANIZATIONS. THE KEY TO REVITALIZED COMMODITY MARKETS, HOWEVER, IS A HEALTHY INTERNATIONAL ECONOMY AND AS WE RESTORE GROWTH WORLDWIDE OVER THE NEXT SEVERAL YEARS WE CAN EXPECT COMMODITY EXPORT EARNINGS TO INCREASE SUBSTANTIALLY.

WE BELIEVE THAT INDUSTRIALIZATION IN DEVELOPING COUNTRIES WILL TAKE PLACE THROUGH NATURAL MARKET FORCES IF TRADE IS KEPT OPEN AND NON-DISCRIMINATORY IN NATURE AND DOMESTIC LDC POLICIES ENCOURAGE INVESTMENT AND ENTREPRENEURIAL SKILLS. WHILE RECOGNIZING THE DOMESTIC POLITICAL NEED FOR THE SAFE GUARD CODE IN DEVELOPED COUNTRIES, WE BELIEVE THAT IF INVOKED IT SHOULD BE DONE IN A NON-DISCRIMINATORY WAY. THE ALTERNATIVE OFFERED BY SOME OF "ORGANIZED MARKETS" IS UNACCEPTABLE. WE MUST KEEP THE TRADING SYSTEM OPEN AND COMPETITIVE.

COMMODITIES, TRADE AND INDUSTRIALIZATION

Objectives

-- To emphasize the importance of trade and of an open trading system in the development process.

-- To 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.

-- To make it clear that the U.S. has cooperated extensively with international organizations in seeking solutions to problems in commodity markets.

Context

Access to developed countries' markets is a priority concern of developing countries. The U.S. is committed to maintain open markets, to resist protectionism, and to facilitate adjustment in our economy. While we thus share common views with the developing countries in many aspects of trade policy, many developing countries do not share our emphasis on GATT as the proper forum for trade liberalization.

Mexico itself is not a GATT member. It will thus be less than enthusiastic about the GATT Ministerial as the occasion for initiating further trade liberalization. Most Cancun participants other than the U.S. want global negotiations and want to include trade in these negotiations. Some developing countries believe that U.S. support for the GATT Ministerial is primarily motivated by a desire to avoid global negotiations.

We believe that we can now make a major contribution to the global economy by restoring strong, non-inflationary growth to our economy and by permitting market forces to operate. Through continuing to resist protectionist pressures, we believe that we will provide attractive market opportunities for industrializing developing countries. We also believe that our GSP program has provided significant development benefit to the developing countries.

The developing countries will argue that the developed countries should take measures to actively promote imports from the developing countries, and to eliminate protection against their exports. Some developing countries will also argue that the developed countries should take steps to bring about the "redeployment" to developing countries of those industries in which the developed countries are no longer competitive.

Although we regard structural adjustment as desirable, in our economy it is carried out primarily by the market. We see as one of the priority issues of the GATT Ministerial the integration of developing countries into the trading system. This would entail trade liberalization in the economies of the developing countries, particularly the more advanced among them.

Commodity prices have historically fluctuated widely, though the trend in real prices has been downward for the past thirty years. Many developing countries, including several Cancun participants, are dependent on one or two commodities for most of their export earnings. These nations view regulation of international commodity markets as the most promising solution to their commodity-related problems, even though attempts at regulation have had little success. The U.S. is a member of price stabilizing agreements for tin, natural rubber, coffee, and sugar. The sensitivity of commodity prices to economic conditions in developed countries indicates that restoring non-inflationary growth will reinvigorate commodity markets.

We have joined commodity agreements if they help stabilize market prices rather than replace the market with artificial prices. Our major emphasis has been in the IMF in support of the Compensatory Financing Facility (CFF) which helps finance balance of payments shortfalls caused by decline in commodity prices. The key to development is a stable flow of foreign exchange earnings and not artificially supported commodity prices.

Key Points to Make

-- We recognize that trade plays an important role in the development process. We support an open global trading system as providing the greatest opportunities for developing countries to expand and diversify their exports.

-- We are committed to maintaining open markets, resisting protectionism, and facilitating adjustment in our economy.

-- We intend to work with others to prepare for the 1982 GATT Ministerial, which will lay the groundwork for further liberalization, strengthening, and increased discipline in the international trading system.

-- The United States has cooperated with international organizations in seeking answers to commodity problems. However, we believe that restoring strong, non-inflationary growth most effective solution to commodity market problems.

-- We believe that industrialization of developing countries will result from an open world trading system.

