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Withdrawer

DLB 11/19/2019

File Folder FO006-02 (040332) (1 OF 2)

FOIA

F16-011

Box Number

BIERGANNNS

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
243686	NOTES	HANDWRITTEN NOTES ON 3 NOTE CARDS, FRONT AND BACK OF BILATERAL CANCUN SUMMIT PLANNING MEETINGS	2	8/1/1981	B1

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

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

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

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Department of State
Briefing Book on Cancun Economic
Summit Ministerial Preparatory
Meeting August 1-2 1981
from Craig Guller
filed: O.A. # 27

11/15/2017

File Memo

U.I.
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FG006-01

Department of State
Briefing Book on Cancun Economic
Summit Ministerial Preparatory
Meeting August 1-2 1981
from Craig Fuller
filed: O.A. # 27

DEPARTMENT OF STATE



BRIEFING BOOK

CANCUN ECONOMIC SUMMIT
MINISTERIAL PREPARATORY MEETING
August 1-2, 1981

Mr. Fuller

UNCLASSIFIED UPON REMOVAL
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11/16/2019

~~SECRET~~

The following material was found attached to the inside cover of this Briefing Book

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The following material was found loose within this Briefing Book

TO: All Travelers With Secretary Haig's Party
FROM: LaRae H. Washington, M.D.^{yw}
SUBJECT: Medical Advisory - Cancun

Tap water and ice are not potable. Boiling tap water for 10 minutes before drinking eliminates bacteria and most viruses. Since we will not be in a position to do this, drink hot beverages (tea, coffee) or sealed, bottled water. Bottled soft drinks, wine, or beer are usually safe.

All meats and vegetables should be cooked before eating. Salads are a good resevoir for bacteria and are not safe.

ROOM AND VEHICLE ASSIGNMENTS
CANCUN

There will be four separate motorcades departing from the Cancun airport for the Sheraton, Hyatt and Playa Blanca Hotels. The motorcades are designated A, B, C and D.

	<u>Room</u>	<u>Vehicle</u>
<u>Sheraton Cancun Hotel</u>		
Secretary Haig	-	A. Limousine w/Amb. Gavin & MFA Protocol Officer Loris
Mr. Adams	161	A. #1 w/Messrs. Goldberg & Rosenblatt
Mr. Canzeri	135	B. #3 w/Messrs. Rashish & Fuller
Mr. Darman	139	A. #2 w/Mr. Deaver & Ms. Leyble
Mr. Deaver	141	A. #2 w/Mr. Darman & Ms. Leyble
Mr. Fuller	137	B. #3 w/Messrs. Rashish & Canzeri
Mr. Goldberg	171	A. #1 w/Messrs. Adams & Rosenblatt
Ms. Hartley	169	B. #4 w/Ms. Nesmith & Mr. Wayne
Ms. Nesmith	147	B. #4 w/Ms. Hartley & Mr. Wayne
Mr. Rashish	145	B. #3 w/Messrs. Canzeri & Fuller
Mr. Wayne	167	B. #4 w/Ms. Hartley & Ms. Nesmith
S/S Office	155/157	
Communications Center	151/153	
<u>Hyatt Cancun Caribe</u>		
Mr. Baker	119	-
Mr. Clark	114	-
Mr. Clemmons	111	-
Mr. Coyne	119	-
Mr. Cruce	120	-
Mr. Hormats	203	C. #6 w/Messrs. Meissner & Garner
Mr. Leland	204	C. #7 w/Messrs. Nau, Romberg & Zuckerman

	<u>Room</u>	<u>Vehicle</u>
<u>Hyatt Cancun Caribe (cont.)</u>		
Amb. Meissner	205	C. #6 w/Messrs. Hormats & Garner
Ms. Mueller	207	B. #5 w/Ms. Payne & Mr. Thurman
Mr. Nau	208	C. #7 w/Messrs. Leland, Romberg & Zuckerman
Mr. O'Brien	115	-
Ms. Payne	209	B. #5 w/Ms. Mueller & Mr. Thurman
Mr. Rao	120	-
Mr. Romberg	202	C. #7 w/Messrs. Leland, Nau & Zuckerman
Mr. Trites	115	-
Mr. Twohie	211	-
Dr. Washington	206	A. Spare Limousine
Visitors' Reception Room	106/107	
<u>Playa Blanca</u>		
Mr. Horton	144	D. Press Bus w/ICA Escort Officer
Ms. House	145	"
Mr. Kur	146	"
Mr. Myers	147	"
Mr. Oberdorfer	155	"
Mr. Pierpoint	168	"
Ms. Randolph	174	"
Mr. Troute	175	"
Mr. Vanocur	181	"
Mr. Wood	185	"

The following material was found inside the back sleeve of this Briefing Book

UNCLASSIFIED

DEPARTMENT OF STATE
BRIEFING PAPER

Economic Topics the President is Likely to Raise

Background

The health of the international economic system is based on the health of the U.S. economy. The U.S. economy because of its size drives the entire system. U.S. foreign economic policy since World War II has fostered the growth of this system because of the economic and political benefits that accrue to us from it: exports, access to raw materials and energy supplies, and service fees paid to us for capital, technology and management. The economic ties promote strong common political interests and build the joint industrial base for our common defense.

For the last thirty years the major focus of our foreign economic policy has been on the North Atlantic and North Pacific. This will continue to be true but there is a growing interest in the economic development of developing countries as the economies of the North Atlantic and North Pacific become more economically interdependent with these economies. (Forty per cent of U.S. exports now go to developing countries.) As their economies grow and their per capita income increases so will our markets. Furthermore, increased economic prosperity in these countries can foster political stability and build stronger economic and political ties with the U.S.

Until the significant increases in energy prices in 1973/74 and 1978/79, the developed countries transferred material wealth to the developing countries by consistently sending more goods and services to these countries than they bought from them, ie a surplus trade balance for the developed countries. These goods were paid for by developing country exports, by borrowing in overseas capital markets, by long-term capital investment in developing countries and by concessional aid. In the future, the domestic markets of industrial countries must remain open to the developing country goods so they may continue to purchase our exports and so they can continue to earn the foreign exchange to repay debts.

UNCLASSIFIED

The sharp energy price rises of 73/74 and 78/79 changed the picture of global economic development. In short, foreign exchange available to developing countries that had been previously used to purchase goods and services in the industrial countries was now in large part being used to purchase oil from other developing countries. Furthermore, the oil price rises contributed to a slowing of economic growth and higher inflation rates in the industrial countries with the result of rising unemployment and austerity budgets in these countries.

The impact of these factors on developing countries was rising protectionist trade pressure, depressed commodity prices and increased import costs. Attempts to reduce inflation in the industrial countries has also resulted in higher interest rates and restrained concessional assistance thereby making the debt burden of some developing countries more difficult to carry.

To complicate these foreign exchange problems, many developing countries face the domestic economic problem of declining agricultural production, in absolute terms or in per capita production. As a result more and more developing countries are importing greater amounts of food; in essence eating the foreign exchange they need to purchase productive investment goods from abroad. Also, there is a well documented link between food production, population, nutrition, human productivity and natural resource management (soil, forest and water management).

The issues of human and natural resource management are much longer term than the more immediate financial issues faced by energy and food importers. This is also true of the population growth issue and education. All of these items, while of serious import to economic development, will take prolonged international and domestic policy commitments.

The suggested list of issues that the President will suggest (U.S. economic recovery program, trade, finance, energy resources, food and agriculture and human and natural resources) are an integrated whole. They are the critical variables necessary for the system, and especially economic development in developing countries, to operate more productively. They address real problems of global concern that can be alleviated through appropriate domestic policies coupled with international cooperation.

TALKING POINTS:

-- INDIVIDUAL COUNTRIES ARE ECONOMICALLY INTERDEPENDENT AND WITHIN THE INTERNATIONAL ECONOMIC SYSTEM SPECIFIC ISSUES ARE INTERDEPENDENT.

-- IF WE ARE TO SERIOUSLY ADDRESS GLOBAL ECONOMIC DEVELOPMENT THEN WE MUST ADDRESS BOTH TYPES OF INTERDEPENDENCE: THE INTERRELATIONSHIPS BETWEEN NATIONAL ECONOMIES AND THE INTER-RELATIONSHIP BETWEEN ECONOMIC ISSUES.

-- PRESIDENT REAGAN IN OCTOBER WILL RAISE A NUMBER OF ECONOMIC ISSUES TIED TO BOTH TYPES OF INTERDEPENDENCE: BETWEEN ECONOMIES AND BETWEEN ECONOMIC ISSUES.

-- I BELIEVE HE WILL SUGGEST: A DISCUSSION OF THE RELEVANCE OF THE U.S. RECOVERY PROGRAM TO DEVELOPING COUNTRIES, TRADE, FINANCE, ENERGY, FOOD AND AGRICULTURE AND HUMAN AND NATURAL RESOURCES.

-- THESE PROBLEMS ARE OF A SHORT-TERM, MEDIUM-TERM AND LONG-TERM NATURE BUT ALL OF SIGNIFICANT CONCERN TO THE PARTICIPANTS OF THIS MEETING.

Questions and Answers on Paragraph 12 of Ottawa Summit Declaration

Paragraph 12 -

"We reaffirm our willingness to explore all avenues of consultation and cooperation with developing countries in whatever forums may be appropriate. We are ready to participate in preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress."

Q. How does the U.S. interpret the Ottawa Summit Declaration language on global negotiations?

A. The important part of paragraph 12, which deals with this subject, is the first sentence where all seven countries reaffirmed their willingness to explore all avenues of consultation and cooperation in any forums that may be appropriate.

The second sentence refers to global negotiations in their generic sense, that is negotiations on global economic problems. The sentence does not refer to Global Negotiations, i.e. capital "G" capital "N", in the UNGA in New York.

Q. What does a "mutually acceptable process" mean to the United States?

A. This means that there is a consensus among participants on the appropriate forum and the procedures to be followed in any negotiation on a specific problem.

Q. What does "prospects of meaningful progress" mean to the United States?

A. On any given global economic problem there must be an agreement among the participants on the objective of the

negotiation. Negotiations deal with the means by which an agreed objective can be reached. If there is no agreement on the objective the negotiations will never really be joined and they will end in stalemates, confrontation and frustration.

Q. How would these principles apply to Global Negotiations in the U.N. in New York, that is capital "G", capital "N"?

A. Before we would agree to enter such negotiations, we would need the assurance that the specific economic problems to be negotiated would be handled in the appropriate fora, that the participants would agree on proper procedures for negotiations and that there would be a reasonable prospect of meaningful progress, i.e. on any specific problem that there be an agreement on a common objective.

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SCOPE PAPER



DEPARTMENT OF STATE
BRIEFING MEMORANDUM

S/S

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DECLASSIFIED

Authority State Waiver
BY dis NARA DATE 4/18/2013

TO: . The Secretary

FROM: E - Myer Rashish

SUBJECT: Your Participation in the Third Ministerial Preparatory Meeting, August 1-2, for the Cancun Summit - Scope Paper

SUMMARY

This is the first Preparatory Meeting at which the U.S. will have a direct role. Above all, we need to reaffirm the open and informal procedures for the October 22-23 Summit ("International Meeting on International Economic Cooperation for Development") which have already been agreed by the eleven co-sponsors.

There should be no agenda or further preparations for the Summit. On August 1-2, Ministers should identify for each other the substantive issues their Heads of State or Government are likely to raise in October. President Reagan will want to discuss the broad themes of international economic cooperation and will illustrate them with aspects of certain topics, including the US economic recovery program, energy, food and agriculture, trade, finance, and human and natural resources, including population.

We expect, however, that some other Ministers will attempt to structure the Summit in order to achieve specific results. Such attempts should be resisted. The Summit participants should not waste their time discussing specific issues, especially organizational issues such as Global Negotiations which are pending in other fora.

I. OBJECTIVES

1. Re Agenda Item 1 (evaluate further developments), express necessity to evaluate the usefulness of negotiations in which countries are divided into "North" and "South" groups. Stress unique opportunity that Cancun provides for exchange of views on substantive issues.
2. Re Agenda Item 2 (define the main topics for the Summit), resist attempts to formalize any kind of an agenda, but propose each Minister tell what topics his Head of State or Government is likely to raise in October. Identify the substantive issues President Reagan is likely to raise.
3. Re Agenda Item 3 (finalize the preparations for the Summit), reaffirm existing agreement that Summit will be open and informal with no communique. Limit the number of participating countries to the present twenty-two, and ensure that Cuba is not invited.

4. In general, help bring about an atmosphere for the Summit which could create a positive new spirit of international partnership.
5. Whenever possible, reaffirm US interest in and support for economic growth and development of developing countries.
6. If necessary, respond to the view that development or equity can only be served through extensive alteration of the existing economic system.
7. Avoid polarization of Summit through excessive North/South or East/West rhetoric.
8. Conduct bilateral consultations with selected Foreign Ministers.
9. Preserve good bilateral relations with Mexico by helping to provide the basis for a successful Summit.

II. PARTICIPANTS (See following section of this book.)

III. SETTING

This will be the third Preparatory Meeting of Foreign Ministers for the Cancun Summit but the first since the addition of eleven invited countries and the first therefore at which the U.S. will have any direct role. The first two Preparatory Meetings in November and March created the list of invitees, determined that the Summit would be informal and without a formal agenda or agreed conclusions, and negotiated a letter of invitation. Very little substance was discussed, and no other decisions were taken.

According to the letter of invitation, the purpose of the third Preparatory Meeting is to:

- (1) Evaluate further developments,
- (2) Define the main topics for the Summit, and
- (3) Finalize the preparations for the Summit.

Castaneda will propose at the opening session that these three items be adopted as the agenda of the meeting. All three are procedural and should not lead to substantive discussion, but some participants will undoubtedly use these agenda items to prejudice the Summit in favor of their points of view. For example:

-- Mexico and others will claim that the most significant new development since the second Preparatory Meeting is General Assembly inaction on Global Negotiations (See background paper). At the second Preparatory Meeting, Algeria even threatened not to attend in October unless arrangements are made for the Summit to preclude further delay on this issue;

-- Mexico will plead for acceptance of certain main topics as a "framework for discussions," a semantic way around the March decision that there would be no formal agenda; and

-- Many Ministers will argue that mere discussions are insufficient justification for the Summit and that there must be specific results, despite agreement in March that there will be no negotiations or communique.

In fact, there is no widely shared perception of the Summit's purpose. The Summit was inspired by the Brandt Commission, but the Commission's report recommended a well prepared summit which would discuss and negotiate a specific Emergency Program in the areas of resource transfers (aid), energy, food, and institutional reform.

Many developing countries still think the Summit should be a spring-board for launching new initiatives and proposals. Industrial countries for the most part have more modest expectations and believe that the Ministers should reaffirm the March agreement that the Summit would be informal and not lead to specific decisions.

The U.S. believes that the Summit will be extremely successful if each Head of State or Government identifies the most serious global problems as he sees them and shares his experience and perspectives directly with the others in a frank and informal environment. We also favor, therefore, the reaffirmation of the March agreement.

Unfortunately, the Summit is burdened before it begins with different countries' different perceptions about the so-called "North/South" dialogue. Many believe, for example, in a world divided into two fundamentally different groups -- a developing "South" and a static "North" and take the attitude that "international economic cooperation" only means measures to be taken by the "North" for the benefit of the "South."

The three most important things for the Preparatory Meeting to accomplish from our point of view are:

-- To ensure that participants do not expect the Summit to produce initiatives and decisions on specific issues;

-- To ensure that the Summit breaks with the perception of "North/South" mentioned above and that substantive economic and development problems are discussed; and

-- To reaffirm the March agreement.

The scale of the Cancun Summit is extremely unusual. Only at certain meetings of the developing countries (Non-Aligned Movement, Organization of African Unity, etc.) have as many heads of state or government met face to face for the purpose of substantive discussions. The 22 leaders represent 2.8 billion people and a gross economic product of \$6.6 trillion.

IV. DISCUSSION OF OBJECTIVES

1. Re Agenda Item 1 (evaluate further developments), express necessity to evaluate the usefulness of negotiations in which countries are divided into "North" and "South" groups. Stress unique opportunity that Cancun provides for exchange of views on substantive issues.

This Agenda Item is an occasion for Ministers to raise whatever general points they want to discuss at the Preparatory Meeting. According to the Mexican and Austrian diplomatic team that visited Washington on July 16, the only major issue which may be raised is the status of the proposal for Global Negotiations in the UN General Assembly (See background paper). They believe that mere discussions would be insufficient justification for the Summit and that some "progress" must result. Global Negotiations, in their view, is the primary issue on which some progress could be made. All participants will be interested in learning about the treatment of this issue by the Ottawa Summit. Some may try to isolate the U.S. If a response is needed, we should remain firm that no decision will be made on Global Negotiations at least until the 36th Session of the UN General Assembly late this year and after the Cancun Summit.

We should use this occasion to state our views on the sterile and unproductive nature of negotiations which divide countries into "North" and "South" groups. We should express the necessity for participating countries to evaluate the premises on which this process has been based, stressing the unique opportunity that Cancun provides for an exchange of views on substantive issues.

TALKING POINTS

-- IF OTHER COUNTRIES ARE INTERESTED, WE ARE WILLING TO DISCUSS THE RESULTS OF THE OTTAWA SUMMIT. MR. MCGUIGAN COULD GIVE US A BRIEFING.

-- (IF ASKED) THE OTTAWA SUMMIT DECLARATION DOES NOT REPRESENT A CHANGE IN THE US POSITION ON GLOBAL NEGOTIATIONS. WE STILL BELIEVE, AS WE TOLD THE GENERAL ASSEMBLY ON MAY 5, THAT THE ISSUE SHOULD BE DEFERRED AT LEAST UNTIL THE REGULAR SESSION OF THE U.N. GENERAL ASSEMBLY LATER THIS YEAR AND AFTER THE CANCUN SUMMIT.

-- SUMMIT PARTICIPANTS SHOULD NOT WASTE THEIR TIME DISCUSSING SPECIFIC ISSUES, ESPECIALLY ORGANIZATIONAL ISSUES, SUCH AS GLOBAL NEGOTIATIONS, WHICH ARE PENDING IN OTHER FORA.

-- NEGOTIATIONS WHICH DIVIDE COUNTRIES ARTIFICIALLY INTO TWO FUNDAMENTALLY DIFFERENT GROUPS ARE UNPRODUCTIVE. PROGRESS REQUIRES DISCUSSION AND NEGOTIATION WHICH TAKE INTO ACCOUNT THE DIFFERENT INTERESTS AND SITUATIONS OF DIFFERENT COUNTRIES.

-- PROGRESS IS MADE IN SPECIALIZED INSTITUTIONS WHERE ISSUES ARE DISCUSSED ON THEIR MERITS AND "NORTH/SOUTH" RHETORIC IS MINIMIZED. RECENT AGREEMENTS INCLUDE THE COMMON FUND, MULTILATERAL TRADE NEGOTIATIONS, RETROACTIVE TERMS ADJUSTMENT, VARIOUS PROGRAMS OF THE MULTILATERAL DEVELOPMENT BANKS AND THE IMF.

-- THE SUMMIT WILL BE EXTREMELY SUCCESSFUL IF EACH HEAD OF STATE OR GOVERNMENT IDENTIFIES THE MOST SERIOUS GLOBAL PROBLEMS AS HE SEES THEM AND SHARES HIS EXPERIENCE AND PERSPECTIVES FACE-TO-FACE IN A FRANK AND INFORMAL ENVIRONMENT.

-- CANCUN REPRESENTS A UNIQUE OPPORTUNITY TO CHANGE THE NATURE OF THE "NORTH/SOUTH" DIALOGUE, SO LONG AS WE ADDRESS SUBSTANTIVE ISSUES, AND NOT ORGANIZATIONAL ISSUES WHICH ARE PENDING IN OTHER FORA.

2. Re Agenda Item 2 (define the main topics for the Summit), resist attempts to formalize any kind of an agenda, but propose each Minister tell what topics his Head of State or Government is likely to raise in October. Identify the substantive issues President Reagan is likely to raise.

The co-sponsors have agreed at the second Preparatory Meeting that the Summit should have no formal agenda, but their communique mentions a "discussion framework," and the letter of invitation" says this Meeting will "define the main topics." These ambiguities will lead the Mexican hosts and others to argue for agreement on some kind of list which, for all intents and purposes, would serve as a formal agenda. On the first day of the Preparatory Meeting, the Mexicans will probably propose dividing discussion in October into four broad topics: Food and Agricultural Development, Trade and Industrial Development, Energy, and Monetary and Financial Matters. They may introduce a revision of their 29-page "Framework for Discussions" paper which outlines specific issues under each of these categories.

The Summit should be basically educational. Moreover, it will run a high risk of failure if participants expect it to produce initiatives and decisions on specific issues. Therefore, we do not want the Preparatory Meeting to negotiate a "Framework for Discussions" or any other kind of agenda. It would be very helpful, on the other hand, for the Ministers to tour the table and tell what their Heads of State or Government are likely to raise in October. (See background papers for further information on topics which President Reagan is likely to raise and topics which we expect others to raise.)

TALKING POINTS

-- THE VALUE OF CANCUN WILL BE TO HEAR THE DIFFERENT EXPERIENCE AND PERSPECTIVES OF EACH NATIONAL LEADER, AND I EXPECT DIFFERENT LEADERS WILL RAISE DIFFERENT TOPICS.

-- (IF NEEDED) HEADS OF STATE OR GOVERNMENT SHOULD NOT BE LIMITED IN THEIR PRESENTATIONS. I OPPOSE ANY ATTEMPT TO AGREE ON CERTAIN TOPICS WHICH ALL HEADS OF STATE OR GOVERNMENT SHOULD OR SHOULD NOT ADDRESS.

-- (IF NEEDED) NEITHER IS THERE ANY NEED FOR US AT THIS PREPARATORY MEETING TO GET INTO SUBSTANCE. SUBSTANCE SHOULD AWAIT THE SUMMIT ITSELF.

-- I PROPOSE THAT EACH MINISTER TELL WHAT TOPICS HE BELIEVES HIS HEAD OF STATE OR GOVERNMENT IS LIKELY TO RAISE DURING THE SUMMIT. I WILL ADVISE PRESIDENT REAGAN SO THAT HE CAN ANTICIPATE THE OTHERS' REMARKS AND CAN PREPARE FOR THE INFORMAL DISCUSSION.

-- PRESIDENT REAGAN WILL WANT TO DISCUSS THE BROAD THEMES OF INTERNATIONAL ECONOMIC COOPERATION AND WILL ILLUSTRATE THEM WITH ASPECTS OF CERTAIN TOPICS, INCLUDING: US ECONOMIC RECOVERY PROGRAM, ENERGY, FOOD AND AGRICULTURE, TRADE, FINANCE, AND HUMAN AND NATURAL RESOURCES, INCLUDING POPULATION. (IF ASKED, SEE SEPARATE BACKGROUND PAPERS FOR A FULLER EXPLANATION OF THESE TOPICS AND THE U.S. APPROACHES TO THE SOLUTIONS FOR THE ISSUES RAISED.)

-- (IF ASKED) I DO NOT EXPECT THAT PRESIDENT REAGAN WILL MAKE ANY SPECIFIC PROPOSALS OR INITIATIVES DURING THE OCTOBER MEETING.

-- NOTHING WE DO AT THIS MEETING CAN PREVENT ANY OF THE HEADS OF STATE OR GOVERNMENT TO RAISE ANY TOPICS THEY WISH, BUT I WOULD STRONGLY URGE THAT YOUR LEADERS NOT RAISE ORGANIZATIONAL MATTERS PENDING IN OTHER FORA. TIME SPENT ON SUCH MATTERS WOULD BE A NEEDLESS DIVERSION FROM THE DISCUSSIONS OF SUBSTANTIVE ISSUES WHICH WE DESIRE TAKE PLACE AT THE HIGHEST POLITICAL LEVEL.

-- (IF MEXICAN PAPER IS TABLED) I THANK OUR MEXICAN HOSTS FOR PREPARING DOCUMENTATION FOR THIS MEETING, BUT I CONSIDER THE "FRAMEWORK FOR DISCUSSIONS" PAPER TO REPRESENT ONLY THE VIEWS OF THE MEXICAN GOVERNMENT. HOWEVER, THE PAPER IS CAST IN TRADITIONAL "NORTH/SOUTH" TERMS. WE HAVE GREATER HOPES FOR OCTOBER.

-- WE DO NOT DESIRE TO DEBATE BACKGROUND PAPERS OR TO CONSUME VALUABLE TIME IN NEGOTIATING COMMON PAPERS, COMMUNIQUE, OR PRESS RELEASES. WE DO PLAN THAT PRESIDENT REAGAN WILL PRESENT A NATIONAL STATEMENT AT THE OPENING SESSION.

3. Re Agenda Item 3 (finalize the preparations for the Summit), reaffirm existing agreement that Summit will be open and informal with no communique. Limit the number of participating countries to the present twenty-two, and ensure that Cuba is not invited.

Despite agreements at the first two Preparatory Meetings, the following procedural questions are likely to be raised under this Agenda Item:

-- Will Heads of State or Government give statements? (We want national statements as a way for the different experience and perceptions of each participant to be fully emphasized.)

-- Will each government have one or two seats at the table? (Genscher wants two seats because he and Schmidt are from different political parties. We are ambivalent.)

-- Should additional participants be invited? (We favor the present number, and the others probably do too. As hosts, Mexico and Austria have received many strong appeals from uninvited countries, including the Netherlands, Italy, Spain, Cuba, Jamaica, and Peru. They will probably present a list of such countries to the Preparatory Meeting and request a collective decision. Cuba is a special problem. Mexico is normally very solicitous about Cuban sensitivities but knew in this case that Cuban participation would preclude U.S. participation, without which the Summit would not have mattered.)

-- Should the Soviet Union be pressed to attend? (We think not, but the the Soviet Union would have been the 23rd invitee had it not declined to receive an invitation, and a number of participants still feel that the Summit is not truly global without the remaining super-power.)

-- Should any observers be invited? (We say no, but this is a special problem for some. Willy Brandt is closely associated with the idea of a North/South Summit and will occur to many as a possible observer. So will Kurt Waldheim.)

-- Should there be any follow-up to the Summit? (It would be counterproductive to raise this possibility ourselves or to support it too forcefully, but we could accept future meetings of the Cancun group of countries, particularly if there were any possibility that such meetings could become an alternative to Global Negotiations.)

-- How will the "results" of the Summit be announced? (It is already agreed that President Lopez Portillo may summarize suggestions which emerge. Some Ministers may urge that the Summit pre-cook his summary. We feel it is essential that Lopez Portillo act on his own responsibility and that his summary does not commit other participants.)

TALKING POINTS

-- I COMMEND THE CO-SPONSORS FOR PERFORMING THE DIFFICULT TASK OF DETERMINING WHICH COUNTRIES TO INVITE AND WHICH OF NECESSITY HAD TO BE EXCLUDED.

-- THE PRESENT LIST OF PARTICIPANTS IS BALANCED AND MANAGEABLE. I WOULD OPPOSE ANY ADDITIONS.

-- (IF RAISED) THE SOVIETS SHOULD NOT BE PRESSED TO RECONSIDER THEIR REQUEST NOT TO RECEIVE AN INVITATION. THE SOVIET UNION PARTICIPATES ONLY marginally IN THE MARKET-ORIENTED ECONOMIC SYSTEM WHICH MOST OF US SHARE, AND IT RECOGNIZES NO REAL OBLIGATION TO ENGAGE IN INTERNATIONAL ECONOMIC COOPERATION. ITS PARTICIPATION IS THEREFORE NOT PARTICULARLY RELEVANT AND COULD BE DISRUPTIVE.

-- (IF RAISED) I WOULD OPPOSE THE ADDITION OF ANY OBSERVERS. THE SUMMIT IS A DISCUSSION AMONG OF HEADS OF STATE OR GOVERNMENT SPEAKING FOR SOVEREIGN NATIONS. NO OTHER INDIVIDUAL, HOWEVER DISTINGUISHED, HAS SUCH STATUS AND SHOULD BE ALLOWED TO PARTICIPATE IN SUCH A GATHERING.

4. In general, help bring about an atmosphere for the Summit which could create a positive new spirit of international partnership.

This could be the most important long-range result of the Summit. If it can break with the traditional "North/South" way of viewing the world as separate groups of industrial and developing countries and if participants leave Cancun feeling that the meeting was very worthwhile despite a lack of specific agreements, they will have created such a new spirit. For this to be positive, there would not necessarily have to be any follow-up meetings of the Cancun group itself, but the spirit could carry over and affect future discussions and negotiations in other fora. On the other hand, we would welcome follow-up meetings. They might become an alternative to Global Negotiations, and they might lead to a new forum of industrial and developing countries. We have often felt the need for a consultative forum which includes selected oil-exporting countries, newly-industrialized countries, advanced developing countries, and others. Fora such as the UN General Assembly do not serve this purpose because issues are debated there between undifferentiated groups of countries.

This is sensitive subject, and it would be counterproductive to raise the possibility of a follow-up ourselves or to support it too forcefully, but our general objective can be advanced without having to be specific. The talking points will more likely be useful in the corridors and informal gatherings than in the plenary sessions.

The major obstacle to a positive new spirit is the widespread attitude that all measures have to be taken by the industrialized countries and that the only role of the developing countries is to present demands. Some of the participants will see no need for a more realistic dialogue and a more balanced approach than is currently available through "North/South" negotiations between groups.

TALKING POINTS

-- THE U.S. BELIEVES THAT DIALOGUE CAN BE EXTREMELY VALUABLE.
WE ARE WILLING TO CONSULT WITH OTHER GOVERNMENTS ON A BILATERAL, REGIONAL, OR MULTILATERAL BASIS.

-- GLOBAL PROBLEMS ARE MORE LIKELY TO BE SOLVED AFTER THOROUGH DISCUSSIONS AT ALL LEVELS.

-- WE ARE ESPECIALLY PLEASED TO HAVE THIS OPPORTUNITY FOR OUR HEADS OF STATE OR GOVERNMENT TO MEET FACE-TO-FACE. IN THE MODERN WORLD, IT IS IMPORTANT FOR OUR HEADS OF STATE AND GOVERNMENT TO KNOW EACH OTHER PERSONALLY.

5. Whenever possible, reaffirm US interest in and support for economic growth and development of developing countries.

The Administration's foreign economic policies toward the developing countries are misunderstood and have a negative image in many places. The U.S. Government is also being criticized for increasing its military expenditures sharply while having only modest increases in its economic aid to developing countries. You should take advantage of every occasion to clarify our policies and to stress our serious interest in and support for international growth and development, especially in the developing countries.

TALKING POINTS

-- THE U.S. IS COMMITTED TO ECONOMIC GROWTH AND DEVELOPMENT IN THE DEVELOPING COUNTRIES.

-- ECONOMIC GROWTH -- WHICH IS SIMPLY THE EXPANSION OF ECONOMIC OUTPUT -- IS ESSENTIAL TO THE ALLEVIATION OF POVERTY AND THE PROMOTION OF DEVELOPMENT.

-- THE GREATEST DETERMINENT OF GROWTH IS THE DEVELOPING COUNTRIES' OWN DOMESTIC POLICIES, BUT FOREIGN COUNTRIES CAN MAKE EFFECTIVE CONTRIBUTIONS THROUGH INTERNATIONAL ECONOMIC COOPERATION.

-- WE SEE OUR CONTRIBUTION THROUGH THE REVITALIZATION OF THE US ECONOMY, OPEN TRADE, OPEN CAPITAL MARKETS, SUPPORT OF THE INTERNATIONAL FINANCIAL INSTITUTIONS, AND BILATERAL AID.

-- WE SHALL KEEP OUR COMMITMENTS IN ALL THESE AREAS, AND WE WILL WORK TO PROMOTE MORE EFFECTIVE ECONOMIC COOPERATION WITH DEVELOPING COUNTRIES WHICH TRY TO HELP THEMSELVES.

-- DEVELOPMENT IS A COMPLEX LONG-TERM PROCESS WHICH REQUIRES ECONOMIC GROWTH BUT INCLUDES HUMAN AND SOCIAL ASPECTS. POVERTY PROVIDES NO CHOICE AND FEW CHANCES FOR INTELLECTUAL GROWTH AND PERSONAL FREEDOM.

-- THE U.S. SEES THE EVOLUTION OF HUMAN AND CIVIL RIGHTS AS A CLOSE COMPANION TO ECONOMIC GROWTH AND PROSPERITY.

-- DEVELOPMENT MUST BE CONSISTENT WITH PROTECTION OF THE ENVIRONMENT AND THE GLOBAL RESOURCE BASE.

-- US INTERNATIONAL SECURITY PROGRAMS NOT ONLY PROTECT OUR OWN NATIONAL INTERESTS BUT THEY PROTECT THE INDEPENDENCE AND SOVEREIGNTY OF DEVELOPING COUNTRIES AS WELL. FOR EXAMPLE, OUR NAVY HELPS ENSURE FREE MOVEMENT OF GOODS AND SERVICES ON THE SEA LANES.

6. If necessary, respond to the view that development or equity can only be served through extensive alteration of the existing economic system.

You will probably hear in the corridors and during other informal contacts, if not in the formal sessions, that the problems of development are so overwhelming that solutions can be found only through radical changes in the existing world economic system -- that, in short, the world needs a "New International Economic Order (NIEO)." The charge might also be made that existing institutions are inadequate to deal with inequities in the rules of trade and other features of the existing economic system which are biased against the developing countries.

TALKING POINTS

-- WHATEVER THE TRUTH IN THESE KINDS OF CHARGES, CHANGE MUST BE BASED ON MUTUAL BENEFITS FOR ALL COUNTRIES.

-- (IF DRAWN INTO DEBATE) THE EXISTING ECONOMIC SYSTEM BENEFITS ALL COUNTRIES THROUGH INTERNATIONAL TRADE, BALANCE OF PAYMENTS SUPPORT, CONCESSIONAL AND NON-CONCESSIONAL CAPITAL FLOWS, AND THE TRANSFER OF TECHNOLOGY. OF COURSE WE MUST CONSTANTLY WORK TO REMEDY IMPERFECTIONS IN THE SYSTEM, BUT THIS SHOULD BE DONE THROUGH INCREMENTAL IMPROVEMENTS, NOT RADICAL RESTRUCTURING.

-- THE SPECIALIZED INTERNATIONAL INSTITUTIONS ARE THE HEART OF THE INTERNATIONAL ECONOMIC SYSTEM. THEY HAVE THE CAPACITY TO RESPOND TO CHANGING NEEDS AND CIRCUMSTANCES. SUCH CHANGES NEED TO BE MADE ACCORDING TO THE PROCEDURES OF EACH INSTITUTION.

-- PROGRESS IS MADE IN SPECIALIZED INSTITUTIONS WHERE ISSUES ARE DISCUSSED ON THEIR MERITS AND "NORTH/SOUTH" RHETORIC IS MINIMIZED. RECENT AGREEMENTS INCLUDE THE COMMON FUND, MULTILATERAL TRADE NEGOTIATIONS, RETROACTIVE TERMS ADJUSTMENT, VARIOUS PROGRAMS OF THE MULTILATERAL DEVELOPMENT BANKS AND THE IMF.

7. Avoid polarization of Summit through excessive North/South or East/West rhetoric.

These are pitfalls to look-out for during the Preparatory Meeting. If any of the Ministers strays off into rhetoric, group pressure should be used to guide him back to the task of the Preparatory Meeting -- making arrangements for the October Summit.

TALKING POINTS

-- I DID NOT COME TO CANCUN TO DEBATE EAST/WEST ISSUES, ZIONISM, APARTHEID, THE PLO, AND SO ON. THE ONLY PURPOSE OF OUR MEETING IS TO MAKE ARRANGEMENTS FOR THE SUMMIT IN OCTOBER. THE SUMMIT WILL BE A DISCUSSION OF GLOBAL PROBLEMS PERTAINING TO INTERNATIONAL ECONOMIC COOPERATION FOR DEVELOPMENT -- NOT POLITICAL ISSUES. LET'S LEAVE THEM OUT OF THE SUMMIT.

-- I RECOGNIZE THAT MANY PARTICIPANTS WILL VIEW THE SUMMIT AS ANOTHER POLITICAL-LEVEL DISCUSSION BETWEEN INDUSTRIAL AND DEVELOPING COUNTRIES DIVIDED INTO TWO GROUPS. HOWEVER, THE CO-SPONSORS SPECIFICALLY RECOGNIZED THE NEED FOR A DEPARTURE FROM THE CUSTOMARY FORMS OF "NORTH/SOUTH" DISCUSSIONS AND TO CREATE AN INFORMAL ATMOSPHERE WHERE THE LEADERS OF INDIVIDUAL NATIONS CAN FRANKLY DISCUSS SUBSTANTIVE ECONOMIC AND DEVELOPMENT ISSUES.

-- THE "NORTH/SOUTH" DIALOGUE HAS NOT LED TO SATISFACTORY PROGRESS FROM ANYONE'S POINT OF VIEW BECAUSE IT DIVIDES THE WORLD ARTIFICIALLY INTO TWO FUNDAMENTALLY DIFFERENT GROUPS. PROGRESS REQUIRES DISCUSSION AND NEGOTIATION WHICH TAKE INTO ACCOUNT THE DIFFERENT INTERESTS AND SITUATIONS OF DIFFERENT COUNTRIES.

-- CANCUN REPRESENTS A UNIQUE OPPORTUNITY TO CHANGE THE NATURE OF THE "NORTH/SOUTH" DIALOGUE, SO LONG AS WE ADDRESS SUBSTANTIVE ISSUES, AND NOT ORGANIZATIONAL ISSUES WHICH ARE ACTIVE IN OTHER FORA.

8. Conduct bilateral consultations with selected Foreign Ministers.

You will discuss strictly bilateral matters with the Foreign Ministers of India, Brazil, Saudi Arabia, Tanzania, and perhaps others. (See separate Briefing Memoranda and Bullet Papers for each meeting.)

In addition, you may need to discuss certain aspects of the Cancun Summit with these and other Foreign Ministers.

9. Preserve good bilateral relations with Mexico by helping to provide the basis for a successful summit.

President Reagan's reasons for accepting the invitation to Cancun were largely bilateral and regional. Lopez Portillo wants very much for the Summit to be successful in the eyes of all participants, but particularly those from developing countries. It will be difficult for us to do all he wishes because "success" will be defined differently by the various participants. Insisting upon the format and procedures we prefer should give the best chance for an appearance of success at Cancun by minimizing public confrontation and by lowering expectations.

The location of the Summit will automatically highlight the importance of the Caribbean region. (See background paper on the Caribbean Basin initiative).

SUBJECT: Your Participation in the Third Ministerial
Preparatory Meeting, August 1-2, for the
Cancun Summit - Scope Paper

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S/P - Mr. Luft
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AF/EPS - Mr. Pringle
ARA/MEX - Mr. Crigler
AID/PPC/EA - Mr. Michalopoulos
Treasury - Mr. Dawson
Commerce - Mr. Willis
USDA/FAS - Mr. Hudson
Labor - Mr. Parker
DOD/ISA/IEEA - Mr. Rana
NSC - Mr. Nau
USTR - Ms. Cooper
DOD/ISA/IEEA - Mr. Rana

EW

THE SECRETARY OF STATE
WASHINGTON

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Authority State Waiver
BY ab NARADATE 11/12/2017

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SCOPE PAPER

MAIN OBJECTIVES

1. Agenda Item 1 - express necessity to evaluate past usefulness of negotiations that have been based on "North" versus "South". Stress unique opportunity of Cancun for an exchange of views on substantive issues.
2. Agenda Item 2 - resist attempts to finalize an agenda and identify issues President Reagan is likely to raise.
3. Agenda Item 3 - reaffirm existing agreement that Summit will be open and informal without an agenda or communique.

BEAR IN MIND

1. The desire of Mexico, Algeria and possibly other developing and industrial countries to use August 1-2 and/or October 22-23 to force a consensus that Global Negotiations be launched.
2. The objective of Cuba to become one of the participants in the October Summit.
3. The goal of a majority of participants to have the October Summit make decisions which will provide the political impetus to negotiations toward the New International Economic Order.

CHECKLIST

1. Discussions with other Ministers should concern both U.S. views on the type of Summit we desire as well as major bilateral and regional interests.
2. We should do all we can to keep public expectations of results from August 1-2 or October 22-23 as low as possible.

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(GDS -7/27/87)