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10/21/1981-10/23/1981 Cancun, Mexico)

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MEMORANDUM

#4756

NATIONAL SECURITY COUNCIL

August 11, 1981

WS 052727
1110
FG006-02
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INFORMATION

MEMORANDUM FOR BUD NANCE

THROUGH: NORMAN A. BAILEY

FROM: HENRY R. NAU *HRN*

SUBJECT: Cancun Summit

The US expects to accomplish the following objectives at the Cancun Summit:

- to maintain and enhance important relationships between Mexico and the US and the President's personal association with Lopez Portillo;
- to receive some credit for reversing the previous Administration's rejection of the Cancun Summit and demonstrate this Administration's confident and cooperative approach to relations with developing countries;
- to articulate this Administration's conviction that economic and social progress are the essential ingredients of stability and independence in the developing countries;
- to gain support for the Caribbean Basin plan as a comprehensive and cooperative program to accelerate economic and social progress in a developing area;
- to impose this Administration's imprint on the international development dialogue by shifting the focus away from international institutions and market intervention to private sector actors and market forces;
- to present a coherent set of US foreign assistance programs to encourage the more complete and effective involvement of developing countries in the world economy and to provide concessional assistance to countries that are willing to eventually expand their participation in the international economic system;

NSC# 8104756

- to project the President's leadership to an increasingly important area of international politics and to demonstrate his sensitivity to the needs but also the responsibilities of the developing nations;
- to exploit the discontent and suspicion in the developing world concerning Soviet policy and intentions;
- to defuse the bloc-oriented approach to relations with developing countries and to deal with developing countries in a more differentiated way;
- to avoid a premature commitment to global negotiations;
- to seek to improve coordination among the advanced countries on issues relating to developing countries.

RECEIVED 11 AUG 81 18

TO NANCE

FROM NAU

DOCDATE 11 AUG 81

BAILEY

052727

KEYWORDS: SUMMIT

MEXICO

SUBJECT: US EXPECTED ACCOMPLISHMENTS AT CANCUN SUMMIT

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

FOR COMMENT

FOR INFO

NANCE

*call for folders
check out*

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COMMENTS

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ACTION OFFICER (S)

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ACTION REQUIRED

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Dear Mr. President,

I am deeply grieved and disappointed that for reasons of health I shall not be able to come to Cancún and will miss the opportunity to meet you personally - an occasion which I was looking forward to with great anticipation.

You will certainly understand, dear Mr. President, how difficult it was for me to take such a decision, considering not only the preparatory work for the meeting in Cancún but also, and even more so, a deep personal commitment to North-South-questions for more than three decades.

Austria's and my personal engagement in this matter originates from our own experience when effective international assistance helped us to overcome a difficult economic and social situation after the last war. Austria will never forget your country's generous assistance at a time so critical for its political and economic survival. Austria, I believe, has become a classic example of a country that owes its economic achievements to the Marshall Plan - a bold concept of helping others to help themselves.

May I by means of this letter express to you my deepfelt gratitude for having accepted the invitation to attend the Cancún summit meeting, which underlines your and your government's commitment to the cause of finding

H.E.

The President of the
United States of America
Mr. Ronald REAGAN

The White House
Washington

Bruno Kreisky

.1.

NSA #8106114

Letter to President Apologizing for not attending
the Cancun Summit

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Authority State/WSC Waiver

BY ck NARA DATE 11/18/2019

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17-10-1981 File

Vienna, October 1981

Dear Mr. President,

I am deeply grieved and disappointed that for reasons of health I shall not be able to come to Cancún and will miss the opportunity to meet you personally - an occasion which I was looking forward to with great anticipation.

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H.E.

The President of the
United States of America
Mr. Ronald REAGAN

The White House
Washington

./.

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Authority State Waiver
BY dlv NARA DATE 11/18/2019

satisfactory solutions for the complex problems of North-South relations. Your presence at Cancún will be an occasion to demonstrate the leading role of the United States in shaping world policies on important matters.

While the Cancún summit is not the place to enter into negotiations on detailed questions of either substance or procedure it is an unique opportunity to express our political will to succeed in our efforts to find mutually acceptable solutions. To translate this determination into concrete action, we should make full use of existing institutions.

As you, Mr. President, so rightly stated in your letter to me, we all agree that economic interdependence is a reality and no one question that solutions to worldwide economic problems call for a global and united approach. It is furthermore clear that a venture of such magnitude cannot succeed without the active support of the United States.

We understand that your approach to certain issues might not fully coincide with those of other participants at this meeting but reflects your administration's philosophy on various aspects of international cooperation and development.

None the less I trust you will share my conviction that international action to improve the lot and the economic capacity of developing countries is of equal importance as the Marshall Plan has been for the recovery of post-war Europe.

For all these reasons I sincerely hope that you, Mr. President, will take up the challenge offered by this meeting to overcome the present deadlock in the North-South dialogue. By doing so the United States together with other democracies would demonstrate their

Hlo

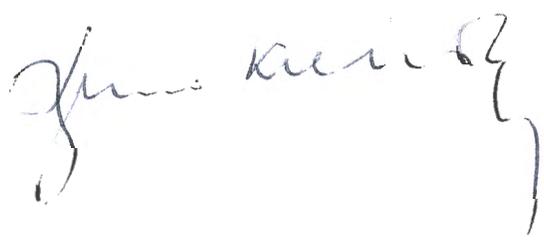
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resolve and their ability to come to the assistance of the developing world and to live up to their responsibility vis a vis the future of mankind.

We, as one of the smaller industrialized nations, are prepared to follow the United States in any constructive effort and to contribute our share in the search for lasting solutions to problems of global concern.

With the best wishes for a successful meeting

Yours sincerely

A handwritten signature in cursive script, appearing to read "Jim Kautsky". The signature is written in dark ink and is positioned below the typed name "Yours sincerely".

THE WHITE HOUSE
~~WASHINGTON~~

To staff for info
and any necessary
reply.

J

REFERRAL

DATE: 04 NOV 81

MEMORANDUM FOR: STATE SECRETARIAT

DEPARTMENT OF STATE

DOCUMENT DESCRIPTION:

TO: PRES

SOURCE: KREISKY, BRUNO

DATE: 17 OCT 81

KEYWORDS: AUSTRIA

CANCUN SUMMIT

HS

SUBJ: LTR TO PRES APOLOGIZING FOR NOT ATTENDING CANCUN SUMMIT

REQUIRED ACTION: FOR RECOMMENDATIONS AND/OR DRAFT REPLY

DUE DATE: 09 NOV 81

COMMENTS:



FOR ALLEN J LENZ

STAFF DIRECTOR

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FOR INFO STEARMAN

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RECEIVED 17 OCT 81 10

TO PRES

*dlw
11/15/2019*

FROM KREISKY, BRUNO

DOC DATE 16 OCT 81

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16 OCT 81

RENTSCHLER

20 OCT 81

KEYWORDS: AUSTRIA

HS

SCHOBER, KARL H

CANCUN SUMMIT

MEXICO

RASHISH,

CANADA

LOPEZ PORTILLO, JOSE

SUBJECT: LTR FM AUSTRIAN CHANCELLOR RE INABILITY TO ATTEND SUMMIT

ACTION: PREPARE MEMO FOR ALLEN

DUE: 23 OCT 81 STATUS C

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

THE ADMINISTRATOR

MEMORANDUM

TO: Mr. David Gergen
Director of Communications

SUBJECT: Presidential Agriculture Task Force Initiative Put
Forth at Cancun

Discussion: At Cancun, President Reagan put forth a dynamic initiative to leaders of the Third World. He offered to send American agricultural experts, formed as task forces, to Third World nations that requested help with their agriculture sectors. Upon arriving at Andrews AFB President Reagan announced that the Agency for International Development should head the effort.

Shortly after arriving back in Washington I began the process of putting the President's directive into motion. We have had extensive consultations with the Department of Agriculture and with a wide range of agriculture and marketing experts. Through our Science and Technology Bureau we have contacted ten potential nations in the Third World. All have expressed interest, with several unsolicited responses from others.

We have established basic criteria for the initial task forces. There should be a genuine desire on the part of the senior leaders of the inviting nation to use the task force's recommendations. There should be reasonable expectation that the effort will succeed before the task force is offered. The chances for success will be measured in part by the relative strength of the requesting countries' institutional capacity for follow-up as well as the available of resources from AID, the country itself, or other sources to permit timely implementation of task force recommendations. We now have the first task force prepared for the President's approval and announcement.

The Peruvian President, Fernando Belaunde Terry, has dispatched a letter to President Reagan asking for a Presidential Agriculture Task Force. AID believes that this task force will stand the greatest chance for success. The Agriculture Minister, the Foreign Minister and all members of the Cabinet are behind the President's request. The scope of work prepared for the task force by AID and the Government of Peru has clearly identified the country's problems as being fundamental economic policy questions. The task force is expected to recommend to President Belaunde changes in marketing and private sector investment policies which should help to increase productivity quickly.

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Time: 1:00 pm - 10:30 am
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THE WHITE HOUSE
WASHINGTON

Greg:

I got in touch with Roger Fontaine who attended the Cancun Summit and Henry Nau in NSC to find out if this Agricultural Task Force is something we should do on the 5th which is ~~Thursday~~ **FRIDAY**.

He thinks (Henry) that we should give 15 minutes to it. It is in fact a follow-up to something the President initiated in Cancun and he will get back to us on the number of participants.

Fan
2/1

~~1/2~~
2/2 - At Shirley Moore's request told Jay Morris, 632-09620, meeting 10:30
2/5.

Greg,

Bergen thinks this is a good idea - is it too late to squeeze it in. If this is my problem - please let me know. Thanks.

Jessie Beston
(7113)

1/25?

NSC

Dr. Clayton Yeutter, President of the Chicago Mercantile Exchange has agreed to serve as the task force head. Dr. Yeutter was Assistant Secretary of Agriculture for International Affairs and Commodity Programs and served as President Ford's Deputy Special Trade Representative. He was a strong and active supporter of President Reagan's candidacy.

Recommendation: We recommend that President Reagan provide a written answer to President Belaunde accepting his invitation and naming Clayton Yeutter to head that task force. We would like to offer the following scenario for the President's announcement:

- * The week of January 24 the President will announce his acceptance of President Belaunde's invitation. Dr. Yeutter will be in town on Tuesday, January 26 but could come Monday. AID's optimum day is Monday, January 25. The announcement will be made as an oval office photo opportunity and press availability, circumstances allowing. At the event will be Peter McPherson, Administrator of the Agency for International Development, and Dr. Clayton Yeutter, head of the Peru task force. President Reagan will have written communications from President Belaunde in his hands at the time of the event.

At the event the President will announce the first task force headed by Dr. Yeutter and that other task forces will be dispatched.

*NOTE: I will be out of the country between January 27th and February 3.

Our time frame is short and I would appreciate anything you can do to speed the process. Many arrangements must be made in Peru.



M. Peter McPherson

PROPOSED REMARKS FOR PRESIDENT REAGAN

WHEN THE UNITED STATES MET WITH LEADERS OF THE THIRD WORLD IN CANCUN A NEW ERA OF OPEN DIALOGUE AND COOPERATION BEGAN WITH MANY OF THOSE PRESENT. IN THE SPIRIT OF THAT OPENNESS, I OFFERED TO SEND AMERICAN AGRICULTURE EXPERTS TO THIRD WORLD NATIONS SEEKING A WAY OUT FROM UNDER THE CRUSHING BURDEN OF HUNGER. MY OFFER HAS BEEN WELL RECEIVED IN MANY NATIONS AND INVITATIONS HAVE BEGUN TO SURFACE ON SEVERAL CONTINENTS. TODAY, I WOULD LIKE TO ANNOUNCE THE ESTABLISHMENT OF THE FIRST TASK FORCE.

PRESIDENT FERNANDO BELAUNDE TERRY OF PERU HAS INVITED US TO SEND A PRESIDENTIAL TASK FORCE TO HIS COUNTRY. I AM FULLY CONFIDENT THAT THIS WILL BE A USEFUL COLLABORATION, AND THROUGH PETER MCPHERSON, ADMINISTRATOR OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT, NOW DISPATCH THAT TASK FORCE. I ALSO HAVE THE PLEASURE OF PUBLICLY INTRODUCING THE TASK FORCE'S HEAD, DR. CLAYTON YEUTTER, PRESIDENT OF THE CHICAGO MERCANTILE EXCHANGE. THE TASK FORCE WILL BE DEPARTING FOR PERU IN LATE MARCH, A TIME SUGGESTED BY PRESIDENT BELAUNDE. THE TASK FORCE MEMBERS ARE BEING ASSEMBLED BY DR. YEUTTER AND WILL CONCENTRATE PRIMARILY ON AGRICULTURE PRODUCTIVITY AND MARKETING POLICIES WITH THE HELP OF PRESIDENT BELAUNDE'S CABINET.

DR. YEUTTER, WE WISH YOU GOD SPEED AND SUCCESS.

TR

TRADE POLICY COMMITTEE

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20506

January 29, 1982

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FO006-02

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FO009

MEMORANDUM FOR MEMBERS OF THE TRADE POLICY COMMITTEE

FROM: WILLIAM E. BROCK, CHAIRMAN

SUBJECT: Bilateral Investment Treaty Program -
A Program for Action to Meet Some of the
Investment Objectives Presented at the
Cancun Summit

As you will recall, on October 22, 1981, in Cancun, Mexico, the President made a statement at the opening of the economic summit meeting expressing the U.S interest in meeting the challenge of charting a strategic course for global economic growth and development for all nations. Specifically, he proposed having "a positive program of action for development" which included "improving the climate for private capital flows, particularly private investment." I want to advise you on certain steps being made to improve the flow of private capital investment into developing countries by way of a new bilateral investment treaty program. Although this program will extend to developing countries throughout the world, it will be an important part of the Administration's Caribbean Basin Initiative, the other elements of which we are now completing.

In this new investment initiative, we have developed a prototype bilateral investment treaty (BIT) for "The Reciprocal Encouragement and Protection of Investments." The prototype BIT will be the basis of negotiation of BITS with various developing countries.

A bilateral investment treaty serves an important symbolic function for a developing country by helping it to project an image of a favorable investment climate for U.S. investors. An attractive feature of the BIT is that it will also help to stabilize the legal environment in which U.S. foreign investors will operate in the developing countries, thus reducing some of the perceived risks of making foreign investments. An investment treaty, therefore, negotiated between the United States and a developing country will tend to enhance the flow of U.S. private investment to that developing country.

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BY db NARA DATE 11/18/2019

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The United States has never entered into a bilateral investment treaty. In contrast, some of our major allies, including West Germany, Japan and the United Kingdom, have negotiated a large number of these treaties in recent years. The now defunct Friendship, Commerce and Navigation Treaty (FCN) program is the closest that the United States has ever come to negotiating a BIT, inasmuch as these treaties frequently contained some provisions relating to investment similar to provisions in the prototype BIT. Although the United States is a party to some 40 FCNs, the last ones were negotiated back in the early to mid-1960's.

The following are the key elements of the prototype BIT:

1. National or MFN treatment (whichever is more favorable) for new and existing investments, including provisions for national treatment for associated activities (e.g., establishment and control of branches, offices and factories, employment of professional, technical and managerial personnel regardless of nationality; the leasing of real property; and the raising of capital in local financial markets). The national treatment section of the treaty also covers the following: minimum exceptions to the principle of national treatment (for example, banking and insurance in the United States); the avoidance of the use of trade-distorting performance requirements; equal treatment for foreign-owned companies with respect to special economic advantages accorded government-owned investments; and national treatment with regard to the right of access to judicial facilities.
2. Provisions on compensation for expropriation and damages due to war.
3. Provisions for the unrestricted transferability of capital and earnings.
4. Provisions for the settlement of disputes between a company of one party and the other party, including third-party arbitration.

This BIT has been undergoing interagency review for some time and just recently received its final approval by the Trade Policy Staff Committee. Negotiations on a possible BIT have begun with the governments of Egypt and Panama. In the near future, it is likely that negotiations with a number of other

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developing countries also will be initiated. The likely country prospects for BIT negotiations at this time are Uruguay, Jamaica, Barbados, Zimbabwe, Nigeria, Malaysia, Indonesia, Kenya, Argentina and the Philippines. China is also a possibility. It is currently negotiating bilateral investment treaties with Japan, West Germany and Sweden. I also think we should explore the possibility of using a variation of our basic prototype BIT in negotiations with Japan and Canada to deal with problems we have in our investment relationship with these countries.

We are staking out a maximum position in the BIT negotiating process. We are seeking agreements on some issues (e.g., the right of establishment and performance requirements) which have not been negotiated by other countries in the past. However, we hope that we will achieve some early successes in our new BIT program. We will be working closely with the private sector and other agencies, particularly the Department of State, which will co-chair with my Office several of the negotiations. I think we have a new and important tool of our foreign economic policy, and I will report further progress in this area as we move along in the negotiating process.

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EMBASSY OF THE
UNITED STATES OF AMERICA
MEXICO

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F0006-02

OFFICE OF THE AMBASSADOR

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PR005-02

Dear Mr. President,

Please consider this a
fan letter for your performance
at Cancun.

Congratulations. And, again,
many thanks from
your obedient public servant,

Jack

(John Gavin)

26 October 1981

Original corresp. returned to Record Mgmt. 8/73

HANDWRITING FILE

MEMORANDUM

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C.F.

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Sec.3.4(b), E.O. 12958, as amended

White House Guidelines, Sept. 11, 2008

BY NARA *dr*, DATE 8/6/2019

THE WHITE HOUSE

WASHINGTON

WAS

File 206013
N-S 1120
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FG011

~~SECRET~~

March 23, 1981

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: RICHARD V. ALLEN *rv*

SUBJECT: Secretary Haig's Memo on the Vienna Preparatory Meeting for the North-South Mini-Summit (U)

Attached at Tab A is Secretary Haig's memo describing the meeting held in Vienna on March 13-15 in preparation for the North-South mini-Summit to be held in Mexico. The conditions we had stipulated for attending the mini-Summit have been met, but as Secretary Haig points out, the question of Soviet attendance has not been resolved. (S)

cc: Vice President
Ed Meese
James Baker ✓

Attachment

Memo to The President from Sec Haig
Mar 18 '81 attached

~~SECRET~~
Review 3/19/87

~~SECRET~~

DECLASSIFIED
Dept. of State
BY *dr* DATE 8/8/2019
lines, July 21, 1997

THE SECRETARY OF STATE
WASHINGTON

~~SECRET~~

March 18, 1981

MEMORANDUM FOR: THE PRESIDENT
From: Alexander M. Haig, Jr. *AMH*
Subject: Results of Preparatory Meeting for
North/South Summit Held in Vienna
March 13-15

The eleven foreign ministers meeting in Vienna at the preparatory meeting for the North/South Summit to be held in Mexico met all of the conditions we had stipulated for U.S. attendance including: (a) Summit postponed to October 22-23; (b) Cuba was not extended an invitation; (c) meeting to be informal exchange of views, and (d) no decisions to be taken.

Further detail on each of these major issues follows:

1. Timing: While some developing countries continued to express apprehensions over postponing the North/South Summit until after the Ottawa Summit, it was generally felt that U.S. participation was sufficiently important to merit holding the meeting later in the year and the timing, therefore, was easily resolved.

2. Participants: Invitations will be extended to eight developed and twelve developing countries (four from each region) plus Yugoslavia and China.* There will be no observers with the possible exception of U.N. Secretary General Waldheim. Delegations will be limited to three: heads of state, foreign minister, and one other official. There was reportedly no serious attempt, even by the Mexicans, to push for Cuban participation; apparently the Cubans themselves decided that they stood no chance and their foreign minister did not show up in Vienna as originally planned.

		<u>Asia</u>	<u>Africa</u>	<u>Latin America</u>
*Britain	Austria	Saudi Arabia	Algeria	Venezuela
Canada	Sweden	India	Nigeria	Brazil
France		Philippines	Tanzania	Mexico
Japan		Bangladesh	Ivory Coast	Guyana
FRG	Yugoslavia			
US	China			

~~SECRET~~

Unfortunately, the Canadians did not succeed in preventing further efforts to involve the USSR. The Germans and French argued that the Soviets must be invited both to offset criticism from some quarters in the developing country group and to demonstrate that the USSR has responsibilities to the South. Austrians and Germans have been commissioned to determine whether the Soviets wish to receive an invitation -- Genscher is expected to raise the matter with the Soviets during his late March visit to Moscow. Few believe the Soviets will accept an invitation based on past reluctance to be involved in such exercises. In order to maintain uniformity, invitations will not be issued until April, following consultations with the USSR.

3. Substance. A preparatory meeting is anticipated for all foreign ministers the first week of August to determine agenda, format, and outcome. The Mexican foreign minister mentioned raw materials and international trade, energy, food and agricultural production, and international financial and monetary matters as possible subjects. The Swedes added population/resources. This group of eleven held to its earlier line that the Summit should be political in character, non-negotiating in form, and informal in nature. The chairman, presumably Lopez-Portillo, will give a press conference at the end summing up the discussions on his own responsibility.

As you indicated in your conversation with Lopez-Portillo, it is expected that one of the results of your meeting in late April will be a formal announcement of U.S. participation.



U.S. National Archives & Records Administration

Current Status Details for CTRH RECID: 206045 MAIN SUBCODE: F0006-02

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User Name	dbarrie
Status Date	2019-11-18
Case Number	F16-011
Notes	1 p. Transferred to CO104

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No.	Status	Date	User	Case Number	Notes
1	Open	2019-11-18	dbarrie	F16-011	1 p. Transferred to CO104