

Ronald Reagan Presidential Library  
Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**WHORM Subject File Code:** FO006-01  
(Foreign Affairs: Economic Summit, Ottawa,  
Canada, 07/19/1981-07/20/1981)  
**Case file Number(s):** 035823 (9 of 10)  
**Box:** 14

---

To see more digitized collections visit:

<https://www.reaganlibrary.gov/archives/digitized-textual-material>

To see all Ronald Reagan Presidential Library inventories visit:

<https://www.reaganlibrary.gov/archives/white-house-inventories>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

Citation Guidelines: <https://reaganlibrary.gov/archives/research-support/citation-guide>

National Archives Catalogue: <https://catalog.archives.gov/>

**NORTH-SOUTH**

~~CONFIDENTIAL~~

BULLET PAPER ON NORTH-SOUTH

-- We must recognize the serious problems faced by the developing countries and the importance of their development to our economic, humanitarian, political and security interests.

-- The restoration of growth, containment of inflation, and maintenance of open markets in our own countries are among the most important contributions we can make to developing countries.

-- We remain committed to supporting the development efforts of the LDCs and intend to honor our international aid commitments.

-- Our aid policies should support efforts to overcome the key development problems of food production, population growth and energy.

-- The developing countries need to make a greater effort to adopt rational economic policies and provide a favorable investment climate.

-- The US has doubts about the utility of global negotiations. We would like to hear the views of other Summit countries. We prefer to postpone any decision on global negotiations until after the Cancun Summit which should provide additional perspectives on the issue.

-- We need to work closely with the Ottawa Summit countries to assure the Cancun meeting is a constructive dialogue, but that it does not result in new commitments.

DECLASSIFIED  
Authority F97-0662/11# 13769 <sup>045</sup> 6/3/04  
BY dlw NARA DATE 11/5/2015

~~CONFIDENTIAL~~

GDS 6/19/87

BULLET PAPER ON NORTH-SOUTH

Drafted: EB/IFD/ODF:JSMonier  
110B08 Ext 20640 6/19/81

Clearances: NSC:HNau (Comments on Draft Incorporated)  
Treasury:LMitchell (Comments on Draft Incorporated)  
AID:KJay (Comments on Draft Incorporated)  
EB:RGold (Draft)  
EB/IFD/ODF:AABasora  
EB/IFD:EGConstable  
EB/OT/GCP:JBay  
EB/SEN:ELollis (Comments not Received by Deadline)  
IO/E:KYalowitz (Comments on Draft Incorporated)

~~CONFIDENTIAL~~

TALKING POINTS FOR NORTH-SOUTH ISSUES

-- ECONOMIC GROWTH AND DEVELOPMENT ARE TWO OF THE MOST IMPORTANT CHALLENGES WE FACE. WE MUST SIMULTANEOUSLY REBUILD THE PRODUCTIVE BASE OF THE INDUSTRIAL ECONOMIES AND PROVIDE THE NECESSARY CONCESSIONAL AID TO ASSIST THE POORER COUNTRIES.

-- ONE OF THE BEST THINGS WE CAN DO FOR DEVELOPING COUNTRIES IS TO GET OUR OWN HOUSE IN ORDER. ECONOMIC RECOVERY BENEFITS DEVELOPING COUNTRIES BY LOWERING INFLATION AND THE COST OF OUR EXPORTS TO THEM AND BY EXPANDING OUR MARKETS AND THEIR EXPORTS TO US.

-- INDUSTRIAL COUNTRIES SHOULD MAINTAIN AND EXPAND ACCESS TO THEIR MARKETS FOR LDC PRODUCTS AND BORROWING REQUIREMENTS. THE UNITED STATES ABSORBED SOME 50 PERCENT OF LDC MANUFACTURING EXPORTS IN 1980 AND PROVIDED SOME 40 PERCENT OF LDC LOANS IN THE SAME YEAR.

-- OUR OWN ASSISTANCE PROGRAM WILL CONTINUE TO EMPHASIZE FOOD PRODUCTION, ENERGY AND POPULATION GROWTH AS THE KEY DEVELOPMENT PROBLEMS THAT MUST BE ADDRESSED. WE WOULD HOPE OTHER DONORS WOULD INCREASE EFFORTS IN THESE AREAS, ESPECIALLY POPULATION.

-- A REALISTIC APPROACH TO DEVELOPMENT RECOGNIZES THE DIVERSITY OF DEVELOPING COUNTRIES, THE CRITICAL ROLE OF LOCAL POLICIES, AND THE IMPORTANCE OF EXPANDING TRADE, INVESTMENT AND FINANCIAL OPPORTUNITIES FOR LDCS AS A COMPLEMENT TO OFFICIAL AID AND AS AN INCENTIVE TO ALL COUNTRIES, INCLUDING THE POOR, TO PARTICIPATE IN THE INTERNATIONAL ECONOMIC SYSTEM.

~~CONFIDENTIAL~~  
CPS-6/19/87

DECLASSIFIED

Authority F97-066/1171 05.6/3/88  
W. Dr. AIRBORNE 11/5/1988

~~CONFIDENTIAL~~

-2-

-- DEVELOPING COUNTRIES SHOULD CREATE THE PROPER ENVIRONMENT FOR PRODUCTIVE ACTIVITIES THROUGH RATIONAL PRICING AND INVESTMENT POLICIES. IMF AND WORLD BANK SHOULD WORK CLOSELY WITH DEVELOPING COUNTRIES TO ESTABLISH SOUND CONDITIONS FOR DEVELOPMENT.

-- WE ARE SKEPTICAL ABOUT THE UTILITY OF GLOBAL NEGOTIATIONS AND WANT TO POSTPONE A DECISION ON RESUMING PREPARATIONS UNTIL AFTER CANCUN.

-- A COOPERATIVE APPROACH AMONG THE OTTAWA SUMMIT COUNTRIES IS THE BEST BASIS FOR ASSURING A CONSTRUCTIVE ATTITUDE AND ACCEPTABLE OUTCOME FOR THE CANCUN SUMMIT.

~~CONFIDENTIAL~~

TALKING POINTS ON NORTH-SOUTH

Drafted: EB/IFD/ODF:JSMonier:kr  
Ext. 20640 6/19/81

Clearances: NSC:HNau (Comments on Draft Incorporated)  
Treasury:LMitchell (Comments on Draft Incorporated)  
AID:KJay (Comments on Draft Incorporated)  
EB:RGold (Draft)  
EB/IFD/ODF:AABasora  
EB/IFD:EGConstable  
EB/OT/GCP:JBay  
EB/SEN:ELollis (Comments not Received by Deadline)  
IO/E:KYalowitz (Comments on Draft Incorporated)

~~CONFIDENTIAL~~

Background

The Venice Summit instructed the personal representatives to review and report to the next (Ottawa) Summit on aid policies and procedures and other contributions to the developing countries. The resulting paper focused on political aspects of relations with developing countries (LDCs):

-- whether and how to exploit LDC dissatisfaction with the Soviet Union after Afghanistan;

-- how to recycle OPEC money into development, especially energy, programs for LDCs;

-- the need for a political commitment to increase official development assistance (ODA);

-- the need for a new global dialogue between industrial countries and LDCs.

Early drafts adopted a mea culpa approach bemoaning the inability of Summit countries to "do more" for LDCs in terms of aid for developing countries or restructuring the international economic system. In the preparatory discussions, the United States emphasized a more realistic approach, starting from the serious economic problems in both industrial and developing countries and stressing the substantial role of private sector trade, investment and finance as a complement to official aid. The paper now reflects a general consensus on the relationship of growth and aid and the need to concentrate bilateral aid on food, energy, population and manpower, training; it also contains, however, continuing disagreements on specific issues, such as launching of global negotiations in New York and the endorsement of an expanded World Bank lending programs for energy development.

US Objectives

-- To project US concern for the economic well-being of all countries and especially for the poorer ones.

-- To make clear that a revitalization of the productive base of the world economy is necessary to continue to expand the role of public aid and institutions in development.

-- To convince others that our aid efforts should focus on the key development problems of food production, population growth and energy.

~~CONFIDENTIAL~~

DECLASSIFIED

cas 6/3/06  
#13165  
DATE 11/5/2019



~~CONFIDENTIAL~~

-- To stress that the principal responsibility for development lies in sound domestic economic policies in LDCs as well as industrial countries.

-- To note the importance and encourage the role of private trade, investment and finance in development.

-- To stress that freedom from outside intervention is the right of every sovereign state and a requirement for political stability and economic progress.

-- To postpone a decision on global negotiations and urge a serious approach to any global dialogue with LDCs based on close cooperation among the industrial countries to influence the objectives and agenda of this dialogue.

### Discussions of Issues

Discussions of aid policies and other relations with LDCs have focused in the past on aid, the role of global institutional reform, and the adverse impact of defense expenditures and security assistance in LDCs (all points stressed by the Brandt Commission report).

Other Summit participants will be pushing for new commitments on aid. We should avoid commitments but note that despite our budgetary constraints, our proposed FY 82 program is 16% higher than FY 81. Food production, population and energy are the key problems addressed in our assistance programs. We hope others will increase efforts in these areas. We attach importance to institutional development and technology transfer and adaptation.

The US believes that while aid remains a vital factor for many of the poor countries, more attention should be given to non-aid measures. Trade, investment and financial flows are many times the magnitude of official aid flows. In 1980 non-oil LDCs exported \$90 billion worth of manufactured goods, earning four times the amount of official aid in that year. Investment flows are still the most efficient means of transfer of technology and management training to LDCs. And commercial banks supplied \$37 billion of loans to LDCs in 1979 or nearly twice the level of official aid flows. The US makes substantial contributions in all of these areas, even though it compares poorly with other donors in terms of aid as a percentage of GNP. The US also contributes on pursuing growth-oriented non-inflationary domestic policies which lower the costs of US exports to LDCs and expand opportunities for LDC exports to the US.

The Canadian paper concludes that global negotiations to restructure the world economy are necessary and unavoidable. The US doubts that any gains can be made through such negotiations and is concerned that these negotiations

~~CONFIDENTIAL~~

could affect adversely specialized institutions such as the IMF and GATT. The US seeks to postpone further consideration of Global Negotiations until after the Cancun Summit, which offers an opportunity to develop a fresh perspective on relations with LDCs. To achieve the best outcome at Cancun, the US seeks close cooperation with the other Ottawa Summit countries to shape the objectives and agenda for discussions.

The US believes that meeting the security needs of LDCs contributes to development in two important ways: it enhances the prospect of domestic-political stability and it frees resources for economic development. By making a substantial contribution to the security of LDCs, the US makes it possible for other Summit countries to concentrate more on economic assistance.

#### Other Leaders Objectives/Views

Other Summit countries see themselves as far more dependent on LDCs for energy, resources and markets than the US; they are therefore more accommodating to the LDCs and favor global negotiations for political reasons with no intention to follow through on substantial issues.

Other Summit countries feel that the new US Administration is indifferent to LDCs and is imposing East-West criteria on North-South relations. They criticize US military assistance and US policy directions to South Africa, Central America, and the Middle East.

Canadian Prime Minister Trudeau is strongly sympathetic to LDC aspirations, as well as committed to a "successful" Ottawa Summit. Trudeau can build prestige both domestically and internationally if he can win concessions from the US, such as agreement to resume preparations for Global Negotiations.

French President Mitterand may seek to establish his leftist credentials internationally by taking progressive positions on North-South issues at the Summit, but he will also need to demonstrate his ability to deal constructively with other major Western countries, including the US.

Support for US positions, especially on Global Negotiations, has come from the UK and Germany in the past. German positions, however, have recently become more accommodating of LDC demands and the UK is constrained in its support of the US by its participation in the EC of which it will be President from July through December.

Cooperative approaches to Cancun should be welcome to all participants, except Italy. Italy can be expected to complain bitterly as the only Ottawa Summit country not invited to Cancun.

BRIEFER ON NORTH-SOUTH ISSUES

Drafted: EB/IFD/ODF:JSMonier:mw  
110B04 Ext. 20640 9/19/81

Clearances: NSC:HNau (Comments on Draft Incorporated)  
Treasury:LMitchell (Comments on Draft Incorporated)  
AID:KJay (Comments on Draft Incorporated)  
EB:RGold (Draft)  
EB/IFD/ODF:AABasora  
EB/IFD:EGConstable  
EB/OT/GCP:JBay  
EB/SEN:ELollis (Comments not Received by Deadline)  
IO/E:KYalowitz (Comments on Draft Incorporated)

## Development Assistance Policy

U.S. development assistance aims at promoting U.S. economic, humanitarian, political, and security interests in the developing world through the stimulation of equitable economic growth and development.

The economic policy framework of the LDCs is critical to the success or failure of the development process in the developing country. The U.S. will be placing emphasis within all of its assistance programs on promoting through policy dialogue, more effective LDC policy.

The U.S. remains committed to assisting countries in addressing the basic human needs (BHN) of their people. Greater recognition, however, needs to be given to the role of increased economic growth in achieving these ends.

Worldwide problems of food, population and energy have major implications for both developed and developing countries and are the centerpiece of the U.S. bilateral assistance programs. Over the next few months we will be developing new approaches which will utilize more effectively the resources of the U.S. private and scientific community in order to address these problems. The U.S. will continue to encourage other donors to increase their emphasis on these problems.

Institutional development and technology transfer and adaptation play a particularly important role in increasing the long-run human and physical productivity of the country. AID intends to increase its attention to programs in this area.

The private sector has an extremely and often unique role to play in the development process. The U.S. is looking for innovative approaches in which U.S. assistance programs can stimulate private sector activity in LDCs and to facilitate U.S. private sector participation in LDC development.

The U.S. believes that increasing the effectiveness of assistance flows is important to increase its developmental impact; an objective of particular concern in this period of budgetary constraints. Improved coordination with other donors to achieve common development objectives represents an important element in that effort.

Both bilateral and multilateral assistance are useful in promoting U.S. foreign policy efforts in the developing world. The overall U.S. posture toward the MDBs and the appropriate degree of emphasis to bilateral and multilateral assistance is currently under review within the U.S. Government.

~~CONFIDENTIAL~~

GLOBAL NEGOTIATIONS

In December 1979, the US joined in the consensus adopting a 34th UNGA resolution calling for "... a round of global and sustained negotiations on international economic cooperation for development ...". However, we made clear in a statement we would join GN's only if procedures and agenda could be agreed. The purpose of Global Negotiations (GNs) is to create a central forum within the UN system for the consideration of major international economic issues such as raw materials, energy, trade, finance and development. Although the procedures and agenda to be used in conducting GNs have been actively negotiated in New York, it has not been possible to reach agreement.

The basic controversy has involved differing conceptions of the nature of GNs. The US and many other industrialized countries see GNs as a central forum for discussing major issues, with real negotiations being carried out in the specialized bodies within the UN system such as the IMF or GATT, for all of those issues for which such bodies exist. The central forum would only collate and ratify the results of these negotiations. On the other hand, most of the developing countries insist that the central forum should have the power to direct or even renegotiate the results of work in the specialized bodies. Thus, in our view, the major issue has been protecting the authority and responsibility of the specialized bodies.

Although the procedures text, as it now stands, provides for agreement by consensus in the central forum on "all important matters," we believe that this requirement alone would not preclude negotiations in the central forum or provide adequate protection for the specialized bodies. We have become increasingly skeptical that anything of economic value would emerge from GN's. However, assuming that our procedural and agenda points are met, we may be obliged to participate due to possibly overriding political considerations.

At the UNGA Meeting of the Whole in New York on May 5, the US proposed that preparations for GNs be deferred at least until the 36th UNGA Regular Session this fall and after other scheduled intervening meetings including the economic summits at Ottawa and Cancun (October 22-23). All other countries would have been willing to resume preparations immediately as sought by UNGA President von Wechmar (FRG), although several recognized that further meetings would be pointless without US participation. Neither summit is scheduled to discuss GNs formally, but it is probable that the Canadian, French or other delegates will raise this issue at Ottawa and the subject is almost certain to come up at Cancun. At some point, the current 35th UNGA must be reconvened to defer GNs formally to the 36th UNGA. We would like to have this deferral handled as quickly and quietly as possible.

DECLASSIFIED

Authority

*Note Waiver*

BY

*db*

NAVA DATE

*11/5/2017*

~~CONFIDENTIAL~~

GLOBAL NEGOTIATIONS

Drafted: IO/E:SAKeller  
6/17/81 ext. 21655

Clearance: IO: MVCreekmore  
IO/E: KYalowitz  
EB/SEN: ELoellis  
Treasury: JWaller

~~CONFIDENTIAL~~

THE CANCUN SUMMIT

President Reagan will attend a summit on economic cooperation and development in Cancun, Mexico, October 22-23. There will be twenty-one other participants,\* including all Ottawa summit participants except Italy. The USSR declined to attend, and Cuba was not invited at US suggestion.

The eleven co-sponsoring governments have promised that the Summit will be open and informal, with no agenda and no communique, although as host Lopez Portillo may summarize suggestions which "emerge." All Ottawa participants should agree that this format be preserved and that there be no structured preparation such as papers and prior meetings of personal representatives. This agreement would be followed by foreign ministers on August 1-2 at the only preparatory meeting for Cancun.

The U.S. views the Cancun summit as a useful opportunity to meet with most of the more significant heads of government for an exchange of views on global economic problems. The U.S. will want to discuss energy, food, trade, population, and global ecology problems. Other participants will have other problems to suggest.

Such a discussion should be more beneficial than the political dialogue in the U.N. which, for 18 months, has focused on procedures and agenda for the proposed "global negotiations" on all major international economic problems (See separate paper).

Except for the U.S. and the U.K., the Ottawa countries view Cancun and global negotiations as politically necessary parts of a multilateral dialogue among economically interdependent nations. They believe that such a dialogue creates a better atmosphere in which to carry out their bilateral and regional objectives. They would like to include the U.S. in a general endorsement of global negotiations so this will no longer be an issue during the Cancun summit. Prime Minister Trudeau would like to take credit for thus having "settled" the issue in Ottawa.

The United Kingdom shares US views on Cancun and global negotiations. However, the U.K. will chair the EC from July 1 to December 31 and therefore may temper its public support to accommodate the other EC members.

\*Algeria, Austria, Bangladesh, Brazil, Canada, China, France, FRG, Guyana, India, Ivory Coast, Japan, Mexico, Nigeria, Philippines, Saudi Arabia, Sweden, Tanzania, UK, Venezuela, and Yugoslavia (co-sponsors underlined).

~~CONFIDENTIAL~~  
GDS 6/19/87

DECLASSIFIED  
Authority State Waiver  
BY db 1/15/2019

THE CANCUN SUMMIT

Drafted by: EB/SEN:CFMeissner;EWLollis  
Ext. 24040, 6/19/81

Clearances: E:JFox(subst.)  
IO/E:SKeller(subst.)  
EB/IFD/ODF:BMcMullen(subst.)



## UN CONFERENCE ON THE LEAST DEVELOPED COUNTRIES

In June 1979 UNCTAD V in Manila adopted a comprehensive and far-reaching Resolution 122 (V) on the problems of the thirty least developed countries (LLDCs). This calls for an Immediate Action Program for 1979-1981 to accelerate the pace of external assistance and to address special bottlenecks to development and a Substantial New Program of Action for the 1980's to transform the economies of the LLDCs so that they can pursue self-sustained development.

In addition the resolution recommended and the General Assembly has approved convening a UN conference on the least developed countries in 1981 in order to "adopt and support" the Substantial New Program of Action for the 1980's. The Conference will take place September 1-14, 1981, in Paris.

The US has participated in previous preparatory meetings for the Conference and will participate in the third preparatory committee meeting scheduled for June 29 - July 10 in Geneva. This meeting will establish the agenda for the Conference. The US also has participated in a series of country review meetings between individual countries and their donors which were organized on a regional basis and began in March 1981. Currently there are thirty-one least developed countries primarily in Africa (21) and Asia and the Near East (9); the only Latin American country is Haiti. These countries received 12.1 percent of official development bilateral assistance in 1980.

The main issues at the Conference are expected to be the content of the Substantial New Program for the 1980's and follow-up to the Conference. Some form of institutionalized follow up appears likely, probably along the lines of the country review meetings. The UNCTAD Secretariat is seeking new additional financial commitments from donor countries and multilateral institutions and preferential trade concessions for these countries to support the Substantial New Program of Action. The Secretariat clearly desires a major role for itself in the follow-up. The US generally opposes these initiatives and is coordinating our position with other OECD member countries.

UN Conference on the Least Developed Countries

IO/E:SWhitmer <sup>Sw</sup>  
21564 6/17/81  
0630A

Clearances:

IO/E:KYalowitz  
EB/ODF:ABMcMullen  
AID/PPC/IA:N Mosher  
TR/O/ASIA/IDP:LMitchell  
IO:MVCreekmore

} KY

# WITHDRAWAL SHEET

Ronald Reagan Library

*Collection Name*

WHITE HOUSE OFFICE OF RECORDS MANAGEMENT  
(WHORM): SUBJECT FILE

*Withdrawer*

DLB 11/21/2019

*File Folder*

FO006-01 (035823) (9 OF 10)

*FOIA*

F16-011

BIERGANNNS

*Box Number*

89

---

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
243758	REPORT  NORTH SOUTH ISSUES	19	ND	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]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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