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WITHDRAWAL SHEET

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File Folder FO006-02 (018874) (6 OF 19)

FOIA

F16-011

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66

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
243578	MEMO	ALEXANDER HAIG TO THE PRESIDENT, RE: BILATERAL MEETING WITH JAPANESE PRIME MINISTER SUZUKI AT CANCUN, DRAFT	2	ND	B1
243579	MEMO	ALEXANDER HAIG TO THE PRESIDENT, RE: MEETING WITH ALHAJI SHEHU SHAGARI, PRESIDENT OF THE FEDERAL REPUBLIC OF NIGERIA, OCTOBER 21-23, 1981, DRAFT	4	ND	B1
243580	PAPER	PHILIPPINES	1	ND	B1
243581	MEMO	ALEXANDER HAIG TO THE PRESIDENT, RE: MEETING WITH SWEDISH PRIME MINISTER FALLDIN AT THE CANCUN SUMMIT, DRAFT	2	ND	B1

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

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IVORY COAST

DRAFT

THE SECRETARY OF STATE
WASHINGTON

Master

MEMORANDUM FOR: The President

From: Alexander Haig

Subject: *Meeting with*
~~Visit of~~ Felix Houphouet-Boigny
President of the Republic of Ivory
Coast, October 21-23, 1981

I. SETTING

Bilateral relations between the United States and the Ivory Coast are excellent. President Houphouet-Boigny (ooFWET-bwahnYEE), leader of his country since independence from France in 1960, is a moderate, pro-West, and unabashedly anti-Communist elder statesman. President Houphouet's government has been strongly supportive of our foreign policy efforts in many areas, and is vocally opposed to Libyan adventurism. Unlike many of his African neighbors, Houphouet chose a free market economy and solicited massive European capital investment after independence. The choice has paid off; the country has prospered and continues to attract foreign (including American) investment. Despite some recent gloomy economic predictions, owing primarily to the decline of world cocoa prices (Ivory Coast is the world's largest cocoa producer) and a growing debt service burden, Ivory Coast has the highest standard of living in West Africa, and its recent entry into the oil production field bodes well for the future.

Houphouet welcomed your election as he believes the United States has been naive in the past concerning Soviet and Libyan intentions in Africa. He has also been unhappy at the United States response to a commodity price for cocoa. Last year both the United States and Ivory Coast declined to join in a new International Cocoa Agreement--but for different reasons. We found the agreement to be economically unsound and financially unviable; the Ivorians objected to the failure of the pact to set a high enough support price for the commodity. President Houphouet will be outspoken on the commodities issue, and, as the designated African spokesman on the subject, will urge the United States to focus less on economic arguments and more on the political question of whether industrialized nations will commit more of their economic resources to Third World development efforts.

II. OBJECTIVES

Develop a personal relationship with President Houphouet and emphasize the positive US program for addressing the problems of developing countries.

Explain how we see the Summit arriving at a successful conclusion, including how we would handle the problems of developing countries.

Indicate that we are committed to a Namibia settlement in 1982 and will need the support of moderate African states to attain that goal.

Express appreciation of the importance Ivory Coast attaches to international cocoa and coffee pricing.

Reaffirm our appreciation of the moderate and pro-Western stances of the Ivorian government in international fora.

III. ISSUES

1. First Issue. Develop a personal relationship with President Houphouet and emphasize the positive US program for addressing the problems of developing countries.

Since our strategy for the Summit emphasizes functional, regional, and bilateral contracts over multi-lateral political participation, we need to impress President Houphouet with our sensitivity to the economic development problems of developing countries and to develop a useful relationship. The US has a positive record of support, and--as outlined in your speech in mid-October--your Administration has a substantive program which integrates trade, investment, and international cooperation (especially in the areas of energy, food, and assistance for poor countries) and advocates an international effort toward a "new era of growth." Our objective is to search for a genuine solution to the problem of development and to avoid North vs. South polarization which too frequently has occurred in the past.

2. Second Issue. Explain how we see the Summit arriving at a successful conclusion, including how we could handle the issue of Global Negotiations (GNs) in the UN General Assembly (UNGA) and a possible follow-on to the Summit.

Ivory Coast believes that the Summit will ~~not be~~ successful unless the US makes a firm political commitment to the economic prosperity of the Third World. We believe

that the informal exchange of views in themselves will be extremely valuable and that the two co-chairmen will have ample opportunity to proclaim a large measure of agreement on broad principles (interdependence, open trade, importance of food and energy problems), despite the lack of specific arrangements.

3. Third Issue. To indicate that we are committed to a Namibia settlement in 1982 and will need the support of moderate African states to attain that goal.

The next phase of the Namibia negotiation will require a major effort by the Contract Group to enlist the support of the Front Line States plus Nigeria for our revised settlement plan. In this regard, a CG delegation including Assistant Secretary Chester A. Crocker will tour the Front Line States plus Nigeria, South Africa, and Namibia in late October. We will be attempting to get a commitment of the Africans to the process we are proposing, as well as to get their support for our draft constitutional principles for Namibia. The Ivorians are a potentially helpful element in the African equation on Namibia and their support would be useful in reaching our goal of a Namibia settlement in 1982 with simultaneous withdrawal of Cuban troops from Angola.

4. Fourth Issue. International Commodity Agreements.

A basic philosophical difference exists between the US and Ivorian views of international commodity agreements. While we examine commodity pricing purely from an economic point of view, Houphouet's view is political, and interlinks North-South and East-West issues. He feels the greatest danger to the West in the Third World is not direct Soviet military intervention, but the failure of the West to do enough to reduce the economic misery that predisposes people to try communism in desperation. He believes that political and developmental concerns should outweigh economic market considerations in North-South matters.

5. Fifth Issue. Ivorian Support on International Matters

Ivory Coast generally supports US positions on international matters, although not outspokenly. The latest example is its recent vote in committee against the most objectionable paragraph of the Committee of 24 Resolution on Puerto Rico. It also supported condemnation of the Soviet invasion of Afghanistan.

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JAPAN

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Background

Japan has continued to experience a respectable real economic growth rate of 4.8% (est. 1981), due in large part to continuing export growth and success in keeping inflation down to a level of 5%. Nonetheless, the GOJ is much concerned about the high level of deficit financing that has characterized recent budgets (30-40%), and Prime Minister Suzuki has placed great emphasis on an "administrative reform" program now before the Diet to cut back government spending. He seems to have good support for its passage, which should give a boost to his political standing. Japan is committed to double its official development assistance over the next five years, and will probably meet its goal. This is, however, far less than the 0.7% of GNP demanded by the LDCs. The GOJ has continued to give heavy emphasis on aid to strategically located countries such as Turkey, Pakistan, Thailand, and Egypt. In its approach to Global Negotiations, the Japanese seem a bit cynical, inasmuch as they want no more than ourselves to threaten existing international institutions, but are prepared to sound forthcoming in order to avoid confrontation with the LDCs.

Questions

-- WE HAVE WORKED SUCCESSFULLY TO RESIST PROTECTIONIST MEASURES, BUT THE LARGE IMBALANCE IN OUR BILATERAL TRADE REMAINS WORRISOME. WHAT DO YOU THINK THE PROSPECTS ARE FOR STEPPING UP IMPORTS THROUGH IMPORT STIMULATION PROGRAMS AND REVIVED DOMESTIC ECONOMIC DEMAND?

-- I AM PLEASED TO SEE THAT DEVELOPMENT ASSISTANCE, LIKE DEFENSE, IS AN EXCEPTION TO THE NO-GROWTH GUIDELINES FOR JAPAN'S 1982 BUDGET. WHAT DO YOU THINK THE PROSPECTS ARE FOR SUSTAINED GROWTH IN DEVELOPMENT AID?

-- I UNDERSTAND WE FACE SOME OF THE SAME PROBLEMS IN DEALING WITH OUR RESPECTIVE BUDGETS: HOW TO CUT BACK GOVERNMENT SPENDING AND HOW TO REDUCE OUR MOUNTING BUDGET DEFICITS. PERHAPS YOU CAN GIVE ME SOME POINTERS. SERIOUSLY, WHAT DO YOU THINK THE PROSPECTS ARE FOR GETTING YOUR ADMINISTRATIVE REFORM PROGRAM AND BUDGET THROUGH WITHOUT MAJOR CHANGES?

MEXICO

~~CONFIDENTIAL~~

DRAFT

THE SECRETARY OF STATE
WASHINGTON

MEMORANDUM FOR: The President
FROM: Alexander M. Haig, Jr.
SUBJECT: Your Meeting with Mexican President
Lopez Portillo at Cancun

I. SETTING

You and President Lopez Portillo will be seeking to build upon the warm, personal relationship you have established. We are anxious to preserve this atmosphere even in the face of probable differences over North-South issues. Lopez Portillo has just named as his successor Planning Secretary Miguel de la Madrid, a respected administrator with whom we should be able to work well. Cancun is the high point of the Lopez Portillo presidency. He will play to the LDC's, but we assume he will strive to avoid any serious split to ensure a successful meeting. You should review our position on free trade, private investment and sound domestic policies and our expectation that the conference will allow for an open exchange of views. Elections in El Salvador should be raised and Mexico's willingness to cooperate with us more accurately assessed. Progress on the Caribbean Basin Initiative is an important regional issue to discuss.

I will visit Mexico between Cancun and the end of 1981 and have the opportunity to follow up on these issues.

II. OBJECTIVES

To congratulate Lopez Portillo on his leadership and to note our expectation that the meeting will enhance our bilateral relationship.

To seek his assurances the conference will permit a free exchange of ideas, and to present our own positions on major development issues.

To assess Mexico's willingness to collaborate with us in encouraging the Salvadoran left to participate in elections.

~~CONFIDENTIAL~~

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To encourage continued, strong Mexican support for the Caribbean Basin Initiative.

To note satisfaction with the recent trade talks.

III. ISSUES

1. Cancun - North-South Dialogue

Lopez Portillo is anxious that the conference be viewed as a success, encouraging cooperation and enhancing prospects for Global Negotiations. You will want to emphasize our understanding that the conference will permit an open, non-contentious exchange of views.

Secretary Baldrige and Ambassador Brock last month in Mexico City both emphasized our commitment to a more open trading environment. Mexico is a major beneficiary of our open trading regime and GSP. It has a strong private sector with an important role for foreign investment. Lopez Portillo is known for his 1979 "World Energy Plan" calling for international coordination and integration of energy policies but he is not expected to raise the Plan itself which has been criticized by OPEC states as focused too narrowly. He is especially concerned about the impact of excessive population growth on economic development.

2. El Salvador

Duarte's election initiative and the negative Latin American response to the French/Mexican declaration recognizing the left as a "representative political force" temporarily put the FDR/FMLN on the defensive. But there are growing pressures to bring the two Salvadoran factions to the negotiating table. The Salvadorans have told us that Lopez Portillo has invited Duarte to Mexico sometime after Cancun and that they believe the Mexicans would be disposed to assist in a political dialogue leading to elections. We don't know if the trip will occur. To keep the Salvadoran government on the offensive on the elections issue and to engage the Mexicans in a positive way we should seek to determine from Lopez Portillo how far Mexico might be willing to collaborate with us in gaining Ungo's agreement to participate in the 1982 elections.

At Grand Rapids Lopez Portillo indicated a willingness to contemplate approaching Ungo on the elections question. He should be asked whether Ungo may be willing to participate in the 1982 elections. We should inform him of the Salvadoran government's position on discussions of electoral issues.

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-3-

3. Caribbean Basin Initiative

Lopez Portillo agreed we need a framework for the CBI to accelerate it and ensure constant communication. Mexico's insistence on Cuban participation in a regional meeting has complicated the task of getting the project organized but Mexico's support, grudging at times, is important in keeping the process moving forward.

Mexico refused to attend a consultative meeting with the Caribbean recipients in Santo Domingo October 7-8 because of Cuban non-attendance, but did attend major meetings in Nassau and San Jose.

Mexico is a major donor to the region (\$300 million) through the oil facility and also grants limited trade preferences to selected Central American countries. We hope Mexico will consider extending its trade preferences to the Caribbean islands.

4. Trade and Fishing

There has been some positive developments since Camp David. Secretary Baldrige and USTR Brock co-chaired the first US-Mexico Trade Commission meeting in September. There were no major breakthroughs. We discussed our major trade problems in a forthcoming manner and devised an extensive work program.

Exploratory fisheries talks were resumed in Mexico City October 5-6 with little progress.

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NIGERIA

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243579	MEMO ALEXANDER HAIG TO THE PRESIDENT, RE: MEETING WITH ALHAJI SHEHU SHAGARI, PRESIDENT OF THE FEDERAL REPUBLIC OF NIGERIA, OCTOBER 21-23, 1981, DRAFT	4	ND	B1

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THE PHILIPPINES

DRAFT

THE SECRETARY OF STATE
WASHINGTON

~~CONFIDENTIAL~~

MEMORANDUM FOR: THE PRESIDENT
FROM: Alexander M. Haig, Jr.
SUBJECT: Cancun Meeting with President Marcos

I. THE SETTING

Host to major U.S. air and naval facilities which enable us to project our power into Southeast and Southwest Asia, the Philippines is a key strategic ally. Our relations are excellent. President Marcos, in power 16 years, still has no significant opposition. Although he has good short-term prospects, demonstrated when he lifted martial law last January, the longer term is more difficult. The economy, hurt by high energy costs and depressed exports, is sluggish. Insurgency problems persist, and recent reports suggest that the weakened economy and military abuses are contributing to Communist growth. The Philippines has no imminent external threat, but it is greatly concerned at Soviet expansion in the area, and that of Vietnam, which occupies several disputed islands off the Philippines.

Marcos will want to use the meeting--his first with a U.S. President since 1975--to strengthen ties with you, and to demonstrate publicly our close relations. We think he will emphasize the positive features of our relationship and avoid contention. He will presumably make the economic arguments of a developing country, but we anticipate that they will not be the focus of the meeting and that he will make them in the supportive fashion of an ally and spokesman, at Cancun, for the ASEAN nations.

II. OBJECTIVES

Emphasize U.S. measures to help LDCs and explain how we see the Summit concluding successfully.

Express pleasure at the excellent state of relations between our two countries.

Indicate support for Marcos' start in normalizing the Philippine political process.

Reiterate the invitation to visit the U.S. extended to Marcos in Manila in June.

Assure Marcos you intend to send an Ambassador to the Philippines before too long.

~~CONFIDENTIAL~~

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III. ISSUES

1. Economic Concerns

Marcos is generally supportive of the U.S. but he is concerned our efforts may be inadequate. The Philippines' sluggish economy and heavy external debt problem recently led the Prime Minister to criticize the decline of IMF financing and industrial country policies which worsen development prospects. Marcos hopes the Summit will lead ultimately to concrete decisions helpful to developing countries. Emphasize the U.S. effort to assist the LDCs through its program integrating trade and investment and our advocacy of an international effort toward a "new era of growth." Explain how we see the Summit arriving at a successful conclusion, including how we handle the issue of Global Negotiations in the UN and a possible follow-on to the Summit.

2. State of Relations

Relations are excellent. The Military Bases Agreement, amended in 1979 and to be reviewed in 1983, is working well. We recently concluded negotiations on an extradition treaty and changed our voting policy on Philippine loans in international financial institutions as signs of our desire for friendly relations. Marcos will look for reassurances of your personal and official friendship. We should provide them, as well expressing satisfaction at our excellent security relationship.

3. The Normalization process

Although Marcos has lifted martial law and other steps towards normalizing the political process, there is growing uneasiness at his continued, one-man rule. His more moderate opponents have not successfully challenged him but, in a development that could, if unchecked, ultimately affect our military facilities, the Communist insurgency is expanding. We support Marcos' normalization steps but are concerned that military excesses may be helping the Communists. Marcos understands our strategic interest in Philippine stability.

4. Invitation to Marcos

We invited Marcos last June to visit you in early 1982. Marcos has not yet responded. You should reassure him of our welcome.

5. Ambassador for the Philippines

Ambassador Murphy left on transfer in July. Marcos may ask about a successor. We have selected a well qualified professional and will request agreement in due course.

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SAUDI ARABIA

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SWEDEN

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SWEDEN

Background

Throughout the 1970's Sweden deliberately maintained low unemployment in the face of slow economic growth and trade in the industrialized world, and failed to adjust structurally to the two oil price shocks. As a result, it faces severe economic problems. The public sector accounts for two-thirds of gross domestic product, which will not grow this year. Inflation is about 14%, and Sweden will again suffer another large current account deficit in 1981. The budget deficit has continued to grow despite policies designed to control it. Various measures have been taken to change the wage indexation system; lower high personal tax rates; reduce government expenditures (especially subsidies); and raise indirect taxes. Success will depend in large measure on stable world oil prices and Western economic recovery. Sweden is a generous aid donor, and believes its record merits it a prominent place in North/South discussions and allows it to criticize other industrial nations. The Swedes, among the original sponsors of Cancun, strongly support Global Negotiations in the UN and many other LDC objectives.

Questions

-- I UNDERSTAND A HIGH PORTION OF YOUR CONCESSIONAL AID IS TIED TO PURCHASE OF SWEDISH GOODS AND SERVICES. ARE YOU ABLE TO DO THIS CONSISTENT WITH PROMOTING SELF-SUSTAINING GROWTH?

-- DO THE DEVELOPING COUNTRIES HAVE UNRESTRICTED ACCESS TO YOUR CAPITAL MARKETS?

-- DO YOUR POLICIES ENCOURAGE WORLDWIDE PRODUCTION AND DISTRIBUTION OF ADEQUATE FOOD SUPPLIES?

~~CONFIDENTIAL~~

RDS-3 10/13/01

State Waiver
11/12/2019

TANZANIA

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DEPARTMENT OF STATE
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT
FROM: Alexander M. Haig, Jr.
SUBJECT: Cancun Bilateral: President Julius Nyerere
of Tanzania

I. THE SETTING

Despite its small and weak economy, Tanzania has long played an important and vocal role in North-South issues. Tanzania's influence on Third World positions derives principally from President Nyerere's personal stature and determination and from the steady commitment of his government to socialist ideals. Nyerere's role as leader of the Front Line States in the negotiations for Zimbabwe's independence typified his leadership position and style--outspoken and persevering but also flexible; he is displaying a similar combination of attributes in the current negotiations on Namibia.

On international economic issues, Tanzania advocates a radical restructuring of the present international economic order which it considers unfair and exploitive of the poor. At the recent Commonwealth Summit in Melbourne, Nyerere called for a "new Bretton Woods conference to examine...proposals...and design a new financial order on the ruins...of the old." Nyerere views the West, especially the U.S., as an economic culprit who will reform only under constant pressure and embarrassment. Tanzania, therefore, advocates strong Third World unity and aims at internationally organized mechanisms for transferring wealth to poorer countries and for insuring "fair" values and opportunity for Third World products. Nyerere's overriding concern at Cancun will be his belief that the U.S. does not take seriously the South's positions on economic issues. Tanzania feels the Summit should center on the "political will" question and should have as its objective a consensus on the next step in the international negotiations on the basic issues.

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II. OBJECTIVES

Reaffirm with the Tanzanians that the U.S. remains committed to financially assisting economic development in the LDC's and we take North-South issues seriously.

Stress that the main impetus for development must come from the LDC's themselves and, at a time of limited resource flows, this means encouraging the most efficient possible allocation of existing resources.

Counter the Tanzanian view that poor LDC's would benefit from a radical restructuring of the existing system, pointing out why we feel such a move would be detrimental to their development goals.

Reiterate our intention to pursue an internationally acceptable settlement in Namibia.

III. ISSUES

1. North-South Issues - The Brandt Commission Report

Nyerere feels the Cancun opportunity should not be wasted. He fears the U.S. does not take seriously North-South issues or the Brandt Report (his finance minister served on the Brandt Commission). Your presence at Cancun is evidence that the U.S. agrees that the world economy and that of the LDC's, in particular, merits new and high-level attention. The Brandt Report sets out eloquently the severe problems we face, but many of the solutions are not new, and there are some with which we do not agree. We believe the developing countries would be better served by concentrating on reforms of their own economic policies.

2. International Financial Institutions

At Melbourne, Nyerere renewed his long-standing proposal for a system of automatic resource renewal transfers through a combination of taxation, expanded SDRs, use of the "global commons" and a reduction of arms spending. In the meantime, he said, credit and aid must increase, talk of the inflationary aspect of credit expansion is irrelevant when LDC inflation is due to imports. Our position is that private investment and commercial capital flows are substantially more important than foreign assistance to long-term, non-inflationary economic growth. We stress that developing countries need to make greater efforts to adopt rational

economic policies and maintain a favorable investment climate. The international financial institutions must be allowed to operate in accordance with economic criteria if they are to continue to enjoy international support.

3. Namibia

No meeting with Nyerere can fail to include reference to the Namibia question. Although Nyerere is not playing as central a role in discussions between the Front Line States and the Western group as was the case during the Zimbabwe negotiations, he is deeply committed to a successful outcome and could play a key role in inducing other Africans to accept the inevitable compromises and to take the related steps necessary to bring about the removal of Cuban troops and internal reconciliation in Angola. No detailed discussion of the Namibia issue is necessary, but it will be important to reiterate the sincerity of our effort and our intention to do everything possible to bring about an internationally acceptable settlement.

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