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(Foreign Affairs: Twenty-Two Nation Summit,
10/21/1981-10/23/1981 Cancun, Mexico)
Case File Number(s): 042500-043799
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Handwritten initials/signature

ID # 042546

FO 006-02

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 8/11/10

Name of Correspondent: Johann H. Maier

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: offers to assist with the planning and preparation for the Cancun meeting

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>NSA</u>	ORIGINATOR	<u>8/11/10</u> ^{TR}	<u>NAN</u> ^{TR}	<u>C</u>	<u>8/11/10</u>
_____	_____	<u> / / </u>	_____	_____	<u> / / </u>
_____	_____	<u> / / </u>	_____	_____	<u> / / </u>
_____	_____	<u> / / </u>	_____	_____	<u> / / </u>
_____	_____	<u> / / </u>	_____	_____	<u> / / </u>
_____	_____	<u> / / </u>	_____	_____	<u> / / </u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOP).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 1.140 _____

Prime Subject Code: EO 006.02 Secondary Subject Codes: FG 342.03 _____

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence**
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

NATIONAL SECURITY COUNCIL

10/16

Barbara Diering
Chief on file

"Nothing"

NATIONAL SECURITY COUNCIL

Oct 15

NSC/S has no record of previous correspondence from Mr. Maier. The resume was probably received by Mr. Allen's office. You will probably want to check with Janet or someone over there.

clm
Cathy

VAN

Do we have any
record of the
previously forwarded
paper / this guy refers to?

Allen

Henry Nau

Do you know who this guy is?

Do you have the paper previously forwarded
to us to which he refers?

RECEIVED 14 OCT 81 11

TO PRES

FROM MAIER, JOHN H

DOCDATE 07 OCT 81

to Secretariat for the file

KEYWORDS: ADMINISTRATIVE
ASIA

CANCUN SUMMIT

NFAN

SUBJECT: REQUESTS DETAIL FM AID TO NSC STAFF & WOULD LIKE TO ASSIST IN PLANNING & PREPARATION FOR CANCUN SUMMIT

ACTION: APPROPRIATE ACTION

DUE: 15 OCT 81 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

LENZ

LILLEY

GREGG

NAU

COMMENTS

OK, I would not answer this since when does an AID... direct to the... This guy has... He's a lot like... (Bene...)

Henry

REF# 042546

LOG

NSCIFID

(C /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO

DISPATCH _____ W/ATTCH FILE _____ (C)

RECEIVED 14 OCT 81 11

TO PRES

FROM MAIER, JOHN H

DOC DATE 07 OCT 81

KEYWORDS: ADMINISTRATIVE

CANCUN SUMMIT

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FOR ACTION

FOR CONCURRENCE

FOR INFO

LENZ

LILLEY

GREGG

NAU

COMMENTS

REF# 042546

LOG

NSCIFID

(C /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Lenz</i>	<i>C 10/26/81</i>	<i>No Further Action Required</i>		

DISPATCH

W/ATTCH FILE

(W/H)

(C)

st.

RECEIVED 14 OCT 81 11

TO PRES

FROM MAIER, JOHN H

DOCDATE 07 OCT 81

KEYWORDS: ADMINISTRATIVE

CANCUN SUMMIT

ASIA

SUBJECT: REQUESTS DETAIL FM AID TO NSC STAFF & WOULD LIKE TO ASSIST IN PLANNING & PREPARATION FOR CANCUN SUMMIT

ACTION: APPROPRIATE ACTION

DUE: 15 OCT 81 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

LENZ

LILLEY

GREGG

NAU

Duplicate folder

Orig w/ Lenz

*Nothing in RVA Ofc
Nothing in Admin*

COMMENTS NSC/S has no record of previous correspondence from Mr. Maier. You may want to check with Janet since he says he sent his resume to her.

REF# 042546

LOG

NSCIFID

(C /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO

DISPATCH

W/ATTCH FILE (C)

THE WHITE HOUSE
WASHINGTON

Draft a polite thank
you

Just for curiosity's sake
see if Lilley / Rentschler /
Cohen have ever heard of
this guy -

Tuesday

Mr. Lilley-

Lenz's office has correspondence from
a Mr. John Maier. They wondered if
you knew him.

Last January Mr. Maier sent to the
NSC staff a paper entitled: "A China
Policy for the New Administration."

Do you know him? They just wanted to
know.

YES X NO _____

Flo

he is an inveterate
office seeker who
has contacted: - Reagan
- Allen
- Colson
- Lilley
etc.
OK. 12.

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

October 7, 1981

Dear Mr. President:

042546

I know you are busy managing the affairs of the nation and dealing with the problems of the world. I support both your domestic programs and your search for peace in a troubled world. Now that your domestic program is in effect and moving forward, I know you must turn your attention to concerns of friendly and allied nations and will be meeting with heads of state and representatives of twenty-one other nations at Cancun, Mexico, in less than two short weeks. This is a special opportunity in the North-South dialogue at which will be present, by press account, among others both Mrs. Indira Gandhi of India, and Premier Zhao Ziyang of China, both developing countries. The opportunity is present for a major, and perhaps historic realignment of our Asia policy, for peace and security in that region, and for building a working relationship for the Administration well into the 1980's. Asia is a critical area which borders on and affects our Mideast regional concerns.

In January I forwarded to the National Security Staff a policy paper entitled "A China Policy for the New Administration". Last week I again contacted the staff requesting administrative detail to assist your staff. I requested an appointment with Mr. Allen and forwarded a resume to Ms. Janet Colson in the West Wing. I am asking that I be allowed to assist with the planning and preparation for the vitally important Cancun meeting, which will receive worldwide attention, is a critical followon to your Ottawa conference, and increases in importance with the tragic recent events in Egypt.

Respectfully,



John H. Maier

Kathy, Nothing to a John H. Maier -- ^{only} to a Ruth
Maier. This was not typed here because of
THE WHITE HOUSE large type. Dona

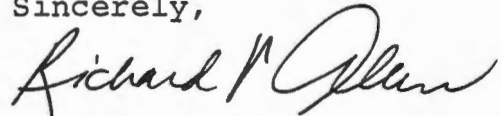
WASHINGTON

September 1, 1981

Dear Ms. Maier:

Thank you for your letter. I can appreciate the depth of concern which prompted you to write. Please be assured that we have dedicated our efforts to bring about peace and stability in the Middle East.

Sincerely,



Richard V. Allen
Assistant to the President
for National Security Affairs

Ms. Ruth Maier
56 Valley Road
Haworth, New Jersey 07641

Dg

ID # 042883

F0006-02

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

- O - OUTGOING
 - H - INTERNAL
 - I - INCOMING
- Date Correspondence Received (YY/MM/DD) 8/1/01

8131073

PLK/AC

Name of Correspondent: George A. Chauncy

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Submits views & suggestions regarding the Cancun, Mexico summit Conference.

ROUTE TO:		ACTION		DISPOSITION	
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>PL</u>	<u>Blac</u>	^{CH} ORIGINATOR	<u>8/1/01</u>		<u>8/1/01</u>
<u>Dos</u>		^{DD} R	<u>8/1/01</u>		<u>8/1/01</u>
			<u>1 1</u>		<u>1 1</u>
			<u>1 1</u>		<u>1 1</u>
			<u>1 1</u>		<u>1 1</u>

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Comments: _____

S/S # 8131073

Date NOV 30 1981

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

NOV 30 PIO: 49

WHITE HOUSE
SITUATION ROOM

FOR: Mr. Richard V. Allen
National Security Council
The White House

REFERENCE:

TO: The President FROM: George A. Chauncey
DATE: October 13, 1981 SUBJECT: Submits views and
suggestions re the Cancun, Mexico, Summit Conference

WHITE HOUSE REFERRAL DATED: 10/22/81 NSC # 042883
(if any)

THE ATTACHED ITEM WAS SENT DIRECTLY
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- An information copy of a direct reply is attached.
- We believe no response is necessary for the reason cited below.
- Other.

REMARKS:

William C. Malachuk, Jr.
L. Paul Bremer, III
Executive Secretary

25 NOV 1981

Dear Mr. Chauncey:

I would like to thank the Interreligious Taskforce on U.S. Food Policy for its letter on behalf of twenty different organizations to President Reagan outlining their concerns on key subjects discussed at the recent International Meeting on Cooperation and Development in Cancun, Mexico. It is obvious from your letter that you closely follow global economic issues and I appreciate your expressing your views to the President.

For three days in Cancun the President participated in a unique and highly productive exchange of views with leaders from industrial and developing nations. The spirit of the Summit was extremely constructive and positive. I believe all countries came out of Cancun with a better understanding of the problems facing other countries, including those which necessitate cooperative global efforts.

In his opening statement (a copy of which is enclosed) the President stressed many of the themes mentioned in your letter. He urged that all countries collectively meet the challenge of charting a strategic course for global economic growth and development. He reaffirmed the American commitment to international economic cooperation for the benefit of all countries. The President also met privately with each developing country leader and had the opportunity to discuss individual economic situations.

The plenary discussions on substantive issues were frank, open, wide-ranging and free of recrimination. The discussion on food security and agricultural development was extensive. The President made clear his direct and personal interest in the search for solutions to the world's food problems. We take our leadership role in the areas of food aid and agricultural development assistance and our responsibility to respond to the genuine humanitarian needs of the international community very seriously. We carried with us to Cancun a message similar to your own: that highest priority should be given to increasing agricultural self-reliance in the developing countries.

Mr. George A. Chauncey
Chair, Interreligious Taskforce
on U.S. Food Policy
110 Maryland Avenue, N.E.
Washington, D.C. 20002

We encouraged these countries to provide every incentive to their farmers to produce, and to support developing countries in these efforts, we promised to augment our already substantial agricultural development assistance program with agricultural "task forces" in those developing countries requesting our assistance. The composition of these task forces will vary depending upon the nature of the request, but generally speaking, they will be comprised of experts from universities, agriculture-related businesses, cooperatives, and U.S. Government agencies, as well as private American farmers. These experts will draw on their extensive experience and work with high level officials in each developing country to advise foreign governments on appropriate agricultural policies.

In the discussions on trade, the participants recognized the need on the parts of all governments to resist protectionist pressures. There was a stress on the proposed GATT Ministerial Meeting. On energy, the need for continued conservation efforts, for development of new and renewable sources and for increased investment from private as well as official sources. In discussing monetary and financial issues, the Summit countries stressed the role of the relevant multilateral institutions, in particular the International Monetary Fund and the World Bank, in light of the current economic and financial problems facing the Governments of developing countries.

We hope that the positive spirit evident at Cancun will continue in ongoing discussions on international economic issues and translate into real progress on the most pressing problems facing us. Thank you once again for your letter.

Sincerely,



Robert D. Hormats

Enclosure:
As stated

Opening Statement at Cancun Summit

October 22, 1981



United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is President Reagan's statement at the opening of the International Meeting on Cooperation and Development in Cancun, Mexico, October 22, 1981.

I am honored to be with all of you on this historic occasion. In many ways, this summit is not ours alone. It belongs to the millions who look to us for help and for hope. If they could speak to us today, I believe they might tell us that words are cheap, that cooperative action is needed—and needed now. In their name, let us join together and move forward. Let us meet the challenge of charting a strategic course for global economic growth and development for all nations.

Each of us comes to Cancun from a different domestic setting where our major responsibilities are found. My own government has devoted much of the past year to developing a plan of action to strengthen our economy. For years our government has overspent, overtaxed, and overregulated, causing our growth rates to decline and our inflation and interest rates to rise. We have taken bold measures to correct these problems, and we are confident they will succeed—not tomorrow, nor next week, but over the months and years ahead.

We believe restoring sound economic policies at home represents one of the most important contributions the United States can make to greater growth and development abroad. The actions we are taking will renew confidence in the dollar, strengthen our demand for imports, hold down inflation, reduce in-

terest rates and the cost of borrowing, and increase resources for foreign investment.

I have also had a chance to study and discuss with various leaders the domestic problems you face. I know how diverse and serious they are. For the poorest countries, more food and energy are urgently needed, while raising productivity through education, better health and nutrition, and the acquisition of basic facilities such as roads and ports represent longer term goals.

Middle-income countries need foreign capital, technical assistance, and the development of basic skills to improve their economic climate and credit worthiness in international capital markets. The more advanced developing nations which already benefit from the international economy need increasing access to markets to sustain their development.

And across the income spectrum, many among you who are oil importers face acute financial difficulties from the large debt burdens resulting from the oil price shocks of the 1970s. High interest rates are exacerbating these problems, such that debt servicing and energy costs are making excessive claims on your foreign exchange earnings.

We recognize that each nation's approach to development should reflect its own cultural, political, and economic heritage. That is the way it should be. The great thing about our international system is that it respects diversity and promotes creativity.

Certain economic factors, of course, apply across cultural and political lines. We are mutually interdependent but, above all, we are individually responsible. We must respect both diversity and economic realities when discussing grand ideas. As I said last week in Philadelphia, we do not seek an ideological debate; we seek to build upon what we already know will work.

History demonstrates that time and again, in place after place, economic growth and human progress make their greatest strides in countries that encourage economic freedom. Government has an important role in helping develop a country's economic foundation. But the critical test is whether government is genuinely working to liberate individuals by creating incentives to work, save, invest, and succeed. Individual farmers, laborers, owners, traders, and managers—they are the heart and soul of development. Trust them. Because whenever they are allowed to create and build, wherever they are given a personal stake in deciding economic policies in benefiting from their success, then societies become more dynamic, prosperous, progressive, and free.

With sound understanding of our domestic freedom and responsibilities, we can construct effective international cooperation. Without it, no amount of international good will and action can produce prosperity. In examining our collective experience with development, let us remember that international economic institutions have also done much to improve the world economy.

Under their auspices, the benefits of international commerce have flowed increasingly to all countries. From 1950 to 1980, gross national product per capita in 60 middle-income countries increased twice as fast as in the industrial countries when real purchasing power is taken into account.

Despite the mid-1970s recession, we were able to liberalize the international trading system under the leadership of the General Agreement on Tariffs and Trade. This created new trading opportunities for a number of developed and developing countries. The International Monetary Fund remains the centerpiece of the international financial system. It has adjusted its programs and increased its resources to deal with the major pressures and problems of our era. The World Bank and other multilateral development banks have dramatically increased their resources and their overall support for development.

Much remains to be done to help low-income countries develop domestic markets and strengthen their exports. We recognize that. But we are just as convinced that the way to do this is not to weaken the very system that has served us so well but to continue working together to make it better.

I am puzzled by suspicions that the United States might ignore the developing world. The contribution America has made to development—and will continue to make—is enormous. We have provided \$57 billion to the developing countries in the last decade—\$43 billion in development assistance and \$14 billion in contributions to the multilateral development banks. Each year, the United States provides more food assistance to developing nations than all other nations combined. Last year we extended almost twice as much official development assistance as any other nation.

Even more significant is the U.S. contribution in trade. Far too little world attention has been given to the importance of trade as a key to development. The United States absorbs about one-half of all manufactured goods that non-OPEC developing countries export to the industrialized world, even though our market is only one-third the total industrialized world market. Last year alone, we imported \$60 billion worth of goods from non-OPEC developing countries. That is more than twice the official development assistance from all OECD [Organization for Economic Cooperation

and Development] countries. Our trade and capital markets are among the most open in the world.

The range and breadth of America's commitment extend far beyond concessional assistance. We believe in promoting development by maximizing every asset we have. As the world's largest single market, we can be a powerful conductor for economic progress and well-being. We come to Cancun offering our hand in friendship as your partner in prosperity. Together, we can identify the roadblocks to development and decide the best ways to stimulate greater growth everywhere we can. We have yet to unleash the full potential for growth in a world of open markets.

The United States is here to listen and learn. And when we leave Cancun, our search for progress will continue. The dialogue will go on. The bonds of our common resolve will not disappear with our jet trails. We are prepared to carry out the commitment in the Ottawa summit declaration to conduct a more formal dialogue—bilaterally, with regional groups, in the United Nations, and in specialized international agencies. We take seriously the commitment at Ottawa "to participate in preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress."

It is our view that "circumstances offering the prospect of meaningful progress" are future talks based upon four essential understandings among the participants.

- The talks should have a practical orientation toward identifying, on a case-by-case basis, specific potential for or obstacles to development which cooperative efforts may enhance or remove. We will suggest an agenda composed of trade liberalization, energy and food resource development, and improvement in the investment climate.

- The talks should respect the competence, functions, and powers of the specialized international agencies upon which we all depend with the understanding that the decisions reached by these agencies within respective areas of competence are final. We should not seek to create new institutions.

- The general orientation of the talks must be toward sustaining or achieving greater levels of mutually beneficial international growth and development, taking into account domestic economic policies.

- The talks should take place in an atmosphere of cooperative spirit similar to that which has brought us together in

Cancun—rather than one in which views become polarized and chances for agreement are needlessly sacrificed.

If these understandings are accepted, then the United States would be willing to engage in a new preparatory process to see what may be achieved. I suggest that officials of our governments informally confer in the months ahead as to appropriate procedures.

But our main purpose in coming to Cancun is to focus on specific questions of substance, not procedural matters. In this spirit, we bring a positive program of action for development concentrated around these principles:

- Stimulating international trade by opening up markets, both within individual countries and among countries;

- Tailoring particular development strategies to the specific needs and potential of individual countries and regions;

- Guiding our assistance toward the development of self-sustaining productive activities, particularly in food and energy;

- Improving the climate for private capital flows, particularly private investment;

- And creating a political atmosphere in which practical solutions can move forward, rather than founder on a reef of misguided policies that restrain and interfere with the international marketplace or foster inflation.

In our conversations, we will be elaborating on the specifics of this program. The program deals not in flashy new gimmicks but in substantive fundamentals with a track record of success. It rests on a coherent view of what's essential to development—namely political freedom and economic opportunity.

Yes, we believe in freedom. We know it works. It's just as exciting, successful, and revolutionary today as it was 200 years ago.

I want to thank our hosts for arranging this historic opportunity. Let us join together and proceed together. Economic development is an exercise in mutual cooperation for the common good. We can and must grasp this opportunity for our people and together take a step for mankind. ■

THE WHITE HOUSE OFFICE

8131073

REFERRAL

OCTOBER 22, 1981

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 042883

MEDIA: LETTER, DATED OCTOBER 13, 1981

TO: PRESIDENT REAGAN

FROM: MR. GEORGE A. CHAUNCEY
CHAIR
INTERRELIGIOUS TASK FORCE ON U.S.
FOOD POLICY
110 MARYLAND AVENUE, NE
WASHINGTON DC 20002

SUBJECT: SUBMITS VIEWS AND SUGGESTIONS REGARDING THE
CANCUM, MEXICO SUMMIT CONFERENCE

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 62, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

57
Black
10/13/81

INTERRELIGIOUS TASKFORCE ON US FOOD POLICY

8131073

110 MARYLAND AVENUE, NE, WASHINGTON, DC 20002 202/543-2800

October 13, 1981

The President
The White House
Washington, DC 20500

042883

Mr. President:

We are writing as representatives of major religious communities in the United States to commend your decision to attend the Cancun, Mexico summit meeting and to urge you to recommit the US at Cancun to a path of international cooperation and progress on development issues. We believe and hope that the summit will provide you and other world leaders with a unique opportunity to formulate and express a new mutual commitment to alleviating global poverty and underdevelopment and to improving international cooperation.

The biblical faith which we share compels us to seek to stand with those who are the poorest and most vulnerable members of society. As the prophets spoke in behalf of the orphans and the widows, so we must address ourselves to the needs of those throughout the globe who live in conditions of absolute poverty, deprived of basic nutrition, without adequate shelter, education, health care, or employment.

Today's world is marked by wide and growing disparities between rich and poor, by persistent economic crises, and by political turmoil and unpredictability. Roughly one billion people are chronically hungry and malnourished. Hundreds of millions of breadwinners are unemployed or seriously underemployed. Inflation in some countries makes even the most basic foodstuffs unaffordable for the poor. Oil, currently in plentiful supply, could easily become scarce and costly once again if any number of possible political or economic crises should occur. While the poor, especially those in the South, suffer most from the current disorder, we in the North are increasingly affected as well. For better or for worse, global interdependence has become an unavoidable reality.

We believe that building a healthy, just, and sustainable world economy is essential for moral as well as political and economic reasons. We have no detailed blueprints to offer you and other world leaders with whom you will be meeting. We ask primarily that you go to Cancun with an open mind and heart, seeking God's wisdom.

The Cancun Agenda

We do have some deeply felt concerns we would like to share with you that are closely related to some of the key subjects you will be discussing in Mexico. These ideas, which broadly reflect the policies of our faith communities, are drawn from the combined expertise and wisdom of theologians, economists, missionaries, development specialists, educators, and others within our various faiths.

We take our resp very seriously and need to respond to genuine human needs.

1. Food and Agriculture: Highest priority should be given to increasing agricultural self-reliance, primarily through stepping up food production for local consumption in developing countries. Agrarian reforms which allow small farmers and many of the landless poor to produce their own food on adequate-sized plots should be strongly encouraged. An international system of grain reserves should be established to guard against the recurrence of famines in years of short supply. Food should not be used as a political weapon, but as a God-given source of life.

2. Energy: Both conservation of existing nonrenewable energy supplies and rapid development of renewable energy sources are imperative. Increased demand for and reduced supplies of fossil fuels will continue to hurt the Third World most; hence, both exploration for new supplies of oil, coal, and gas and, particularly, development of new and renewable sources of energy in the South should be supported by means of development assistance and other measures. Means should be sought for developing greater predictability of both the price and supply of petroleum, as well as for smoothing out future price increases.

3. Money and Finance: Voting rights in the International Monetary Fund and the World Bank should be adjusted in light of changing economic and political realities so as to give greater representation to the Third World (while retaining a weighted vote structure). The composition of the IMF's sometimes excessively harsh economic measures ("conditionality") should be altered to give greater attention to meeting and safeguarding basic human needs and to assure that economic prescriptions are appropriate in each case. A greater share of the burden of adjustment to international payments imbalances should be shifted to countries with payments surpluses.

Development assistance should increasingly be focused on the poorest developing countries, which are least able to procure capital from other sources, and on countries which display commitment to meeting the basic needs of their citizens. In general, military aid and concessional sales in the Third World should be sharply reduced, with savings transferred to help in meeting urgent development needs.

4. The Arms Race: In the words of President Eisenhower, "Every gun that is made, every warship launched, every rocket fired signifies, in the final sense, a theft from those who hunger and are not fed, those who are cold and are not clothed.

"This world in arms is not spending money alone.

"It is spending the sweat of its laborers, the genius of its scientists, the hopes of its children. . . ."

In a world where each superpower is capable of destroying the other many times over, we strongly question increased spending for new weapons of mass destruction. We understand that disarmament must be pursued multilaterally and that peacemaking is a far more complex process than simply reducing armaments. We very much doubt, however, that a sane, peaceful,

stable world can be achieved without drastically curtailed arms spending. As the report of the 'Independent Commission on Development Issues (the Brandt Commission) put it, "there is a moral link between the vast spending on arms and the disgracefully low spending on measures to remove hunger and ill-health in the Third World."

Global Negotiations

Finally, we strongly urge that you use the occasion of the Cancun summit to recommit our nation to the "Global Round of Negotiations" which were to begin in 1981 but which are unlikely ever to get underway without the assent of the US. Entering into the Global Negotiations process does not, by itself, carry any guarantee of reaching agreements on the critical North-South issues to be discussed. But without a new, comprehensive round of negotiations it seems likely that little or no progress will occur.

The measures which we have outlined briefly above would benefit the North--and specifically the US--as well as the South, by helping to reduce unemployment and inflationary pressures, by increasing energy supplies, and by generally reducing political and economic tensions. For these reasons, but primarily because we deeply believe it to be the morally imperative course, we again urge you to help make the Cancun summit the beginning of a new and better day for North-South relations and global development.

Sincerely,

(The following have requested that this letter be sent in their names.)

C. J. Jump, Jr.
Executive Director
Board of International Ministries
American Baptist Churches, USA

David W. Preuss
Presiding Bishop
The American Lutheran Church

The Most Reverend Archbishop
Torkom Manoogian
Primate of the Armenian Church
in America

Arthur Simon
Executive Director
Bread for the World

Peter J. Henriot, S.J.
Director
Center of Concern

Dr. Kenneth L. Teegarden
General Minister and President
Christian Church (Disciples of Christ)

Dr. J. Harry Haines
Chairperson
Church World Service

Edward F. Snyder
Executive Secretary
Friends Committee
on National Legislation

Clifford S. Winslow
Presiding Clerk
Friends United Meeting

George A. Chauncey
Chair
Interreligious Taskforce
on US Food Policy

James R. Crumley, Jr.
Bishop
Lutheran Church in America

The Rev. James P. Noonan, M.M.
Superior General of the General
Maryknoll Fathers and Brothers

Belle Miller McMaster
Staff Director for
Corporate and Social Mission
Presbyterian Church in the US

The Rev. Arie R. Brouwer
General Secretary
Reformed Church in America

The Rev. Dr. Calvin E. Turley, President
General Convention
The Swedenborgian Church

Richard S. Scobie
Executive Director
Unitarian Universalist
Service Committee

Avery D. Post
President
United Church of Christ

Bishop Leroy Hodapp
President, Board of Church and Society
United Methodist Church

Mr. William P. Thompson
Stated Clerk of the General Assembly
United Presbyterian Church, USA

Rev. J. Bryan Hehir
United States Catholic Conference

JW

ID # 043003

F0006-02

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

8130651

- O - OUTGOING
 - H - INTERNAL
 - I - INCOMING
- Date Correspondence Received (YY/MM/DD)

81, 09, 23

Name of Correspondent: Jane Thurber

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Requesting no response to letter re: Cancun Conference

ROUTE TO:		ACTION	DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
	<u>Collet</u>	ORIGINATOR	<u>81, 10, 15</u> ^{LD}	<u>C</u>	<u>81, 11, 17</u> ^{TR}
<input checked="" type="checkbox"/>	<u>D O S</u>	Referral Note: <u>R</u>	<u>81, 10, 19</u>	<u>A</u>	<u>81, 11, 16</u> ^{TR}
		Referral Note:	<u>1 1</u>		<u>1 1</u>
		Referral Note:	<u>1 1</u>		<u>1 1</u>
		Referral Note:	<u>1 1</u>		<u>1 1</u>
		Referral Note:	<u>1 1</u>		<u>1 1</u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure

- I - Info Copy Only/No Action Necessary
- R - Direct Reply w/Copy
- S - For Signature
- X - Interim Reply

DISPOSITION CODES:

- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
 Send all routing updates to Central Reference (Room 75, OEOB).
 Always return completed correspondence record to Central Files.
 Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents: _____ Media: L Individual Codes: 4000 _____

Prime Subject Code: FO 006-02 Secondary Subject Codes: FO 003 TR 021
HE 003
CA 003

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

- CPn - Presidential Correspondence**
- n - 0 - Unknown
- n - 1 - Ronald Wilson Reagan
- n - 2 - Ronald Reagan
- n - 3 - Ron
- n - 4 - Dutch
- n - 5 - Ron Reagan
- n - 6 - Ronald
- n - 7 - Ronnie

- CLn - First Lady's Correspondence**
- n - 1 - Nancy Reagan
- n - 2 - Nancy
- n - 3 - Mrs. Ronald Reagan

- CBn - Presidential & First Lady's Correspondence**
- n - 1 - Ronald Reagan - Nancy Reagan
- n - 2 - Ron - Nancy

MEDIA CODES:

- B - Box/package
- C - Copy
- D - Official document
- G - Message
- H - Handcarried
- L - Letter
- M - Mailgram
- O - Memo
- P - Photo
- R - Report
- S - Sealed
- T - Telegram
- V - Telephone
- X - Miscellaneous
- Y - Study

RT30021

S/S # 8130651

Date NOV 16 1981

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

81 NOV 16 11:36

WHITE HOUSE
SITUATION ROOM

FOR: Mr. Richard V. Allen
National Security Council
The White House

REFERENCE:

TO: President Reagan FROM: Ms. June M. Thurber
DATE: 10/81 SUBJECT: No Response to
Letter Regarding Cancun Conference

WHITE HOUSE REFERRAL DATED: 10/19/81 NSC # 043003
(if any)

THE ATTACHED ITEM WAS SENT DIRECTLY
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

- A draft reply is attached.
- A draft reply will be forwarded.
- A translation is attached.
- An information copy of a direct reply is attached.
- We believe no response is necessary for the reason cited below.
- Other.

REMARKS:

for [Signature]

L. Paul Bremer, III
Executive Secretary



DEPARTMENT OF STATE

Washington, D.C. 20520

November 16, 1981

Ms. June M. Thurber
645 South Catalina Avenue
Pasadena, California 91106

Dear Ms. Thurber:

On behalf of President Reagan, I am replying to your letter of September 21, 1981, regarding his participation at the International Meeting on Cooperation and Development held in Cancun, Mexico, October 22-23. The heads of state or government from twenty-two countries discussed many issues related to world growth and development, among which was the specific topic of food security and agricultural development.

As you may know, the United States is the largest donor of food aid and the largest bilateral donor of agricultural development assistance. The United States takes its leadership role in the struggle to alleviate global hunger and malnutrition very seriously. For that reason, the preparations for the discussion of food security and agricultural development at Cancun were very thorough. Current research and studies on food problems, as well as the recommendations of the Presidential Commission on World Hunger, were reviewed and taken into account in formulating our position.

We believe the Cancun Summit was very successful. The President and other world leaders present at the meeting had frank and open discussions and exchanged their different perspectives on global problems. They discussed many areas of common concern and shared priority. The President made clear his direct and personal interest in the search for solutions to the world's food problems. Two important initiatives were made that are likely to further strengthen those policies and programs already in place to alleviate world hunger and to help increase food production in food-deficit developing countries.

First, the President offered to send agricultural "task forces" to developing countries requesting our assistance. The composition of these task forces will vary depending upon the nature of the request, but generally speaking, they will be comprised of experts from universities, agriculture-related businesses, cooperatives, and US Government agencies, as well as private American farmers. These experts will draw on their vast experience and work with high level officials in each developing country to advise foreign governments on appropriate agricultural policies. We see this as an additional way to help developing countries help themselves.

Secondly, in response to another country's comments at Cancun, the President supported a review of the international food and agriculture organizations affiliated with the United Nations. We share in the general consensus that international organizations should avoid any duplication of effort in order to use available resources more effectively. We believe that a simplified bureaucracy could help developing countries more quickly obtain either the food aid or agricultural development assistance they need.

Let me assure you that the United States remains committed to alleviating hunger and malnutrition in the world. We will continue to respond to the humanitarian appeals of all people to the best of our ability.

Thank you for your interest.

Sincerely,

IS/

Donald F. Hart
Director
Office of Food Policy
And Programs

THE WHITE HOUSE OFFICE

REFERRAL

8130651

OCTOBER 19, 1981

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY //

DESCRIPTION OF INCOMING:

ID: 043003

MEDIA: LETTER

TO: PRESIDENT REAGAN

FROM: MS. JUNE M. THURBER
645 SOUTH CATALINA AVENUE
PASADENA CA 91106

SUBJECT: NO RESPONSE TO LETTER REGARDING CANCUM
CONFERENCE

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 62, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

49

6455. Catalina Ave
Pasadena, CA 91106

No Response to date

043003

8130651

DOS

A.H.

President Reagan
The White House
Washington D.C.
20500

Dear President Reagan:

I wrote to you approximately a month ago regarding the upcoming conference in Cancun, MX. At that time I asked for a response and at this time I have not received one.

Therefore I'm again asking that when you go to Cancun you pledge the necessary resources to design + implement the global food program recommended by the Commission + that you refrain from using food as a weapon in our foreign policy.

Please respond as to your decision on the above issues.

Sincerely
June M. Thurber

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

8131075

O - OUTGOING

H - INTERNAL

I - INCOMING

Date Correspondence Received (YY/MM/DD) 81110120

Name of Correspondent: Ralph A. Pfeiffer, Jr.

MI Mail Report

User Codes: (A) _____ (B) _____ (C) _____

Subject: Views re: various issues to be addressed at Cancer Conference.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
		ORIGINATOR	<u>1 1</u>			<u>1 1</u>
<u>99</u>	<u>DOS</u>	<u>R CS</u>	<u>81110121</u>			<u>A 8111127</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				
			<u>1 1</u>			<u>1 1</u>
		Referral Note:				

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
- I - Info Copy Only/No Action Necessary
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- A - Answered
- B - Non-Special Referral
- C - Completed
- S - Suspended

FOR OUTGOING CORRESPONDENCE:

- Type of Response = Initials of Signer
- Code = "A"
- Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
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UNCLASSIFIED

CLASSIFICATION

S/S # 8131075

Date 81 NOV NOV 30 1981 49

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

WHITE HOUSE
SITUATION ROOM

FOR: Mr. Richard V. Allen
National Security Council
The White House

REFERENCE:

TO: President Reagan FROM: Ralph Pfeiffer, Jr.

DATE: 10/16/81 SUBJECT: Views regarding various

issues to be addressed at Cancun Conference

WHITE HOUSE REFERRAL DATED: 10/22/81 NSC # 043700

THE ATTACHED ITEM WAS SENT DIRECTLY
TO THE DEPARTMENT OF STATE

ACTION TAKEN:

 A draft reply is attached

 A draft reply will be forwarded

 A translation is attached

 X An information copy of a direct reply is attached

 We believe no response is necessary for the
reason cited below

 Other

REMARKS:

William C. Melahie
L. Paul Bremer, III
Executive Secretary

ASSISTANT SECRETARY OF STATE

WASHINGTON

27 NOV 1981

Dear Ralph:

I would like to thank you for your letter to President Reagan on behalf of the United States Council of the International Chamber outlining the Council's concerns on key subjects discussed at Cancun.

Many of the points contained in your letter were reflected in the position the President took at Cancun and we are grateful for your thoughts and the considerable amount of work which clearly went into the document.

The Cancun discussions were highly productive. I believe all leaders came out of Cancun with a better understanding of the problems facing others, including those problems which necessitate cooperative global efforts.

In his opening statement (a copy of which is enclosed) the President urged that all countries collectively meet the challenge of charting a strategic course for global economic growth and development. He reaffirmed the American commitment to international economic cooperation for the benefit of all countries. The President also met privately with each developing country leader and had the opportunity to discuss individual economic situations.

The plenary discussions on substantive issues were frank, open, wide-ranging and free of recrimination. In discussions on agricultural development, many participants emphasized the necessity of developing solutions to the world's food problems and stressed that priority should be given to increasing agricultural self-reliance in the developing countries.

In the discussions on trade, the participants recognized the need on the part of governments to resist protectionist pressures. There was a stress on the proposed GATT Ministerial Meeting. On energy, the need for continued conservation efforts, for development of new and renewable sources, and for increased investment from private as well as

Mr. Ralph A. Pfeiffer, Jr.
United States Council
1212 Avenue of the Americas
New York, New York 10036

official sources was recognized. In discussing monetary and financial issues, the Summit countries stressed the role of the relevant multilateral institutions, in particular the International Monetary Fund and the World Bank, in light of the current economic and financial problems facing the Governments of developing countries.

We hope that the positive spirit evident at Cancun will continue in ongoing discussions on international economic issues and translate into real progress on the most pressing problems facing us. It was good to see you in Rio. Thank you once again for your letter, and I look forward to getting together soon.

Sincerely,

~~ROBERT D. HORMATS~~

Robert D. Hormats

Enclosure:
As stated

Drafted by: EB/SEN:RDizardRD
Ext. 24040, 11/25/81
Clearance: EB/SEN:ELollis^{EL}

Opening Statement at Cancun Summit

October 22, 1981



United States Department of State
Bureau of Public Affairs
Washington, D.C.

Following is President Reagan's statement at the opening of the International Meeting on Cooperation and Development in Cancun, Mexico, October 22, 1981.

I am honored to be with all of you on this historic occasion. In many ways, this summit is not ours alone. It belongs to the millions who look to us for help and for hope. If they could speak to us today, I believe they might tell us that words are cheap, that cooperative action is needed—and needed now. In their name, let us join together and move forward. Let us meet the challenge of charting a strategic course for global economic growth and development for all nations.

Each of us comes to Cancun from a different domestic setting where our major responsibilities are found. My own government has devoted much of the past year to developing a plan of action to strengthen our economy. For years our government has overspent, overtaxed, and overregulated, causing our growth rates to decline and our inflation and interest rates to rise. We have taken bold measures to correct these problems, and we are confident they will succeed—not tomorrow, nor next week, but over the months and years ahead.

We believe restoring sound economic policies at home represents one of the most important contributions the United States can make to greater growth and development abroad. The actions we are taking will renew confidence in the dollar, strengthen our demand for imports, hold down inflation, reduce in-

terest rates and the cost of borrowing, and increase resources for foreign investment.

I have also had a chance to study and discuss with various leaders the domestic problems you face. I know how diverse and serious they are. For the poorest countries, more food and energy are urgently needed, while raising productivity through education, better health and nutrition, and the acquisition of basic facilities such as roads and ports represent longer term goals.

Middle-income countries need foreign capital, technical assistance, and the development of basic skills to improve their economic climate and credit worthiness in international capital markets. The more advanced developing nations which already benefit from the international economy need increasing access to markets to sustain their development.

And across the income spectrum, many among you who are oil importers face acute financial difficulties from the large debt burdens resulting from the oil price shocks of the 1970s. High interest rates are exacerbating these problems, such that debt servicing and energy costs are making excessive claims on your foreign exchange earnings.

We recognize that each nation's approach to development should reflect its own cultural, political, and economic heritage. That is the way it should be. The great thing about our international system is that it respects diversity and promotes creativity.

Certain economic factors, of course, apply across cultural and political lines. We are mutually interdependent but, above all, we are individually responsible. We must respect both diversity and economic realities when discussing grand ideas. As I said last week in Philadelphia, we do not seek an ideological debate; we seek to build upon what we already know will work.

History demonstrates that time and again, in place after place, economic growth and human progress make their greatest strides in countries that encourage economic freedom. Government has an important role in helping develop a country's economic foundation. But the critical test is whether government is genuinely working to liberate individuals by creating incentives to work, save, invest, and succeed. Individual farmers, laborers, owners, traders, and managers—they are the heart and soul of development. Trust them. Because whenever they are allowed to create and build, wherever they are given a personal stake in deciding economic policies in benefiting from their success, then societies become more dynamic, prosperous, progressive, and free.

With sound understanding of our domestic freedom and responsibilities, we can construct effective international cooperation. Without it, no amount of international good will and action can produce prosperity. In examining our collective experience with development, let us remember that international economic institutions have also done much to improve the world economy.

Under their auspices, the benefits of international commerce have flowed increasingly to all countries. From 1950 to 1980, gross national product per capita in 60 middle-income countries increased twice as fast as in the industrial countries when real purchasing power is taken into account.

Despite the mid-1970s recession, we were able to liberalize the international trading system under the leadership of the General Agreement on Tariffs and Trade. This created new trading opportunities for a number of developed and developing countries. The International Monetary Fund remains the centerpiece of the international financial system. It has adjusted its programs and increased its resources to deal with the major pressures and problems of our era. The World Bank and other multilateral development banks have dramatically increased their resources and their overall support for development.

Much remains to be done to help low-income countries develop domestic markets and strengthen their exports. We recognize that. But we are just as convinced that the way to do this is not to weaken the very system that has served us so well but to continue working together to make it better.

I am puzzled by suspicions that the United States might ignore the developing world. The contribution America has made to development—and will continue to make—is enormous. We have provided \$57 billion to the developing countries in the last decade—\$43 billion in development assistance and \$14 billion in contributions to the multilateral development banks. Each year, the United States provides more food assistance to developing nations than all other nations combined. Last year we extended almost twice as much official development assistance as any other nation.

Even more significant is the U.S. contribution in trade. Far too little world attention has been given to the importance of trade as a key to development. The United States absorbs about one-half of all manufactured goods that non-OPEC developing countries export to the industrialized world, even though our market is only one-third the total industrialized world market. Last year alone, we imported \$60 billion worth of goods from non-OPEC developing countries. That is more than twice the official development assistance from all OECD [Organization for Economic Cooperation

and Development] countries. Our trade and capital markets are among the most open in the world.

The range and breadth of America's commitment extend far beyond concessional assistance. We believe in promoting development by maximizing every asset we have. As the world's largest single market, we can be a powerful conductor for economic progress and well-being. We come to Cancun offering our hand in friendship as your partner in prosperity. Together, we can identify the roadblocks to development and decide the best ways to stimulate greater growth everywhere we can. We have yet to unleash the full potential for growth in a world of open markets.

The United States is here to listen and learn. And when we leave Cancun, our search for progress will continue. The dialogue will go on. The bonds of our common resolve will not disappear with our jet trails. We are prepared to carry out the commitment in the Ottawa summit declaration to conduct a more formal dialogue—bilaterally, with regional groups, in the United Nations, and in specialized international agencies. We take seriously the commitment at Ottawa "to participate in preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress."

It is our view that "circumstances offering the prospect of meaningful progress" are future talks based upon four essential understandings among the participants.

- The talks should have a practical orientation toward identifying, on a case-by-case basis, specific potential for or obstacles to development which cooperative efforts may enhance or remove. We will suggest an agenda composed of trade liberalization, energy and food resource development, and improvement in the investment climate.

- The talks should respect the competence, functions, and powers of the specialized international agencies upon which we all depend with the understanding that the decisions reached by these agencies within respective areas of competence are final. We should not seek to create new institutions.

- The general orientation of the talks must be toward sustaining or achieving greater levels of mutually beneficial international growth and development, taking into account domestic economic policies.

- The talks should take place in an atmosphere of cooperative spirit similar to that which has brought us together in

Cancun—rather than one in which views become polarized and chances for agreement are needlessly sacrificed.

If these understandings are accepted, then the United States would be willing to engage in a new preparatory process to see what may be achieved. I suggest that officials of our governments informally confer in the months ahead as to appropriate procedures.

But our main purpose in coming to Cancun is to focus on specific questions of substance, not procedural matters. In this spirit, we bring a positive program of action for development concentrated around these principles:

- Stimulating international trade by opening up markets, both within individual countries and among countries;

- Tailoring particular development strategies to the specific needs and potential of individual countries and regions;

- Guiding our assistance toward the development of self-sustaining productive activities, particularly in food and energy;

- Improving the climate for private capital flows, particularly private investment;

- And creating a political atmosphere in which practical solutions can move forward, rather than founder on a reef of misguided policies that restrain and interfere with the international marketplace or foster inflation.

In our conversations, we will be elaborating on the specifics of this program. The program deals not in flashy new gimmicks but in substantive fundamentals with a track record of success. It rests on a coherent view of what's essential to development—namely political freedom and economic opportunity.

Yes, we believe in freedom. We know it works. It's just as exciting, successful, and revolutionary today as it was 200 years ago.

I want to thank our hosts for arranging this historic opportunity. Let us join together and proceed together. Economic development is an exercise in mutual cooperation for the common good. We can and must grasp this opportunity for our people and together take a step for mankind. ■

THE WHITE HOUSE OFFICE

8124075

REFERRAL

OCTOBER 22, 1981

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DIRECT REPLY, FURNISH INFO COPY

DESCRIPTION OF INCOMING:

ID: 043700

MEDIA: LETTER, DATED OCTOBER 16, 1981

TO: PRESIDENT REAGAN

FROM: MR. RALPH A. PFEIFFER JR.
UNITED STATES COUNCIL
1212 AVENUE OF THE AMERICAS
NEW YORK NY 10036

SUBJECT: VIEWS REGARDING VARIOUS ISSUES TO BE
ADDRESSED AT CANCUN CONFERENCE

PROMPT ACTION IS ESSENTIAL — IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 62, THE WHITE HOUSE

BY DIRECTION OF THE PRESIDENT:
SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

DOS

8131075

United States Council

October 16, 1981

The President
The White House
Washington, D.C. 20500

043700

Dear Mr. President:

On the eve of October 22-23 Summit on "North-South" issues, the United States Council of the International Chamber of Commerce is pleased to comment on the crucial questions to be addressed at the Cancun Meeting. The Council reaffirms the constructive role to be played by the private sector in furthering global development and endorses the Administration's present focus in this regard.

As a business organization representing the views of some 250 U.S.-based international corporations on domestic and overseas issues affecting the climate for their worldwide operations, the U.S. Council maintains a long-standing commitment encouraging growth in the developing countries (LDCs). This reflects the business view that such a course is the only means of encouraging international economic stability, maximum effective utilization of scarce global resources and the creation of favorable market conditions for developed and developing country needs and services.

We agree, therefore, with Secretary Haig's assessment, voiced in his address before the UN General Assembly on September 21, that the time has come for the formulation of a new "strategy for growth", reflecting the respective needs and capabilities of the developed and developing worlds and for the avoidance of "sterile debates and unrealistic demands". We recognize the pressure for holding international discussions on development and their potential in establishing the supportive climate necessary for North-South cooperation. However, the emphasis should be on negotiations of narrowly-defined topics conducted within the framework of existing specialized institutions.

We have included as an annex to this letter the Council's views on the various subject areas to be addressed at Cancun. We look forward to further exchanges with Administration officials on these matters in the coming months.

Sincerely,



Ralph A. Pfeiffer, Jr.

RAP: ljm
Attachment

- cc: Mr. M. Baldrige
- Mr. W. Brock
- Mr. A. Haig
- Mr. R. Hormats



ANNEX

TRADE AND COMMODITIES

Recognizing the growing importance of trade with developing countries, the U.S. Council encourages discussion in existing forums that are likely to produce both realistic proposals and mutually beneficial results. This effort would be greatly enhanced if more developing countries recognized the benefits of progressive adherence to the GATT codes negotiable at the Tokyo Round of multilateral trade negotiations. In this context, while broad discussions in the General Assembly may be useful, negotiations on specific issues such as financing and trade should take place in such technical bodies as the IMF and GATT. On the other hand, we should recognize that many of the conditions which characterized earlier trade negotiations no longer exist, and new considerations should be taken into account. For example, increasing government involvement in the economy has undercut many earlier assumptions regarding government's role in trade policy.

Many LDCs are governed by regimes that pursue deliberate interventionist policies affecting such areas as commodity pricing, market access, and treatment of MNC's. Our own system has changed, so that government's role is more crucial today than it has been in the past.

The global economy has changed as well, with economic slowdown creating obstacles to political solutions, and domestic interests seeking to defend their positions against outside competition.

In short, what seems to be called for is a practical program for reducing barriers to trade for both goods and services. This would involve reducing obstacles to LDC exports by broadening the Generalized System of Preferences for the least developed countries, limiting resort to voluntary restraint agreements, liberalizing the Multi-Fiber Arrangement and supporting a new safeguard agreement. The reasonable quid pro quos for these policies would include improved market access for U.S. exports and fewer restrictions on investment in developing countries. As long as the United States continues to recognize the fundamental right of investors to receive a return on investment, that right, subject to appropriate safeguards, must be entrenched in appropriate bilateral and multilateral accords. In this area, as in others, we would argue against the establishment of new institutions where existing specialized agencies such as GATT already operate effectively.

With regard to commodities, it is undeniable that they play an important role in the North-South dialogue, accounting for nearly 60 percent of total LDC export revenues (excluding oil), and providing valuable raw materials for developed nation industrialization. Despite the initiatives undertaken by the international community to stabilize prices and income of commodities, the U.S. Council believes that, the ideal system is a free enterprise regime that insures the unhampered trade of commodities at a price which reflects current market value. Cartelization by producing countries only tends to distort the market and undermine economic growth for developed and developing nations alike.

FINANCE

Over the last decade, LDCs have gained increasing access to international financial markets on a scale unparalleled in history. This access has enabled them to achieve relatively high growth rates as compared to other nations; it is, therefore, crucial that LDCs have continued access to financial resources. Adjustment efforts and financial prudence are necessary to ensure the continued willingness of lending countries to make funds available. The U.S. Council believes that some positive measures to meet the financial needs of the developing economies continue to be in order.

The Council supports vigorous public and private efforts to combat inflation in the United States. Only by reversing the inflationary trend can the U.S. renew growth and sustain increased global trade; trade which is of benefit to the developing nations. The U.S. Council believes that multilateral financial organizations such as IMF and World Bank can play a role both in aiding development planning and stabilizing the international financial system. While the financial resources of these organizations seem sufficient at present, future discussions of their role must take into account the financial strength of lender countries and the needs of debtor countries.

The pool of available funds can be increased by encouraging closer working and lending relationships between the official international bodies and private lenders, especially commercial banks. We also support any efforts to encourage oil surplus nations to provide more financial assistance to developing countries. The Council believes development can be much aided by more private investment in the developing world. For this to occur, however, host countries must be convinced that it would be in their interest to improve their overall business climate. With an increase in investment, they might then look to enlarged corporate financing in their economies in circumstances where the prospects allow for a sufficient profit return.

ENERGY

It is in this area, more perhaps than in any other, that the private sector, working in conjunction with governmental institutions, can have the greatest impact. Industry is capable of applying its financial and technological resources to the development of energy on a global scale. Given the extensive investment, long lead-times, and high risk often involved, however, a company will only be able to make the necessary commitment to developing energy projects where it finds a climate which is likely to favor investment over a long-term period. Host governments seeking foreign investment energy projects can encourage such investment by clearly enunciating sound policies relating to foreign investors.

We believe that international institutions such as the World Bank can play a constructive role in providing technical assistance and advice for national energy assessments and other projects which would help evaluate and determine the resource potentials of developing countries. It is our further belief that the success of these international programs will be enhanced by participation of the private sector - with its technological expertise and managerial, problem-solving orientation - in those projects which are economically viable.

On the issue of financing, it is generally agreed that there are sufficient resources already available for the development of energy and that the major need is for redirecting those resources and disseminating information on funding sources. The private financial community has already demonstrated a considerable capability in making funds available to developing nations, and if effectively utilized, could play an even greater role in the future.

Any development of readily available or potential energy technology in LDCs must be based on detailed assessments of energy supply and demand potentials in LDCs and on an accurate understanding of the overall long-term economics involved. With their extensive experience in developing cost-efficient projects in a wide spectrum of host countries, international companies can make a major contribution toward designing and implementing viable energy projects in developing countries.

In transferring energy technology, emphasis must be given to the ability of the country at the other end to absorb and effectively utilize that technology. Training programs, demonstration projects, information exchange and institutional development can all help promote the absorption of such technology. Corporate training programs - on all managerial levels - have contributed greatly in the past, chiefly in the area of conventional energy, and could be applied to non-conventional energy as necessary.



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THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

October 5, 1981

Richard Allen

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R. G. H.

MEMORANDUM TO: Secretary Regan
Under Secretary Sprinkel
Assistant Secretary Leland
Deputy Assistant Secretary Dawson

SUBJECT: Cancun Summit

On Saturday, at the Tidewater Conference we were briefed by two individuals who had just returned from spending Thursday and Friday with senior Mexican officials preparing for the Summit. This included a three-hour meeting with President Lopez Portillo on Friday. The two individuals were Ken Dadzie, Director General for Development and International Economic Cooperation at the United Nations, and Enrique Iglesias, Executive Secretary, United National Economic Commission for Latin America. Under Secretary Rashish also attended the luncheon meetings and my interpretations and comments can be checked or weighed against his.

This memorandum summarizes these individuals' views of the Summit, the current state of thinking in Mexico, and my reactions. At the outset, I would stress that Dadzie provided what could be characterized as a stereotypical Third-World view of the Summit, whereas Iglesias was more balanced in his views.

DADZIE'S COMMENTS

Dadzie himself characterized his account as being rather impressionistic rather than conclusionary. He said he felt this reflected the vague state of the preparations in Mexico. His comments were as follows:

1. Cancun represents a unique political event. Its success would be judged by whether it brings out a "shared perception" of the state of the world economic situation.
2. The objective is to end with a "common understanding of the matters on which we can agree."

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To staff for info

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3. He said there is a strong "political impulse to global negotiations."
4. Substantial discussions were held on the current account deficit problems of the developing countries and the "disarray of the monetary system." I assume he meant the sharp fluctuations in the United States dollar and excessive liquidity being retained in dollar.
5. He echoed the Swedish line about the need for "an automatic lending process" determined by the developing countries themselves. This would include:
 - a) Mechanism for shifting short-term liquidity needs to long-term external debts;
 - b) Encouraging surplus countries to provide greater direct investment in developing countries; and
 - c) Preserving ODA flows, through legislation to earmark a percentage of GDP to aid or through a scheme of international taxation with revenue accruing to LDCs or aid organizations.
6. His comments indicated that the question of the energy affiliate was still not either well understood or particularly well-defined.
7. In terms of global negotiations, he indicated that the "cardinal objective of Cancun was to give emphasis to this process," but that it should be recognized that Cancun was a political meeting, not a procedural meeting, and therefore the specific questions such as weighted versus unweighted voting in global negotiations should not be expected to be dealt with at Cancun. (Any UN forum makes the question academic.)
8. In terms of the agenda, he indicated that the Mexicans were concerned about having a basically unmanageable list, given both the limited time for individual interventions and the variety of subjects that might be raised by individual countries, given the lack of a formal agenda.

9. In terms of follow-up to Cancun, he said that there was not wide agreement that there even should be an institutionalization of Cancun or regular meetings. He indicated that the Mexican feeling was that it would be sufficient if the Cancun meeting gave emphasis to the "concept of global negotiations." He indicated that stress on mutual interdependence was a satisfactory political outcome at Cancun, and that the follow-up by the appropriate groups with the competence, e.g. UN (for political matters), IMF (for monetary issues), etc., would be appropriate.

IGLESIAS' COMMENTS

Iglesias indicated that Lopez Portillo's expectations were that Cancun would:

1. Admit and recognize the existence of a North-South problem. (NOTE: The President virtually rejected this in his Bank/Fund speech when he called for a discarding of the "North-South" rhetoric.)
2. Not ignore the pluralism in either the developed or developing countries in terms of their specific domestic economic policies.
3. Stress the "mutuality of interests" in such a high-level political/philosophical meeting. (My notes are unclear, but I think he indicated that Lopez Portillo felt that the specific follow-up ideas might be left to the technicians.)

Iglesias indicated that as he sees Cancun, there are the following issues:

1. The stress that it is a political, not a technical, meeting, and should not be expected to provide concrete solutions. Only "signals" would come out of Cancun and that it was very important to manage those signals so that no one perceives it as a failure. He expressed a concern because of the informality and lack of preparation that it would be difficult to avoid some of the participants sending the wrong signals. On the other hand, he recognized that the existence of

such a meeting for the first time was itself a signal of interest and concern. In this regard, he stressed the importance placed on President Reagan's pre-election visit to Mexico, and the strong personal admiration that Lopez Portillo has for the President.

2. He felt that there would be the need to balance internal economic diversity against the assertion there was only one economic policy that might be appropriate. (I took this to be a rejoinder to our stress on using the marketplace to determine prices rather than government-fixed price controls.)
3. Iglesias felt the issue of "something concrete" versus nothing concrete would be the principal focus of the press in Cancun. He felt that the informality of the meeting with a thousand of the world press there would be a problem. (NOTE: If we handle Cancun as we did Ottawa, this should be minimized.)
4. Cancun itself could be regarded as a global negotiation or a symbol of universal approach. It can also be used to stress the recognition by the developing countries of their needs for domestic policy reform themselves.
5. He indicated the need for a slightly optimistic, but realistic, approach to international economic problems. Neither a pessimistic view of long-term development prospects nor the existing institution would be constructive.
6. He stressed the concern in the Third World over the drift toward protectionism.
7. He talked for some time about the lack of elaborate preparations and the fact that this increased a number of risks in sending the wrong signals or not providing a message of hope out of Cancun. Particularly, he expressed concern that because neither Chancellor Kreisky nor Lopez Portillo have an adequate background in the development field, they themselves could unintentionally send the wrong signals from Cancun and then require countermading statements from individual governments. (To some extent, I think that this was the civil servant's view that "the policy-maker shouldn't be allowed to set policy.")

8. Iglesias said that the strong indication on the part of the developed countries that all long-term economic solutions must be "joint solutions" would go a long way toward promoting the success of Cancun and indicating the recognition to the Third World of our mutual economic interdependence. In turn, the Third World wants to impress on the developed countries that the developing countries' compliance with conditionality or appropriate policy responses has exceptionally high social and political costs for them at home and that this is, in the current economic situation, promoting economic instability. For example, he cited the drop in the last five years in per capita income in Zambia from \$500 per capita to \$250. The standard view seemed to be that this was in part due to the terms of exchange (I take it by this he meant the U.S. dollar appreciation) and the cost of capital (high interest rates). There was no indication that the Third World will criticize the Arabs or OPEC members for increases in the price of oil that have contributed to their current account deficits.

FOLLOW-UP QUESTIONS

In the follow-up discussions, Hans Blix, the Under Secretary of State for Sweden, indicated that Sweden will press very hard for global negotiations as the "logical conclusion" of Cancun. By contrast, I. G. Patel, Governor of the Reserve Bank of India, indicated that it was not a question of global negotiations, but that the most important achievement of Cancun was the very fact that the heads of state were talking directly with each other about these problems, and that the heads of state should only stress the "need for follow-up action." He then indicated that the follow-up action should be in those areas where there was the "specific competence." Mike Rashish made basically the same point.

PERSONAL REACTIONS

Based on these comments and other discussions during the past week, I would suggest that for the United States there are several issues that we should address. Among them are:

1. Specifically what constitutes "success" at Cancun? How do we define it?
2. To what extent is participation in Cancun itself enough to be a successful effort? If that is stressed so that participation in meetings is the standard of success, does that lead to continued meetings, either political or among the civil servants, and does that take us down an inexorable road to global negotiations with unweighted voting?
3. Does the United States have to propose any new initiatives at all at Cancun?
4. If the United States wants to propose any new initiatives, must they be related to additional commitments of ODA?

If the United States determines that it wishes to have any positive initiatives, I might suggest the following for evaluation:

1. The President could call for a complete examination of the adequacy of the existing performance and competence of the various multilateral institutions.
 - a) Political -- United Nations
 - b) Monetary -- International Monetary Fund
 - c) Development -- IBRD/ADB/IDB/ADB
 - d) Trade -- OECD and GATT
 - e) Other?

This would include an assessment by each government, or by a commission, of whether the existing institutions were or were not adequately meeting the needs of the current and future needs of the developed and developing world. The report itself would take some time, but might serve as an impetus for a subsequent heads of state meeting similar to Cancun in about two years when the report was completed. Alternatively, we could have an exchange of papers by each government as the appropriate follow-up.

2. The head of the OPEC Fund for International Development, Ibrahim Shihata, has suggested that the energy affiliate as originally conceived was not a good idea, but that the OPEC Fund and Saudi Arabia would be interested in supporting an energy affiliate for private investment that could in effect be a multi-lateral exploration and development company privately owned by a group of countries or multinational companies. It in turn would contract with both developing countries and private or nationalized oil firms to promote exploration and development in new areas. They see this as strictly a business or investment proposition, but feel it is also consistent with the needs of developing countries.

3. Perhaps the most telling point that I made over the weekend was to drive home to the participants the fact that there is approximately \$210 billion of variable rate external debt out of \$425 billion total in the developing countries today. Generally priced off of LIBOR, that means that a one percent drop in LIBOR interest rates amounts to a \$2.3 billion cash flow reduction on an annualized basis. Thus, after netting out the effect of increased earnings on floating rate assets (approximately \$115 billion) held by developing countries, a 6 1/2 percent drop in LIBOR would be virtually equal to the \$6.1 billion ODA of the United States in its immediate benefit to the balance of payments of the developing countries. Hence, we should stress the mutuality of interest of the developing countries in seeing the United States bring down its inflation rate not only to increase our economy and promote imports from them, but also to reduce their current account deficits. (In addition, remember that their debt is denominated in dollars and their commodities are often sold in their domestic currency, which is further depreciated against the dollar, thereby exacerbating their current account deficits.)



R. T. McNamar

cc: Myer Rashish
Richard Allen

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KEYWORDS: CANCUN SUMMIT
MEXICO

ECONOMICS

DADZIE, KEN
IGLESIAS, ENRIQUE

SUBJECT: TREASURY MEMO SUMMARIZING MTG BETWEEN MEXICAN OFFICIALS & TREASURY
OFFICIALS ON CANCUN SUMMIT

ACTION: FOR RECORD PURPOSES DUE: STATUS C FILES WH

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