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North/South Global Negotiations.  
Relations with the Oil Producers.

UNITED NATIONS

March 1980

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
<del>24.3.80</del>		<del>1.2.81</del>					
<del>29.7.80</del>		3.12.81					
<del>11.9.80</del>		<del>7.12.81</del>					
<del>18.9.80</del>		<del>4.12.81</del>					
<del>3.10.80</del>		8.1.82					
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*h. a.  
M<sub>T</sub>*

GRS 1023

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FM FCO 081300Z JAN 82

TO PRIORITY CERTAIN MISSIONS AND DEPENDENT TERRITORIES  
GUIDANCE TELEGRAM NUMBER 3 OF 8 JANUARY 1982

GLOBAL NEGOTIATIONS

1. THIS GUIDANCE COVERS FURTHER DEVELOPMENTS ON GLOBAL NEGOTIATIONS (GNS) UP TO THE END OF 1981. IT UP-DATES GUIDANCE TEL NO 130 OF 19 DECEMBER 1980 AND THE RELEVANT SECTIONS OF GUIDANCE TELS NOS 34 OF 26 MARCH, 132 OF 21 SEPTEMBER AND 148 OF 23 OCTOBER 1981. IT MAY BE DRAWN ON FREELY.
2. INTENSIVE INFORMAL CONSULTATIONS TOOK PLACE AT THE UN IN THE CLOSING WEEKS OF THE REGULAR SESSION OF THE GENERAL ASSEMBLY WITH THE AIM OF LAUNCHING THE GLOBAL NEGOTIATIONS ON THE LINES ENVISAGED AT THE CANCUN SUMMIT. AS IN 1980, HOWEVER, THESE CONSULTATIONS DID NOT, IN THE END, LEAD TO AGREEMENT: THEY SHOULD BE RESUMED FROM MID-JANUARY ONWARDS.

LINE TO TAKE

3. THE UK ENDORSE THE AGREEMENT REACHED AT THE CANCUN SUMMIT ON 'THE DESIRABILITY OF SUPPORTING AT THE UNITED NATIONS, WITH A SENSE OF URGENCY, A CONSENSUS TO LAUNCH GLOBAL NEGOTIATIONS ON A BASIS TO BE MUTUALLY AGREED AND IN CIRCUMSTANCES OFFERING THE PROSPECT OF MEANINGFUL PROGRESS'.
4. AS PRESIDENCY OF THE EC, THE UK TOOK AN ACTIVE PART IN THE INFORMAL CONSULTATIONS IN NEW YORK. WE MADE CLEAR THE COMMUNITY'S AGREED VIEW THAT PREPARATIONS FOR GLOBAL NEGOTIATIONS SHOULD BE

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COMPLETED AS SOON AS POSSIBLE. WE ENCOURAGED ALL CONCERNED (INCLUDING BOTH THE AMERICANS AND THE G77) TO WORK FOR COMPATIBLE POSITIONS, SO THAT GNS COULD GO AHEAD IN FAVOURABLE CONDITIONS.

5. WE BELIEVE THAT USEFUL PROGRESS WAS MADE IN THESE CONSULTATIONS. FULL AGREEMENT WAS NOT ACHIEVED, BUT NO DOORS HAVE BEEN CLOSED. AS WE EXPLAINED IN NEW YORK, WE STAND READY, WITH OUR COMMUNITY PARTNERS, TO HELP BRING MATTERS TO AN EARLY AND ACCEPTABLE CONCLUSION.

6. WE AND THE REST OF THE COMMUNITY STATED OUR BELIEF THAT THE COMPETENCE OF SPECIALISED BODIES (SUCH AS THE IMF, WORLD BANK, AND GATT) SHOULD BE RESPECTED. WE MADE OUR CONCERN FOR THIS VERY CLEAR AT CANCUN: WE BELIEVE THAT A CONSENSUS CAN BE REACHED WHICH REFLECTS THIS POINT SATISFACTORILY. IT WOULD NOT BE IN THE INTERESTS OF DEVELOPING COUNTRIES IF THESE INSTITUTIONS WERE WEAKENED

7. IF DEVELOPING COUNTRIES CRITICISE THE RIGIDITY OF THE US, YOU SHOULD POINT OUT THAT THE FULL PARTICIPATION OF THE US IN THE GNS WILL BE ESSENTIAL TO THEIR SUCCESS. THE AMERICAN DELEGATION PUT FORWARD POSITIONS WHICH HAD BEEN APPROVED AT VERY HIGH LEVELS IN WASHINGTON, AND THESE MUST BE TAKEN SERIOUSLY.

#### BACKGROUND

8. DISCUSSIONS IN THE UN ON GLOBAL NEGOTIATIONS HAD BEEN IN SUSPENSE SINCE DECEMBER 1980, WHILE THE NEW US ADMINISTRATION CONSIDERED THEIR ATTITUDE. IN THE LIGHT OF THE OUTCOME OF THE CANCUN SUMMIT (SEE GUIDANCE TEL NO 148 OF 23 OCTOBER 1981), THE IRAQI PRESIDENT OF THE GENERAL ASSEMBLY, KITTANI, CONVENED A SMALL CONTACT GROUP OF DELEGATIONS TO PROMOTE AGREEMENT ON HOW TO LAUNCH THE GNS.

9. KITTANI ABANDONED THE LABORIOUS ATTEMPTS OF HIS PREDECESSOR WECHMAR TO PRODUCE DETAILED TEXTS (SEE GUIDANCE TEL NO 130 OF 19 DECEMBER 1980). HE FAVOURED INSTEAD A SHORT RESOLUTION WHICH WOULD START THE GNS EARLY IN 1982, LEAVING MOST OF THE REAL PROBLEMS TO BE TACKLED WHEN THEY BEGAN. WE AND OTHER COMMUNITY MEMBERS WOULD HAVE PREFERRED TO USE THIS OCCASION TO SETTLE



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MORE OF THE OUTSTANDING POINTS ON PROCEDURES AND AGENDA FOR THE GNS. BUT WE FOUND NO BACKING FOR THIS.

10. A SHORT DRAFT TEXT EMERGED FROM KITTANI'S GROUP ON 30 NOVEMBER. AFTER REAFFIRMING RESOLUTION 34/138 (THE GENERAL ASSEMBLY RESOLUTION, ADOPTED BY CONSENSUS IN 1979, WHICH BEGAN THE GN'S PROCESS) THE TEXT PROVIDED:

- (A) A UN CONFERENCE ON GNS WOULD BE CONVENED AT AN EARLY (BUT SO FAR UNSPECIFIED) DATE IN 1982,
- (B) THE CONFERENCE WOULD FIRST ESTABLISH PROCEDURES, AGENDA AND TIME-FRAME FOR THE GNS,
- (C) IT WOULD FUNCTION THROUGHOUT BY CONSENSUS,
- (D) IT WOULD ENTRUST AGENDA ITEMS TO SPECIALISED BODIES 'IN ACCORDANCE WITH THEIR COMPETENCE, FUNCTIONS AND POWERS' OR TO AD HOC GROUPS.

11. THE INITIAL REACTION TO THIS IN WASHINGTON WAS VERY ADVERSE. THEIR POSITION WAS THAT PRESIDENT REAGAN HAD ONLY AGREED AT CANCUN TO A NEW PREPARATORY PROCESS: AND RESOLUTION 34/138 WAS NOT CONSISTENT WITH THE US APPROACH TO INTERNATIONAL ECONOMIC RELATIONS SET OUT AT CANCUN AND IN EARLIER STATEMENTS. AFTER DIFFICULT INTERNAL DISCUSSIONS THEY DECIDED TO SEEK ONLY LIMITED CHANGES TO THE 30 NOVEMBER TEXT, AND TABLED THESE IN NEW YORK. THEIR TEXT BEGAN BY SIMPLY 'NOTING' RESOLUTION 34/138: ONLY CONVENED A 'PRELIMINARY' CONFERENCE: AND PROVIDED FOR THE CONFERENCE 'RESPECTING THE JURISDICTION, COMPETENCE, FUNCTIONS AND POWERS' OF THE SPECIALISED BODIES.

12. THE UK PRESIDENCY AND THE COMMISSION, WITH THE FULL BACKING OF THE REST OF THE COMMUNITY, TRIED BEHIND THE SCENES TO BRING THE US AND G77 CLOSER TOGETHER. THE COMMUNITY COULD WELCOME THE FIRM LANGUAGE ON CONSENSUS IN THE TEXTS UNDER DISCUSSION: WAS PREPARED TO REAFFIRM RESOLUTION 34/138: AND SAW NO REASON TO INSIST ON A PRELIMINARY CONFERENCE. WE FOUND THE MORE PRECISE US LANGUAGE ON RESPECTING THE COMPETENCE OF SPECIALISED BODIES A GREAT IMPROVEMENT, AND THE G77 SEEMED READY TO SWALLOW IT.

13. HOWEVER, THE FIRST TWO OF THE AMERICAN CHANGES - ON RESOLUTION 34/138 AND A 'PRELIMINARY' CONFERENCE - CAUSED



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PARTICULAR DIFFICULTIES FOR THE G77, THOUGH THEY WERE AWARE THAT THEY HAD BEEN AUTHORIZED AT THE HIGHEST LEVEL IN WASHINGTON. WHEN IT WAS CLEAR THAT THE G77 COULD NOT ACCEPT THE US TEXT AS IT STOOD, WE ENCOURAGED THEIR ALGERIAN CHAIRMAN TO WORK OUT WITH HIS GROUP MINIMUM AMENDMENTS TO RENDER IT ACCEPTABLE, WHICH MIGHT HAVE HAD SOME HOPE OF FINDING SUPPORT IN WASHINGTON. HE MADE SOME PROGRESS IN PRODUCING VERY LIMITED CHANGES ON THESE LINES AND WE ENCOURAGED THE AMERICANS TO LOOK AT THEM POSITIVELY (WHILE DISCLAIMING SUGGESTIONS THAT THEY WERE THE COMMUNITY'S OWN AMENDMENTS).

14. SHORTAGE OF TIME, AND THE ONSET OF THE POLISH CRISIS, DID NOT ALLOW THESE LATEST IDEAS TO BE CONSIDERED FURTHER BY THE AMERICANS OR TO BECOME AGREED POSITIONS OF THE G77, BEFORE THE ASSEMBLY WAS SUSPENDED. BUT WE HOPE THE INFORMAL DISCUSSIONS, WHEN THEY RESUME LATER THIS MONTH, WILL PICK UP FROM WHERE MATTERS WERE LEFT IN LATE DECEMBER.

15. ERD CAN PROVIDE MORE DETAILED BACKGROUND FOR ANY INTERESTED POSTS.

CARRINGTON

BY TELEGRAPH:

CARACAS  
BRASILIA  
BAGHDAD  
ALGIERS

TUNIS  
ISLAMABAD  
PEKING  
OTTAWA

CANBERRA  
DACCA  
COLOMBO

[ALL PRIORITY]

AND SAVING TO CERTAIN OTHER POSTS

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Secretary of State for Industry

DEPARTMENT OF INDUSTRY  
ASHDOWN HOUSE  
123 VICTORIA STREET  
LONDON SW1E 6RB

TELEPHONE DIRECT LINE 01-212 3301  
SWITCHBOARD 01-212 7676

11 December 1981

Brian Fall Esq  
Private Secretary to the  
Secretary of State for  
Foreign & Commonwealth Affairs  
Foreign & Commonwealth Office  
London SW1

Dear Brian

GLOBAL NEGOTIATIONS

My Secretary of State has seen your letter and enclosures to Michael Alexander of 2 December about the above. He agrees that we should proceed as you suggest.

Copies go to Michael Alexander (No 10), John Kerr (HMT), John Rhodes (DoT), Julian West (DEN) and Kate Timms (MAFF).

Yours ever

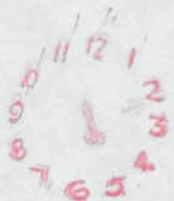
*Richard*

RICHARD RILEY  
Private Secretary

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h.a.



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ZZ UKMIS NEW YORK  
GRS 345  
CONFIDENTIAL  
FM FCO 071226Z DEC 81  
TO FLASH UKMIS NEW YORK  
TELEGRAM NUMBER 851 OF 7 DECEMBER  
INFO IMMEDIATE UKREP BRUSSELS, PARIS, BONN  
ROUTINE UKDEL OECD AND UKMIS GENEVA  
YOUR TEL NO 1466: GLOBAL NEGOTIATIONS

f.a.  
M 10  
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1. WE HAVE HEARD FROM BONN (TELECON SIR K COUZENS/SCHULMANN) THAT THERE HAS BEEN A DEAL BETWEEN GENSCHER AND MATTHOEFER. APPARENTLY THEY HAVE AGREED THAT THE GERMANS CAN ACCEPT THE KITTANI TEXT (YOUR TEL NO 1406) PROVIDED THAT THE GERMAN VIEW ABOUT THE IMF/WORLD BANK IS MADE CLEAR IN AN INTERPRETATIVE STATEMENT.
2. IN VIEW OF THIS DEVELOPMENT, YOU NOW HAVE DISCRETION TO JOIN A COMMUNITY POSITION WHEREBY THE COMMUNITY ACCEPT THE DRAFT CONTAINED IN YOUR TEL NO 1406 AND MAKE AN INTERPRETATIVE STATEMENT TO BE DELIVERED BY THE PRESIDENCY WHEN THE RESOLUTION IS ADOPTED BY THE GENERAL ASSEMBLY.
3. YOU SHOULD NATURALLY CONSULT CLOSELY WITH YOUR GERMAN COLLEAGUE IN DRAWING UP A SUITABLE STATEMENT. YOU WILL NO DOUBT WISH TO JUDGE THE FORM AND TIMING OF THE STATEMENT IN THE LIGHT OF THE ATTITUDES OF OTHERS. THE ESSENTIAL POINT FOR US IS THAT IT SHOULD FULLY REFLECT THE PRIME MINISTER'S OPENING STATEMENT AT CANCUN IN WHICH SHE SAID:-  
'ABOVE ALL, WE MUST NOT COMPROMISE THE EFFECTIVENESS OR INTEGRITY OF ORGANISATIONS LIKE THE WORLD BANK AND THE IMF.'
4. WE SUGGEST THE FOLLOWING:-  
'IN VOTING FOR THIS RESOLUTION, THE MEMBER STATES OF THE EUROPEAN COMMUNITY ARE CONCERNED TO EMPHASISE STATE THEIR UNDERSTANDING THAT OPERATIVE PARAGRAPH 4 DOES NOT COMPROMISE THE EFFECTIVENESS OR INTEGRITY OF THE SPECIALISED AGENCIES AND OTHER SPECIALISED FORA SUCH AS THE IMF, AND IBRD AND THE GATT.



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THIS IS OUR INTERPRETATION OF THE REFERENCE TO THE UN CHARTER  
IN THAT PARAGRAPH.'

5. IT MAY, OF COURSE, NOT BE POSSIBLE TO OBTAIN AGREEMENT  
IN THE COMMUNITY ON ANY WORTHWHILE STATEMENT. IF SO, YOU  
SHOULD WORK FOR NATIONAL STATEMENTS ON PARALLEL  
LINES BY THE GERMANS, OURSELVES AND ANY OTHER LIKE-MINDED  
COUNTRIES. THE AMERICAN POSITION IS COMPLETELY UNFORESEEABLE  
BUT WE WOULD HOPE THAT IT ALSO WOULD INCLUDE A STATEMENT OF  
THE KIND OUTLINED IN PARAGRAPH 4 ABOVE.

CARRINGTON

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10 DOWNING STREET

*From the Private Secretary*

7 December 1981

GLOBAL NEGOTIATIONS

The Foreign and Commonwealth Secretary asked over the weekend that UKMIS New York telegrams Nos. 1463 and 1466 should be brought to the Prime Minister's attention. Lord Carrington recommended that, in view of the developments in the attitude of the Federal Republic of Germany, we should be ready to go along with the Kitani text, making our views about IMF/World Bank competence clear in an interpretative statement.

The Prime Minister agrees with this recommendation but has stated that we must make it clear beyond all doubt that the competence of the IMF and the World Bank must not be prejudiced by the global negotiations.

A. J. COLES

R.M.J. Lyne, Esq.,  
Foreign and Commonwealth Office.

CS



MESSAGE FROM THE FOREIGN AND COMMONWEALTH OFFICE

Letter to F.C.O.

H.A. *ML* 7/12

GLOBAL NEGOTIATIONS

The Foreign Secretary has asked UKMIS New York telegram nos. 1463 and 1466 to be brought to the Prime Minister's attention tonight.

The situation at the UN has changed suddenly because the Germans, hearing that the G77 have accepted the draft Resolution prepared by the President of the General Assembly (Kitani), wish the European Community to announce its early acceptance also. Sir A. Parsons believes that he needs discretion to move to this position tomorrow, so as to maintain a united EC position.

The Treasury learned from a conversation between Sir K. Couzens and Schulmann today that there has been a deal between Genscher and Matthoefer. By this it is agreed that Genscher can go along with the Kitani text, provided that the FRG view about the IMF/World Bank is made clear in an interpretive statement. The Treasury recommend that we should do the same and are so informing the Chancellor of the Exchequer.

*Agreed provided*

*Clear clear all doubt*

*Hope FRG will agree.*

The Foreign Secretary hopes that the Prime Minister will agree with this. (He is leaving for Brussels tomorrow morning.) If she does, instructions will be sent to Sir A. Parsons early tomorrow, to give him the discretion he seeks: by adding that in announcing this to the EC partners in New York, he should set out our national position, following as closely as possible the words used at Cancun about the IMF/World Bank which were approved by the Prime Minister.

LORD BRIDGES  
6 December 1981



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DESKBY UKREP BRUSSELS 070900Z  
FROM UKMIS NEW YORK 050155Z DEC 81  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1463 DATED 4 DECEMBER 81  
INFO IMMEDIATE UKREP BRUSSELS, WASHINGTON, ROUTINE UKMIS GENEVA,  
UKDEL OECD, PARIS, BONN.

MYTELNO 1437 AND WASHINGTON TELNO 3644 TO FCO: GLOBAL NEGOTIATIONS

1. AS FORESHADOWED IN PARA 6 OF REF TEL 1437, THE PRESIDENCY (BAYNE) AND COMMISSION (MALVE) MET SORZANO AND CLARK OF THE US MISSION TO DISCUSS POSSIBLE AMENDMENTS TO THE TEXT IN MY TELNO 1406. OUR REMIT FROM THE TEN DID NOT PERMIT US TO SUGGEST THAT THE AMERICANS SHOULD PROMOTE PARTICULAR CHANGES. WE WERE ABLE, HOWEVER, TO LEARN MORE OF THEIR MAJOR PREOCCUPATIONS AND TO DISSUADE THEM FROM SOME IDEAS WHICH WOULD NOT HAVE BEEN USEFUL.
2. THEIR MAIN CONCERNS WERE NATURALLY WITH PARA 4 OF THE TEXT AND WE ENCOURAGED THEM IN THINKING THAT THE MOST IMPORTANT OBJECTIVE WAS TO SECURE LANGUAGE "RESPECTING" THE COMPETENCE AND FUNCTIONS OF SPECIALISED FORA. WE ALSO ARGUED WITH SOME FORCE THAT THEY SHOULD AGREE TO "REAFFIRM" RESOLUTION 34/138, SINCE THIS WOULD HELP THEM TO SECURE CHANGES ELSEWHERE. THE AMERICANS TOOK OUR ARGUMENTS BUT SAID THAT THERE WAS RESISTANCE IN WASHINGTON AT THE HIGHEST LEVEL.
3. MRS KIRKPATRICK WILL LEAVE FOR WASHINGTON OVER THE WEEKEND. WE DO NOT KNOW EXACTLY WHAT HER PLANS ARE BUT AT LEAST NO MORE HAS BEEN SAID ABOUT A US ABSTENTION. RASHISH AND HORMATS HAVE BOTH BEEN IN NEW YORK TODAY.
4. MEANWHILE, I TALKED TO BEDJAOUI. HE SAID THAT HE WAS HAVING THE GREATEST DIFFICULTIES WITH THE G77. THERE WERE PROPOSALS FOR A GREAT MANY CHANGES IN THE TEXT IN MY TELNO 1406, FOR EXAMPLE TO WEAKEN THE USE OF CONSENSUS. BEDJAOUI SAID THAT HE WAS RESISTING PRESSURE TO ADVANCE THESE PROPOSALS; HE HAD SECURED A MANDATE SIMPLY TO CONTINUE TO NEGOTIATE ON THIS TEXT. HE HAD BEEN DISCONCERTED BY MRS KIRKPATRICK'S RELUCTANCE TO NEGOTIATE ON THIS BASIS HITHERTO AND HOPED THAT SHE WOULD BE BETTER PLACED NEXT WEEK. I ASKED WHAT WOULD HAPPEN IF MRS KIRKPATRICK RETURNED WITH PROPOSALS FOR AMENDMENT TO THE TEXT. BEDJAOUI THOUGHT THIS WOULD OBVIOUSLY INCREASE HIS DIFFICULTIES IN THE G77 BUT DID NOT EXCLUDE MAKING PROGRESS ON THIS BASIS.
5. WE HAVE NOT YET GIVEN OUR PARTNERS IN THE TEN ANY ACCOUNT OF THESE EVENTS. WE SHALL MEET THEM AT COUNSELLOR LEVEL AT 1330Z ON 7 DECEMBER, AND I PLAN TO CALL TOGETHER THE AMBASSADORS LATER.



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6. THE MOST RECENT DEVELOPMENT IS THAT MY GERMAN COLLEAGUE TELLS ME THAT HE NOW HAS INSTRUCTIONS FROM BONN TO AGREE TO THE TEXT IN MY TELNO 1406, WITH A VERY BRIEF INTERPRETATIVE STATEMENT. HE HOPES THAT THE AMERICANS WILL LIKEWISE AGREE TO ACCEPT THE TEXT UNCHANGED, WITH AN INTERPRETATIVE STATEMENT. FROM WHAT WE KNOW OF VIEWS IN WASHINGTON, HOWEVER, THIS SEEMS MOST UNLIKELY. I HAVE ASKED VAN WELL NOT TO REVEAL HIS INSTRUCTIONS TO OTHERS UNTIL WE MEET ON MONDAY, IN THE HOPE THAT BY THEN WE SHALL KNOW MORE OF THE AMERICAN POSITION. BUT ONCE THIS NEW GERMAN POSITION BECOMES KNOWN, THE REST OF THE COMMUNITY WILL RALLY TO IT AND IT WILL NOT BE POSSIBLE FOR US TO STAND OUT ALONE AGAINST IT.

7. UKREP BRUSSELS MAY DRAW ON THE ACCOUNTS OF MY DISCUSSIONS WITH MRS KIRKPATRICK YESTERDAY AND BEDJACUI TODAY IF IT IS NECESSARY TO GIVE THE COUNCIL OF MINISTERS SOME ACCOUNT OF THE "ACTIVE AND DISTINCT" ROLE THE PRESIDENCY IS PLAYING. BUT NOTHING SHOULD BE SAID TO OUR PARTNERS ABOUT THE CONTENT OF TODAY'S DISCUSSION WITH THE AMERICANS.

8. BAYNE WILL TELEPHONE EVANS (AUSS) - OR FAILING HIM, GREEN (ERD) - ABOUT 1400Z TOMORROW. GRATEFUL IF RESIDENT CLERK COULD PASS THE GIST OF THIS TELEGRAM TO WHICHEVER WILL BE AVAILABLE.

PARSONS

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HD/UND

ESID (MISS HARVEY)

HD/NEWS D

RESIDENT CLERK (FOR ACTION PARAS)

MR J L BUIST ODA

MISS BOYS ) DEPT OF  
PS/SEC OF STATE ) ENERGY

MR F R BARRATI )

MR MOUNTFIELD ) TREASURY

MR J F SLATER )

MR R W GRAY )

MR S ABRAMSON ) DEPT OF

MR J. R. D. GILDEA )

MR D WOODS (PRESS OFFICE) TRADE

MR M D M FRANKLIN )

MR P LE CHEMINANT ) CABINET OFFICE

MR P GENT (ABELL HSE) DEPT OF  
INDUSTRY

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DESKBY 051736Z

FROM UKMIS NEW YORK 051701Z DEC 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 1466 DATED 5 DECEMBER 81

INFO IMMEDIATE UKREP BRUSSELS, WASHINGTON, PARIS, BONN

ROUTINE UKMIS GENEVA, UKDEL OECD

MY TELNO 1463 AND YOUR TELNO 847: GLOBAL NEGOTIATIONS

1. YOUR REFTEL INDICATES THAT VAN WELL, IN REPORTING TO BONN, MADE MUCH OF AN AFTER LUNCH SPEECH BY KITTANI ON 4 DECEMBER IN PRESSING FOR FINAL INSTRUCTIONS FROM BONN. BEDJAQUI (THE G77 CHAIRMAN) AND I WERE ALSO PRESENT AT THE LUNCH WITH MANY OTHER PERM REPS.

IT WAS A SOCIAL OCCASION AND KITTANI'S REMARKS WERE MORE OR LESS LIGHT-HEARTED AND ACCEPTED AS SUCH. HE SAID THAT NOT ONLY THE G77 BUT ALSO THE COMMUNITY AND EVERYONE ELSE EXCEPT THE AMERICANS HAD ACCEPTED THE TEXT IN MY TELNO 1466.

2. BEDJAQUI AND I AGREED AFTERWARDS THAT KITTANI HAD GONE TOO FAR BUT THAT IT WOULD HAVE BEEN BAD MANNERS TO HAVE ARGUED WITH HIM PUBLICLY ON THE SPOT. VAN WELL UNDERSTOOD THIS AND HIS SUBSEQUENT ACTION WAS DISINGENUOUS. BUT HE GOT THE RESULT HE WANTED.

3. I AM CONVINCED THAT WE MUST NOW JOIN A UNITED COMMUNITY POSITION, IE THAT ALL TEN OF US SHOULD BE PREPARED TO ACCEPT THE DRAFT AS



HIS SUBSEQUENT ACTION WAS DISINGENUOUS. BUT HE GOT THE RESULT HE WANTED.

I AM CONVINCED THAT WE MUST NOW JOIN A UNITED COMMUNITY POSITION, IE THAT ALL TEN OF US SHOULD BE PREPARED TO ACCEPT THE DRAFT AS IT STANDS, WITH AN INTERPRETATIVE STATEMENT TO BE DELIVERED BY THE PRESIDENCY (UNLESS IT IS AGREED THAT THERE ARE NO INTERPRETATIVE STATEMENTS BY ANYBODY.) IF I CAN PREPARE THIS POSITION AT MY MEETING WITH THE PERM REPS OF THE TEN AT 1430Z ON 7 DECEMBER, I CAN HOPE TO REIN THEM BACK FROM GOING PUBLIC INDIVIDUALLY ON THEIR OWN POSITION, SO LONG AS THERE IS THE REMOTEST CHANCE OF NEGOTIATING SOMETHING ACCEPTABLE TO THE AMERICANS AND THE G77. IF I CANNOT PROCLAIM A UNITED TEN POSITION, I HAVE NO DOUBT THAT THE OTHERS WILL GO THEIR OWN WAY ON MONDAY, MAKING SURE IN THE PROCESS THAT EVERYONE ELSE KNOWS THAT WE ARE THE ODD MAN OUT.

4. I CANNOT OF COURSE ANSWER FOR THE REACTIONS OF THE WASHINGTON BUREAUCRACY BUT THESE TACTICS WILL NOT UPSET MRS KIRKPATRICK. SHE IS APPRECIATIVE OF THE FACT THAT WE HAVE ROPED DOWN OUR PARTNERS SO FAR IN ORDER NOT TO ISOLATE HER PUBLICLY. SO LONG AS I CAN CONVINCHE HER THAT WE WILL STILL TRY TO AVOID ISOLATING HER IN PUBLIC UNTIL ALL HOPE HAS COLLAPSED, SHE WILL NOT IN MY VIEW BE RESENTFUL. SHE HERSELF BELIEVES THAT HER PEOPLE IN WASHINGTON ARE BEING OVER-METICULOUS AND SLOW TO UNDERSTAND THE REQUIREMENTS OF THE UN GAME IN NEW YORK.

5. RESIDENT CLERK PLEASE INFORM LORD BRIDGES (OR IF UNAVAILABLE ) EVANS AUSS) OF THE ARRIVAL OF THIS TELEGRAM.

PARSONS

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DESKBY 051730Z  
FROM UKMIS NEW YORK 051701Z DEC 81  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1466 DATED 5 DECEMBER 81  
INFO IMMEDIATE UKREP BRUSSELS, WASHINGTON, PARIS, BONN  
ROUTINE UKMIS GENEVA, UKDEL OECD

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MY TELNO 1463 AND YOUR TELNO 847: GLOBAL NEGOTIATIONS

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5. RESIDENT CLERK PLEASE INFORM LORD BRIDGES (OR IF UNAVAILABLE EVANS AUSS) OF THE ARRIVAL OF THIS TELEGRAM.

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FM WASHINGTON 042140Z DEC 81  
TO PRIORITY F C O  
TELEGRAM NUMBER 3687 OF 4 DECEMBER  
INFO PRIORITY UKMIS NEW YORK, UKREP BRUSSELS, UKMIS GENEVA, UKDEL  
OECD, PARIS, BONN.

MY TELNO 3644: GLOBAL NEGOTIATIONS.

1. THE CONFUSION IN WASHINGTON NOW SEEMS TO BE COMPLETE. STATE DEPARTMENT HAVE STILL NOT BEEN ABLE TO GET CLEARANCE FROM MRS KIRKPATRICK FOR THE APPROACH THEY WANT TO MAKE TO EUROPEAN AND OTHER INDUSTRIALISED CAPITALS (PARA 2 OF MYTEL UNDER REFERENCE). HORMATS HAS GONE TO NEW YORK TODAY, PRESUMABLY TO TRY TO SORT THIS OUT. SECRETARY REGAN'S APPROACH TO HIS FOREIGN COLLEAGUES IS NOT SUBJECT TO THE SAME CONSTRAINTS, BUT A LETTER FROM HIM HAS ONLY BEEN FINALISED TODAY AND IS EXPECTED TO ISSUE THIS AFTERNOON.

2. IN THE MEANTIME THE U.S. EMBASSY IN BONN HAS REPORTED THAT THE FRENCH ARE MAKING A MAJOR EFFORT TO BRING THE GERMANS ROUND TO ACCEPT THE KITTANI GROUP TEXT. LAMSDORFF IS REPORTED TO HAVE GIVEN UP THE FIGHT. MATTHOEFFER MAY STILL BE PREPARED TO HOLD OUT BUT THE FINANCE MINISTRY IN BONN HAS NOT SO FAR BEEN ABLE TO REACH HIM. ACCORDING TO THE U.S. EMBASSY IN BONN, THE FRENCH ARE THREATENING TO TAKE A NATIONAL POSITION. IT REMAINS TO BE SEEN WHETHER THEY WOULD DO THIS IF THEIR BLUFF WERE CALLED, BUT IT MAY BE A HELPFUL POINTER TO TACTICS THEY MAY SHORTLY DEPLOY IN NEW YORK.

3. STREEB (INTERNATIONAL ORGANISATIONS BUREAU, STATE DEPARTMENT) TOLD MINISTER COMMERCIAL THIS AFTERNOON THEY UNDERSTOOD THAT APART FROM THE GERMANS, ALL MEMBERS OF THE COMMUNITY WERE READY TO ACCEPT THE KITTANI GROUP TEXT WITH THE POSSIBLE EXCEPTION OF THE U K. THOMAS MADE CLEAR THAT WE CONTINUED TO BELIEVE THAT THIS WAS AN UNSATISFACTORY TEXT. IN ORDER TO GUARD AGAINST POSSIBLE MISREPRESENTATIONS OF OUR POSITION, HE GAVE STREEB AN ACCOUNT OF THE INSTRUCTIONS CONTAINED IN YOUR TELEGRAM TO NEW YORK NO 831, MAKING IT CLEAR THAT AT PRESENT THERE WAS NO QUESTION OF OUR MOVING TO ACCEPT THE TEXT UNLESS BOTH THE AMERICANS AND THE G.77 HAD ACCEPTED IT. STREEB WAS GRATEFUL TO KNOW THIS. SEEN FROM HERE IT IS IMPORTANT THAT THE U.S. ADMINISTRATION SHOULD NOT BE MISLED INTO THINKING THAT WE ARE MORE DISPOSED TO ACCEPT THE KITTANI GROUP TEXT THAN IS THE CASE.

4. INCIDENTALLY, THE STATE DEPARTMENT HAD ALREADY HEARD FROM ANOTHER SOURCE THAT MRS KIRKPATRICK WAS PLAYING WITH THE IDEA OF A U.S. ABSTENTION. THEY REGARD THIS AS QUITE UNACCEPTABLE.

ADVANCE TO EVANS (AVUSS).

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DESKBY UKREP BRUSSELS 070900Z  
FROM UKMIS NEW YORK 050155Z DEC 81  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1463 DATED 4 DECEMBER 81  
INFO IMMEDIATE UKREP BRUSSELS, WASHINGTON, ROUTINE UKMIS GENEVA,  
UKDEL OECD, PARIS, BONN.

MYTELNO 1437 AND WASHINGTON TELNO 3644 TO FCO: GLOBAL NEGOTIATIONS

1. AS FORESHADOWED IN PARA 6 OF REF TEL 1437, THE PRESIDENCY (BAYNE) AND COMMISSION (MALVE) MET SORZANO AND CLARK OF THE US MISSION TO DISCUSS POSSIBLE AMENDMENTS TO THE TEXT IN MY TELNO 1406. OUR REMIT FROM THE TEN DID NOT PERMIT US TO SUGGEST THAT THE AMERICANS SHOULD PROMOTE PARTICULAR CHANGES. WE WERE ABLE, HOWEVER, TO LEARN MORE OF THEIR MAJOR PREOCCUPATIONS AND TO DISSUADE THEM FROM SOME IDEAS WHICH WOULD NOT HAVE BEEN USEFUL.
2. THEIR MAIN CONCERNS WERE NATURALLY WITH PARA 4 OF THE TEXT AND WE ENCOURAGED THEM IN THINKING THAT THE MOST IMPORTANT OBJECTIVE WAS TO SECURE LANGUAGE "RESPECTING" THE COMPETENCE AND FUNCTIONS OF SPECIALISED FORA. WE ALSO ARGUED WITH SOME FORCE THAT THEY SHOULD AGREE TO "REAFFIRM" RESOLUTION 34/138, SINCE THIS WOULD HELP THEM TO SECURE CHANGES ELSEWHERE. THE AMERICANS TOOK OUR ARGUMENTS BUT SAID THAT THERE WAS RESISTANCE IN WASHINGTON AT THE HIGHEST LEVEL.
3. MRS KIRKPATRICK WILL LEAVE FOR WASHINGTON OVER THE WEEKEND. WE DO NOT KNOW EXACTLY WHAT HER PLANS ARE BUT AT LEAST NO MORE HAS BEEN SAID ABOUT A US ABSTENTION. RASHISH AND HORMATS HAVE BOTH BEEN IN NEW YORK TODAY.
4. MEANWHILE, I TALKED TO BEDJAOUI. HE SAID THAT HE WAS HAVING THE GREATEST DIFFICULTIES WITH THE G77. THERE WERE PROPOSALS FOR A GREAT MANY CHANGES IN THE TEXT IN MY TELNO 1406, FOR EXAMPLE TO WEAKEN THE USE OF CONSENSUS. BEDJAOUI SAID THAT HE WAS RESISTING PRESSURE TO ADVANCE THESE PROPOSALS; HE HAD SECURED A MANDATE SIMPLY TO CONTINUE TO NEGOTIATE ON THIS TEXT. HE HAD BEEN DISCONCERTED BY MRS KIRKPATRICK'S RELUCTANCE TO NEGOTIATE ON THIS BASIS HITHERTO AND HOPED THAT SHE WOULD BE BETTER PLACED NEXT WEEK. I ASKED WHAT WOULD HAPPEN IF MRS KIRKPATRICK RETURNED WITH PROPOSALS FOR AMENDMENT TO THE TEXT. BEDJAOUI THOUGHT THIS WOULD OBVIOUSLY INCREASE HIS DIFFICULTIES IN THE G77 BUT DID NOT EXCLUDE MAKING PROGRESS ON THIS BASIS.
5. WE HAVE NOT YET GIVEN OUR PARTNERS IN THE TEN ANY ACCOUNT OF THESE EVENTS. WE SHALL MEET THEM AT COUNSELLOR LEVEL AT 1330Z ON 7 DECEMBER, AND I PLAN TO CALL TOGETHER THE AMBASSADORS LATER.

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/ 6.



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6. THE MOST RECENT DEVELOPMENT IS THAT MY GERMAN COLLEAGUE TELLS ME THAT HE NOW HAS INSTRUCTIONS FROM BONN TO AGREE TO THE TEXT IN MY TELNO 1406, WITH A VERY BRIEF INTERPRETATIVE STATEMENT. HE HOPES THAT THE AMERICANS WILL LIKEWISE AGREE TO ACCEPT THE TEXT UNCHANGED, WITH AN INTERPRETATIVE STATEMENT. FROM WHAT WE KNOW OF VIEWS IN WASHINGTON, HOWEVER, THIS SEEMS MOST UNLIKELY. I HAVE ASKED VAN WELL NOT TO REVEAL HIS INSTRUCTIONS TO OTHERS UNTIL WE MEET ON MONDAY, IN THE HOPE THAT BY THEN WE SHALL KNOW MORE OF THE AMERICAN POSITION. BUT ONCE THIS NEW GERMAN POSITION BECOMES KNOWN, THE REST OF THE COMMUNITY WILL RALLY TO IT AND IT WILL NOT BE POSSIBLE FOR US TO STAND OUT ALONE AGAINST IT.

7. UKREP BRUSSELS MAY DRAW ON THE ACCOUNTS OF MY DISCUSSIONS WITH MRS KIRKPATRICK YESTERDAY AND BEDJACUI TODAY IF IT IS NECESSARY TO GIVE THE COUNCIL OF MINISTERS SOME ACCOUNT OF THE "ACTIVE AND DISTINCT" ROLE THE PRESIDENCY IS PLAYING. BUT NOTHING SHOULD BE SAID TO OUR PARTNERS ABOUT THE CONTENT OF TODAY'S DISCUSSION WITH THE AMERICANS.

8. BAYNE WILL TELEPHONE EVANS (AUSS) - OR FAILING HIM, GREEN (ERD) - ABOUT 1400Z TOMORROW. GRATEFUL IF RESIDENT CLERK COULD PASS THE GIST OF THIS TELEGRAM TO WHICHEVER WILL BE AVAILABLE.

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TO PRIORITY UKMIS NEW YORK

TELEGRAM NUMBER 844 OF 4 DEC

REPEATED FOR INFO PRIORITY TO WASHINGTON

ROUTINE TO UKREP BRUSSELS

SAVING TO UKMIS GENEVA, UKDEL OECD, PARIS AND BONN

YOUR TELNO 1347: GLOBAL NEGOTIATIONS

1. WE HAVE BEEN CONSIDERING WHETHER THERE ARE ANY RELATIVELY LIMITED AMENDMENTS TO THE TEXT IN YOUR TELNO 1406 THAT MIGHT HELP MEET OUR CONCERNS. LEGAL ADVICE (COPIED TO BOYD BY BAG) SUGGESTS THAT THE RELATIONSHIP AGREEMENTS BETWEEN THE IMF/IBRD AND THE UN ARE SO FIRM THAT AN EXPLICIT REFERENCE TO THEM WOULD HELP US CONSIDERABLY.

2. YOU MAY THEREFORE WISH TO BEAR IN MIND THE FOLLOWING TWO SUGGESTIONS IN CASE THE OPPORTUNITY TO AMEND THE RESOLUTION SHOULD ARISE:-

(A) AMEND OPERATIVE PARAGRAPH 4 TO BEGIN AS FOLLOWS:  
'DECIDES THAT THE CONFERENCE WILL EXERCISE THE CENTRAL ROLE IN THE GLOBAL NEGOTIATIONS IN ACCORDANCE WITH THE PROVISIONS OF THE UNITED NATIONS CHARTER AND OF THE RELATIONSHIP AGREEMENTS CONCLUDED ON THE BASIS OF ARTICLE 57 THEREOF, AND IN THAT CONTEXT WILL ENTRUST ...'  
COMMENT: EVEN IF IT WERE NOT POSSIBLE TO INSERT A REFERENCE TO THE RELATIONSHIP AGREEMENTS, THERE WOULD STILL BE ADVANTAGE IN MOVING THE REFERENCE TO THE UN CHARTER TO THE POSITION SUGGESTED: THE PRESENT TRUNCATED VERSION OF THIS REFERENCE IN ITS PRESENT PLACING IN THE DRAFT RESOLUTION GIVES THE UNFORTUNATE IMPRESSION THAT THE

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FUNCTION OF THE UN CHARTER IS SIMPLY TO SETTLE THAT A BODY ESTABLISHED BY THE GENERAL ASSEMBLY MUST HAVE THE CENTRAL ROLE, AND RATHER TENDS TO LOSE THE IMPORTANT ELEMENT THAT THIS CENTRAL ROLE MUST IN FACT BE EXERCISED IN A WAY WHICH CONFORMS TO THE CONDITIONS AND LIMITATIONS PRESENT IN THE UN CHARTER.

(B) ADD A NEW OPERATIVE PARAGRAPH 7 AS FOLLOWS:

'REQUESTS THE SPECIALISED AGENCIES AND OTHER SPECIALISED FORA OPEN SQUARE BRACKETS ACTING ON THE BASIS OF THE RELATIONSHIP AGREEMENTS CONCLUDED UNDER ARTICLE 57 OF THE CHARTER CLOSE SQUARE BRACKETS TO CO-OPERATE WITH THE CONFERENCE IN THE IMPLEMENTATION OF THIS RESOLUTION.'

COMMENT: THE PASSAGE IN THE SQUARE BRACKETS IS, OF COURSE, AN ALTERNATIVE TO THE MENTION OF THE RELATIONSHIP AGREEMENTS IN OPERATIVE PARAGRAPH 4 ITSELF: TACTICAL CONSIDERATIONS WOULD DICTATE WHICH OF THE TWO ALTERNATIVES IT WOULD BE BEST TO ADVANCE AS A FIRST POSITION, WITH THE OTHER RETAINED AS A FALL-BACK.

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FROM UKMIS NEWYORK 041334Z DEC 81

TO IMMEDIATE O D A

TELEGRAM NUMBER <sup>[MODEV]</sup> 46 OF 4 DECEMBER

MY MODEV 40:

UN CONFERENCE ON THE LEAST DEVELOPED

1. MIFT CONTAINS TEXT OF NEW PARAGRAPHS AGREED IN INFORMAL CONSULTATIONS.
2. WHILE STILL LACKING IN BALANCE, THE TEXT REPRESENTS THE BEST WE COULD DO GIVEN THE LIMITATIONS ON OUR NEGOTIATING POSITION OF FRENCH RELUCTANCE TO CHANGE MUCH IN THE RESOLUTION AND THEIR PREFERENCE THAT THE COMMUNITY'S NEGOTIATING POSITION SHOULD MERELY BE TO ASSENT AS QUICKLY AS POSSIBLE TO ALL THE G77 PROPOSALS. THE LEAST DEVELOPED, THROUGH THE G77 SPOKESMAN HAVE SHOWN A MARKED RELUCTANCE TO RECALL OR REFER IN ANY WAY TO THEIR OWN OBLIGATIONS AS AGREED IN PARIS. WE WERE LUCKY TO GET AS MUCH AS THE NEW PARAGRAPH 5BIS.
3. THE FINANCIAL IMPLICATIONS OF THE RESOLUTION ARE OF THE ORDER OF DOLLARS 2 MILLION. (A/C.2/36/L127). AN INTERROGATION OF THE BUDGET DIVISION IN SECOND COMMITTEE CONSULTATIONS PRODUCED THE REPLY THAT IT WAS IMPOSSIBLE TO IMPLEMENT THE SNPA AND RESOLUTION WITHIN EXISTING RESOURCES. WE BELIEVE THAT THE AMENDMENT WE HAVE SECURED TO OPERATIVE 11 WHICH REPLACE QUOTE ADDITIONAL UNQUOTE BY QUOTE ADEQUATE UNQUOTE AND REMOVES THE REFERENCE TO QUOTE CARRY OUT THEIR RESPONSIBILITIES UNQUOTE BY UNCTAD ETC (WHICH THEY WOULD CLEARLY USE TO SECURE A MORE GENEROUS ALLOCATION OF FUNDS) WILL GIVE THE ACABQ AND THE FIFTH COMMITTEE A REASONABLE OPPORTUNITY TO ATTACK THE EXAGGERATED CLAIMS PRESENTED IN THE FINANCIAL IMPLICATIONS.
4. THIS TEXT WILL NOW BE ADOPTED BY CONSENSUS ON 7 DECEMBER. THE RUSSIANS AND THE AMERICANS WILL MAKE EXPLANATIONS OF VOTE ON OPERATIVE 5 WE HOPE YOU CAN ACCEPT THE TEXT AND DO NOT REQUIRE US TO MAKE ANY EXPLANATION OF VOTE WHICH WOULD GIVE US GREAT DIFFICULTIES WITHIN THE COMMUNITY. GRATEFUL FOR CONFIRMATION DURING THE COURSE OF 4 DECEMBER.
5. PLEASE PASS ADVANCE TO WILLIAMS, APD, ODA.

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10 DOWNING STREET

*From the Private Secretary*

3 December 1981

Global Negotiations

The Prime Minister has seen your letter to me of 2 December on this subject. She is content that we should proceed as you propose.

I am sending copies of this letter to John Kerr (HM Treasury), John Rhodes (Department of Trade), Ian Ellison (Department of Industry), Julian West (Department of Energy) and Kate Timms (Ministry of Agriculture, Fisheries and Food).

M. Q. B. ALEXANDER

Brian Fall Esq  
Foreign and Commonwealth Office

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FM UKMIS NEW YORK 040020Z DEC 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 1437 OF 3 DECEMBER 1981

INFO PRIORITY WASHINGTON, UKREP BRUSSELS, UKMIS GENEVA, UKDEL OECD.

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PS TO PM 10, DOWNING STREET.

YOUR TELNO 831: GLOBAL NEGOTIATIONS

1. THE PACE OF EVENTS SLACKENED TODAY.
2. I MET MY COMMUNITY COLLEAGUES THIS MORNING TO TAKE STOCK. I SUGGESTED THE UK PRESIDENCY AND COMMISSION SHOULD SEEK PRIVATE CONTACTS WITH MRS KIRKPATRICK AND BEDJAQUI TO SEE WHAT WAS THEIR ROOM FOR MANOEUVRE. THIS WAS WELCOMED AS PROVIDING THE COMMUNITY WITH AN "ACTIVE AND DISTINCT ROLE" AS PRESCRIBED BY THE CONCLUSIONS OF THE EC NORTH/SOUTH GROUP (UKREP BRUSSELS TELNO 4565).
3. FRANCE, NETHERLANDS AND DENMARK PROPOSED THAT, IN SUCH CONTACTS, THE COMMUNITY SHOULD SAY THAT WE COULD ACCEPT THE TEXT IN MY TELNO 1406 IF THE AMERICANS AND G77 COULD DO SO. I SUCCESSFULLY RESISTED THIS, WITH HELPFUL SUPPORT FROM GERMANY, ITALY AND BELGIUM. I POINTED OUT THAT SUCH A MOVE WOULD HAVE THE EFFECT OF ISOLATING THE AMERICANS, WHICH WOULD NOT BE USEFUL.
4. MRS KIRKPATRICK TALKED TO A MEETING OF OECD REPRESENTATIVES THIS AFTERNOON. SHE SAID THAT WASHINGTON SAW THE GREATEST DIFFICULTIES IN THE TEXT IN MY TELNO 1406. SHE DID NOT WANT TO SEE THE AMERICANS HOLD EVERYTHING UP. SHE SUGGESTED THAT PERHAPS THE RESOLUTION COULD BE ADOPTED WITH THE US ABSTAINING. THIS IDEA WAS DEPLORED BY THE UK PRESIDENCY, JAPAN AND OTHERS.
5. I SAW MRS KIRKPATRICK IMMEDIATELY AFTERWARDS, WITH MALVE (COMMISSION) - LOEFF IS IN WASHINGTON. MRS KIRKPATRICK TOLD ME THAT SHE HAD BEEN GIVEN AN ALTERNATIVE TEXT FOR A RESOLUTION IN WASHINGTON BUT NOW REALISED THAT IT WAS TOO LATE TO INTRODUCE A NEW DRAFT. SHE REVERTED TO THE IDEA OF A US ABSTENTION. I DISCOURAGED HER STRONGLY, POINTING OUT THAT IT WOULD BE ABSURD TO LAUNCH GLOBAL NEGOTIATIONS WITHOUT THE WORLD'S STRONGEST ECONOMY. I THINK THAT, FOR THE MOMENT AT LEAST, SHE WAS CONVINCED.
6. I URGED HER TO CONSIDER POSSIBLE LANGUAGE FOR AMENDMENTS TO THE TEXT IN MY TELNO 1406, WHICH WOULD MEET WASHINGTON'S CONCERNS. SHE UNDERTOOK TO REFLECT ON THIS AND MAKE CONTACT LATER.
7. I WILL SEE BEDJAQUI OF THE G 77 TOMORROW.
8. WE WILL REPORT FURTHER EVENTS TOMORROW AND OVER THE WEEKEND DESKBY UKREP BRUSSELS FOR MONDAY MORNING, FOR USE IF NECESSARY AT THE COUNCIL OF MINISTERS. BUT THE SITUATION SEEMS BOUND TO REMAIN VERY CONFUSED.

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DESKBY 031330Z TO NEW YORK  
FM FCO 031310Z DEC 81  
TO IMMEDIATE UKMIS NEW YORK  
TELEGRAM NUMBER 831 OF 3 DECEMBER  
INFO IMMEDIATE WASHINGTON AND UKREP BRUSSELS  
PRIORITY TO UKMIS GENEVA, UKDEL OECD, PARIS AND BONN

*mf*

*h.a. 12/12*

YOUR TELNO 1430: GLOBAL NEGOTIATIONS

1. WE SEE LITTLE ALTERNATIVE BUT TO AWAIT FURTHER CLARIFICATION OF AMERICAN INTENTIONS, AND PERHAPS REPRESENTATIONS IN CAPITALS (WASHINGTON TELNO 3644). WE CONTINUE TO BELIEVE THAT THE TEXT IN YOUR TELNO 1406 IS UNSATISFACTORY AND THAT THE COMMUNITY MUST AWAIT AMERICAN AND G77 REACTIONS BEFORE MAKING A FORMAL REPLY. WE THEREFORE REMAIN OPPOSED TO EITHER A PREJUDGE FAVOURABLE OR AN INDICATION THAT WE WILL ACCEPT IF OTHERS WILL (PARA 6 OF YOUR TELNO 1414). WE ARE CONTENT WITH THE LINE YOU TOOK ON 2 DECEMBER (PARA 3 OF TUR) AND HOPE YOU WILL MAINTAIN IT IN THE COMMUNITY.
2. WE HAVE TOLD THE GERMANS IN BONN THAT WE BELIEVE THE COMMUNITY SHOULD LET THE AMERICANS REPLY FIRST, THAT WE REGARD THE EXISTING TEXT AS INADEQUATE AND WOULD LIKE TO STRENGTHEN IT IF THE OPPORTUNITY ARISES BUT THAT, AT THE SAME TIME, WE HAVE TO BE READY FOR A LAST MINUTE CHANGE OF FRONT BY THE AMERICANS.
3. IF SUCH A SITUATION ARISES (PARA 8 OF TUR) YOU HAVE DISCRETION TO ACCEPT A TEXT PROVIDED THAT BOTH THE AMERICANS, AND G77 HAVE STATED THEIR ACCEPTANCE. WE WOULD, IF POSSIBLE, LIKE TO WARN THE GERMANS IN ADVANCE OF OUR DECISION TO MOVE, BUT IF THIS IS IMPOSSIBLE IN CAPITALS YOU SHOULD AT LEAST CONSULT YOUR GERMAN COLLEAGUE.

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FM UKMIS NEW YORK 030048Z DEC 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 1430 OF 2 DECEMBER.

INFO IMMEDIATE UKREP BRUSSELS WASHINGTON, PRIORITY UKMIS GENEVA

UKDEL OECD, PARIS (FOR EVANS).

MY TEL NO 1414: GLOBAL NEGOTIATIONS.

1. HAVING VISITED WASHINGTON OVERNIGHT AND DISCUSSED GLOBAL NEGOTIATIONS WITH SECRETARY HAIG, MRS KIRKPATRICK REPORTED TO THE KITTANI GROUP THIS AFTERNOON THAT THE US POSITION WAS ESSENTIALLY UNCHANGED. THE UNDERSTANDINGS SET OUT BY PRESIDENT REAGAN AT CANCUN REMAINED VALID. THE FIRST NON-PAPER, OF 16 NOVEMBER (MY TEL NO 1293) HAD BEEN ONE SHE WOULD HAVE FELT COMFORTABLE PRESENTING AND DEFENDING IN WASHINGTON. SHE WOULD HAVE GIVEN IT A 50 PERCENT CHANCE OF ACCEPTANCE. SHE HAD NEVER SO CHARACTERISED ANY SUBSEQUENT DOCUMENT (SUCH AS THE LATEST TEXT, IN MY TEL NO 1406). THE US REMAINED READY TO TAKE PART IN GLOBAL NEGOTIATIONS PROVIDED A SUITABLE BASIS COULD BE FOUND. BUT THE US FORMAL RESPONSE MUST DEPEND ON A MODIFIED MEETING OF THE NSC WHICH WOULD MEET PROBABLY BUT NOT AUTOMATICALLY ON MONDAY. MRS KIRKPATRICK EXPRESSED CONCERN THAT NO ORGANISED GROUPING EXISTED AMONG DEVELOPED COUNTRIES IN NEW YORK TO COUNTER-BALANCE THE G.77.

2. KITTANI RESPONDED THAT THERE WAS LITTLE DIFFERENCE BETWEEN THE TEXTS OF 16 NOVEMBER (MY TEL NO 1293) AND OF 30 NOVEMBER (MY TEL NO 1406). WE WERE EXAMINING THE LATTER AND COULD NOT RETRACE OUR STEPS. BEDJAOUI PROPOSED THAT THE KITTANI GROUP ADJOURN UNTIL TUESDAY 8 DECEMBER. THE TEXT OF 16 NOVEMBER HAD NO STANDING. THE US HAD TAKEN PART IN DISCUSSION OF THE TEXT OF 30 NOVEMBER. HE HOPED FOR A POSITIVE AND FINAL REACTION. BEDJAOUI RESISTED PRESSURE TO REVEAL THE G.77 POSITION, SAYING THAT THERE WAS AS YET NO DECISION OF SUBSTANCE. MRS KIRKPATRICK SAID THAT IT WAS CURIOUS THAT NOBODY ELSE WAS PREPARED TO SPEAK.

3. KITTANI THEN PUT TO OTHER NON-G77 COUNTRIES, STARTING WITH THE COMMUNITY, THE QUESTION WHETHER WE COULD LIVE WITH THE TEXT IN MY TEL NO 1406. I SAID THAT IT WAS ON RECORD THAT THE SHORT TEXT APPROACH WAS NOT IDEAL. BUT WE WERE GENUINELY INTERESTED IN GETTING GLOBAL NEGOTIATIONS STARTED. COMMUNITY CAPITALS WERE LOOKING AT THE 30 NOVEMBER TEXT AS A WHOLE. THIS EXAMINATION WAS NOT FULLY COMPLETE. I HOPED IT WOULD BE SHORTLY.

4. JAPAN GAVE THE TEXT A FAIR WIND WITHOUT COMMITMENT. BUT THEY WANTED TO KNOW THE POSITIONS OF OTHERS. CANADA COULD LIVE WITH THE TEXT. AUSTRALIA SAW LITTLE DIFFERENCE BETWEEN THE TWO TEXTS, PARTICULARLY WHEN THE IMPORTANCE OF GN'S AND SHORTAGE OF TIME WERE TAKEN INTO ACCOUNT. WE SHOULD BE ABLE TO WORK TOWARDS A GENERALLY AGREEABLE TEXT. THE SWEDES COULD ACCEPT THE LATEST TEXT. THE AUSTRIANS WANTED TO BE SURE THAT THE G77 COULD. CHINA COULD ACCEPT A TEXT ACCEPTABLE TO ALL.

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5. IN FURTHER DISCUSSION BEDJAQUI SAID THAT IT WAS NOW UP TO THE U.S. MRS KIRKPATRICK REPLIED THAT THIS WAS NOT THE ONLY SUBJECT OF INTEREST TO HER AUTHORITIES. KITTANI SCHEDULED THE NEXT MEETING TENTATIVELY FOR 8 DECEMBER, THOUGH HE WOULD BE READY TO BRING THIS FORWARD. HE UNDERLINED THE SHORTAGE OF TIME AND APPEALED TO THE G77, US, COMMUNITY AND JAPAN TO RESPOND QUICKLY.

6. AT THE PRECEDING COMMUNITY COORDINATION, THE PRESIDENCY ASKED WHICH MEMBERS HAD INSTRUCTIONS TO ACCEPT THE TEXT IN MY TELNO 1406, AFTER THE US AND THE G77 COULD DO SO. GERMANY AND THE UK SAID THE MATTER WAS BEING CONSIDERED IN THEIR CAPITALS AT THE HIGHEST LEVEL BUT THEY DID NOT YET HAVE A RESPONSE. ITALY AND GREECE ALSO ASKED FOR MORE TIME. OTHER MEMBERS COULD ACCEPT THE TEXT. IT WAS THEREFORE AGREED THAT, IN SUCH CIRCUMSTANCES, THE MOST THE COMMUNITY COULD SAY WAS THAT IT HAD NEVER BEEN THE PURPOSE OF THE COMMUNITY TO BLOCK THE GN'S; THE COMMUNITY HAD PLAYED ITS PART IN THE WORK OF THE GROUP; A TEXT HAD EMERGED WHICH WAS IMPERFECT; BUT AGREEMENT ON IT MARKED AN IMPORTANT AND PERHAPS DECISIVE STEP.

7. IN THE EVENT THE COMMUNITY HAD TO RESPOND IN THE ABSENCE OF AMERICAN OR G77 ACCEPTANCE OF THE TEXT IN MY TELNO 1406. WE EXPECT CRITICISM FROM SOME COMMUNITY MEMBERS (WHOM WE MEET AT 1400Z TOMORROW) THAT OUR REACTION - SEE PARA 3 ABOVE - WAS NOT MORE FORTHCOMING. WE SHALL REBUT THIS.

8. OECD COUNTRIES WILL MEET AT 2000Z. WE HOPE THEN TO LEARN MORE OF MRS KIRKPATRICK'S INTENTIONS. ALTHOUGH SHE RESISTED THE TEXT IN MY TELNO 1406 TODAY, IT IS CLEAR THAT SHE STILL FAVOURS A SHORT, IMPRECISE RESOLUTION WHICH LEAVES MOST MATTERS OVER UNTIL AFTER THE GN'S BEGIN. THE TEXT IN MY TELNO 1293 IS FAR FROM PERFECT. WE STILL THINK IT IS LIKELY THAT AT SOME STAGE SHE MAY ANNOUNCE HER SUPPORT FOR A SHORT TEXT TO WHICH THE COMMUNITY WILL HAVE TO RESPOND ON THE SPOT, WITHOUT TIME TO SEEK INSTRUCTIONS.

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Prime Minister. (1)

Agree that if the US +  
the E-77 accept this text we  
also should go along?

Foreign and Commonwealth Office

London SW1A 2AH

2 December 1981

Dear National

Global Negotiations

You will wish to be aware of recent developments concerning the Global Negotiations and of the possibility that a rapid decision may be required.

Informal consultations have been taking place in New York. The Iraqi President of the General Assembly, Kittani, has made it clear that he favours the passage of a short, simple resolution, recording a decision to convene a UN Conference for Global Negotiations, before the present General Assembly ends on 15 December. Informal consultations have led to the emergence of the text I enclose as Annex A. This would achieve a quick launch but would postpone the difficult procedural issues and the settlement of the agenda to the Conference itself.

The <sup>US</sup> ~~UN~~ Permanent Representative at the UN has participated actively in the preparation of the present text. However, we believe that some senior officials in the State Department are opposed to its acceptance and it remains quite possible that the Americans will decide to press for significant improvements to the resolution. If so, we shall urge the Community to take the opportunity of the reopened discussion to press for further protection for the Specialised Agencies. A commentary on the text is at Annex B.

On the other hand, we cannot exclude the possibility that Mrs Kirkpatrick will persuade Secretary Haig and/or the White House that it would be tactically better to launch the Global Negotiations now and fight the battles on Agenda and Procedures at the opening of the negotiations themselves (which would be next spring).

Meanwhile, the position of the developing countries is unclear. They will probably await the Americans' reaction and are likely to accept the text if the Americans do. In these circumstances, there would be intense pressure on us - not least from our Community partners - to join a consensus in favour of the text. The Germans (with whom we shall continue to keep in close touch) would almost certainly succumb to such a pressure and we would find ourselves isolated if we sought to resist.

Lord Carrington considers that in this situation we would have no alternative but to acquiesce in this text.

/He therefore





He therefore proposes to give Sir A Parsons instructions to join a Community position in favour of the text if at the meeting of Kittani's group (arranged for 2130 tonight) the American and G77 spokesmen indicate concurrence. Delay would risk incurring gratuitous criticism domestically and in the Third World and there would be nothing to gain from appearing more royalist than the King on this issue.

The Treasury have been consulted on the above at official level, and I am sending a copy of this letter to John Kerr in the Chancellor's office. I am also sending copies of this letter to the Private Secretaries to the Secretaries of State for Trade, Industry and Energy, and to the Minister for Agriculture, Fisheries and Food (who will have received New York's telegrams).

*9 Mrs. ...*

(B J P Fall)  
Private Secretary

M O'D B Alexander Esq  
10 Downing Street



GRS 300

ANNEX A

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DESKBY 010900Z

FM UKMIS NEW YORK 010211Z DEC 81

TO IMMEDIATE FCO

TELEGRAM NUMBER 1406 OF 30 NOVEMBER

INFO PRIORITY UKREP BRUSSELS WASHINGTON UKMIS GENEVA UKDEL OECD.

MIPT:

GLOBAL NEGOTIATIONS.

FOLLOWING IS TEXT "C" OF 30 NOVEMBER.

BEGINS

THE GENERAL ASSEMBLY,

HAVING CONSIDERED THE ITEM ENTITLED QUOTE LAUNCHING OF THE GLOBAL NEGOTIATIONS ON INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT UNQUOTE,

REAFFIRMING RESOLUTION 34/138,

1. DECIDES TO CONVENE A UNITED NATIONS CONFERENCE FOR GLOBAL NEGOTIATIONS ON INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT FROM ..... 1982;
2. DECIDES THAT THE CONFERENCE WILL FIRST ESTABLISH THE PROCEDURES AGENDA AND TIME-FRAME FOR THE GLOBAL NEGOTIATIONS;
3. DECIDES THAT THE CONFERENCE WILL FUNCTION THROUGHOUT AND REACH AGREEMENT ON THE BASIS OF CONSENSUS;
4. DECIDES THAT THE CONFERENCE, IN ACCORDANCE WITH THE CHARTER OF THE UNITED NATIONS, WILL EXERCISE THE CENTRAL ROLE IN THE GLOBAL NEGOTIATIONS AND IN THAT CONTEXT WILL ENTRUST SPECIFIC AGENDA ITEMS OR PARTS THEREOF, TOGETHER WITH APPROPRIATE OBJECTIVES AND GUIDANCE, TO SPECIALIZED FORA WITHIN THE UNITED NATIONS SYSTEM IN ACCORDANCE WITH THEIR COMPETENCE, FUNCTIONS AND POWERS, OR TO SUCH AD HOC GROUPS IT MAY CREATE IF NECESSARY;
5. DECIDES TO ACCORD HIGH PRIORITY TO THE CONFERENCE IN RELATION TO OTHER UNITED NATIONS ACTIVITIES EXCEPT THOSE OF THE PRINCIPAL ORGANS ESTABLISHED BY THE CHARTER OF THE UNITED NATIONS IN RESPECT OF FACILITIES AND SERVICES, AND REQUESTS THE SECRETARY-GENERAL TO PROVIDE THE NECESSARY DOCUMENTATION TO THE CONFERENCE;
6. DECIDES THAT THE CONFERENCE WILL REPORT TO THE GENERAL ASSEMBLY AT ITS THIRTY-SEVENTH SESSION.

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1. We see the following inter-related difficulties about text C:-

- (a) It does not provide explicit protection for the Specialised Agencies.
- (b) It does not define in advance the Agenda and Procedures to be followed.
- (c) In particular, there is no clarity about the final stage of the conference where the result of work in the Specialised Agencies will be considered and where the risk to their autonomy is greatest.

2. Our Community partners (and Mrs Kirkpatrick) would argue:-

- (a) That there is overriding political advantage in launching the Global Negotiations now and sorting out the Agenda and Procedures at the opening of the conference (as provided for in para 2).
- (b) The rule of consensus (para 3) gives us some protection.
- (c) The reference to the UN Charter (in para 4) brings into play the agreements that already exist defining the relationship between the General Assembly and the Specialised Agencies; thus reducing the risk of interference.



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TO IMMEDIATE NEW YORK  
TELEGRAM NUMBER 823 OF 2 DECEMBER  
AND TO UKREP BRUSSELS  
INFO IMMEDIATE WASHINGTON PRIORITY UKMIS GENEVA, UKDEL OECD, PARIS  
AND BONN

YOUR TEL NO 1414: GLOBAL NEGOTIATIONS

1. WE APPRECIATE THE NEED TO AVOID OUR APPEARING TO HOLD UP AGREEMENT AND WE RECOGNISE THAT IF THE AMERICANS AND THE G77 ACCEPT THE PRESENT TEXT, WE SHALL HAVE LITTLE OPTION BUT TO FALL INTO LINE. HOWEVER, WE SHALL HAVE TO SATISFY OURSELVES THAT MINISTERS ARE CONTENT AND WE CANNOT DO THIS IN ADVANCE OF SOME CLEARER INDICATION OF THE VIEWS OF THE G77 AND THE AMERICANS. YOU SHOULD THEREFORE MAKE IT CLEAR TO OUR PARTNERS THAT, IN THESE CIRCUMSTANCES, WE CANNOT AGREE THAT THE COMMUNITY SHOULD BE JOCKEYED FORWARD AND THAT YOU WILL HAVE TO REFER FOR INSTRUCTIONS WHEN THE AMERICAN AND G77 VIEWS ARE KNOWN. WE SHALL NATURALLY MAKE EVERY EFFORT TO PROVIDE THESE QUICKLY.
2. FOR YOUR OWN INFORMATION. WE SHALL ALSO HAVE TO GIVE THE GERMANS NOTICE OF THE LINE WE PROPOSE TO TAKE. AT PRESENT, THEIR MINISTRIES OF FOREIGN AFFAIRS AND FINANCE SEEM TO BE DIVIDED ALONG FAMILIAR LINES (WE HAVE RECEIVED CONFLICTING TELEPHONE CALLS FROM THEM). THIS MAY MEAN THAT YOU CAN EXPECT LITTLE HELP FROM THE GERMANS IN NEW YORK.
3. IN VIEW OF THE REACTIONS REPORTED IN PARA 5 OF TUR, YOU NEED NO LONGER PRESS THIS POINT.
4. FOR UKREP BRUSSELS. WE AGREE THAT OUR OBJECTIVE SHOULD BE THAT ANY DISCUSSION AT COREPER SHOULD BE LIMITED TO AN EXCHANGE OF INFORMATION. IF THERE IS PRESSURE FOR A 'PREJUGE FAVORABLE' YOU SHOULD TAKE THE LINE IN PARA 1 ABOVE.

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DESKBY 011400Z

FM FCO 011300Z DECEMBER 81

TO IMMEDIATE UKMIS NEW YORK

TELEGRAM NUMBER 818 OF 1 DECEMBER

AND TO IMMEDIATE WASHINGTON

INFO PRIORITY UKREP BRUSSELS, UKMIS GENEVA, UKDEL OECD, PARIS  
AND BONN

YOUR TEL NOS 1405 AND 1406: GLOBAL NEGOTIATIONS

1. WE HAVE EXAMINED THE TEXT IN SECOND TUR. IT FALLS A GOOD DEAL SHORT OF OUR IDEAL. INDEED, IT CONTAINS FEW OF THE ELEMENTS WHICH THE COMMUNITY HAS AGREED TO BE DESIRABLE (MY TEL NO 954 OF 23 NOVEMBER TO UKREP BRUSSELS).
2. IT WILL, HOWEVER, BE DIFFICULT FOR THE COMMUNITY TO RESIST THIS TEXT IF THE AMERICANS CAN ACCEPT IT. IN THESE CIRCUMSTANCES, YOU SHOULD SEEK TO ENSURE THAT THE COMMUNITY DOES NOT GIVE A VIEW ON THE TEXT UNTIL THE AMERICAN REACTION IS KNOWN (GRATEFUL IF WASHINGTON WOULD MAKE URGENT ENQUIRIES ABOUT THE LIKELY VIEWS OF THE ADMINISTRATION).
3. IF THE AMERICANS CAN ACCEPT THE TEXT BROADLY UNCHANGED, YOU SHOULD REFER URGENTLY FOR FURTHER INSTRUCTIONS.
4. YOU SHOULD IN ANY CASE SUGGEST THAT THE WORD 'ENTRUST' IN PARAGRAPH 4 IS REPLACED BY A NEUTRAL WORD SUCH AS 'ALLOCATE' OR 'ALLOT'. WE ATTACH IMPORTANCE TO THIS POINT FOR REASONS WHICH WILL BE FAMILIAR TO YOU.
5. IF, ON THE OTHER HAND, THE AMERICAN DECISION IS TO WORK FOR FURTHER IMPROVEMENTS, THIS WILL GIVE THE COMMUNITY AN OPPORTUNITY TO SEEK IMPROVEMENTS TO WHICH IT ATTACHES IMPORTANCE. IN THIS CASE, YOU SHOULD ARGUE IN THE COMMUNITY FOR MORE EXPLICIT PROTECTION FOR THE IFIS (FOR EXAMPLE, THE ADDITION TO PARAGRAPH 4 OF A SENTENCE STATING IN TERMS THAT THE GLOBAL NEGOTIATIONS WOULD RESPECT THE COMPETENCE OF SPECIALISED BODIES).
6. FOR YOUR OWN INFORMATION, BRIDGES AND FISCHER HAVE DISCUSSED



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THE TEXT. FISCHER WILL WORK FOR INSTRUCTIONS TO THE GERMAN  
MISSION WHICH ARE PARALLEL TO THESE (ESPECIALLY OVER STALLING BY  
THE COMMUNITY UNTIL THE AMERICAN REACTION IS KNOWN).  
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*With the compliments of*

*R.M.J. Lyne*

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FROM UKMIS NEW YORK 020020Z DEC 81  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1414 DATED 1 DECEMBER 81  
INFO IMMEDIATE UKREP BRUSSELS, WASHINGTON,  
INFO PRIORITY UKMIS GENEVA, UKDEL OECD

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YOUR TELNO 818: GLOBAL NEGOTIATIONS

1. GRATEFUL FOR THE CLEAR GUIDANCE IN YOUR REF TEL.
2. TODAY'S KITTANI GROUP MEETING WAS A NON-EVENT. IT BECAME KNOWN EARLY THIS AFTERNOON THAT MRS KIRKPATRICK HAD GONE TO WASHINGTON TO SEE SECRETARY HAIG. THE G77 WERE ALSO UNABLE TO AGREE AND WILL MEET AGAIN TOMORROW, THOUGH AS FAR AS WE KNOW THEY TOOK NO DECISION TO SEEK AMENDMENTS TO THE TEXT IN MY TELNO 1406. KITTANI FIXED THE NEXT MEETING FOR 2130Z TOMORROW AND MADE IT CLEAR THAT HE WOULD EXPECT DEFINITE RESPONSES THEN FROM THE UNITED STATES, THE G77 AND OTHERS. (DEVELOPED COUNTRIES MEET TOMORROW AT 1530Z WITH COMMUNITY COORDINATION AT 2300Z.)
3. THE MEETING OF OECD COUNTRIES EARLIER TODAY REVEALED THE AMERICANS (SORZANO AND CLARK) AS EXTREMELY UNCLEAR ABOUT LIKELY REACTIONS FROM WASHINGTON AND CONFUSED ABOUT THEIR OBJECTIVES IN REGARD TO THE TEXT IN MY TELNO 1406. THEY ASKED IF OTHER DELEGATIONS REGARDED PARA 4 OF THIS TEXT AS BEING "IN THE BALL PARK". EXCEPT FOR THE COMMUNITY, ALL WERE PREPARED TO ACCEPT THIS FORMULA (SINCE THEY HAD ACCEPTED SIMILAR LANGUAGE AT THE SPECIAL SESSION IN SEPTEMBER 1980). THE UK PRESIDENCY POINTED OUT THAT SOME MEMBER STATES HAD NOT BEEN SATISFIED AT THE SPECIAL SESSION, AND THAT THE COMMUNITY ATTACHED GREAT IMPORTANCE TO PROTECTING THE COMPETENCE OF SPECIALISED BODIES. BUT IT WAS HARD FOR US TO PROPOSE CHANGES WHICH WOULD MAKE THE COMMUNITY APPEAR AS THE ONE OBSTACLE TO AGREEMENT. WAS THIS LANGUAGE IN THE BALL PARK FOR THE UNITED STATES? THE AMERICANS WERE UNABLE TO REPLY.
4. FURTHER DISCUSSION REVEALED NO DISPOSITION EITHER BY THE AMERICANS OR OTHER OECD COUNTRIES PRESENT TO SEEK CHANGES IN THE TEXT IN MY TELNO 1406. THE REACTION FROM OUR COMMUNITY PARTNERS WAS THE SAME, THOUGH THE BELGIANS WERE UNHAPPY ABOUT "IF NECESSARY" AT THE END OF PARA 4, AND ATTACHED GREAT IMPORTANCE TO "REAFFIRMING" RESOLUTION 34/138.

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5. WE ADVOCATED BOTH WITH OECD AND THE COMMUNITY THE USE OF "ALLOCATE" RATHER THAN "ENTRUST" IN PARA 4. WE POINTED OUT THAT "ENTRUST" IMPLIED THAT THE CENTRAL BODY WOULD EMPOWER SPECIALISED BODIES TO DISCUSS CERTAIN ITEMS, WHEN IN FACT THESE ITEMS LAY WITHIN THE COMPETENCE OF THE SPECIALISED BODIES ALREADY. THIS MET WITH SOME SYMPATHY FROM AUSTRALIA, BUT NONE ELSEWHERE. FRANCE, GERMANY, BELGIUM AND JAPAN ALL SAID THAT THEY FOUND "ENTRUST" ("CONFIER" IN FRENCH) TO BE HELPFUL. TO THEM IT IMPLIED THAT THE CENTRAL BODY HAD CONFIDENCE IN THE ABILITY OF SPECIALISED BODIES TO DEAL FULLY WITH THESE ITEMS AND, HAVING ONCE "ENTRUSTED" THEM, COULD NOT RECALL THEM.

6. MOST OF THE COMMUNITY, ESPECIALLY FRANCE PRESSED THE PRESIDENCY TO SAY IN KITTANI'S MEETING THAT WE HAD A "PREJUGE FAVORABLE" FOR THE TEXT IN MY TELNO 1406, OR COULD ACCEPT IT IF OTHERS DID. THEY WERE CONCERNED TO AVOID ANY SUGGESTION THAT THE COMMUNITY WAS HANGING BACK. THE PRESIDENCY WAS ABLE TO RESIST THIS, BUT WITH SOME DIFFICULTY. WE GOT NO SUPPORT FROM THE GERMANS, WHO HAVE HAD NO INSTRUCTIONS THROUGHOUT TODAY.

7. WE HOPE THAT DISCUSSION AT TOMORROW'S COREPER (UKREP BRUSSELS TELNO 4605) COULD BE LIMITED TO AN EXCHANGE OF INFORMATION.

8. WE CANNOT PREDICT WHAT WILL HAPPEN NEXT. MRS KIRPATRICK HAS TAKEN TO WASHINGTON THE TEXT IN MY TELNO 1406, WITH SOME OTHER POINTS WHICH THE US MISSION WOULD NOT REVEAL. SHE HOPES THAT SECRETARY HAIG WILL AGREE TO HER APPROACH AND TOGETHER THEY CAN PERSUADE THE PRESIDENT. (SHE HAS ALSO SAID, HOWEVER, THAT ANY DECISION MIGHT HAVE TO BE PREPARED BY THE NATIONAL SECURITY COUNCIL, AND THIS WOULD MEAN A WEEK'S DELAY.)

9. WE HAVE BEEN ABLE TO SURVIVE TODAY ON THE BASIS OF THE LINE IN YOUR REF. TEL. BUT WE MUST PREPARED FOR THE POSSIBILITY THAT MRS KIRPATRICK WILL ACCEPT THE TEXT EITHER OUTRIGHT OR PROVISIONALLY AT KITTANI'S MEETING TOMORROW. THE UK PRESIDENCY, WILL THEN HAVE TO REACT AT ONCE ON BEHALF OF THE COMMUNITY.

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TO IMMEDIATE FCO  
TELEGRAM NUMBER 1406 OF 30 NOVEMBER  
INFO PRIORITY UKREP BRUSSELS WASHINGTON UKMIS GENEVA UKDEL OECD.

MIPT:

GLOBAL NEGOTIATIONS.

FOLLOWING IS TEXT "C" OF 30 NOVEMBER.

*h.a.*  
*M 7/12*

BEGINS

THE GENERAL ASSEMBLY,  
HAVING CONSIDERED THE ITEM ENTITLED QUOTE LAUNCHING OF THE GLOBAL  
NEGOTIATIONS ON INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT  
UNQUOTE,

REAFFIRMING RESOLUTION 34/138,

1. DECIDES TO CONVENE A UNITED NATIONS CONFERENCE FOR GLOBAL NEGOTIATIONS ON INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT FROM ..... 1982;
2. DECIDES THAT THE CONFERENCE WILL FIRST ESTABLISH THE PROCEDURES AGENDA AND TIME-FRAME FOR THE GLOBAL NEGOTIATIONS;
3. DECIDES THAT THE CONFERENCE WILL FUNCTION THROUGHOUT AND REACH AGREEMENT ON THE BASIS OF CONSENSUS;
4. DECIDES THAT THE CONFERENCE, IN ACCORDANCE WITH THE CHARTER OF THE UNITED NATIONS, WILL EXERCISE THE CENTRAL ROLE IN THE GLOBAL NEGOTIATIONS AND IN THAT CONTEXT WILL ENTRUST SPECIFIC AGENDA ITEMS OR PARTS THEREOF, TOGETHER WITH APPROPRIATE OBJECTIVES AND GUIDANCE, TO SPECIALIZED FORA WITHIN THE UNITED NATIONS SYSTEM IN ACCORDANCE WITH THEIR COMPETENCE, FUNCTIONS AND POWERS, OR TO SUCH AD HOC GROUPS IT MAY CREATE IF NECESSARY;
5. DECIDES TO ACCORD HIGH PRIORITY TO THE CONFERENCE IN RELATION TO OTHER UNITED NATIONS ACTIVITIES EXCEPT THOSE OF THE PRINCIPAL ORGANS ESTABLISHED BY THE CHARTER OF THE UNITED NATIONS IN RESPECT OF FACILITIES AND SERVICES, AND REQUESTS THE SECRETARY-GENERAL TO PROVIDE THE NECESSARY DOCUMENTATION TO THE CONFERENCE;
6. DECIDES THAT THE CONFERENCE WILL REPORT TO THE GENERAL ASSEMBLY AT ITS THIRTY-SEVENTH SESSION.

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FROM UKMIS NEW YORK 010210Z DEC 81

TO IMMEDIATE F C O

TELEGRAM NUMBER 1405 DATED 30 NOVEMBER 81

INFO PRIORITY UKREP BRUSSELS, WASHINGTON, UKMIS GENEVA, UKDEL OECD.

YOUR TELNO 984 TO UKREP BRUSSELS: GLOBAL NEGOTIATIONS

1. EVENTS MOVED SWIFTLY TODAY. KITTANI WHIPPED UP THE PACE AND PUT THE US UNDER PARTICULAR PRESSURE THIS AFTERNOON. THE OUTCOME WAS THE CLEAN TEXT (''TEXT C'') IN MY IMMEDIATELY FOLLOWING TELEGRAM.

2. IN COMMUNITY COORDINATION THE MANDATE FROM THE NORTH/SOUTH GROUP (UKREP BRUSSELS TELNO 4565) WAS WELCOMED, THOUGH ALL WERE CONSCIOUS OF THE LIMITS ON THE COMMUNITY'S ABILITY TO ACT WHILE THE AMERICAN POSITION REMAINED SO OBSCURE. IN THIS CONTEXT IT WAS NOTED THAT:-

A) THERE WAS NO CHANCE OF PRESSING FOR A SPECIAL SESSION OF THE ASSEMBLY RATHER THAN A CONFERENCE, SINCE THE AMERICANS HAD ALREADY CONCEDED A CONFERENCE AND KITTANI WAS OPPOSED TO A SPECIAL SESSION (WHICH HE WOULD HAVE TO CHAIR).

B) THE AMERICANS WERE RELUCTANT TO DISCUSS AT THIS STAGE HOW THE GN'S MIGHT BE BROUGHT TO AN END.

C) WHILE THE UK POINTED OUT THAT, IN THEIR VIEW, THE TEXTS ON THE TABLE PROVIDED FLIMSY PROTECTION FOR SPECIALISED BODIES, THERE WAS NO SIGN THAT THE AMERICANS WOULD PRESS FOR STRONGER LANGUAGE.

D) ONLY ON CONSENSUS WAS AGREEMENT CLOSE.

3. WE COMPARED NOTES WITH THE US MISSION DURING THE DAY, BUT WITHOUT MUCH ENLIGHTENMENT. CLARK INDICATED ON A PERSONAL BASIS THAT THE MAIN US CONCERN AT PRESENT WAS NOT TO APPEAR TO BE BLOCKING GLOBAL NEGOTIATIONS. MRS KIRKPATRICK'S SUBSEQUENT INTERVENTIONS IN KITTANI'S GROUP CONFIRMED HER TACTICS OF POSTPONING AS MUCH AS POSSIBLE UNTIL THE GN'S OPENED.

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4. THE MAIN POINTS MADE IN DISCUSSION IN KITTANI'S GROUP, WHICH LED TO THE TEXT IN MY IMMEDIATELY FOLLOWING TELEGRAM, WERE AS FOLLOWS (NOT ALL PARAGRAPHS WERE DISCUSSED):

A) THE G77 EXPRESSED A STRONG PREFERENCE FOR "REAFFIRMING" RESOLUTION 34/138. MOST OECD COUNTRIES WERE READY TO ACCEPT EITHER "REAFFIRMING" OR "RECALLING" 34/138: THE US DID NOT COMMENT.

B) IN PARAGRAPH 2, ALGERIA SUGGESTED THAT THE CONFERENCE SHOULD ESTABLISH THE TIME FRAME OF THE GN'S AS WELL AS PROCEDURES AND AGENDA. THIS WAS AT ONCE ACCEPTED BY THE US, ADDING THE WORD "FIRST".

C) THE LANGUAGE IN PARAGRAPH 3 LIKEWISE EMERGED FROM CONTRIBUTIONS BY ALGERIA AND THE US, THE LATTER INSISTING ON THE TERM "THROUGHOUT".

D) PARAGRAPH 4 EMERGED FROM A PHILIPPINE PROPOSAL INTENDED AS A COMPROMISE BETWEEN THE EARLIER TEXTS A AND B. THE US THOUGHT ON A PERSONAL BASIS THAT THE PHILIPPINE LANGUAGE WAS "HELPFUL", IN PARTICULAR THE TREATMENT OF AD HOC GROUPS. ALGERIA SUBSEQUENTLY POINTED OUT THE DRAWBACKS IN THIS PARAGRAPH FOR THE G77 BUT UNDERTOOK TO EXAMINE IT UNCHANGED IN THE CONTEXT OF A FINAL TEXT.

E) THERE WAS GENERAL ASSENT FOR PARAGRAPH 5, AFTER KITTANI - WHO HIMSELF SUGGESTED THE CONFERENCE HAVE "HIGH PRIORITY" - EXPLAINED THAT THIS WOULD NOT LEAD TO A COMPETITION FOR UN FACILITIES OR A MASSIVE NEW BUREAUCRACY.

5. THE GROUP OF 77 HAVE UNDERTAKEN TO LOOK AT THE NEW TEXT IN THE COURSE OF TOMORROW. KITTANI'S NEXT MEETING IS AT 2215Z (THERE WILL BE A MEETING OF DEVELOPED COUNTRIES AT THE JAPANESE MISSION AT 1530Z FOLLOWED BY COMMUNITY COORDINATION AT 2000Z). WE EXPECT KITTANI TO PRESS ALL THOSE PRESENT AT HIS MEETING TO SEEK THEIR GOVERNMENT'S AGREEMENT TO THIS TEXT. IT IS BY NO MEANS AN IMPROVEMENT ON EARLIER VERSIONS. MRS KIRKPATRICK'S ACTIVE PARTICIPATION IN NEGOTIATION OF A TEXT WAS A WELCOME CHANGE BUT HER CONTRIBUTIONS WERE IDIOSYNCRATIC AND DID NOT REVEAL CLEARLY WHAT SHE MIGHT FEEL ABLE FINALLY TO RECOMMEND TO WASHINGTON.

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FM VIENNA 180930Z NOV 81  
TO IMMEDIATE FCO  
TELEGRAM NUMBER 245 OF 18 NOVEMBER

GLOBAL NEGOTIATIONS.

1. LENKX (PS/CHANCELLOR KREISKY) HAS TOLD US IN STRICT CONFIDENCE (PLEASE PROTECT) OF AN APPROACH WHICH THE AUSTRIAN GOVERNMENT (ACTING ALSO ON BEHALF OF THE MEXICAN, CANADIAN AND AUSTRALIAN GOVERNMENTS) PROPOSES TO MAKE SHORTLY TO THE UK AND CERTAIN OTHER GOVERNMENTS WITH A VIEW TO GIVING IMPETUS TO GLOBAL NEGOTIATIONS. LENKX SAID HE EXPECTED THE PRECISE FORM OF THE PROPOSAL, TO BE AGREED WITH NAVARETE (DEPUTY MINISTER, MEXICAN MFA) BEFORE 20 NOVEMBER.

2. LENKX SAID THAT FOLLOWING CANCUN, INFORMAL DISCUSSIONS HAD BEEN TAKING PLACE IN NEW YORK ON HOW TO PROCEED OVER GLOBAL NEGOTIATIONS. THE AMERICANS HAD CIRCULATED A PAPER ON HOW THEY VISUALISED MATTERS MIGHT BE TAKEN FORWARD. KITTANI HAD ALSO BEEN TALKING TO SMALL GROUPS ON GLOBAL NEGOTIATIONS. THE AUSTRIANS HAD PROPOSED THE DRAFTING OF A LOOSELY WORDED UNGA RESOLUTION TO BE FOLLOWED BY A CONSULTATION PROCESS INVOLVING MEMBER STATES, THE SPECIALISED AGENCIES AND OTHERS (CALICE'S CALL ON BAYNE ON 12 NOVEMBER).

3. LENKX SAID THE AUSTRALIANS HAD RECENTLY EXPRESSED DOUBTS ABOUT THE SUCCESS OF THESE VARIOUS INITIATIVES AND HAD SUGGESTED TO NAVARETE THAT AN INFORMAL MEETING OF SENIOR OFFICIALS (UNDER-SECRETARY LEVEL) FROM SOME 10-12 INDUSTRIALISED AND DEVELOPING COUNTRIES BE CONVENED IN NEW YORK BY THE CANCUN QUOTE CO-CHAIRMEN UNQUOTE, INCLUDING AUSTRIA, TO TRY TO FIND A SOLUTION. THE MEETING WOULD BE INFORMAL AND LAST A COUPLE OF DAYS. THE AUSTRALIANS ENVISAGED THAT THE OFFICIALS (AS IN THE LEAD UP TO CANCUN) WOULD FORM THE NUCLEUS OF A LARGER CONFERENCE TO BE CONVENED THEREAFTER.

4. LENKX SAID THE MEXICANS HAD CONSULTED THE CANADIANS AND AUSTRIANS ON THE AUSTRALIAN SUGGESTION. THE CANADIANS HAD NOT YET GIVEN A DEFINITIVE RESPONSE (LARRY SMITH, UNDER SECRETARY FOR ECONOMIC AFFAIRS MFA WAS IN HOSPITAL) BUT WERE UNDERSTOOD TO BE IN FAVOUR. THE AUSTRIANS HAD INITIALLY EXPRESSED DOUBTS. THEY HAD SAID IT WAS IMPORTANT NOT TO DISTURB THE INFORMAL DISCUSSIONS TAKING PLACE IN NEW YORK PARTICULARLY IF PROGRESS SEEMED POSSIBLE. ON THE OTHER HAND THEY ACCEPTED THAT KITTANI WAS UNLIKELY TO BE SUCCESSFUL IN HIS INITIATIVE AND THEY REALISED THAT BECAUSE OF THE UNCERTAINTIES OVER HIS RE-ELECTION, WALDHEIM COULD NOT BE EXPECTED TO PLAY A PROMINENT PART IN THIS EXERCISE.

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THEY FELT ALSO THAT SOME POSITIVE STEP WAS EXPECTED ON GLOBAL NEGOTIATIONS IN NEW YORK FOLLOWING THE CANCUN CHAIRMEN'S STATEMENT. IN THE LIGHT OF THESE CONSIDERATIONS KREISKY HAD BEEN PERSUADED TO ACCEPT THE AUSTRALIAN SUGGESTION AND HAD AGREED THAT AUSTRIA WOULD TAKE ON RESPONSIBILITY FOR SOUNDING OUT THE VIEWS OF CERTAIN OTHER GOVERNMENTS. THIS WAS ON THE UNDERSTANDING THAT IF SIGNIFICANT PROGRESS WERE MADE IN THE DISCUSSIONS ALREADY TAKING PLACE THE AUSTRALIAN INITIATIVE WOULD BE UNNECESSARY.

5. LENNKH SAID A DECISION HAD STILL NOT BEEN REACHED ON WHICH GOVERNMENTS SHOULD BE CONSULTED AND INVITED TO THE OFFICIAL TALKS. A REASONABLE BALANCE HAD TO BE STRUCK BETWEEN INDUSTRIALISED AND DEVELOPING COUNTRIES. THE PRELIMINARY LIST (NOT YET APPROVED) IN ADDITION TO AUSTRIA, MEXICO, CANADA, AUSTRALIA, INCLUDED THE UK, WEST GERMANY, FRANCE, THE NETHERLANDS, YUGOSLAVIA, INDIA, NIGERIA AND KUWAIT.
6. THERE HAD BEEN DISAGREEMENT OVER WHETHER THE AMERICANS AND ALGERIANS, REPRESENTING THE TWO EXTREMES AT CANCUN, SHOULD BE INVITED. AUSTRIA THOUGHT IT WOULD BE USEFUL TO HAVE EXTREME VIEWS DISCLOSED AT THE OUTSET BUT OTHERS HAD NOT BEEN CONVINCED. THE AMERICANS HAD NOT YET BEEN CONSULTED. IT WAS NOT THE INTENTION TO INVITE CHINA, THE SOVIET UNION OR CUBA. NAVARETE AND REISCH (UNDER SECRETARY, ECONOMIC DIVISION, MFA) WOULD REPRESENT MEXICO AND AUSTRIA.
7. THE DATE FOR THE PROPOSED MEETING HAS NOT YET BEEN AGREED. THE MEXICANS HAVE SUGGESTED A MEETING AS EARLY AS THE SECOND HALF OF NEXT WEEK (26/27 NOVEMBER). THE AUSTRIANS BELIEVE THIS PREMATURE ESPECIALLY AS THE AMERICANS ARE IN THE MIDST OF THEIR SOUNDINGS. IT WOULD BE COUNTER-PRODUCTIVE TO OFFEND THEM. LENNKH THOUGHT EARLY DECEMBER A LIKELY COMPROMISE.
8. THE AUSTRIANS ARE AWARE THAT GOVERNMENTS NOT INVITED TO THE MEETING ARE LIKELY TO BE RESENTFUL AND SUSPICIOUS. THEY HOPE THEREFORE THAT IF THE MEETING GETS OFF THE GROUND IT WILL BE POSSIBLE TO PRESENT IT AS A ROUTINE MEETING OF OFFICIALS PRESENT AT NEW YORK TO DISCUSS GLOBAL NEGOTIATIONS AND ASSOCIATED ECONOMIC ISSUES. IN THIS WAY THEY HOPE TO PLAY DOWN THE SIGNIFICANCE OF THE MEETING. BUT THEY RECOGNISE THAT THIS MAY BE NAIVE.  
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FROM UKMIS NEWYORK 092310Z NOV 81 PS TO PM 10, DOWNING STREET.  
TO IMMEDIATE F C O  
TELEGRAM NUMBER 1196 OF 9 NOVEMBER  
INFO IMMEDIATE UKREP BRUSSELS (FOR EVANS) WASHINGTON  
INFO PRIORITY UKDEL OECD UKMIS GENEVA

MY TELNO 1185: GLOBAL NEGOTIATIONS.

1. MRS KIRKPATRICK ADDRESSED THE PERMANENT REPRESENTATIVES OF THE TEN THIS MORNING. SHE OFFERED NO SIGHT OF THE BRASS TACKS TO WHICH WE ARE EXPECTED TO GET DOWN, AND HER PRESENTATION OF EXISTING U S IDEAS WAS TO SAY THE LEAST INCOHERENT.
2. MRS KIRKPATRICK SAID THAT GLOBAL NEGOTIATIONS LACKED CLARITY. NOBODY KNEW WHAT THEY WERE, OR IN WHAT ARENAS THEY SHOULD HAPPEN. THE U S WAS PREPARED TO TALK ABOUT THE CENTRAL ROLE OF THE GA, BUT CENTRAL IN RELATION TO WHAT? BEDJAOUI WAS OPERATING AT AN ABSTRACT LEVEL. NOBODY WAS PREPARED TO SAY WHO SHOULD DO WHAT TO WHOM, AND WHERE. THERE WAS ENORMOUS AMBIGUITY ON THE SUBJECT WITHIN THE G77.
3. THE U S WANTED TO CONDUCT SYSTEMATIC BUT INFORMAL CONVERSATIONS WITH INTERESTED GROUPS, OF WHICH THE PRESENT MEETING WAS ONE. SHE WOULD BE MEETING SIMILARLY WITH THE G77 AND OTHERS. THE BASIC U S POSITION WAS THE ONE SET OUT AT CANCUN AND IN THE GENERAL ASSEMBLY ON 5 NOVEMBER (MY TELNO 1175). THE AMERICANS WERE PREPARED TO ENGAGE IN QUOTE ANY FORM OF REASONABLY PROMISING DISCUSSION UNQUOTE PROMOTING GLOBAL DEVELOPMENT, TO WHICH THEY ATTACHED GREAT IMPORTANCE.
4. THE AMERICANS WERE PREPARED TO TALK AND TO ENGAGE IN PREPARATIONS BUT NOT TO FOLLOW QUOTE PROCESSES THAT WOULD LEAD TO DISAGREEABLE CONFRONTATION UNQUOTE. THEY LIKED TO DEAL IN CONCRETE PROBLEMS AND SPECIFIC SOLUTIONS. AT THE UN THE PROBLEM WAS TO FIND A FITTING INSTITUTIONAL FRAMEWORK. THE ORIGINAL AGENDA LIST WAS QUOTE NOT BAD UNQUOTE (ALTHOUGH SHE DID NOT MENTION MONEY AND FINANCE). THE SUBJECT MATTER COULD BE BROKEN DOWN BY TOPICS OR BY REGIONS, BUT THIS HAD TO BE DONE ON THE BASIS OF AGREEMENT ON WHAT CONSTITUTED A PROMISING APPROACH.
5. AFTER A THOUGHTFUL PAUSE, ITALY ASKED WHAT MRS KIRKPATRICK THOUGHT OF KITTANI'S APPROACH. WHAT CLARIFICATIONS MIGHT THE U S REQUIRE? SHE REPLIED THAT SHE NEEDED MORE INFORMATION ON SUBSTANCE AND PROCEDURES. DENMARK SAID THAT AMBIGUITIES WERE SOMETIMES CONSTRUCTIVE. WAS THE U S WITHDRAWING FROM 34/138? MRS KIRKPATRICK REPLIED THAT 34/138 WAS ON THE BOOKS. IF THE U S WERE BACKING DOWN ON THIS SHE WOULD HAVE SAID SO.
6. MRS KIRKPATRICK SAID THAT DISCUSSION WITH BEDJAOUI HAD NOT HELPED HER. HE HAD NOTHING CONCRETE TO SAY. ON THE OTHER HAND, SHE ESTEEMED KITTANI AND SAW SOME MILEAGE IN A RESOLUTION FROM THE GENERAL ASSEMBLY TO THE SECRETARIAT REQUESTING THE LATTER TO UTILISE ALL INSTITUTIONAL RESOURCES AVAILABLE, INCLUDING THE SPECIALISED AGENCIES, TO DRAW UP PROPOSALS FOR NEGOTIATION. IRELAND

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## CONFIDENTIAL

ASKED, WAS THERE NO MILEAGE IN REAFFIRMING THE COMPREHENSIVE CHARACTER OF GLOBAL NEGOTIATIONS AND LEAVING THE NEXT AND CONCRETE STEP TO THE SPECIALISED AGENCIES? MRS KIRKPATRICK REPLIED THAT THE U S WAS VERY DISINCLINED TO ENDORSE THE UNDEFINED. THIS WAS MORE THAN A MATTER OF STYLE. IN RESPONSE TO FURTHER IRISH PRESSURE, SHE REPLIED, TO GENERAL SURPRISE, QUOTE DONT WORRY ABOUT WHAT'S ACCEPTABLE TO THE U S; THAT'S NO PROBLEM UNQUOTE.

7. MRS KIRKPATRICK SAW MORE PRACTICAL MERIT (THOUGH THERE MAY HAVE BEEN SOME MISUNDERSTANDING ) IN THE SUGGESTION BY BELGIUM THAT IN STAGE ONE THE GA COULD REMIT PROBLEMS TO THE SPECIALISED AGENCIES WHILE IN STAGE TWO THE LATTER, ARMED WITH GUIDELINES, RESPONDED WITH SOLUTIONS. THE GA COULD THEN QUOTE SEE ABOUT UNQUOTE THE RESULTS THAT CAME BACK FROM THE SPECIALISED AGENCIES, AGAINST THE BACKGROUND OF THE CONSENSUS REQUIREMENT. BUT SHE THOUGHT THIS APPROACH WOULD BE UNACCEPTABLE TO THE G77. KITTANI'S CONCEPT OF VESTING THE ORGANISATIONAL FUNCTION IN THE SECRETARIAT, WHO WOULD CONTACT THE SPECIALISED AGENCIES, WAS EMINENTLY SENSIBLE.

8. GREECE, ITALY AND THE FRG IN TURN UNDERLINED THE DISREGARD IN THIS DISCUSSION OF POLITICAL FACTORS. THE FRG PRESSED MRS KIRKPATRICK TO SAY WHETHER THE U S FELT A SENSE OF RESPONSIBILITY FOR THE CURRENT STALEMATE AND WHETHER SHE PLANNED TO BE ACTIVE IN PROMOTING DISCUSSION AND SEEKING TO ACHIEVE A RESULT BEFORE THE END OF THIS SESSION OF THE GA. SHE REPLIED THAT THE U S HAD NO MORE A UNIQUE RESPONSIBILITY FOR LAUNCHING OR MAPPING THE COURSE OF THE GN'S THAN ANYONE ELSE, INCLUDING THE FRG. THE AMERICANS WERE PREPARED TO PARTICIPATE. BUT THE BALL WAS NOT IN THEIR COURT. ASKED BY FRANCE WHETHER THIS MEANT THAT, ASSUMING A DECISION TO START ON A PARTICULAR DAY, THE U S WOULD BE THERE, SHE SAID THAT WOULD DEPEND. SHE ADDED THAT SHE COULD NOT IMAGINE WHY THE SOVIET BLOC WERE BEING LET OFF THE HOOK.

9. BEFORE THE END OF THIS CONVERSATION, I POINTED OUT THAT A SOLUTION WOULD NOT GENERATE ITSELF. SOMEONE HAD TO ORGANISE IT. I THOUGHT WE ALL ACCEPTED THAT KITTANI WAS THE BEST MAN. ITALY POINTED OUT THAT WE MUST GIVE HIM THE MATERIAL. MRS KIRKPATRICK REAFFIRMED HER POSITIVE VIEW OF KITTANI'S EFFORTS, BUT HE WAS PLAYING HARD TO GET.

10. THIS DISCUSSION CONTRIBUTED NOTHING TO RATIONAL HANDLING OF GN S. I UNDERSTAND THAT THE U S EMBASSY HAVE BEEN IN TOUCH IN LONDON TO PRESENT THEIR IDEAS BILATERALLY. HERE THE G77 ARE STANDING PAT AND MRS KIRKPATRICK (WHO MUST CALCULATE THAT TIME IS ON HER SIDE) IS SHOWING NO DESIRE TO CAPITALISE ON THE OPENING PROVIDED BY CANCUN. AS ONE WAY OUT THE JAPANESE ARE SHOWING AN UNHEALTHY INTEREST IN A PERMANENT SYSTEM OF MINI-SPECIAL SESSIONS TO ASSESS RESULTS EMERGING FROM SPECIALISED AGENCIES AND ISSUE NEW GUIDELINES. GIVEN THE VACUUM IN THE AMERICAN POSITION SUCH ACTIVITY IS INEVITABLE.

11. THE VACUUM HAS ALSO STRUCK OUR COMMUNITY COLLEAGUES AND WE WILL NO DOUBT FIND OURSELVES UNDER PRESSURE AS PRESIDENCY IN DUE

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COURSE TO SHOW GREATER ACTIVISM IN SEEKING TO BRIDGE THE GAP BETWEEN THE G77 AND THE AMERICANS. FOR THE PRESENT HOWEVER I BELIEVE THAT WE CAN HOLD THE COMMUNITY TO THE AGREED POSITION EXPRESSED IN MY TELNO 1175. IT IS DIFFICULT TO RECOMMEND FURTHER WORK FOR THE NORTH/SOUTH GROUP UNTIL THE G77 OR THE AMERICANS SHOW A WILLINGNESS TO ENTER THE NEGOTIATING ARENA. BUT WE SHOULD PERHAPS GIVE SOME PRELIMINARY THOUGHT TO THE PROBLEM OF THE INEVITABLE PRESSURE IN DUE COURSE FROM WITHIN THE COMMUNITY OR FROM THE G77 TO MOVE TO A POSITION FAVOURING A SIMPLE DECISION TO LAUNCH GN S WITHOUT DEFINING PRECISE TERMS.

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*Mr. Prime Minister 2*  
*Walter White* *Wm*  
*18/8*

Treasury Chambers, Parliament Street, SW1P 3AG

Stephen Gomersall Esq  
Private Secretary to the Right Honourable,  
the Lord Privy Seal  
Foreign & Commonwealth Office  
LONDON  
SW1

*ms*  
18 August 1981

*Dear Stephen,*

**GLOBAL NEGOTIATIONS AND OTHER RELATIONS WITH DEVELOPING COUNTRIES**

Before going on leave, the Chancellor saw the Lord Privy Seal's reply dated 7 August to his letter of 30 July on this subject. He asked the Financial Secretary to respond on his behalf. The Financial Secretary is out of London today and has asked me to write as follows.

So far as the Luxembourg and Ottawa formulae on the global negotiations are concerned, Treasury Ministers note that the Lord Privy Seal accepts that the two conditions in the latter - namely "mutually acceptable process" and "circumstances offering the prospect of meaningful progress" should be met before we commit ourselves to the start of the negotiations proper. No doubt it will be necessary on occasion to state as a matter of fact that the Luxembourg Council said what it said; but the Treasury do not agree that reference should only be made to the Luxembourg formula and not also at the same time to the Ottawa conditions

The Lord Privy Seal's letter argues the case for acceptance of an additional ODA target of 0.15% of GNP in respect of aid to the least developed countries. I understand that the French are recommending the adoption of such a target as an agreed Community policy - Modev telegram No 5 of 11 August from Paris.

Adoption of a new aid target would be a major change in Government policy and we need to consider the implications very carefully. Our aim to date has been to get away from targetry in this field and to shift emphasis from aid figures on their own to figures for all financial flows to the developing countries. In the paper which he circulated to colleagues on 2 September last year, the Chancellor reviewed a number of major recent developments in international economic affairs which, taken together, has made an official aid target increasingly irrelevant to the real problems of development. He showed that in many ways concentration upon such a target obscured these problems.



It is true, as the Lord Privy Seal says, that the UK's record is relatively good on aid to the poorest countries and we should not reject an opportunity to claim credit for this. But accepting the proposed new target is a different matter. The 0.7% target for o.d.a while unwelcome, is at least clear and defensible in its own terms. But the proposed 0.15% target if seriously applied could lead to strange allocations at the margin. India, for example, which has a GNP per head considerably below several of the countries in the group, is excluded, as is Pakistan. British efforts over many years to help the 750m people of these countries would not score to our credit in the context of this target even though our aid record for "the poorest" as defined by the DAC is extremely good, in contrast to that of many other donors, as the recent World Development Report makes clear. If we were to accept the arbitrary 0.15%, for this rather special category of "least developed countries", we would find ourselves unjustifiably criticised for our record on aid to the poorest.

For this reason, the Financial Secretary feels that our objective at the UN Conference should not be to claim the creation of a new target as evidence of success, but rather, to cast doubt on the true significance of aid targets in general and <sup>the</sup> proposed new 0.7% target in particular.

Both the points discussed in this letter are relevant to the speech which the Minister for Overseas Development will make at the UN Conference on 2 September. Treasury officials have already made some comments on an early draft of this speech. I should be grateful if Miss Unsworth would ensure that Treasury Ministers have a chance to see the version approved by Mr Marten before it is actually delivered.

I am sending copies of this letter to the Private Secretaries of the Prime Minister, of all members of OD, of the Minister for Overseas Development and of Sir Robert Armstrong.

Yours sincerely,  
David Willetts

D L WILLETTS  
Private Secretary



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TELEGRAM NUMBER 723 OF 12 AUGUST 1981

INFO UKREP BRUSSELS, UKDEL OECD, UKMIS GENEVA, WASHINGTON, BONN.

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MY TELNO 718: GLOBAL NEGOTIATIONS.

1. WE HAVE NOW OBTAINED FROM THE US MISSION (WHO WERE HAPPY TO GIVE IT BUT DO NOT WISH TO BE IDENTIFIED AS THE SOURCE) THE TEXT OF HAIG'S REPLY TO VON WECHMAR (SEE MY I.F.T.).
2. IT IS CLEAR ENOUGH. VON WECHMAR HAS NOW DECIDED TO CONFINE HIMSELF TO HAVING A LUNCH FOR HIS "FRIENDS" ON 27 AUGUST. THIS WILL MERELY DISCUSS THE MECHANICS OF TURNING THE SUBJECT OF GLOBAL NEGOTIATIONS OVER TO THE 36TH GENERAL ASSEMBLY.
3. BEHIND HAIG'S MESSAGE AND OTHER RECENT EVIDENCE OF US THINKING OF THIS SUBJECT EG RASHISH'S INTERVIEW IN THE NEW YORK TIMES (WASHINGTON TELNO 2368) UNCERTAINTY CONTINUES. ACCORDING TO THE US MISSION NO-ONE THINKS THAT "GLOBAL NEGOTIATIONS", AS HITHERTO ADUMBRATED, WILL DO ANY GOOD. BUT WHILE SOME MEMBERS OF THE ADMINISTRATION PREFER TO COME CLEAN ABOUT THIS AND STEER TOWARDS SOMETHING DIFFERENT AND MORE PRACTICAL, OTHERS INCLINE TO GO ALONG WITH IT TO AVOID A ROW WITH THE G77 AND POSSIBLY TO PICK UP A FEW POLITICAL BROWNIE POINTS. ADELMAN (RECENTLY ARRIVED DEPUTY TO MRS KIRKPATRICK) ARGUES IN FAVOUR OF ACCEPTING THE LABEL "GLOBAL NEGOTIATIONS" BUT DEFINING IT ANEW IN TERMS OF PROGRAMMES AND PROCEDURES ACCEPTABLE TO THE REAGAN ADMINISTRATION. THIS MIGHT BE A WAY OUT IF DISCUSSION COULD BE SHIFTED FAR ENOUGH AWAY FROM THE BASES ON WHICH IT HAS TAKEN PLACE OVER THE PAST TWO YEARS.

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TO PRIORITY F C O

TELEGRAM NUMBER 724 OF 12 AUGUST 1981

INFO UKREP BRUSSELS, UKDEL OECD, UKMIS GENEVA, WASHINGTON, BONN.

MY I.P.T.: GLOBAL NEGOTIATIONS.

1. FOLLOWING IS TEXT OF HAIG'S REPLY TO VON WECHMAR.

BEGINS

I AM AWARE THAT YOU ARE IN THE PROCESS OF CONSULTING WITH OTTAWA PARTICIPANTS WITH A VIEW TO DETERMINING THEIR PREFERENCES CONCERNING NEXT STEPS ON THE MATTER OF GLOBAL NEGOTIATIONS. AMBASSADOR KIRKPATRICK INFORMED ME OF HER CONVERSATION WITH YOU ON JULY 23 IN WHICH YOU INQUIRED WHETHER THERE HAD BEEN ANY DEVELOPMENTS AT THE OTTAWA SUMMIT OR ELSEWHERE WHICH MIGHT HAVE CHANGED THE US ATTITUDE.

THE OTTAWA SUMMIT WAS, FROM OUR POINT OF VIEW, A SUCCESS. WE HAD LENGTHY AND USEFUL DISCUSSIONS OF RELATIONS WITH DEVELOPING COUNTRIES. CERTAINLY FROM OUR POINT OF VIEW, THE EXCHANGE RESULTED IN SOME FRESH INSIGHTS INTO THE VIEWS OF OTHERS. WE ARE SANGUINE THAT ADDITIONAL PERSPECTIVES WILL ARISE FROM THE WIDER CIRCLE OF CONSULTATIONS AT CANCUN. AT OTTAWA, WE JOINED TOGETHER WITH OTHER GOVERNMENTS IN REAFFIRMING OUR WILLINGNESS TO EXPLORE ALL AVENUES OF CONSULTATION AND COOPERATION WITH DEVELOPING COUNTRIES IN WHATEVER FORUMS MAY BE APPROPRIATE. IT STILL REMAINS TO BE SEEN FOR US WHETHER THE UN IN NEW YORK AND GLOBAL NEGOTIATIONS AS PREVIOUSLY CONCEIVED ARE THE BEST WAY TO DO THIS.

OUR POSITION ON THE QUESTION OF GLOBAL NEGOTIATIONS REMAINS THE SAME AS IT WAS BEFORE THE EXCHANGE AT OTTAWA. WHILE THE DISCUSSIONS WERE VERY USEFUL, WE CONTINUE TO BELIEVE THAT FURTHER CONSIDERATION OF GLOBAL NEGOTIATIONS SHOULD NOT TAKE PLACE AT LEAST UNTIL THE 36TH SESSION OF THE GENERAL ASSEMBLY-- AFTER THE CANCUN SUMMIT. WE APPRECIATE THE IMPORTANCE YOU AND OTHERS ATTACH TO THIS ISSUE, AND THEREFORE DO NOT WANT TO MAKE A FINAL JUDGMENT BEFORE

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WE HAVE BEEN ABLE TO REFLECT ON THE OVERALL DISCUSSION AT CANCUN. IN LINE WITH THIS POSITION, WE STRONGLY FAVOR THE MOST EXPEDITIOUS AND PURELY PROCEDURAL DEFERRAL OF GLOBAL NEGOTIATIONS FROM THE 35TH TO THE 36TH GENERAL ASSEMBLY. WE DO NOT BELIEVE THAT A FURTHER MEETING OF THE FRIENDS OF THE PRESIDENT ON THE SUBJECT WOULD BE EITHER NECESSARY OR PARTICULARLY DESIRABLE. OUR PREFERENCE WOULD BE FOR THE DEFERRAL BEING HANDLED THROUGH A PRESIDENTIAL PROCEDURAL INITIATIVE.

I LOOK FORWARD TO FURTHER EXCHANGES WITH YOU DURING YOUR PRESIDENCY ON THIS AND OTHER ISSUES.  
SINCERELY, ALEXANDER M HAIG, JR.

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Foreign and Commonwealth Office

London SW1

7 August 1981

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*How Geoffrey,*

GLOBAL NEGOTIATIONS AND OTHER RELATIONS  
 WITH DEVELOPING COUNTRIES

Peter Carrington, who is now on holiday, has asked me to reply to your letter of 30 July on the Global Negotiations. In it you referred to the preparatory meeting for the Cancun Summit, the UN Conference on New and Renewable Sources of Energy and the UN Conference on the Least Developed Countries. I have comments on all four.

Peter Carrington took part in the Cancun preparatory meeting. It revealed a general wish that the Summit should give a push to the Global Negotiations, though everyone (except the Algerian) wanted the Summit and the Global Negotiations to be kept clearly distinct. Al Haig did not resist this and agreed that the relationship between the Summit and the Global Negotiations could be reflected in the 'framework for discussion' in the same terms as in the letter of invitation to the Summit. This makes clear that, while there is no formal link between them, the Summit should give a positive impetus to the Global

The Rt Hon Sir Geoffrey Howe QC  
 Chancellor of the Exchequer

/Negotiations





aid funds. So long as our partners stand firm, we should be able to hold to this. We shall have some modest proposals for bilateral assistance, within the aid programme, from which we hope to gain credit.

The position on the Conference on the Least Developed Countries is rather different. A number of our Community partners will be ready, indeed willing, to accept some or all of the various targets put forward by the Group of 77. In our Presidency statement to ECOSOC on 2 July we made clear that the Community would adopt a reasonably positive stance at the Conference and agreed that 'the quality and volume of ODA is clearly of great importance.'

I therefore think it will be difficult for the UK to refuse any wording relating to an increase in aid to the Least Developed Countries. Although we should probably have the Americans alongside, we should, with the possible exception of Germany, be isolated within the Community and might find ourselves preventing a Community position being achieved on this issue.

I do not suggest that we should accept obligations with 'significant public expenditure implications'. But, in order to avoid isolation within the Community, I believe we should if necessary be prepared to go along with the target likely to arouse the most interest and support, namely that developed countries should devote aid amounting to 0.15% of their GNP to the Least Developed Countries. We should accept this only on the same basis as we have accepted the 0.7% target for official aid: as an aim without a target date for its achievement. We should, in the process, stress the high priority

/given to





Negotiations - and to other international activities - without pre-empting them. I should add that Al Haig took a generally conciliatory line. The Americans are clearly aware of the dangers of isolation.

The outcome of the Cancun meeting is quite compatible with the position agreed between officials and set out in paragraph 29 of DCO(81)32. But I cannot agree that, as regards the Global Negotiations, the Ottawa Declaration should be regarded as superseding the Presidency Statement from the Luxembourg European Council. The European Council statement still stands as the collective position of all Community countries. We must abide by this position and restate it whenever our Community role requires us to do so.

When preparatory discussions for the Global Negotiations resume in New York, we will of course want to ensure that they are launched as a 'mutually acceptable process' and 'in circumstances offering the prospect of meaningful progress' (the language of the Ottawa communiqué). Our concern, as before, will be to protect the integrity - not just the formal competence - of the GATT and the International Financial Institutions in the procedural framework for the Global Negotiations and to achieve a balanced agenda on acceptable terms. I agree that, if and when the Global Negotiations come, they could be difficult. But we must recognise the strength of the political pressure to hold them and not fight vainly against it (you will have seen what the Prime Minister said to Malcolm Fraser on the subject on 30 July).

The UN Conference on New and Renewable Sources of Energy opens next week. There is an agreed Community position which, at present, gives no support for any commitment to increased

/aid funds.



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given to the poorest countries in the UK aid programme, with 62% of our bilateral aid going to them in 1980 - a much larger share than most other donors give them. The narrower group of Least Developed Countries received 0.14% of our GNP in 1979, taking bilateral and imputed multilateral aid together ie only just short of the target, though we were probably further away from it in 1980. Such an approach would probably enable us to put together a Community position, though we might wish to make a reservation of some kind. This is a strong part of our own position, and we should make the most of it and not throw it away.

The outcome of this Conference will have an impact on the atmosphere of the more important meetings which will follow it. What we do at Paris will affect our standing at Melbourne and Cancun. A formula such as I have suggested could help us and others to call the Conference a success. It could also enable us to avoid other difficult commitments, such as the extension of the STABEX scheme to Least Developed Countries outside the Lomé Convention. On this basis, I am sure that it will be worthwhile to accept it. The Americans have never accepted the 0.7% target and it is therefore easier for them to take the same attitude towards a target for the least developed; I am suggesting that we also adopt the same attitude in relation to both targets.

As for the meetings later in the year - the Commonwealth Heads of Government meeting and the International Meeting for Cooperation and Development (as the Cancun Summit is now called) - Peter Carrington, in his minute of 28 July, promised to return to the question of whether the policies set out in DCO(81)32 will suffice very early after the Summer holidays. This remains our aim.

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I am copying this letter to the Prime Minister and other members of OD, and to Sir Robert Armstrong.

*Yours*

*lan*

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Foreign and Commonwealth Office  
London SW1

31 July 1981

*NKAA*  
*And*

*Per Paris,*

UN CONFERENCE ON NEW AND RENEWABLE SOURCES  
OF ENERGY

Thank you for your letter of 17 July to Peter Carrington about this Conference.

I agree generally with the line you propose. It will be desirable at Nairobi to stress the technical priorities of the Conference and to urge that it should not be drawn into a sterile debate on aid and North-South issues. However I also agree that our delegation at the Conference should if necessary defend robustly our position on the lines set out in your letter.

I can confirm that Neil Marten has offered to underwrite by means of a guarantee of student numbers a special MSc course in alternative energy at Reading University, aimed at students from developing countries. This should enable it to go ahead, although negotiations are still proceeding with the University. Confirmation that it will start in the autumn of next year will, I hope, be available in time for you to make an announcement in Nairobi. My officials will keep in touch with yours about the latest position.

The Rt Hon David Howell PC MP  
Secretary of State for Energy  
Thames House South  
London SW1P 4QJ

/We have also now





We have also now approved the proposed £2m provision for energy resource assessment studies, and I accordingly made a reference in the debate on the Brandt Commission Report on 24 July (Hansard Vol 9, No 149, Col. 731) to our willingness to do more in the energy field. So the way is clear for you to make an announcement at Nairobi as you propose.

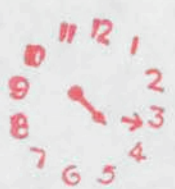
Particularly given our Presidency responsibilities, I am sure that you are right to say that we should work for as broad a basis of support within the Community and without as we can secure for our position on key issues.

I am sending copies of this letter to the recipients of yours.

*yes ✓*  
*lan*



31 JUL 1981







*PM has seen.*

Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

30 July 1981

T. Lankester, Esq.,  
Private Secretary,  
10, Downing Street

*Dear Tim,*

GLOBAL NEGOTIATIONS

In connection with his letter of 30 July to the Foreign Secretary the Chancellor thought that the Prime Minister would be interested to see the address by the Australian Prime Minister and telegram number 308 of 20 July, both attached.

*underneath*

*Yours ever  
Peter*

P.S. JENKINS



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# Press Release

(EMBARGOED TO 1315 BST 27 July 1981)

"MELBOURNE - THE KEY ISSUES"

Address by the Australian Prime Minister,  
the Rt Hon Malcolm Fraser, CH, MP, to the  
Royal Commonwealth Society, London, on  
27 July 1981

(Speech delivered in the absence of the  
Prime Minister by the Australian High  
Commissioner, the Hon R. V. Garland.)

The events of this week are a matter of warm interest and significance not only for Britain, but for Australia and for the Commonwealth. As I think you are aware, my Government attaches great importance to the Commonwealth. We do so principally not for reasons of sentiment, though they exist and are not negligible, but out of a sense of enlightened self-interest and a belief that the Commonwealth has much to contribute to world affairs.

In a few weeks time, Australia will be hosting the Commonwealth Heads of Government Meeting at Melbourne - it is about the issues which will arise on that occasion that I want to speak today. But before I turn to them, I would like to say a few words about the very happy occasion which has brought so many of the leaders of the Commonwealth together in London this week.

AUSTRALIANS IN GENERAL WILL JOIN ME IN CONGRATULATING HIS ROYAL HIGHNESS. WE TOOK HIM TO OUR HEARTS WHEN HE FIRST CAME TO SCHOOL AT TIMBERTOP IN 1966. HAPPILY HIS VISITS TO US SINCE HAVE BEEN FREQUENT. HE ASSURES US THAT HE ENJOYS AUSTRALIA AND WE LOOK FORWARD TO WELCOMING HIM AND HIS PRINCESS SOON, ALTHOUGH HIS NEW MARITAL STATUS WILL UNDOUBTEDLY MAKE LIFE HARDER FOR PHOTOGRAPHERS ON AUSTRALIAN BEACHES!

IT IS INDEED A HEALTHY SITUATION WHERE THERE IS, SO CLEARLY, MUCH RECIPROCAL WARMTH BETWEEN AUSTRALIANS AND THEIR FUTURE SOVEREIGN - AS INDEED THERE IS WITH THE PRESENT SOVEREIGN. IT IS HOWEVER ESPECIALLY IMPORTANT THIS WEEK TO REMEMBER THAT THE QUEEN IS NOT JUST QUEEN OF THIS COUNTRY AND OF AUSTRALIA, BUT ALSO HEAD OF THE COMMONWEALTH. THE CHANGES THAT HAVE PRODUCED THE MODERN COMMONWEALTH HAVE LARGELY OCCURRED DURING HER REIGN AND DURING THIS PERIOD OF CHANGE SHE HAS STOOD AS A SYMBOL OF CONTINUITY. BUT SHE HAS DONE MORE THAN THAT: SHE HAS BROUGHT WISDOM, CHARM, AND WITH THE PASSING OF TIME

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INCOMPARABLE EXPERIENCE TO HER ROLE. INDEED, THE QUEEN HAS SHOWN THAT THE INSTITUTION OF THE MONARCHY - ANCIENT AS IT IS - HAS A CAPACITY TO UNIFY PEOPLES AND NATIONS IN A WAY THAT IS UNIQUE IN THE MODERN WORLD. SHE HAS MADE THE MONARCHY AN EFFECTIVE AND VITAL SYMBOL OF COMMON HUMANITY AND SHARED VALUES THAT LINK THE PEOPLES OF THE MODERN COMMONWEALTH TOGETHER. NO COMMONWEALTH HEADS OF GOVERNMENT MEETING WOULD BE COMPLETE WITHOUT HER PRESENCE AND WE LOOK FORWARD VERY MUCH TO WELCOMING HER AT MELBOURNE.

MR PRESIDENT, THIS IS AN IMPORTANT YEAR FOR THE COMMONWEALTH. TWO YEARS AGO WE MET AT LUSAKA AND MADE A MAJOR CONTRIBUTION TO RESOLVING A DIFFICULT AND DANGEROUS PROBLEM, ONE THAT OTHERS HAD TRIED AND FAILED TO RESOLVE. AS A RESULT, ROBERT MUGABE WILL BE ATTENDING THE MELBOURNE MEETING THIS YEAR AS PRIME MINISTER OF ZIMBABWE.

IN RETROSPECT THE LUSAKA MEETING STANDS AS ONE OF THE COMMONWEALTH'S GREAT SUCCESSES. BUT IT IS WORTH RECALLING THAT BEFORE THE EVENT THERE WAS MUCH GLOOM AND DOOM AROUND. SOME EVEN PROPHESED THAT THE COMMONWEALTH WOULD BREAK ON THE ROCK OF THE ZIMBABWE PROBLEM. IMPLICIT IN MUCH OF THIS PESSIMISM WAS THE SUGGESTION THAT WE SHOULD DUCK THE ISSUE, THAT WE SHOULD NOT BE 'OVER AMBITIOUS' OR HAVE 'DELUSIONS OF GRANDEUR'.

WE DID NOT HEED THAT ADVICE. WE DID NOT DUCK THE ISSUE AND WE WERE NOT OVER AMBITIOUS. WE SET OUT DETERMINED TO MAKE A SERIOUS CONTRIBUTION AND WE MADE ONE. AS A RESULT THE COMMONWEALTH EMERGED IMMEASURABLY STRONGER, MORE CONFIDENT IN ITSELF AND WITH AN ENHANCED REPUTATION IN THE EYES OF OTHERS.

I REMIND YOU OF THIS NOT IN ORDER TO SCORE POINTS OVER CRITICS, BUT BECAUSE I BELIEVE THAT THE LUSAKA EXPERIENCE CONTAINS TWO IMPORTANT LESSONS FOR US ON THE EVE OF THE COMMONWEALTH'S NEXT MEETING AT MELBOURNE. THE FIRST IS THAT IF THE COMMONWEALTH IS TO THRIVE, IT HAS NO CHOICE BUT TO ENGAGE THE BIG ISSUES OF OUR TIME. WE, ITS MEMBERS, MUST NOT BEHAVE AS IF IT IS A SIDE-SHOW, RESTRICTING ITS EFFORTS TO PERIPHERAL MATTERS. IF WE BEHAVE AS A SIDE-SHOW WE WILL BE TREATED AS ONE.

THE SECOND, AND COMPLEMENTARY, LESSON I DRAW FROM LUSAKA IS THAT WE SHOULD NOT UNDER-ESTIMATE THE IMPORTANCE OF OUR OWN WILL AND DETERMINATION IN THINKING ABOUT WHAT THE COMMONWEALTH CAN OR CANNOT DO. THE SCOPE FOR COMMONWEALTH ACTION IS NOT PREDETERMINED AND FIXED BY SOME OBJECTIVE LAW. TO A VERY CONSIDERABLE EXTENT IT DEPENDS ON OUR OWN ATTITUDES AND COMMITMENTS. OF COURSE, THERE ARE OBJECTIVE LIMITS TO THE ROLE WE CAN PLAY, BUT WE SHOULD NOT ALLOW TIMIDITY OR EXAGGERATED MODESTY TO CIRCUMSCRIBE THAT ROLE UNNECESSARILY. INDEED, WE SHOULD BE ALERT TO ANY OPPORTUNITY TO EXPAND IT.



I MAKE THESE POINTS NOT ONLY BECAUSE I BELIEVE THAT THE COMMONWEALTH HAS A FUTURE, BUT BECAUSE THERE ARE URGENT ISSUES TO BE DEALT WITH AND IT IS IMPORTANT THAT EVERYONE WHO CAN CONTRIBUTE TO PROGRESS SHOULD DO SO. THE INTERNATIONAL COMMUNITY IS NOT SO WELL ENDOWED WITH EFFECTIVE INSTRUMENTALITIES THAT IT CAN AFFORD TO DO WITHOUT THE CONTRIBUTION THAT THE COMMONWEALTH IS CAPABLE OF PROVIDING.

THIS IS PARTICULARLY TRUE, I BELIEVE, WITH RESPECT TO NORTH-SOUTH ISSUES. PROGRESS ON THESE HAS BEEN LANGUISHING. OVER THE LAST YEAR, WHAT IS USUALLY DESCRIBED AS A DIALOGUE HAS AMOUNTED TO LITTLE MORE THAN ACRIMONIOUS MANOEUVERING FOR POSITION IN TERMS OF NARROWLY CONCEIVED SELF-INTEREST. WITH FEW EXCEPTIONS, THERE HAS BEEN AN ABSENCE OF HISTORICAL VISION, OF AN ENLIGHTENED AND FAR-SEEING SENSE OF SELF-INTEREST, OF POLITICAL WILL.

YET THE KIND OF WORLD WE AND OUR CHILDREN ARE GOING TO LIVE IN FOR THE REST OF THIS CENTURY AND BEYOND IS GOING TO DEPEND CRUCIALLY ON WHETHER THERE IS SUCCESS OR FAILURE IN THIS AREA. IT IS FOR THIS REASON THAT AUSTRALIA SETS SUCH STORE ON ACHIEVING PROGRESS IN RESTORING MOMENTUM TO THE PROCESS OF GLOBAL NEGOTIATIONS - A PROCESS THAT IS IMPORTANT BOTH IN ITS OWN RIGHT AND AS EVIDENCE OF A POSITIVE, CONSTRUCTIVE ATTITUDE TO RELATIONS BETWEEN DEVELOPED AND DEVELOPING COUNTRIES.

IN CONTEMPLATING NORTH-SOUTH RELATIONS, IT IS USUALLY THE ECONOMIC ASPECT WHICH IS STRESSED, AND THIS IS CERTAINLY VERY IMPORTANT. IF WE CONSIDER THE TWO LARGEST ECONOMIES OF THE INDUSTRIALISED NORTH, OVER 40 PERCENT OF THE UNITED STATES' OVERSEAS TRADE AND OVER 50 PERCENT OF JAPAN'S IS WITH THE SOUTH. IN THESE AND THE OTHER INDUSTRIALISED COUNTRIES, HUNDREDS OF THOUSANDS OF JOBS DEPEND ON THAT TRADE. MOREOVER, THE MOST RAPIDLY GROWING ECONOMIES OF THE WORLD - THOSE THAT PROVIDE THE GREATEST OPPORTUNITY FOR A RAPID INCREASE IN TRADE - ARE IN THE SOUTH. AS FAR AS THE DEVELOPING COUNTRIES ARE CONCERNED, OVER 70 PERCENT OF THEIR TRADE IS WITH THE NON-COMMUNIST INDUSTRIALISED COUNTRIES, AND THEY ARE ALSO VERY DEPENDENT ON THE CAPITAL, TECHNOLOGY AND MANAGERIAL SKILLS OF THE NORTH. CLEARLY ECONOMIC INTERDEPENDENCE IS NOT JUST A SLOGAN BUT A REALITY, AND THAT REALITY MEANS THAT A WORLD DIVIDED INTO RICH AND DESPERATELY POOR COUNTRIES CAN NEVER BE A STABLE, HARMONIOUS OR MORALLY ACCEPTABLE WORLD.

IF THE ECONOMIC ASPECT WAS ALL THAT WAS INVOLVED IT WOULD MAKE THE FUTURE OF NORTH-SOUTH RELATIONS A VITALLY IMPORTANT TOPIC. BUT IT IS NOT ALL THAT IS INVOLVED. INDEED, IN THE NOT SO LONG RUN THE POLITICAL AND STRATEGIC DIMENSIONS OF THE RELATIONSHIP MAY BE EVEN MORE IMPORTANT.

THE NORTH-SOUTH DIALOGUE IS REALLY ABOUT THE BUSINESS OF



ABSORBING OVER A HUNDRED NEW COUNTRIES, COUNTRIES WHICH HAVE COME INTO EXISTENCE WITH DRAMATIC SUDDENNESS, INTO THE INTERNATIONAL COMMUNITY. IT IS ABOUT ADJUSTING EXISTING PROCESSES AND INSTITUTIONS IN SUCH A WAY THAT WILL ACCOMMODATE THE LEGITIMATE NEEDS FOR STATUS AND INFLUENCE OF THESE COUNTRIES, AS WELL AS PROVIDE THEM WITH THE OPPORTUNITY TO FURTHER THEIR MATERIAL INTERESTS. IT IS ABOUT PREVENTING THE CREATION OF A PERMANENT AND DANGEROUSLY DISAFFECTED GROUP OF NATIONS WHICH FEELS THAT IT HAS NO STAKE IN THE EXISTING ORDER AND NO HOPE FOR THE FUTURE.

NOR CAN THE ISSUES BE DIVORCED FROM EAST-WEST TENSIONS. THE SOVIET UNION HAS A DISMAL AND SHAMEFUL RECORD IN PROVIDING DEVELOPMENT AID TO THE SOUTH, BUT STRATEGICALLY AND MILITARILY IT IS CONSTANTLY ACTIVE IN ATTEMPTING TO EXPLOIT FRUSTRATION AND INSTABILITY. SOMETIMES IT SUCCEEDS AND SOMETIMES IT FAILS. BUT SO MUCH IS AT STAKE FOR THE WEST TO BET ON A CONTINUING HIGH RATIO OF SOVIET FAILURE. GIVEN THE DISTRIBUTION OF THE WORLD'S OIL AND OTHER RESOURCES, AND GIVEN ALSO THE LOCATION OF MANY OF THE KEY STRATEGIC "CHOKE-POINTS" IN THE WORLD, A PROCESS OF INCREMENTAL GAINS BY THE SOVIET UNION WOULD NOT HAVE TO GO VERY FAR BEFORE IT WOULD ALTER THE GLOBAL BALANCE. FROM MY OWN EXPERIENCE I AM CONFIDENT THAT MOST THIRD WORLD GOVERNMENTS REGARD THE SOVIET UNION AS AN UNPALATABLE LAST RESORT SO FAR AS ASSISTANCE IS CONCERNED. BUT I AM ALSO SURE THAT IF THE SITUATION APPEARS HOPELESS AND NOTHING ELSE IS FORTHCOMING, MANY OF THEM WILL TURN TO THAT LAST RESORT.

I KNOW THAT SOME THINK THAT THE NOTION OF A "SOUTH" OR A "THIRD WORLD" IS SPURIOUS. I BELIEVE THAT THEY ARE WRONG. DESPITE GREAT HETEROGENEITY AND INTERNAL CONFLICT THERE IS A REAL SENSE OF COMMON IDENTITY AND SOLIDARITY AMONG THESE COUNTRIES. WHILE A BILATERAL APPROACH TO MANY PROBLEMS IS SENSIBLE, AND INDEED INDISPENSABLE, IT IS A PROFOUND MISTAKE TO THINK THAT THE WHOLE QUESTION OF NORTH-SOUTH RELATIONS CAN BE DISSOLVED AWAY INTO A SERIES OF BILATERAL ISSUES.

AGAIN, I KNOW THAT SOME ARGUE THAT THE SOLUTION TO THE PROBLEMS OF THE SOUTH SHOULD BE LEFT TO THE OPERATION OF MARKET FORCES AND TO THE ADOPTION OF SOUND POLICIES BY THE DEVELOPING COUNTRIES THEMSELVES. I BELIEVE THAT THESE ARE HALF TRUTHS.

CERTAINLY, AS THE EXPERIENCE OF MANY OF AUSTRALIA'S NEIGHBOURS HAS DEMONSTRATED VERY CONVINCINGLY, THE MARKET CAN PROVIDE MANY DEVELOPING COUNTRIES WITH THE MEANS OF MAKING RAPID PROGRESS - ALWAYS ASSUMING THAT THE DEVELOPED COUNTRIES ALLOW MARKET FORCES TO OPERATE FAIRLY. CERTAINLY, TOO, SOUND DOMESTIC POLICIES ARE AN ESSENTIAL PRE-REQUISITE FOR PROGRESS IN ALL CASES. BUT WHAT IS ESSENTIAL IS NOT ALWAYS SUFFICIENT. QUITE CLEARLY, FOR MANY DEVELOPING COUNTRIES MORE IS NEEDED IF THEY ARE TO HOLD TOGETHER AS VIABLE SOCIAL AND POLITICAL UNITS - LET ALONE BREAK OUT OF THE CYCLE OF POVERTY IN



WHICH THEY ARE TRAPPED AND BECOME ACTIVE, CONTRIBUTING PARTNERS IN THE WORLD ECONOMY.

THE ARCANE AND TECHNICAL CHARACTER WHICH NORTH-SOUTH DISCUSSIONS OFTEN ASSUME MUST NOT BE ALLOWED TO OBSCURE THE DRAMATIC NATURE OF WHAT IS AT STAKE IN THE NORTH-SOUTH DIALOGUE. WE ARE AT A GENUINE TURNING POINT IN MODERN HISTORY AND STATECRAFT OF A HIGH ORDER IS REQUIRED TO MEET THE CHALLENGE.

I BELIEVE THAT THE COMMONWEALTH IS CAPABLE OF MAKING A REAL CONTRIBUTION IN THIS RESPECT. AT A TIME WHEN THE WORLD IS GROPING FOR APPROPRIATE PROCESSES AND INSTITUTIONS TO MEET THE NEED FOR NORTH-SOUTH NEGOTIATIONS, THE COMMONWEALTH HAS THE ADVANTAGE OF BEING ALREADY IN PLACE. WE HAVE ALREADY MADE THE TRANSITION FROM A COLONIAL TO A POST-COLONIAL WORLD AND OUR HISTORY HAS ENABLED US TO LEARN MANY OF THE LESSONS OF NORTH-SOUTH DIALOGUE WELL IN ADVANCE OF MUCH OF THE REST OF THE WORLD.

COMPARISONS ARE USUALLY INVIDIOUS, BUT WHEN ONE COMPARES THE ATMOSPHERE AND PROCEDURE OF THE COMMONWEALTH WITH THOSE OF OTHER INTERNATIONAL ORGANISATIONS, WHEN ONE CONTEMPLATES THE FRIENDLY, INFORMAL AND UNPOLEMICAL WAY IN WHICH ITS AFFAIRS PROCEED, THAT OVER-WORKED WORD 'UNIQUE' DOES NOT SEEM INAPPROPRIATE.

WE SHALL BE MEETING IN MELBOURNE AT A TIME WHEN THE DIALOGUE HAS BEEN STALEMATED, BUT WHEN SOME SIGNIFICANT EFFORTS TO RESTORE MOMENTUM AND CREATE A MORE POSITIVE ATMOSPHERE ARE UNDER WAY. IT SEEMS TO ME THAT THE WORDS OF THE DECLARATION OF THE OTTAWA SUMMIT DO REPRESENT A COMMITMENT IN PRINCIPLE BY THE NATIONS CONCERNED TO PARTICIPATION IN GLOBAL NEGOTIATIONS, AND THAT IS A SIGNIFICANT STEP FORWARD. THE MEXICAN SUMMIT AT CANCUN, WHICH WILL FOLLOW IMMEDIATELY AFTER THE MELBOURNE MEETING, REPRESENTS ANOTHER IMPORTANT EFFORT TO RE-FOCUS ATTENTION ON NORTH-SOUTH ISSUES.

IN THESE CIRCUMSTANCES, AND ALWAYS BEARING IN MIND THE GRAVITY AND URGENCY OF THE ISSUES, I BELIEVE IT IS INCUMBENT UPON US TO TRANSLATE THE COMMONWEALTH'S CAPACITY INTO AN EFFECTIVE CONTRIBUTION. AS I SEE IT WE CAN DO THIS IN TWO WAYS. FIRST, WE CAN TAKE SUCH PRACTICAL STEPS AS ARE WITHIN OUR MEANS TO MAKE PROGRESS ON PARTICULAR PROBLEMS. IT IS TRUE THAT THERE ARE SOME AREAS WHERE PROGRESS DEPENDS ON ACTION BY THE VERY LARGE WESTERN ECONOMIES. BUT IT IS ALSO TRUE THAT EVERYTHING NEED NOT WAIT ON THEIR DECISION, THAT LIMITED BUT SIGNIFICANT STEPS CAN BE TAKEN BY OTHERS. IT IS NOT FOR ME TO PRE-EMPT THE DELIBERATIONS OF THE MELBOURNE CONFERENCE, BUT I HOPE THAT WE SHALL EXPLORE THE POSSIBILITIES IN THIS RESPECT IN A VIGOROUS AND POSITIVE SPIRIT AND THAT PRACTICAL MEASURES WILL RESULT.

SECONDLY, AND IN MY MIND OF LEAST EQUAL IMPORTANCE, I THINK THAT THE COUNTRIES GATHERED AT MELBOURNE - WHO WILL, AFTER ALL, REPRESENT



A QUARTER OF THE WORLD'S POPULATION - SHOULD FIND A WAY OF DECLARING IN THE CLEAREST AND MOST FORCEFUL TERMS THEIR CONVICTION AND DETERMINATION THAT IT IS IMPERATIVE THAT MOMENTUM BE RESTORED TO THE NORTH-SOUTH DIALOGUE. SOME WILL CALL THIS RHETORIC. LET THEM DO SO. THOSE WHO BELITTLE THE IMPORTANCE OF RHETORIC WHICH EMBODIES THE SERIOUS PURPOSE AND CONVICTION OF 40 COUNTRIES UNDERSTAND LITTLE OF POLITICS. THE GETTYSBURG ADDRESS WAS RHETORIC. SO WAS THE ATLANTIC CHARTER AND CHURCHILL'S WARTIME SPEECHES. IF WE FIND THE RIGHT WORDS AND IF THOSE WORDS ARE AN EXPRESSION OF REAL WILL, SUCH A DECLARATION WILL NOT BE WITHOUT EFFECT.

MR PRESIDENT, THERE ARE OTHER IMPORTANT ISSUES WHICH WILL BE DISCUSSED AT MELBOURNE. ONE OF THOSE WILL CERTAINLY BE THE FUTURE OF NAMIBIA. COMMONWEALTH GOVERNMENTS RECOGNISE THAT RESPONSIBILITY FOR NAMIBIA RESTS WITH THE UNITED NATIONS. IN RECENT YEARS, THE WESTERN MEMBERS OF THE SECURITY COUNCIL - THE MEMBERS OF THE CONTACT GROUPS - HAVE MADE A SUSTAINED EFFORT, BASED ON SECURITY COUNCIL RESOLUTION 435, TO BREAK THE DEADLOCK AND BRING NAMIBIA TO INDEPENDENCE AND FULL MEMBERSHIP OF THE INTERNATIONAL COMMUNITY. THAT RESOLUTION, WHICH REMAINS THE CORNERSTONE OF INTERNATIONAL EFFORTS TO RESOLVE THE CRISIS, HAS BEEN ACCEPTED BY ALL PARTIES TO THE DISPUTE. YET AFTER NEARLY THREE YEARS OF CLOSE CONSULTATION IT REMAINS ON THE DRAWING BOARD.

THE BLAME FOR THE DELAY IN THE IMPLEMENTATION OF THE UNITED NATIONS' PLAN LIES FAIRLY AND SQUARELY WITH THE SOUTH AFRICAN GOVERNMENT, WHICH HAS TEMPORISED AND PROCRASTINATED. I DO NOT CLAIM TO BE AN AUTHORITY ON ITS MOTIVES, BUT FEARS HAVE BEEN EXPRESSED THAT AN INDEPENDENT NAMIBIA WOULD COME UNDER DIRECT OR INDIRECT SOVIET INFLUENCE. IT IS VERY RELEVANT THEREFORE TO RECALL SIMILAR FEARS ABOUT ZIMBABWE BEFORE IT ACHIEVED ITS INDEPENDENCE, AND TO CONTRAST THEM WITH WHAT HAS ACTUALLY HAPPENED THERE SINCE. THE CLEAR EVIDENCE IN THE CASE OF ZIMBABWE AND ELSEWHERE IS THAT THE RAPID ACHIEVEMENT OF INDEPENDENCE, BY A PROCESS OF NEGOTIATION THAT FRUSTRATES THE INTRUSION OF SOVIET MILITARY FORCE INTO THE SITUATION, IS THE BEST WAY OF PREVENTING A COUNTRY COMING UNDER RUSSIAN INFLUENCE. CONVERSELY, THE LONGER THE DELAY AND THE MORE THE ISSUE IS ALLOWED TO FESTER, THE MORE LIKELY IT IS THAT THE SOVIET UNION WILL SUCCEED IN GAINING A PURCHASE ON THE SITUATION. I WOULD, THEREFORE, URGE THOSE COUNTRIES WHICH HAVE ANY INFLUENCE ON THE GOVERNMENT OF SOUTH AFRICA TO BRING HOME TO IT THAT ITS OWN SELF-INTERESTS WOULD BE BEST SERVED BY RAPID MOVEMENT.

I CERTAINLY HOPE THAT THE CONTACT GROUP WILL HAVE ACHIEVED SUCH MOVEMENT BETWEEN NOW AND OCTOBER. IF IT HAS NOT, HOWEVER, I THINK IT WILL BE APPROPRIATE FOR THE COMMONWEALTH TO MAKE CLEAR ITS WILLINGNESS TO OFFER WHAT ASSISTANCE IT CAN. THE COMMONWEALTH HAS, AFTER ALL, A CLEAR AND SUBSTANTIAL INTEREST IN THE OUTCOME. AN INDEPENDENT NAMIBIA WOULD BE ELIGIBLE FOR MEMBERSHIP OF THE



COMMONWEALTH AND WOULD BE WELCOMED AS SUCH. ALL THE AFRICAN STATES MOST CLOSELY INVOLVED, APART FROM SOUTH AFRICA ITSELF AND ANGOLA, ARE COMMONWEALTH MEMBERS. TWO OF THE MEMBERS OF THE CONTACT GROUP - THE UNITED KINGDOM AND CANADA - ARE ALSO COMMONWEALTH MEMBERS. GIVEN THESE CIRCUMSTANCES, AN OFFER TO HELP IN THE FACE OF CONTINUING STALEMATE COULD NOT BE CONSTRUED AS 'MEDDLING', BUT WOULD BE A CLEAR EXPRESSION OF LEGITIMATE INTEREST AND CONCERN.

LET ME NOW TURN TO SPORTING CONTACTS WITH SOUTH AFRICA. THE COMMONWEALTH'S COLLECTIVE ATTITUDE HAS BEEN CLEAR ON THIS QUESTION AND ITS ACTIONS OVER RECENT YEARS HAVE BEEN AMONG ITS GREATEST SUCCESSES.

IT IS IMPORTANT TO UNDERSTAND THE LOGIC OF THE COMMONWEALTH POSITION. OPPOSITION TO RACIAL OPPRESSION IS A FUNDAMENTAL COMMONWEALTH PRINCIPLE, EMBODIED CLEARLY IN THE DECLARATION OF COMMONWEALTH PRINCIPLES ADOPTED AT THE HEADS OF GOVERNMENT MEETING IN 1971. OPPOSITION TO APARTEID IN SOUTH AFRICA CLEARLY FOLLOWS FROM A COMMITMENT TO THAT PRINCIPLE. SPORT IS IMPORTANT TO SOUTH AFRICANS. BY DENYING THE OPPORTUNITY TO PARTICIPATE IN INTERNATIONAL SPORT, WE AFFECT THEM.

IT HAS THEREFORE PROPERLY BEEN A COMMONWEALTH AIM TO SEVER SPORTING LINKS WITH SOUTH AFRICA, AN AIM THAT WAS GIVEN EXPLICIT EXPRESSION IN THE GLENEAGLES DECLARATION AT THE COMMONWEALTH HEADS OF GOVERNMENT MEETING IN LONDON IN 1977.

IT IS AGAINST THIS BACKGROUND THAT THE CURRENT SPRINGS<sup>OK</sup> TOUR OF NEW ZEALAND MUST BE SEEN. CONSISTENT WITH ITS ADHERENCE TO THE GLENEAGLES DECLARATION, THE GOVERNMENT OF NEW ZEALAND HAS EXPRESSED OPPOSITION TO THE TOUR. AS THE GOVERNMENT OF A COUNTRY WITH AN HONOURABLE RECORD ON RACE RELATIONS IT HAS MADE CLEAR ITS ABHORRENCE OF APARTHEID.

IN THE LIGHT OF THIS EPISODE, COMMONWEALTH HEADS OF GOVERNMENT CANNOT AVOID DISCUSSION OF THE SPIRIT AND INTERPRETATION OF GLENEAGLES AT MELBOURNE. THE ISSUE OF APARTHEID IN SPORT IS AN EMOTIVE ONE. BUT PRECISELY BECAUSE OF THIS, IT IS OF THE UTMOST IMPORTANCE THAT THE MATTER BE DISCUSSED DISPASSIONATELY WITH THE ULTIMATE OBJECTIVE KEPT CLEARLY IN MIND. THAT OBJECTIVE IS TO END THE VILE PRACTICE OF APARTHEID IN SOUTH AFRICA. IT IS AN OBJECTIVE WHICH WILL BEST BE SERVED BY PRESERVATION OF THE COMMONWEALTH'S GREAT ACHIEVEMENTS IN THIS AREA.

THE PRESENT TOUR IS NOT A SUCCESS FOR APARTHEID IN SPORT. ON THE CONTRARY IT SERVES MERELY TO EMPHASISE HOW UNTENABLE AND UNACCEPTABLE IT IS. THE ONLY WAY IN WHICH APARTHEID COULD BELATEDLY GAIN ANY BENEFIT FROM THE CURRENT SITUATION WOULD BE FOR THE TOUR TO RESULT IN A DAMAGING OF THE COMMONWEALTH, THE ORGANISATION WHICH IS



PERHAPS ITS MOST EFFECTIVE ENEMY. WE MUST NOT PLAY INTO ITS HANDS BY GIVING IT SUCH A VICTORY.

THE COMMONWEALTH HAS SHOWN IN THE PAST, WHEN POTENTIALLY DAMAGING ISSUES HAVE ARISEN THAT IT CAN ACT WITH DISCRETION AND COMMONSENSE IN WAYS THAT ENHANCE THE COMMONWEALTH RATHER THAN WEAKEN IT.

THE GLENEAGLES AGREEMENT ITSELF WAS A CONSENSUS STATEMENT OF VITAL COMMONWEALTH PRINCIPLES, DRAWN UP IN PRIVATE SESSION WITH A REAL FEELING OF CONCERN FOR THE SENSITIVITIES OF PARTICULAR COMMONWEALTH COUNTRIES. THERE IS NO REASON TO BELIEVE THAT THE COMMONWEALTH WILL NOT APPROACH THE CURRENT ISSUES WITH THE SAME DEGREE OF SENSITIVITY AND CONCERN - AND SO ENHANCE THE COMMON CAUSE OF MANKIND, TO WHICH WE ARE ALL COMMITTED.

MR PRESIDENT, A WEEK AFTER THE ROYAL WEDDING I SHALL BE LEAVING FOR VANUATU TO ATTEND THE ANNUAL SOUTH PACIFIC FORUM MEETING, THE THIRD THAT I WILL HAVE ATTENDED IN THE LAST FOUR YEARS. AUSTRALIA ATTACHES GREAT IMPORTANCE TO ITS NEAR NEIGHBOURS IN THE SOUTH WEST PACIFIC. MY GOVERNMENT HAS INCREASED AUSTRALIAN LINKS WITH THE REGION, AND AID TO IT, VERY SUBSTANTIALLY.

WE ARE PARTICULARLY PLEASED THAT ALL MEMBERS OF THE FORUM ARE ALSO MEMBERS OF THE COMMONWEALTH, AND THAT, IN THE FORM OF THE REGIONAL MEETINGS OF COMMONWEALTH HEADS OF GOVERNMENT THAT WERE INITIATED IN 1978, THERE NOW EXISTS AN ADDITIONAL FORUM IN WHICH THEY CAN MEET OTHER COMMONWEALTH COLLEAGUES AND DISCUSS THEIR PROBLEMS. IT IS EASY FOR LARGER AND MORE ESTABLISHED COUNTRIES TO FORGET THE PARTICULAR DIFFICULTIES FACING COUNTRIES WHICH ARE BOTH VERY SMALL AND VERY NEW. BUT I CAN ASSURE THEM THAT THEY WILL NOT BE FORGOTTEN IN MELBOURNE, AND I THINK THAT SPECIAL ATTENTION SHOULD BE GIVEN THERE TO THE PARTICULAR PROBLEMS OF THE ISOLATED ISLAND STATES.

MR PRESIDENT, FROM THE ISSUES I HAVE COVERED - AND I HAVE NOT ATTEMPTED TO BE EXHAUSTIVE - IT IS CLEAR THAT WE SHALL NOT BE SHORT ON IMPORTANT QUESTIONS TO DISCUSS IN OCTOBER. INDEED, I AM SURE THAT THERE WILL BE THOSE WHO WILL BE CONCERNED TO CAUTION THAT WE SHOULD NOT BITE OFF MORE THAN WE CAN CHEW, THAT WE MUST BE REALISTIC. WELL, I HAVE NO PROBLEM WITH A CALL FOR REALISM - AS LONG AS ITS SPIRITUAL HOME IS NOT THE LAST DITCH, AS LONG AS IT DOES NOT AMOUNT TO DISMISSING AS UNIMPORTANT WHAT CANNOT BE QUANTIFIED OR COSTED, AND AS LONG AS IT DOES NOT AMOUNT TO ANOTHER WAY OF SAYING, 'WHAT I HAVE, I HOLD'.

TRUE REALISM IS AS CONCERNED WITH INTANGIBLES AS WITH THE TANGIBLES - WITH THE ASPIRATIONS AND IDEALS OF PEOPLE AS WELL AS THEIR MATERIAL NEEDS, WITH WHAT IS CHANGING AND COMING INTO EXISTENCE AS WELL AS WHAT IS ESTABLISHED. IF THE TERM IS UNDERSTOOD IN THIS WAY THEN BY ALL MEANS LET US APPROACH MELBOURNE IN A SPIRIT OF



REALISM.

IN A TALK HE GAVE IN CANBERRA DURING HIS RECENT VISIT, SECRETARY GENERAL RAMPHAL OBSERVED THAT THIS NEW COMMONWEALTH WE HAVE ALL HELPED TO FASHION IS AT A HIGH POINT OF CONFIDENCE. HE SPOKE OF ITS POTENTIAL AS A PACE-SETTER OF A NEW, MODERN AND WHOLLY RESPECTABLE RELATIONSHIP., OF ITS SPECIAL RELEVANCE TO THE ERA OF NEGOTIATIONS WE HAVE NOW ENTERED. I ENDORSE HIS WORDS AND I HOPE AND BELIEVE THAT THE MELBOURNE MEETING WILL STRENGTHEN THAT CONFIDENCE STILL FURTHER AND WILL CONSOLIDATE THE COMMONWEALTH'S CLAIMS TO BE AN ORGANISATION WHICH IS NOT ONLY VALUABLE TO ITS MEMBERS, BUT WHICH HAS AN IMPORTANT CONTRIBUTION TO MAKE TO THE PROGRESS OF HUMAN SOCIETY AS A WHOLE.

MR PRESIDENT, IN CLOSING I SHOULD LIKE TO ACKNOWLEDGE A FACT THAT ALL TOO FREQUENTLY GOES UNACKNOWLEDGED: THAT IS THAT WHAT THE COMMONWEALTH IS TODAY, AND THE POTENTIAL IT HAS, OWES AN ENORMOUS AMOUNT TO BRITAIN. THIS IS TRUE BOTH IN THE SENSE THAT THE WISDOM OF THIS COUNTRY IN ADAPTING TO THE END OF THE AGE OF IMPERIALISM MADE THE SUCCESSFUL EVOLUTION OF THE COMMONWEALTH POSSIBLE AND IN THE SENSE THAT BRITAIN'S CONTRIBUTION TO THE CONTEMPORARY COMMONWEALTH IS INDISPENSIBLE. INDEED, YOUR ROLE IN WORLD POLITICS GENERALLY REMAINS A VERY IMPORTANT ONE, AND I TRUST THAT YOU WILL CONTINUE TO PLAY IT CONFIDENTLY AND ENERGETICALLY.



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TELEGRAM NUMBER 308 OF 20 JULY

NORTH/SOUTH AND CHOGM

1. BUSINESS REVIEW OF 18 JULY PUBLISHED FOLLOWING LEAKED TEXT OF A CONFIDENTIAL LETTER DATED 8 JUNE FROM JOHN STONE, SECRETARY TO THE TREASURY, TO PROFESSOR OWEN HARRIES, CONSULTANT ON FOREIGN AFFAIRS TO MR FRASER.

DEAR OWEN,

PRIME MINISTER'S SPEECH: THE THIRD WORLD AND THE WEST

I REFER TO YOUR REQUEST FOR COMMENTS ON THE DRAFT SPEECH TO BE DELIVERED BY THE PRIME MINISTER AT THE UNIVERSITY OF SOUTH CAROLINA IN JULY. YOU DID REQUEST THOSE COMMENTS BY CLOSE OF BUSINESS LAST FRIDAY BUT I FEAR THAT EVEN MORE PRESSING MATTERS THAN DRAFT PRIME MINISTERIAL SPEECHES PREVENTED ME FROM CONFORMING TO THAT TIMETABLE. I HOPE, HOWEVER, THAT THESE FEW COMMENTS -- ONE PRODUCT OF THE ALLEGEDLY HOLIDAY WEEKEND -- MAY STILL BE WORTHY OF YOUR PERUSAL.

DAVID ROBERTSON IS IN COURSE OF SENDING YOU SOME COMMENTS, WHICH I FULLY ENDORSE, ON YOUR DRAFT PAPER TITLED 'OBSTACLES IN THE NORTH-SOUTH NEGOTIATING PROCESS.' THOSE COMMENTS ARE EQUALLY RELEVANT IN THIS CONTEXT AND THERE SEEMS LITTLE POINT IN GOING OVER THAT GROUND YET AGAIN. I THEREFORE MERELY OFFER THE FOLLOWING BY WAY OF ADDITIONAL GENERAL COMMENT.

FIRST, I THINK YOU ARE MISTAKEN IN BELIEVING THAT IT IS "A BASIC ERROR" TO "ASSUME THE PRIMACY OF ECONOMIC RATIONALITY OVER POLITICS" (PAGE 8 OF THE DRAFT SPEECH) OR THAT ECONOMISTS TAKE A NARROW VIEW OF THE NORTH-SOUTH DIALOGUE (PAGE 2 OF YOUR "OBSTACLES" PAPER). I MAY SAY THAT YOU ARE NOT ALONE IN THOSE ERRORS: THEY ARE COMMON AMONG THOSE WHO DO NOT UNDERSTAND THE ECONOMIC ARGUMENTS AND WHO APPEAR TO BELIEVE THAT THERE IS SUCH A THING AS "GOOD POLITICS" WHICH CAN IF NECESSARY BE DIVORCED FROM "GOOD (OR RATIONAL) ECONOMICS." I CAN ONLY SAY THAT THE POLITICAL HISTORY OF THE WORLD, WHETHER IN THE NORTH OR SOUTH, IS LITTERED WITH THE CADAVERS OF GOVERNMENTS WHOSE LEADERS HAVE PRESUMED TO ACT ON THOSE ASSUMPTIONS.

IN MY VIEW HALF-BAKED PROPOSALS, BASED LARGELY ON POLITICAL CRITERIA AND WHICH DO NOT PAY DUE REGARD TO "ECONOMIC RATIONALITY," ARE MORE LIKELY TO ACCENTUATE THE PROBLEMS TO WHICH THE PRIME MINISTER PURPORTS TO BE ADDRESSING HIMSELF -- EXCEPT, PERHAPS, IN THE VERY SHORT-TERM CONTEXT OF APPEARING TO BE "SYMPATHETIC". FOR ONE THING, THE ADOPTION OF PROPOSALS THAT ARE NOT "ECONOMICALLY RATIONAL" MEANS BY DEFINITION THAT SCARCE RESOURCES ARE SQUANDERED. WHILE THE DIRECT IMPACT MIGHT FALL ONLY, OR PRIMARILY, ON THE NORTH, ULTIMATELY THE ADVERSE IMPACT -- AND THERE

/ WILK.



WILL CERTAINLY BE ONE - WILL ALSO FLOW THROUGH TO THE SOUTH. THE NET RESULT, RATHER THAN MEANINGFUL PROGRESS IN THE NORTH-SOUTH DIALOGUE IN ANY LASTING SENSE, IS MORE LIKELY TO BE INCREASED ECONOMIC INSTABILITY IN THE NORTH (WHICH IN TURN IS LIKELY TO LEAD TO EVEN MORE INWARD-LOOKING STRATEGIES), LITTLE IF ANY LASTING IMPROVEMENT IN THE POSITION OF THE SOUTH AND, MORE LIKELY THAN NOT, A PROLIFERATION IN THE MORE "HAIRY" DEMANDS EMANATING FROM THAT QUARTER.

WHERE WOULD THAT GET US? CERTAINLY THE POLITICAL TENSIONS ON WHICH THE SPEECH FOCUSSES WOULD NOT BE EASED. THE REVERSE IS MORE LIKELY.

SECONDLY, LIKE MOST OF THE MATERIAL THAT IS WRITTEN ON THE NORTH-SOUTH DIALOGUE, THE SPEECH SUFFERS FROM A LACK OF SUBSTANCE. THE APPEAL FOR "POLITICAL WILL" MEANS NOTHING UNTIL IT IS CONVERTED INTO REAL CHANGE IN THE DEVELOPMENT PROSPECTS OF THE DEVELOPING COUNTRIES. THAT IN TURN DEPENDS ULTIMATELY ON THEIR OWN DOMESTIC PTIMEVIVOINB. THE SPEECH OFFERS NOTHING ABOUT HOW THAT IS TO BE ACHIEVED. AT SOME STAGE, MOREOVER, SOME DEVELOPING COUNTRIES ARE GOING TO BE SO IMPOLITE AS TO ASK AUSTRALIA TO PUT ITS POLICIES WHERE ITS MOUTH IS. AT THAT TIME, UNLESS WE CAN SHOW CONSIDERABLY MORE "POLITICAL WILL" THAN HAS BEEN EVIDENT UNTIL NOW (FOR EXAMPLE, IN REGARD TO THE DISMANTLING OF OUR HIGH PROTECTION REGIME) THE AUSTRALIAN EMPEROR IS GOING TO APPEAR REMARKABLY UNCLOTHED. IN THIS CONTEXT I ALSO NOTE THAT, WHILE THE NORTH-SOUTH TASK FORCE WAS CONCERNED WITH IMPROVING AUSTRALIA'S OWN STANDING WITH DEVELOPING COUNTRIES, IT DID NOT COME UP WITH ANY SUBSTANTIVE PROPOSALS TO MEET NORTH-SOUTH DEMANDS GENERALLY. AS THE TASK FORCE RECOGNISED, SUCH INITIATIVES REST WITH THE MAJOR POWERS. WHILE, THEREFORE, ZUM, (OTCVVNG) ON OUR PART MAY BE EMOTIONALLY SATISFYING, IT IS NOT CLEAR TO ME THAT IT IS LIKELY TO BE MORE THAN THAT. MOREOVER, SUCH POSTURING IS NOT WITHOUT ITS COSTS IN A CONTEXT IN WHICH, IN OTHER FIELDS, WE WISH TO BE TAKEN SERIOUSLY.

ON A PRESENTATION POINT, I NOTE THAT THE DISAGGREGATED APPROACH TO NORTH-SOUTH ISSUES WHICH IS SO EXPLICITLY CRITICISED IN THE FIRST PARAGRAPH OF PAGE 4 OF THE SPEECH, ACCORDING TO RECENT STATEMENTS BY US SPOKESMEN (RASHISH, NAU, HORMATS), IS THE APPROACH EMERGING FROM THE REAGAN ADMINISTRATION. IT IS, OF COURSE, AN "ECONOMICALLY (AND, I BELIEVE, POLITICALLY) RATIONAL" APPROACH WITH WHICH I HAPPEN TO BE IN STRONG AGREEMENT.

BUT HOWEVER THAT MAY BE, DO YOU REALLY WANT TO HAVE THE AUSTRALIAN PRIME MINISTER PUBLICLY CRITICISING THE REAGAN ADMINISTRATION'S POLICIES, PARTICULARLY IN THE UNITED STATES - AND PARTICULARLY, IF I MAY SAY SO, ON SUCH WEAK GROUND IN DOING SO?

THAT WILL HAVE TO SERVE FOR NOW. AS YOU WILL SEE, I HAVE NOT PROVIDED DETAILED COMMENTS, IF ONLY BECAUSE I GATHER THAT THE DETAILED COMMENTS WHICH WERE PROVIDED ON THE LAST OCCASION



HAVE BEEN ENTIRELY IGNORED. I DO, HOWEVER, DRAW YOUR ATTENTION  
THE YOUR REFERENCE (P5) TO THE HOLY ROMAN EMPIRE. MY  
RECOLLECTION (THOUGH OF COURSE I MAY BE MISTAKEN) IS THAT BY THE  
TIME THAT NEAT APHORISM WAS COINED THE HOLY ROMAN EMPIRE HAD IN  
FACT LONG SINCE CEASED TO BE "A POTENT ACTOR IN EUROPEAN  
POLITICS" (OR ANYTHING ELSE).

I AM SENDING COPIES OF THIS LETTER TO THE OTHER PERMANENT  
HEADS FROM WHOM YOU REQUESTED COMMENTS, AS WELL AS TO GEOFF YEEND,  
FOR INFORMATION.

YOURS SINCERELY,  
J.O. STONE,  
SECRETARY TO THE TREASURY.

2. ACCORDING TO TODAY'S PRESS STONE HAS DECLINED TO COMMENT ON  
THE LETTER AND THE TREASURER MR HOWARD HAS CONFINED HIMSELF TO  
OBSERVING THAT THE LETTER WAS IN RESPONSE TO A REQUEST FOR  
COMMENT BY PROFESSOR HARRIES: IT WAS NORMAL FOR SUCH REQUESTS  
TO BE MADE.

3. CUTTINGS, INCLUDING ADDITIONAL COMMENT, IN CLASSIFIED BAG  
LEAVING HERE 21 JULY.

MASON

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MR EVANS  
SIR E YOUNG  
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Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

(4)

30 July 1981 *Prime Minister*

The Rt. Hon. Lord Carrington,  
Secretary of State for Foreign and  
Commonwealth Affairs

*Rec'd after your  
meeting with Mr Fraser*

*Dear Peter*

*ms. Hunt*

GLOBAL NEGOTIATIONS

On the global negotiations, we were anxious at Ottawa not to find the United Kingdom and the United States put in the dock together as opponents of aid to the developing countries. The United States had the same feeling and therefore accepted in the communique a low key reference to "preparations for a mutually acceptable process of global negotiations in circumstances offering the prospect of meaningful progress".

The global negotiations will, I am sure, be discussed at a number of international meetings between now and mid-September. First in time and importance is the preparatory meeting for Cancun which you are attending on 1 August. Next there is the United Nations Conference on new and renewable sources of energy in Nairobi starting on 10 August; then the United Nations Conference on least developed countries opening in Paris on 1 September; and finally the next Community meeting dealing with the subject will be the high level of North/South Working Party which meets in Brussels on 9 September.

I think it is important for our stance at all these meetings to consider what could come out of the global negotiation process once it had begun. There is a tendency for those who support these negotiations in the developed countries to talk about this in very general terms. I see for example that Malcolm Fraser has just called for a declaration from Melbourne on momentum in the North/South dialogue comparable - literally - in rhetorical conviction to the Gettysburg Address and the Atlantic Charter.

Among the important aims of the Group of 77 would be pledges of more aid, preferably with some automatic mechanism for increasing it. But we cannot go beyond the Ottawa formula on that, especially in view of our domestic needs for expenditure on youth employment etc. Another aim will be to turn the IMF into an aid agency and redistributive mechanism, with changes in voting rights to entrench this. This is equally unacceptable and, as the US Secretary of the Treasury said to me in Ottawa, the US is not going to contribute 30 per cent of the costs of international

/financial





financial institutions in which the developing countries are given a majority of voting power. There would certainly be heavy pressure for trade concessions supported by some developed countries. For us that leads straight into the problem of the MFA. There are lesser issues which might be less difficult for us, like the Energy Affiliate: the prospect for that depends primarily on the open-handedness of the Saudis on the one hand and the US Congress on the other.

However at the end of all this there seems to me a real risk of much recrimination; of efforts by some developed countries to push the onus onto others (e.g. Japan on protectionism and France on aid), with the UK a natural victim; and of a dangerous process of isolation of the United States (to the satisfaction of the Soviet Union).

In these circumstances I hope we are agreed that during the period of the various meetings referred to above, we should give no indication of any change of front relative to present policy. That includes maintaining our views on the need to maintain the independence of the IMF and World Bank; and to avoid new targets on aid or other proposals (like guarantees for private sector loans or investment) with significant public expenditure implications. I hope we agree too that we can now focus attention in discussions with our Community partners and other allies on whether the two conditions in the Ottawa declaration are met: a mutually acceptable process, and circumstances offering the prospect of meaningful progress. The Heads of Government of the four largest Member States of the Community agreed to the Ottawa formula, which on grounds of realism as well as on other grounds must now be regarded as superseding the then Presidency wording on this subject in the Luxembourg Communique; though I do not suggest that our representatives in the Community argue this in an aggressive way.

We shall no doubt have an opportunity to take stock before the further sequence of meetings which includes the Commonwealth Finance Ministers' meeting on 22/23 September, Melbourne on 30 September/7 October and Cancun itself on 22 October.

I am copying this letter to the Prime Minister and other members of OD, and to Sir Robert Armstrong.

GEOFFREY HOWE





JUL 1957

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THAMES HOUSE SOUTH  
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The Rt Hon Lord Carrington PC KCMG MC  
Secretary of State for Foreign and  
Commonwealth Affairs  
Foreign and Commonwealth Office  
Downing Street  
London SW1A 2AL

17 July 1981

See Rams

U.N. Conference on New and Renewable Sources of Energy

The U.N. Conference on New and Renewable Sources of Energy is to be held in Nairobi from 10th to 21st August. I will be attending the opening session of the Conference where I will speak not only for the U.K. but also on behalf of the European Community.

Unfortunately it is becoming clear that it will not be possible to confine discussion at Nairobi as we would wish. Discussion at the main Conference will be handled in two parts. One Committee will consider the more technical parts of the draft Programme of Action; and there are reasonable prospects for a useful semi-technical discussion in this Committee. The other Committee will be more politically orientated. The purpose of this letter is to set out briefly what I see as the difficult issues and to indicate how I propose we should handle them. The outcome of the Conference could affect the atmosphere at subsequent meetings, particularly the Commonwealth Heads of Government meeting and the Mexico Summit.

There are four specific areas where difficulties are likely to arise:-

- i) national action - the primary responsibility for action to develop new and renewable sources of energy lies with individual countries. But the G77 have up to now argued that an international conference is concerned only with international action and that for Nairobi to make recommendations on national action would infringe their sovereignty.
- ii) Institutions - the G77 have proposed the establishment of a new Inter-Governmental Committee specifically concerned with new and renewable energy. This Committee would be supported by a new Secretariat.



- iii) Finance - the most difficult issue will be finance. The G77 have said that they see the securing of additional finance from developed countries as the fundamental purpose of the Conference.
- iv) Transfer of Technology - we are likely to come under the usual pressure for access to technology.

Our position will be influenced by the attitude of other developed countries, particularly the USA and the rest of the Community - the more so as we are in the Presidency. On institutions, so far all developed countries have stated that existing institutions should be used. On the central issue of finance, the USA have stated that private institutions and capital have the major role to play in meeting energy needs around the world. Creating conditions which encourage investment is the most important step developing countries can take. There is a role for aid, but within the constraints that bind donor countries. Basically we agree with the US position. But some of our Community partners appear disposed to take a softer line on aid.

This suggests to me that our initial position should be to stress the technical character of the Conference and to urge that it should not get drawn into a possibly sterile debate on aid. But if as seems inevitable the issues set out in paragraph 3 are pressed then our position should be:-

- i) national action - we must continue to point to the primary importance of action at national level. In fact the G77's position on this is very probably tactical.
- ii) institutions - we must continue to insist that there should be no new institutional structure.
- iii) finance - we should emphasise the importance of the private sector; and clearly we must resist pressure for more aid. We should also emphasise to the G77 that if the Conference is to stimulate a wider emphasis by the public and private sectors on new and renewable sources of energy it will have to produce a realistic assessment of the potential of new and renewable sources of energy, and be based on sound technical judgements. The USA is likely to take a similar position.
- iv) transfer of technology - we should maintain our normal line on this, which in essence, is that this is a commercial matter not within the gift of Government.

In the run up and in particular at the various international meetings that will be taking place before the Conference, we should work for a united Western position along the lines of paragraph 5.

Nevertheless circumstances are likely to arise at Nairobi where it would be desirable for the UK to make as positive a statement as we can about our attitude to mobilising financial resources for the development of new and renewable sources of energy. It might consist of:-



- i) reference to flows of private capital (eg in 1979 the flow of private capital from the UK to developing countries for all purposes was second out of all OECD countries);
- ii) reference to relevant projects, R and D, technical cooperation etc financed by the aid budget (eg the £100 million Victoria dam in Sri Lanka);
- iii) an announcement of the setting up of a special course in new and renewable energy at Reading University at which ODA would provide a number of places for students from the developing countries;
- iv) an announcement of a willingness to finance a programme of energy resource assessments for the poorer developing nations (possibly £2 million over 3 years).

An announcement on these lines at Nairobi will leave little new on energy to say at Mexico. But I think we should deploy what we have to offer at Nairobi if this is necessary to prevent a failure or damage to our standing. We can always say it again at Mexico.

I understand that you have not yet finally approved the proposals in paragraph 7(iii) and (iv). I hope you will be able to do so in time for us to announce them at Nairobi if necessary.

I should be glad to know that you and our other colleagues concerned are content that we handle the Nairobi meeting on these lines. I will of course consult you again if events should develop in a way which makes a change of line desirable.

I am sending copies of this letter to the Prime Minister, Geoffrey Howe, John Biffen, Neil Marten and Sir Robert Armstrong.

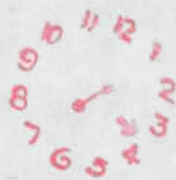
D A R HOWELL

Yours  
ee

David



1987 JUN 19 1987







FCS/80/181

OD COLLEAGUESGlobal Negotiations

1. OD colleagues may like to have a brief account of the rather unexpected outcome of recent informal contacts in New York (which I mentioned in Cabinet on 18 December).
2. My Memorandum OD(80)69 of 19 November outlined the position as the German President of the UN General Assembly, Baron von Wechmar, started his informal discussions. Over the past month, a highly restricted group under his chairmanship has considered a series of texts, which he circulated on his personal authority. The latest of these texts on procedures was a considerable improvement from our point of view. We and the Germans could, if necessary, have lived with this text provided others could: but the Americans had difficulty (with which we sympathised) over one passage. However, the developing countries (particularly some OPEC countries) saw even greater difficulties in the text.
3. In these circumstances, and despite some useful progress on the agenda, Baron von Wechmar saw no alternative but to suspend work. Accordingly, the General Assembly adopted a procedural decision on 17 December, inviting the President to continue his consultations and report to the resumed Session in January.
4. It is satisfactory that our defence of the Specialised Agencies has so far been successful and that developments at the General Assembly have turned out in such a way that we have not carried the blame for the latest delay. It is also satisfactory that Western cohesion, particularly between the United States and the European Community, has improved during these informal discussions.

Prime Minister  
To note.

Handwritten signature and date: *Handwritten signature* - 23/11

②





5. Baron von Wechmar apparently envisages a resumption of contacts in early January. But this timetable may not hold, particularly as the American Administration will be in transition. These continuing delays may cause the drive to hold Global Negotiations to lose some momentum. It would be rash for us to encourage this visibly. But if it happens, we need not be unduly troubled. We shall be giving thought to ways of turning such a development to our advantage. We shall also be considering the character of our interests, and the ways in which they might be promoted, if (as still seems the likelier case) the Global Negotiations begin in due course.

*RM Lyne*

*(Approved by Lord Carrington  
& signed on his behalf)*

(CARRINGTON)

Foreign and Commonwealth Office

23 December 1980



22 DEC 1980





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FROM UKMIS NEW YORK 220010Z NOV 80

TO IMMEDIATE F C O

TELEGRAM NUMBER 1848 OF 21 NOVEMBER

INFO IMMEDIATE BONN WASHINGTON UKREP BRUSSELS UKDEL OECD AND  
PARIS

INFO SAVING TO UKMIS GENEVA

YOUR TELEGRAM NUMBER 1042: GLOBAL NEGOTIATIONS

1. VON WECHMAR HAS DECIDED TO INCLUDE FROM THE COMMUNITY IN HIS WEEKEND CONSULTATIONS ONLY THE PRESIDENCY AND THE COMMISSION. I SPOKE TO HIM PERSONALLY.

2. IT WOULD BE DIFFICULT, I THINK IMPOSSIBLE, FOR US TO INSIST ON BEING THERE: AND THE TACTICAL PROS AND CONS OF US PARTICIPATING SEEM FROM HERE ARGUABLE. IN ANY CASE, ALL OUR COMMUNITY PARTNERS NOW APPEAR TO HAVE COME ROUND TO THE VIEW REFLECTED IN PARAS 3-4 OF MY TEL NO 1814, IE THAT AGREEMENT WITH THE US IS AT PRESENT UNLIKELY: AND FOR THE NINE TO REACH COMMON POSITIONS WITH THE G77 WHILE THE U.S. STOOD ASIDE WOULD BE TACTICALLY WRONG BOTH IN THE SHORT AND THE LONGER TERM. AT A VINCI GROUP MEETING THIS MORNING, FOLLOWING FURTHER COMMUNITY CO-ORDINATION, LUXEMBOURG DECLARED FORCIBLY THAT:

(A) THE COMMUNITY COULD MAKE NO MOVEMENT ON MONEY AND FINANCE BEFORE AN AGREEMENT ON PROCEDURES SATISFYING ALL COUNTRIES HAD BEEN REACHED: AND

(B) IT WOULD BE DISASTROUS IF THE COMMUNITY, EVEN THOUGH PREPARED TO NEGOTIATE ON ISSUES OTHER THAN MONEY AND FINANCE, WERE TO PROCEED WITH A VIEW TO REACHING AGREEMENT IN VON WECHMAR'S GROUP OVER THE WEEKEND WHEN OTHERS (PARTICULARLY THE US BUT ALSO THE G77) WERE NOT READY TO DO LIKEWISE.

A MAIN PREOCCUPATION IN THE VINCI GROUP WAS HOW TO PERSUADE VON WECHMAR TO ACCEPT THIS STATE OF AFFAIRS. THE FRG REPRESENTATIVE SAID ONLY THE US COULD DO SO. HOWEVER, I SPOKE TO VON WECHMAR AGAIN LATER IN THE DAY AND FORMED THE IMPRESSION THAT HE WAS BEGINNING TO COME TO TERMS WITH REALITY.

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/3. THERE



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3. THERE APPEARS TO BE GENERAL AGREEMENT IN THE COMMUNITY THAT WE SHOULD PROCEED AT SLOW SPEED IN THE CONSULTATIONS UNTIL IT BECOMES APPARENT TO ALL THAT THEY ARE GETTING NOWHERE AND IN DANGER OF BECOMING COUNTER-PRODUCTIVE; AND SHOULD THEN SEEK TO WRAP THE ISSUE UP AS GRACEFULLY AS POSSIBLE FOR THE TIME BEING, LEAVING IT TO BE REOPENED WHENEVER SEEMED PROPITIOUS NEXT YEAR, ALMOST CERTAINLY NOT BEFORE MARCH. I AM INCLINED TO THINK THAT OUR PARTNERS HAVE AT LAST LIFTED THEIR EYES FROM THEIR UN DOCUMENTS AND SEEN THAT IT WOULD NOT BE DESIRABLE TO TRY TO BOUNCE THE US AND RISK GETTING OFF ON THE WRONG FOOT WITH THE NEW ADMINISTRATION.

4. THIS AFTERNOON THE E.C. PRESIDENCY IS BEING ARMED WITH A DETAILED AND UP-TO-DATE BRIEF ON THE AGENDA.

FCO PLSE PASS SAVING TO UKMIS GENEVA

PARSONS

[REPEATED AS REQUESTED]

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TELEGRAM NUMBER 4184 OF 3 OCT 1980  
INFO PRIORITY NEW YORK, PARIS, BONN.

MY TELEGRAM NO 4177 AND TELECON THOMAS/EVANS: GLOBAL NEGOTIATIONS:

U.S. THINKING ON THE NEXT STAGE.

1. AFTER CLEARING HIS PLANS WITH COOPER, MEISSNER WILL NOW TRY TO SET UP A QUIET ANGLO-U.S.-GERMAN MEETING IN BONN ON 9 OCTOBER TO CONCERT VIEWS, STARTING WITH LUNCH AND GOING ON WITH DISCUSSIONS IN THE AFTERNOON. WE MADE IT CLEAR THAT WE WERE CONTENT WITH THIS IDEA PROVIDED IT WAS ACCEPTABLE TO THE GERMANS.

2. MEISSNER WILL CONTACT EVANS FROM PARIS EARLY NEXT WEEK ABOUT ARRANGEMENTS PROBABLY VIA THE U.S. EMBASSY IN LONDON. HE IS ANXIOUS THAT IF POSSIBLE THE FRENCH AND OTHERS SHOULD NOT GET WIND OF THE FACT THAT TRILATERAL CONSULTATIONS MAY BE TAKING PLACE.

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TO PRIORITY FCO

TELEGRAM NUMBER 726 OF 3 OCTOBER

INFO ROUTINE WASHINGTON, PARIS, UKMIS NEW YORK

WASHINGTON TELNO 4177: GLOEAL NEGOTIATIONS

1. TUR CORRECTLY DESCRIBES GENSCHER'S POSITION. VAN WELL TOLD ME ON 25 SEPTEMBER THAT THE AUSWAERTIGES AMT WERE VERY UNHAPPY WITH THE RESULT ON GLOBAL NEGOTIATIONS AT THE SPECIAL SESSION AND EXPRESSED THE OPOINION THAT THE FEDERAL FINANCE MINISTER HAD BECOME ALTOGETHER TOO POWERFUL. AS THE HEAD OF THE NORTH/SOUTH DEPARTMENT AT THE AUSWAERTIGES AMT CONFIRMED WHEN WE CALLED ON HIM YESTERDAY, GENSCHER RESENTED THE HARD-LINE ROLE WISHED ON HIM IN NEW YORK WHEN HE HAD HOPED TO CONVEY QUITE A DIFFERENT IMPRESSION.
2. IN DISCUSSION WITH US SULIMMA HIMSELF WAS UNREPENTANT. HE HAD FULLY CLEARED HIS LINES WITH LAUTENSCHLAGER. THE GERMANS STRONGLY RESENTED BEING LEFT IN THE LURCH BY THEIR 7 COMMUNITY COLLEAGUES WHEN THEY AND WE WERE DEFENDING A JOINT COMMUNITY INTEREST. THEIR DISPLEASURE HAD BEEN MADE CLEAR TO THE RELEVANT EMBASSIES IN BONN. COOPERATION WITH LONDON HAD BEEN EXEMPLARY.
3. SULIMMA INDICATED THAT THE GERMANS WERE NO MORE ANXIOUS THAN WE TO RUSH THE NEXT FENCE. HE DOUBTED WHETHER THINGS WOULD MOVE MUCH BEFORE NOVEMBER. ON SUBSTANCE THE GERMAN LINE WAS, HE CLAIMED, QUITE UNCHANGED, NOT LEAST BECAUSE OF THE STRONG PRIORITY GIVEN BY THE FEDERAL CHANCELLOR TO PRESERVING THE INTEGRITY OF THE IMF. (THE ECONOMICS MINISTRY HAVE TOLD US THAT LAMBSDORFF AND MATTHOEFER WILL NOT BE EASILY SHIFTED EITHER).
4. NEVERTHELESS, SULIMMA SAW FUTURE TACTICAL ADVANTAGE IN DISCUSSING THE AGENDA IN PARALLEL WITH PROCEDURES IF NOT BEFORE. HE ARGUED THAT OUR JOINT DESIDERATA MIGHT AS WELL BE ACHIEVED THIS WAY. WE REMINDED HIM THAT NOTHING WAS TO BE GAINED BY RETREATING OR APPEARING TO RETREAT FROM THE POSITION TAKEN UP WITH THE AMERICANS. SULIMMA SAID THAT NO RETREAT WAS INTENDED. THE GERMANS WOULD NOT GET INTO THE SUBSTANCE OF NEGOTIATIONS UNTIL THEIR POINTS WERE MET.
5. SULIMMA CONFIRMED OUR IMPRESSION THAT THERE HAS BEEN LITTLE GERMAN PUBLIC INTEREST IN THE GLOBAL NEGOTIATIONS. HOWEVER, AS VAN WELL TOLD ME, THE NORTH/SOUTH PROBLEM AS A WHOLE IS AMONG THE MATTERS CURENTLY IN INTERNAL DISPUTE HERE. THE AUSWAERTIGES AMT WILL NO DOUBT TRY TO REDRESS THE PRESENT UNSATISFACTORY BALANCE OF INTEREST WITH TECHNICAL MINISTRIES AFTER THE ELECTIONS BUT HOW THIS COMES OUT WILL DEPEND VERY MUCH ON THE PRECISE MAJORITIES.

WRIGHT

*NORTH/SOUTH STANDARD*  
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THIS TELEGRAM  
WAS NOT  
ADVANCED

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United Nations 2  
 Prime Minister  
 A summary report on the  
recent New York  
meeting.

Prime Minister

UN SPECIAL SESSION: GLOBAL NEGOTIATIONS

MFD 19/11x  
 MFD

This minute reports on the outcome of the UN Special Session. No decisions are required for the time being. Paragraph 8 suggests a line which we might take in public.

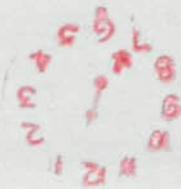
2. The Session ended on 15 September in disagreement. On the main issue, procedures for the Global Negotiations on International Economic Cooperation for Development (due to be launched next January), a split developed among the industrialised countries. After more than three weeks of negotiation, the Americans, Germans and ourselves were unable to agree to a text on procedures which all other countries, including the other seven members of the Community, could accept.

3. The textual argument concealed a fundamental difference over whether the United Nations Conference established to coordinate the Global Negotiations would be able to take decisions about the structure and policies of the Specialised Agencies, including the IMF and the World Bank. As agreed at OD on 4 August, we took a firm line in defence of the Specialised Agencies.

4. An American decision, taken late in the negotiations, was the turning point. President Carter instructed his delegation to oppose any text which compromised the integrity of the Specialised Agencies. Efforts by Dr Waldheim and others to bridge the gap failed. By that time, seven members of the Community had indicated that they could accept the text and were pressing for Community agreement to it. Despite these pressures, the Germans

/and





11 9 SEP 1980



and ourselves reached an agreement to support the Americans. The Session ended without a vote and discussions will resume in the margins of the General Assembly; they will also cover the agenda for the Global Negotiations, which was not discussed at the Special Session.

5. The outcome is not a total breakdown. The door has been kept open for further discussions on procedures and the agenda for the Global Negotiations; and agreement was also reached on the text of an International Development Strategy, which will be formally adopted by the General Assembly when agreement is reached on the Global Negotiations. For the time being, the press have shown little interest. But we can expect considerable domestic and international criticism in due course. Having taken a stand, we must stay with the Americans and keep the Germans with us. But there is unhappiness in the Community and our reputation in the Third World will suffer.

6. The future course of events will depend very much on the Americans. There is therefore unlikely to be much progress until the Presidential Election is over. At all times, we shall have to stay in the closest touch with them and with the Germans.

7. The details are intricate. But we should not be under any illusion about the consequences of a total breakdown. If that were to be the eventual result, there would be a distinct deterioration in political relations with the developing countries (among which the OPEC countries firmly include themselves). The prospects for discussions, formal or informal, on such problems as oil supplies and financial surpluses would be affected, since even the Saudis might feel the need to show caution. Other issues at the United Nations, such as South Africa and Namibia, could be rendered more difficult. Our Community partners would be extremely concerned and domestic criticism would be considerable. These consequences would be all the greater for us if some of the blame for breakdown were to be laid at our door. In that case,

/our



our political and commercial interests in the Third World would almost certainly suffer in relation to those of other developed countries.

8. It will, however, be some time before we reach a point of decision on these issues. For the time being, I suggest that our public line should be to play down the failure of the Special Session, while making it clear that an important issue of substance was at stake. At the same time, we should emphasise our readiness to continue discussions, in the hope that some quiet diplomacy will find a solution.

9. I am sending copies of this minute to colleagues in OD and to Sir Robert Armstrong.

I.H.G.

18 September 1980



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 FROM UKMIS NEW YORK 120325Z SEP 80  
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 TELEGRAM NUMBER 1258 OF 11 SEPTEMBER  
 INFO IMMEDIATE PARIS BONN UKREP BRUSSELS WASHINGTON AND UKDEL  
 IMF/IBRD WASHINGTON  
 INFO SAVING TO UKDEL OECD

CONFIDENTIAL

*Prime Minister*

*You may like to glance at this  
 tel + the attached background letter  
 in case this issue comes to a  
 Council over the weekend + the LPS  
 seems to clear a line with you. We  
 are leaning on the Germans to be  
 about.*

*26*

YOUR TELNO 653: GLOBAL NEGOTIATIONS

1. THE SPECIAL SESSION IS NOW ON THE BRINK OF COLLAPSE. THE NEXT  
 24 HOURS LOOK LIKE BEING CRITICAL.

2. THE G77 HAVE ACCEPTED THE MISHRA PROPOSALS IN PARA 1 OF MY  
 TEL NO 1247 AND ALSO AGREED THAT PARA 7 SHOULD REFER BACK TO  
 PARA 2. THE FRENCH (ON THE PERSONAL INSTRUCTIONS OF FRANCOIS-PONCET  
 ACCORDING TO MY FRENCH COLLEAGUE) HAVE JOINED THE OTHER SIX IN THE  
 COMMUNITY IN ACCEPTING THIS TEXT. THE COMMUNITY HAVE AGREED THAT  
 THERE MUST BE AN INTERPRETATIVE STATEMENT. BUT THE US HAVE REJECTED  
 THE TEXT. THEY ASSURE US THAT THIS IS A FIRM PRESIDENTIAL DECISION.  
 THEY CONSIDER THAT PARA 2 EMBODIES A CONCEPT OF NEGOTIATIONS WHICH  
 THEY NEVER ENVISAGED WHEN THEY VOTED FOR GA RESOLUTION 34/138  
 AND WHICH THEY CANNOT NOW ACCEPT. THEY ARE ALSO STICKING OUT FOR  
 CHANGE IN PARA 5 BUT THIS IS NOT ESSENTIAL FOR THEM.

3. THE G77 ARE REVIEWING THE POSITION. MISHRA'S INCLINATION  
 APPEARS TO BE TO CALL FOR A VOTE ON THE PROCEDURES TEXT. MEANWHILE  
 PROGRESS ON THE INTERNATIONAL DEVELOPMENT STRATEGY SUGGESTS THAT  
 IT SHOULD BE POSSIBLE TO REACH AGREEMENT TOMORROW. BUT SOME OF  
 THE G77 ARE ARGUING AGAINST AGREEING TO A STRATEGY IN THE ABSENCE  
 OF AGREEMENT ON GLOBAL NEGOTIATIONS IN ORDER TO HIGHLIGHT FAILURE.

4. THE US DECISION CREATES A NEW SITUATION. WITHIN THE NINE THE  
 PRESSURE WILL BE FURTHER INCREASED ON US AND THE GERMANS TO  
 COME INTO LINE ON PROCEDURES IN THE INTERESTS OF COMMUNITY  
 SOLIDARITY AND TO AVOID SHARING WITH THE AMERICANS THE RESPONSIBILITY  
 FOR FAILURE. WE SHALL BE TOLD THAT WE WILL BE LAUGHED TO SCORN  
 IF THIS WHOLE ENDEAVOUR FOUNDER ON "AS APPROPRIATE". BUT  
 BEHIND THE TEXTUAL MINUTIAE LIES A DEEP DIVISION ABOUT THE NATURE  
 OF THE NEGOTIATIONS. FOR THE COMMUNITY NOW TO COME TO TERMS WITH  
 THE G77 WOULD BE TO ACCEPT A BASIS FOR GLOBAL NEGOTIATIONS IN WHICH  
 THE US WOULD TAKE NO PART. THIS WOULD BE PATENTLY ABSURD. IT IS  
 THEREFORE IN MY VIEW EVEN MORE IMPORTANT AT THIS JUNCTURE FOR  
 BOTH THE GERMANS AND OURSELVES TO STICK OUT. FOR THE FIRST TIME  
 SINCE I ARRIVED IN NEW YORK A YEAR AGO THE AMERICANS ARE PUNCHING

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*/THEIR*



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THEIR WEIGHT AS A SUPERPOWER, AND ON A QUESTION ON WHICH WE AGREE WITH THEM. IT WOULD LOOK VERY BAD IF THE WHOLE COMMUNITY SURRENDERED TO THE G77 ON THE PREPOSTEROUS NOTION OF GLOBAL NEGOTIATIONS MINUS THE US. IT WOULD BE BETTER FOR THE PRESENT EFFORT TO COLLAPSE AND FOR A FRESH ATTEMPT TO BE MADE WHEN EVERYONE HAS COOLED DOWN. THE COMMUNITY SHOULD NOW SWITCH ITS EFFORTS TO ARGUING WITH THE G77 THAT, IF THEY WANT GLOBAL NEGOTIATIONS, THEY MUST MAKE SUFFICIENT CONCESSIONS TO BRING THE AMERICANS ON BOARD. THE COMMUNITY SHOULD MAKE CLEAR THAT IT IS NOT PREPARED TO EXERT PRESSURES ON THE US SINCE (AS IS WELL KNOWN) SOME OF ITS MEMBERS ARE ALSO UNHAPPY WITH THE TEXT AS IT STANDS: BY THE SAME TOKEN, IF COMPROMISE ACCEPTABLE TO THE US COULD BE FOUND, THE COMMUNITY WOULD BE NO OBSTACLE.

5. THE REACTION OF THE GERMAN DELEGATION HERE TO THIS SITUATION APPEARS CONFUSED. I RECOMMEND THAT WE SHOULD DO OUR BEST IN BONN TO KEEP THEM WITH US ON THE LINES I HAVE SUGGESTED. THE COMMUNITY MEETS AT 1300Z TOMORROW 12 SEPTEMBER. GRATEFUL FOR INSTRUCTIONS.

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Foreign and Commonwealth Office

London SW1A 2AH

10 September 1980

*Dear Michael,*

GLOBAL NEGOTIATIONS AT NEW YORK

You asked for a note on where matters stood in New York in the light of the report in Washington telegram no 3946.

The Eleventh Special Session of the General Assembly has now entered its third and final week. As expected, the main issue has turned out to be the relationship between the proposed United Nations Conference on Global Negotiations and the IMF, the IBRD and the other Specialised Agencies. The developing countries wish the Conference to be able to give instructions to the Specialised Agencies and to reopen the results of work done by them. We are determined to preserve their independence and integrity.

This central issue underlies the arguments about language for a text on procedures. The latest text is given in FCO telegram no 1483 to Washington. The points of difficulty are outlined in paragraph 2 of the immediately preceding telegram. I enclose copies of both.

We understand from our Embassy in Washington that President Carter is receiving conflicting advice. His Ambassador in New York argues that the present text is the best available and that the points at issue are not worth a major row with the Third World. His advisers in Washington, on the other hand, believe that the present text does not give sufficient protection to the Specialised Agencies and that it would be damaging to accept it. This is background to the President's wish for soundings to be taken of the other major Western countries. What we know of the French and German positions, as well as our own instructions (approved by the Lord Privy Seal), are contained in FCO telegram no 1482 to Washington.

/It looks

M O'D B Alexander Esq  
10 Downing Street

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It looks as though there will be agreement on a further attempt to improve the text, Thereafter, we shall have to examine the outcome and take soundings of our main partners before deciding our own position. This critical phase could occur at any time before the end of the week.

*Yours ever,*

*Myles /*

M A Wickstead  
Assistant Private Secretary  
to the Lord Privy Seal





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TO IMMEDIATE WASHINGTON

TELEGRAM NUMBER 1482 OF 9 SEPTEMBER

AND TO IMMEDIATE UKMIS NEW YORK

INFO IMMEDIATE PARIS, BONN, PRIORITY UKREP BRUSSELS

INFO SAVING TO UKDEL OECD

YOUR TELS NOS 3946 AND 3947: GLOBAL NEGOTIATIONS

1. THERE IS UNFORTUNATELY SOME CONFUSION ABOUT THE TEXT WHICH IS NOW UNDER DISCUSSION. MIFT CONTAINS A TEXT ON WHICH THE INSTRUCTIONS IN THIS TELEGRAM ARE BASED. IT DRAWS ON YOUR TEL NO 3947, UKMIS TEL NO 1233 AND CONVERSATIONS SULIMMA/GREEN. GRATEFUL FOR ANY CORRECTION, PARTICULARLY TO OPENING OF PARA 3.

2. THIS TEXT IS SERIOUSLY DEFICIENT. ALTHOUGH 2 A, B, AND C GENERALLY QUALIFY THE CHAPEAU OF PARA 2, THIS STRUCTURE DOES NOT DIRECTLY QUALIFY 'CONDUCTING' IN THE WAY PROPOSED IN PARA 3 OF OUR TEL 637. TAKEN WITH THE RE-INSERTION OF 'AND/OR' IN PARA 2B, THIS FURTHER WEAKENS OUR POSITION IN RELATION TO THE SEPCIALISED AGENCIES. MOREOVER, THE SUBSTITUTION OF 'SUCH AS' FOR 'INCLUDING' IN PARA 4 OPENS THE DOOR TO THE ARGUMENT THAT 'IMPORTANT MATTERS' ARE CONFINED TO MATTERS OF A PROCEDURAL NATURE SUCH AS THOSE INDICATED, AND DO NOT INCLUDE SUBSTANTIVE ISSUES IN THE NEGOTIATIONS THEMSELVES.

3. WE UNDERSTAND FROM THE GERMANS (SULIMMA) THAT GENSCHER IS WILLING TO STAND WITH THE AMERICANS IN RESISTING THE TEXT IN MIFT PROVIDED THAT HE HAS THE SUPOORT OF THE FRENCH OR BRITISH AND PREFERABLY BOTH. ALSO ACCORDING TO SULIMMA, FRANCOIS PONCET TOLD MUSKIE THAT THE FRENCH ATTACHED THE GREATEST IMPORTANCE TO THE CONSENSUS FORMULA IN PARAGRAPH 4 BUT ALSO

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CONTINUED TO DISLIKE THE LAST PART OF PARAGRAPH 2C. BUT WE HAVE THE IMPRESSION BOTH FROM SULIMMA AND FROM A CONVERSATION WITH BOCHET IN PARIS, THAT THE FRENCH MADE NO CLEAR COMMITMENT TO SUPPORT THE AMERICANS.

4. MINISTERS HAVE CONSIDERED THE SITUATION IN THE LIGHT OF THESE CONSIDERATIONS. YOU SHOULD EXPLAIN OUR POSITION TO THE AMERICANS, AS FOLLOWS:

(A) WE COULD, WITH CONSIDERABLE RELUCTANCE HAVE ACCEPTED A TEXT INCORPORATING THE AMENDMENTS SET OUT IN UKMIS NEW YORK TEL NO 1233 SUBJECT TO THE CONDITIONS IN PARAGRAPH 2 OF MY TEL NO 637 TO UKMIS NEW YORK.

(B) WE TOO CANNOT ACCEPT THE TEXT IN MIFT FOR THE REASONS GIVEN IN PARA 2 ABOVE.

(C) WE SHALL CERTAINLY WORK HARD TO OBTAIN IMPROVEMENTS TO THE TEXT IN MIFT, WORKING IN CLOSE CO-OPERATION WITH THE FRENCH, GERMANS AND AMERICANS.

(D) WHERE WE SHOULD STAND IF THE TEXT WERE TO BE CHANGED AGAIN WOULD DEPEND ON ITS PRECISE TERMS AND THE ATTITUDES OF OUR MOST IMPORTANT PARTNERS, OF COURSE INCLUDING THE UNITED STATES.

5. WE HAVE ASSUMED THAT MUSKIE IS NOT (NOT) EXPECTING A TELEPHONE CALL IN REPLY.

SEE MIFT.

CARRINGTON

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TO IMMEDIATE WASHINGTON AND TO IMMEDIATE UKMIS NEW YORK  
TELEGRAM NUMBER 1483 OF 9 SEPTEMBER  
INFO TO IMMEDIATE PARIS, BONN, PRIORITY UKREP BRUSSELS  
INFO SAVING UKDEL OECD  
MIPT: FOLLOWING IS THE TEXT WE ARE WORKING ON:

1. FOR THE PURPOSE OF THE GLOBAL NEGOTIATIONS, THE SPECIAL SESSION OF THE GENERAL ASSEMBLY DECIDES TO CONVENE A UNITED NATIONS CONFERENCE ON GLOBAL NEGOTIATIONS FOR INTERNATIONAL ECONOMIC CO-OPERATION FOR DEVELOPMENT:
2. THE CONFERENCE SHOULD HAVE UNIVERSAL PARTICIPATION, AT A HIGH POLITICAL LEVEL, AND WILL BE THE FORUM FOR COORDINATING AND CONDUCTING THE GLOBAL NEGOTIATIONS, WITH A VIEW TO ENSURING A SIMULTANEOUS, COHERENT AND INTEGRATED APPROACH TO ALL THE ISSUES UNDER NEGOTIATION. FOR THE PURPOSE OF FACILITATING SUCH NEGOTIATIONS, THE CONFERENCE WILL:
  - A. INITIALLY ESTABLISH OBJECTIVES FOR AND PROVIDE GUIDANCE ON THE AGENDA ITEMS OR PARTS THEREOF. THE CONFERENCE WILL INDICATE THE TIME-FRAME FOR SUCH NEGOTIATIONS.
  - B. THE CONFERENCE WILL ENTRUST THE DETAILED NEGOTIATION OF SPECIFIC AGENDA ITEMS OR PARTS THEREOF TO SPECIALISED FORA WITHIN THE UNITED NATIONS SYSTEM IN ACCORDANCE WITH THEIR COMPETENCE AND/ OR TO SUCH AD HOC GROUPS AS IT WILL CREATE.
  - C. THE CONFERENCE WILL RECEIVE THE RESULTS OF THE DETAILED NEGOTIATIONS FROM THE SPECIALISED FORA AND AD HOC GROUPS WITHIN THE INDICATED TIME-FRAME (AND WILL TAKE APPROPRIATE

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MEASURES TO ENABLE THE CONFERENCE TO RESULT IN A PACKAGE AGREEMENT).

3. WHERE SUCH IMPLEMENTATION INVOLVES ACTION BY SPECIALISED FORA WITHIN THE UNITED NATIONS SYSTEM, PARTIES TO THE AGREEMENT WILL ACT THROUGH THE INTERGOVERNMENTAL BODIES OF THESE FORA, IN ACCORDANCE WITH THEIR COMPETENCE AND RULES OF PROCEDURE:

4. THE CONFERENCE WILL FUNCTION IN ACCORDANCE WITH THE PROCEDURES OF THE GENERAL ASSEMBLY. HOWEVER, IT WOULD REACH AGREEMENT BY CONSENSUS ON ALL IMPORTANT MATTERS SUCH AS THE MATTERS REFERRED TO IN PARAS 2 A, B AND C.

NOTE: STATUS OF BRACKETED PASSAGE IN PARA 2 C UNCERTAIN.

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TO IMMEDIATE F C O  
TELEGRAM NUMBER 3946 OF 8 SEPTEMBER  
INFO IMMEDIATE UKMIS NEW YORK, PARIS, BONN  
INFO PRIORITY UKREP BRUSSELS  
INFO SAVING UKDEL OECD

(101) YOUR TELEGRAM NO 636 TO UKMIS NEW YORK: GLOBAL NEGOTIATIONS:  
1. COOPER (UNDER SECRETARY, STATE DEPARTMENT) TELEPHONED MINISTER (COMMERCIAL) THIS EVENING TO SAY THAT SECRETARY MUSKIE HAD NOW DISCUSSED THE LATEST VERSION OF THE CHAIRMAN'S PAPER WITH PRESIDENT CARTER. (WE UNDERSTAND THAT THE VERSION PUT TO THE PRESIDENT WAS ONE WHICH EMERGED FROM A BREAKFAST DISCUSSION BETWEEN MCHENRY AND DUPUY THIS MORNING. THE MAIN DIFFERENCES WITH THE VERSION DESCRIBED IN UKMIS NEW YORK TEL 1231 ARE OUTLINED IN MIFT).

2. THE PRESIDENT WAS VERY UNEASY ABOUT THIS TEXT. HE DID NOT FEEL THAT IT OFFERED ADEQUATE PROTECTION FOR THE INTEGRITY OF THE SPECIALISED FORA. HE WAS INCLINED NOT TO ACCEPT IT AND WAS READY TO CONTEMPLATE BREAKDOWN OF THE CONFERENCE UNLESS ADEQUATE PROTECTION COULD BE OBTAINED.

3. BEFORE REACHING A FINAL DECISION, THE PRESIDENT HAD ASKED SECRETARY MUSKIE TO ESTABLISH THE POSITIONS OF THE MAJOR EUROPEAN COUNTRIES AND FIND OUT WHETHER THEY WOULD BE PREPARED TO STAND UP AND BE COUNTED IN PUBLIC WITH THE U.S. HE ALSO WANTED TO KNOW THE VIEWS OF THE MANAGING DIRECTOR OF THE IMF AND THE PREIDENT OF THE IBRD. COOPER SAID THAT MUSKIE WOULD BE TRYING TO TELEPHONE FRANCOIS PONCET, GENSCHER AND POSSIBLY LORD CARRINGTON TONIGHT. (COOPER SUBSEQUENTLY PERSUADED MUSKIE NOT TO RING YOU, SINCE THE BRITISH WERE ALREADY ALERTED TO THE PRESIDENT'S QUESTION.)

4. COOPER HAS SPOKEN TO LAROSIERE AND MCNAMARA. BOTH SAID THE PRESENT TEXT WOULD BE TROUBLESOME. MCNAMARA WAS PARTICULARLY CRITICAL ON THE GROUNDS THAT IT COULD IMPLY THAT A WHOLE RANGE OF IBRD DECISIONS COULD BE SUBJECT TO NEGOTIATION IN NEW YORK. LAROSIERE WAS UNHAPPY WITH THE LACK OF CLEAR DEFINITION WHAT WOULD CONSTITUTE QUOTE IMPORTANT MATTERS UNQUOTE. IT WOULD BE IMPOSSIBLE IF HE WERE TO RECEIVE ONE SET OF INSTRUCTIONS FROM NEW YORK AND ANOTHER FROM HIS EXECUTIVE BOARD.

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5. AFTER DISCUSSION WITH EVANS (AUSS) AND RESIDENT CLERK, THOMAS HAS TOLD COOPER THAT WE WILL LET THE STATE DEPARTMENT HAVE A CONSIDERED VIEW AS SOON AS POSSIBLE TOMORROW.

F C O PASS SAVING UK DEL OECD.

HENDERSON

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PRIME MINISTER

MT

Relations with Oil Producers: Venice Summit  
and Global Negotiations

## BACKGROUND

Although there is only one item on this meeting's agenda, it will have to deal with a number of linked subjects rather awkwardly spread over the four papers, which were themselves prepared at widely different dates, as follows.

- i. OD(80) 30 of 17 March: Lord Carrington's "advance notice" paper on the coming Global Negotiations (GN) phase of the North-South dialogue.
  - ii. OD(80) 45 of 13 June: a report by officials on the idea of an "energy dialogue" with the OPEC countries.
  - iii. OD(80) 51 of 23 July: Lord Carrington's latest paper, which considers the energy dialogue idea in the context of the GN.
  - iv. The Chancellor of the Exchequer's minute to you of 29 July, which sets out the Treasury's serious worries about the danger of our being pushed into making damaging concessions at the GN or in any dialogue with the OPEC countries.
2. The matter is urgent because the United Nations Special Session which opens in New York on 25 August is due to "launch" the GN, although the detailed negotiations themselves are not due to start until next January. The West's approach to them is to be worked out at the OECD Co-ordination Group's meeting on 21 August; and the attitude of the European Community in particular will be discussed by Ministers of the Nine in New York on 24 August. We therefore need to start advance consultations with our main partners straight away. But our negotiators must first be given a general indication of Ministers' collective views. Decisions on points of detail can come later.
3. The Venice Economic Summit's communique committed the 7 participants on these issues as follows -



## a. Energy

"We would welcome a constructive dialogue on energy and related issues between energy producers and consumers in order to improve the coherence of their policies."

## b. Relations with Developing Countries

"We approach in a positive spirit the prospect of Global Negotiations in the framework of the United Nations and the formulation of a new international development strategy."

4. The GN have no real friends in the developed West. They have been accepted as the least damaging way of meeting the developing countries' insistence on pursuing North/South issues by one means or another. We cannot now avoid them. But their dangers are real, and they will call for careful handling and probably some difficult decisions when the crunch points are reached.

5. The Secretaries of State for Industry and Energy and the Minister for Overseas Development have been invited to attend. The Foreign and Commonwealth Secretary is abroad, but the Lord Privy Seal will of course be present.

## HANDLING

6. There is no tidy way of disentangling the various issues. But you may like to suggest that the Committee should discuss the 3 main subjects in roughly the order of urgency, as follows -

A. Energy issues apart, what should be our general approach to the GN?

B. Should we try to use the GN as a route towards a dialogue with the oil producers?

C. What should be the content of such a dialogue?

7. Our approach to the GN. The Lord Privy Seal should lead, followed by the Chancellor of the Exchequer. A general discussion should then develop. Several other Ministers are departmentally involved (Mr Marten, Mr Nott and Mr Howell); Lord Soames is well versed in the subject from his Brussels days; and Sir Keith Joseph has strong personal views on it. There will be general agreement on the main dangers: impossible trade concessions; pressure for more aid, which we cannot afford; damaging changes in the roles of the IMF and World Bank; and, more generally, attempts to railroad the developed



countries by making the results of the GN legally binding on the participants. There will be general support for the Foreign Office view that we should seek to mobilise our main partners in opposition to these dangers. But there will be less agreement over tactics (eg Sir Geoffrey Howe's view that we should organise a Western threat to walk out of the GN in certain circumstances); and over what we do in cases where our partners prove inadequately robust (eg more aid-giving). There will be a pretty sharp division over what to do if the going gets really tough: Sir Ian Gilmour will argue for "damage limitation", ie minimum concessions to keep our partners with us; whereas Sir Geoffrey Howe thinks that international isolation would be preferable to making any substantive concessions at all. This crack can be papered over for the present by agreeing to wait and see. But the Committee will need to decide now on whether we should start immediate lobbying for the imposition of Western pre-conditions as proposed by the Chancellor in paragraph 7 of his minute. Our partners may well not take kindly to such lobbying at this stage, which they may (wrongly) suspect related in some way to our being ourselves an important oil-producer.

8. The GN as a route to an Energy Dialogue. The Lord Privy Seal and the Secretary of State for Energy should lead. The Chancellor of the Exchequer may wish to argue the suggestion in his minute that energy might be better dropped as a GN subject altogether; but his colleagues are unlikely to regard this as practicable, not least because the Venice communique specifically mentions energy as an important GN subject. The consensus will probably be that it would be right to try using the GN as an avenue of approach to an energy dialogue (since no other is in sight), and to try wedge-driving between the OPEC countries and the non-oil developing countries (if only to make it harder for both groups to line up together against the West); but that the chances of success should not be exaggerated. An OECD working group at official level has recently concluded that the GN will offer little scope for useful trade-offs between energy and non-energy subjects. Do the Committee broadly agree with that?

9. The content of an Energy Dialogue. This is much the most difficult (and least immediate) of the 3 main issues. The Secretary of State for Energy should lead. His personal view, based on considerations going much wider than his departmental responsibilities, is that a deal could and should be struck with



the energy producers; and that it would be worth paying quite a high price (eg in terms of political support, matching aid flows, tariff concessions and/or the indexation of financial assets) in order to protect Western economies from the macroeconomic damage they are otherwise liable to suffer from inadequate oil production and sudden price leaps. The Lord Privy Seal will certainly wish to comment on the general prospect for a dialogue; on the practicability of paying in political coin; and on the chances of holding the oil producers to their side of any bargain. The Chancellor of the Exchequer will strongly oppose asset indexation and perhaps also any other type of economic concession. The Secretaries of State for Trade and Industry will wish to comment on likely OPEC demands for tariff concessions on oil-based or energy-intensive products. The Minister for Overseas Development should be asked about the danger of our being pressed for aid increases not only by OPEC (as a quid pro quo for increased OPEC aid-giving) and by the non-oil developing countries (as potential recipients) but also by some of our richer Western partners. If such pressures do build up, how do the Committee think they should be dealt with? More generally, are there any effective means open to us or our allies for persuading OPEC countries to shoulder a larger share of the aid donors' burden.

10. It will not be difficult to make out a strong case against any given concession to the oil producers, particularly in our present circumstances. Nevertheless Mr Howell's ideas do rightly underline a central weakness in the economic situation of the Western world; and it would be wrong to deny them serious consideration simply because they run counter to much that has hitherto been the conventional wisdom. At this stage, the consensus in the Committee will probably be that we should discuss the possible content of an energy dialogue further with our Venice partners, but in a purely exploratory spirit and without commitment on what (if any) price might in the end be payable. You will wish to establish whether this consultation can be open-ended; or whether there are particular concession areas which our negotiators should rule out altogether, eg asset indexation.

#### CONCLUSION

11. Subject to the discussion, you will probably be able to guide the Committee -
- i. to endorse both the general approach to the GN (including energy issues) and the specific conclusions set out in the Foreign and Commonwealth Secretary's paper of 23 July (OD(80) 51);





ii. to note but not at this stage endorse the defensive GN strategy proposed by the Chancellor of the Exchequer;

iii. to agree that they should revert in the autumn to the question of an energy dialogue, in the light of developments in New York (and perhaps elsewhere) in the meantime.

ROBERT ARMSTRONG

CONFIDENTIAL

1 August 1980





Treasury Chambers, Parliament Street, SW1P 3AG  
01-233 3000

PRIME MINISTER

*p/w Hqs for ODs*

*Paul*

GLOBAL NEGOTIATIONS

I understand that the OD meeting planned for 28 July has now been postponed until 4 August. Given this delay, I thought it would be useful to circulate now some comments on the Foreign Secretary's paper OD(80)51. Time is short before the UN General Assembly which will launch the Global Negotiations. These comments are directed at paragraphs 6-12 of the paper, since we have rather more time to discuss the proposed approach to the oil producers dealt with in the earlier paragraphs.

2. We should remember that the UK does not actually want the Global Negotiations at all. It is the LDCs, organised rather loosely in the G77, who have pressed successively for this new round of talks. They are part of a long series in the North/South dialogue, going back to successive meetings of UNCTAD and the CIEC. Despite intensive pressure in the Committee of the Whole the G77 have not yet agreed with the rest of us on the agenda or on the procedure for the Negotiations. These issues will now have to be settled at the Special Session.

3. The G77 demands cover five areas: trade; aid; food; energy, and international monetary requirements. They raise many problems. Trade policy is an obvious example. We cannot afford to expose British industry to unrestricted competition from the NICs in present circumstances. Nor can we accede to their demands for protection in their own domestic markets against our competition. On aid, it is clear that our own inflation

/problem and





problem and our policies on public expenditure preclude any additional assistance from the UK - even if we thought it justified. I believe my colleagues accept this. The G77 proposals on food also present serious problems, but perhaps more for the Americans than for us.

4. Energy is another source of difficulty. So far we have gone along with the wish of the industrialised countries to add energy to the agenda, in the hope of securing something valuable from OPEC in exchange for any concessions we have to make to the LDCs. As you know, I am very much in favour of seeking to replace the traditional North/South confrontation with triangularity, involving OPEC, the North and the LDCs, particularly in order to get OPEC money recycled more quickly, whether through the international financial institutions or through aid. But in practice our experience of North/South discussions in fora of this type over the last few years has shown that it is never practicable to introduce the kind of triangularity that we need. The LDCs and OPEC make common cause in them against the North. So I doubt whether the Global Negotiations give us a useful opening in the discussions with OPEC. Nothing would be lost, in my view, if the energy item were dropped from the GNs.

5. But the G77 target which worries me most is the international monetary system. They tabled their demands, through the G24, just before the Belgrade meeting of the IMF and IBRD last autumn. Put crudely, these involve turning the IMF into an aid-giving organisation, and softening the terms of IBRD assistance in a way which would damage its chances of borrowing on the world capital markets and commit the OECD countries to providing substantially increased capital. Both these would in my view be very dangerous. We should not allow the Global Negotiations

/to determine





to determine the future shape of the Bretton Woods institutions. Our main requirements, as set out in paragraph 8 of the Foreign Secretary's paper, are that the GN decisions should not be binding on participant countries. We must therefore stand firm on this question of the competence of the IFIs.

6. We should not, therefore, regard the Global Negotiations as a damage-limitation exercise (the Foreign Secretary's phrase in paragraph 6). Any damage in these critical areas is unacceptable. By comparison, the risk of isolation in international talks may appear less worrying.

7. In my view we ought to recognise from the outset, and seek to persuade our principal partners of this, that circumstances could arise in which it would be in our long-term interests to refuse to continue to participate in the GNs. There are signs that the US, Germany and Japan might join with us in making this clear to the G77. We should together seek to set clear boundaries to the scope of the GNs. In particular, we should establish from the start that they will not be competent to do more than suggest the direction of possible changes in the IFIs which would then be separately considered in those institutions, without prejudice to the eventual decision. Other colleagues may wish to suggest similar limitations in those areas for which they are responsible. If HMG then agrees on the stand it should adopt, there would be a short period before the Special Assembly in which we might seek, in intensive lobbying in friendly capitals, a concerted line for the major industrialised countries.

8. I am sending copies of this minute to the Foreign Secretary and other members of OD, and to Sir Robert Armstrong.

(G.H.)

29 July 1980



29 JUL 1980



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United Nations



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h.s. Runt

Ref. A01770

PRIME MINISTER

Bennie Runt (2)

Global Negotiations

(OD(80) 30)

mk Runt

BACKGROUND

A new round of the seemingly endless North/South discussions in the United Nations is now under way. The current focus is the so-called "global round" of negotiations due to begin late this year or early next following the 35th session of the United Nations General Assembly. When it does get under way the global round is likely to continue for most of 1981 and perhaps into 1982. The Foreign and Commonwealth Secretary's paper, circulated at the suggestion of the Cabinet Office, is meant to give Ministers an account of the origins of this operation and the likely timetable of events. Specific issues will be brought, as they arise, to colleagues for decision; on past form a good deal of the work can be handled between the Ministers directly concerned or otherwise cleared in correspondence.

2. The paper is for background information and no decisions are called for. It is unlikely that any colleagues will want a collective discussion of the paper and, unless asked, we do not intend to place it on the agenda for a meeting.

LONDON

RA

(Robert Armstrong)

24th March, 1980



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