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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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FM FCO 091501Z SEPT 80  
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.

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