

Talking Points for DCI Meeting
with Secretary of State Shultz

Within the Office of Global Issues there is a staff of economists who follow international economic affairs which are global in nature. Traditionally, the Assistant Secretary of State for Economic and Business Affairs has been informed and consulted with respect to the nature and scope of our work in these areas.

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Third World Issues Branch: OGI has provided substantial support to a number of international developments including the Cancun Summit and the Versailles Economic Summit. In addition OGI provides ongoing support on North-South and other LDC issues to Ambassador Kirkpatrick and Special Negotiator for Economic Affairs, Ambassador Charles Meissner. Recent publications include an analysis of newly emerging LDC oil producers, and an update on LDC borrowing activity on international financial markets.

International Trade and Finance Branches: Efforts are concentrated on the area of OPEC financing and the workings of the international monetary and trade system. Specific attention is given to OPEC current account and asset holdings, and the investment decisionmaking of major surplus countries such as Saudi Arabia and Kuwait. An effort is now being mounted to undertake a more sophisticated analysis of LDC debt problems and

analysis. In the trade area, emphasis has been placed on multilateral trade negotiations such as GATT and export credits.

Economic Analysis Branch: OGI is in the incipient stages of developing a program to analyze basic factors of production and macroeconomic phenomena common to the industrialized world. In recent months papers have been done analyzing international developments in savings and interest rates and youth unemployment. Future work is anticipated in the area of labor force quality and in possible investment trends.