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CABINET ADMINISTRATION STAFFING MEMORANDUM

DATE: July 28, 1981 NUMBER: 018754CA DUE BY: ---

SUBJECT: International Communications Agency Morning Digest - July 23, 1981

	ACTION	FYI		ACTION	FYI
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State	<input type="checkbox"/>	<input type="checkbox"/>	Allen	<input type="checkbox"/>	<input type="checkbox"/>
Treasury	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Anderson	<input type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Garrick	<input type="checkbox"/>	<input type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input type="checkbox"/>	<input type="checkbox"/>
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Remarks:

You may find the attached ICA Morning Digest of interest. It focuses on reactions to the Ottawa Summit.

RETURN TO:

Craig L. Fuller
Deputy Assistant to the President
Director,
Office of Cabinet Administration
456-2823

Craig Fuller

MORNING DIGEST

Foreign Media Reaction

July 23, 1981

OTTAWA SUMMIT REVIEW--Extensive second-day comment on the conclusion of the seven-nation conference included praise of President Reagan, the sense that other industrial nations must also take belt-tightening anti-inflation measures, that there was new U.S. flexibility on North-South relations, and that the summit was more of a success than expected.

"Reagan Firmness and Charm"

Among London headlines today were "Glowing Thatcher Assessment of Reagan's Summit Performance" (Times of London, front page), "Firmness and Charm by Reagan" (Daily Telegraph), and "Leaders Are Surprised by Their Own Amity" (Financial Times, inside page).

"Considerable Victory for Reagan"

Times correspondent Nicholas Ashford in Ottawa said Mrs. Thatcher's "glowing assessment of the American President's performance may have been colored by the fact that she had just spent the previous two and a half days of talks at Chateau Montebello agreeing with practically everything Reagan said...

"There can be no denying that the Ottawa summit represented a considerable victory for President Reagan...Efficiency of the White House press machine and the range and frequency of American press briefings meant that much of the media tended to focus on him to the exclusion of other leaders..."

"Reagan Hard Line Means Europeans Must Protect Currencies"

The paper's correspondent David Blake wrote of high interest rates that "the hard line adopted by President Reagan means that they (the European leaders) now need to take deflationary action at home to protect their currencies and thus hold down inflation..."

"Avoided Commitment to Do Anything About Economic Disorder"

In an editorial the paper said that "everybody smiled for the camera at Ottawa and the smiles were as faked as in previous

summits....The general feeling of success lay in what was left out of the communique, not what was put in....But the sweetness was managed only by avoiding or blurring a commitment to do anything positive about the world's economic disorders. The leaders have descended from Fudge Mountain...

"There was quite a good compromise on the North-South issue.... The Americans' promise to look at global negotiations is only a small step, but a useful one..."

On economic policy the paper said that "every country is left to continue pursuing its own national interest...instead of working towards a strategy of international monetary cooperation..."

"We are in for a period of crisis management which merely guarantees that there will be more crises."

"New International Stature for Reagan"

The conservative Daily Telegraph carried Washington correspondent Richard Beeston's report that "a weary President Reagan has returned to Washington from Ottawa with new international stature after a highly successful debut....He won endorsement for America's anti-inflation policies and praise for the combination of firmness and charm he displayed..."

"New U.S. Flexibility on North-South Relations"

Correspondents Reginald Dale and John Wyles of the Financial Times wrote that "the Ottawa decisions were marked by a greater determination to solve trade and development problems than many had expected--the most significant element being a new flexibility by the U.S. Administration on North-South relations between industrialized and developing countries. This unlocked the door for a number of further compromises in other fields."

"Achievements Not as Meager as Feared"

The paper observed in an editorial that "the achievements of the...summit...are fairly meager, but they are not quite as meager as might have been feared from the advance publicity..."

USICA/PGM/RC

"While there may not have been any immediate narrowing of differences in Ottawa, at least there may be a greater readiness to discuss these differences in depth..."

"Some passages in the communique suggest a greater degree of convergence than there really was..."

West German TV Two last night carried a correspondent's observation that "the awareness that the big industrial Western nations can...only solve their problems by cooperating...has undoubtedly been enhanced."

"Reagan Stuck to the Protocol"

The facility's Washington correspondent Dieter Kronzucker reported that at Ottawa President Reagan "stuck meticulously to the protocol and remained hard on the issues. This time, the journalists helped him against those Europeans who profit from U.S. strength but do not want to join in maintaining it."

TV One, labeling the summit the "seven-time itch," carried interviews with Security Adviser Richard Allen and Chancellor Schmidt.

"Americans Do Not Fool Around"

Washington correspondent Peter Merseburger said, "The United States was a little afraid before the summit because this was the new Administration's first test of its diplomatic skill. The United States is satisfied....Everything was unanimous. It started with the motto: 'We have to repair the bad economy we inherited.' So any criticism had to bounce back, and this the Americans have done with a touch of harshness. Once Americans reach a decision they do not fool around..."

"U.S. Reaction Understandable"

Today's conservative Frankfurter Allgemeine said the Bonn Government should have discussed high interest rates privately with Washington before the conference, "thus saving ourselves the embarrassment of returning as losers..."

"We would also have spared ourselves the kick dealt us by Reagan's closest adviser, Meese, who said in effect that when

the dollar was weak the United States was humiliated by its partners, and now that it holds a good international position as it should...they should not complain...

"We apparently do not realize that, under Reagan, U.S. policy, including economic policy, has been furnished a new and moral basis: the United States wants to make up for the rebuffs it met with in the 70's. Coming from a great nation, such reaction is understandable. The dollar again is as much respected as the Stars and Stripes..."

"Compromise Replaced Genuine Consensus"

Left-of-center Frankfurter Rundschau ran a correspondent's report from Ottawa that "the West again has a leader....The summit demonstrates that Reagan...cannot have enough of leadership....The old California gentleman's simplistic concept of the world largely dominated the discussions..."

"The communique is designed to reflect harmony. But its sweeping statements leave plenty of room for interpretation. And to refer to a common line would be a grotesque exaggeration..."

"As long as Washington believes that what is good for America is good for the West, compromises on the Ottawa pattern will replace genuine consensus..."

"West Germans Must Economize"

A byliner in independent Stuttgarter Zeitung declared that "Chancellor Schmidt will draw conclusions from insights gained in Ottawa. In plain language this means that...(the West German) citizen must be prepared for drastic economizing and cuts in social spending..."

"The attempt to blame Washington exclusively for the sacrifices expected from the German citizen is regrettable in two respects. First...it strengthens anti-American sentiment. Second, it cannot create the basis for the international confidence to which the participants in the summit have subscribed."

Nationally circulated liberal weekly Die Zeit, out today, ran a columnist's assertion that "Reagan almost managed to give the summit his imprint. In the shadow of his power, Alexander Haig regained his old, quiet self-assurance..."

"Reagan's Bitter Medicine"

Social Democratic Party weekly Vorwaerts remarked that the summit of the seven nations "showed that only one of them, the United States, determines the course.

"President Reagan believes that the bitter U.S. medicine of high interest rates stabilizes not only his country but the others as well."

"Reagan Passed the Test Brilliantly"

In Milan, centrist Corriere della Sera ran correspondent Ugo Stille's report that "the seven arrived in Ottawa in an atmosphere of uncertainty....They left in full agreement on the political level and with a pragmatic compromise on the economic level..."

"This was the debut of Ronald Reagan on the international stage. The most unanimous opinion is that the American President passed the test brilliantly."

"What America Proposes Is Not Ambiguous"

An editorial in conservative Il Giornale of Milan held that "it was to be expected that the Ottawa conference was not going to be a success. What we did not know in advance was that it would bring so ruthlessly to light what divides the United States from its allies..."

"What America proposes is not ambiguous. Our replies are..."

"All Hope Reagan Will Win His Bet"

A correspondent for conservative Il Tempo of Rome wrote that as suggested by EEC President Gaston Thorn, "nobody won or lost at Ottawa, but all the participants hope, more or less enthusiastically, that Ronald Reagan will win his bet in his attempt to restore the strength of the U.S economy..."

Turin's liberal La Stampa ran a correspondent's assertion that the summit "ended with more positive results than expected..."

"Triumph for Reagan on Almost All Fronts"

Leftist La Repubblica of Rome carried a byliner's view that "for Ronald Reagan...it was a triumph on almost all fronts.... The communique could not be more explicit in celebrating the victory of Reagan's monetary doctrine..."

Among Paris headlines today were "U.S. Wins" (Figaro), "Ottawa: Reagan Leads the Game" (Quotidien), "Europe Against the Wall After Reagan's Challenge in Ottawa" (financial Les Echos) and "Law of the Dollar" (Communist Humanite).

Communique "Tries to Hide Problems"

In the view of conservative Figaro's Washington correspondent Charles Lambroschini, "Ronald Reagan remained inflexible" at Ottawa and the final communique was "a diplomatic masterpiece" that "tries to hide problems rather than solve them."

"Reagan Found France Is a Strong Ally"

Mass-circulation France-Soir remarked that "despite the somewhat peremptory tone of a Reagan who came out as the big winner... Mitterrand can claim some satisfaction.... Ronald Reagan himself invited Mitterrand to the United States. And it was also Reagan who expressed satisfaction in finding out that France is a strong ally..."

"Reagan Remains Master of the Game"

Independent Quotidien said, "Reagan remained master of the game... Although they did not lack courage, the (Europeans)...lacked the necessary weapons to struggle effectively. Their few arrows did not really halt the American giant.... It is clear the United States came out of the affair in very good shape..."

"Freedom to Grumble"

In Brussels, Socialist De Morgen held that "the European participants...again witnessed how weak is their voice.... If Reagan says no the others...may have freedom to grumble, but that is all."

Conservative Morgenbladet of Oslo today pointed to what it called "coordination of American and European views on East-West disarmament" and "economic cooperation with the third world" and added,

"We must therefore be allowed to characterize the Ottawa summit as constructive and promising. Cooperation between the Western democracies is functioning."

"Consultations an Important Step"

In Denmark, conservative Jyllands-Posten of Aarhus maintained that "a weaker communique has not been seen in years," but said that "the summit should not be dismissed as a summer outing of heads of state....They have agreed on the need for more frequent consultations at a lower level, and with the world economy as erratic as it is, such a step is extremely important..."

In Canada, the Ottawa Citizen ran the headline, "Ronald Reagan Ambles Into Role of Western Leader."

Japanese commentators today emphasized the "strong political character" of the summit talks. Some analysts termed the results of the meeting good while others expressed concern about its "attitude of confrontation" with the USSR.

A New U.S.-Japan Relationship?

An NHK television commentator maintained today that in view of the "political character" of the communique and the reconfirmation of U.S.-Japan relations at the Reagan-Suzuki talks, a new relationship linked to the NATO Alliance appeared to have been formed between the United States and Japan. He suggested that as a result of the Ottawa summit Japan would have to make substantial contributions in trade and economic aid.

Fuji television, calling the Ottawa meeting a "Reagan summit," judged that the joint communique was the product of compromise among the Western leaders and that the conference was successful.

"Reagan Was Most Flexible"

Today's moderate Yomiuri said, "President Reagan most certainly led the discussions on both politics and economics. But he was most flexible in his approach and generally was successful in coordinating the views of the Western industrial nations.

"The seven nations agreed on the double strategy of 'confrontation and dialogue' toward the Soviet Union....This combines the U.S. approach of gaining military superiority over the Soviet

Union with the desire of the West European countries to conduct a dialogue at the same time. This seems to us to be a well-balanced strategy."

"Too Much a Strategy Conference Aimed at the Soviet Union"

On the other hand, liberal Asahi wrote today: "We must say that the conference left a great deal of dissatisfaction and uneasiness....It is good for the Western leaders, who share common values on freedom, to strengthen unity and cooperation. But we feel that the character of the Ottawa summit was too much a strategy conference aimed at East-West confrontation....We strongly oppose Soviet military and diplomatic policy as seen in Afghanistan. However, there is no need for Japan to act completely in concert with the United States and European countries."

Australia: "Appears to Have Been Dominated by Reagan"

Sydney's Australian Financial Review today carried a Washington correspondent's observation that "while Mr. Trudeau was on his home turf, the negotiations gave all the appearance of having been dominated by Mr. Reagan and Mr. Schmidt, with the French President, Mr. Mitterrand, also playing an important but very diplomatic role. Fears that Mr. Reagan might not be up to handling a major meeting of world leaders appear to be unfounded."

"Aid to Poor Nations Emerged as Major Theme"

The conservative Sydney Morning Herald today headlined a correspondent report, "President Reagan Gives Star-Spangled Performance." It said: "It was feared in the United States that (Reagan's) homespun, gollygee way of conducting business may not fare too well at the sophisticated level of summitry. The fears were misplaced. Although possessing limited foreign policy experience, President Reagan sailed through the conference."

The report said of the final results of the summit, "The need to increase aid to poor nations emerged as the surprisingly major theme of the seven-nation summit meeting....There were several indications of some softening of the U.S. position."

The nationally circulated Australian said today, "Reagan will continue with his tight monetary policies and Mitterrand will venture forward with the Socialist policies upon which he was

elected. The Europeans will, despite their lip service to 'resist protectionism,' do their best to prevent the Japanese from increasing their exports."

Fiji: "Had Scant Time for Poorer Nations"

Today's Fiji Times of Suva held that the summit ended "without coming out with any clear thoughts on how to tackle the global problems of unemployment, inflation and rampant poverty in many of the third world countries. The seven...were far too preoccupied with their own economic problems and had scant time for the crushing problems of the poorer nations."

Algeria: "Indifference to Third World Problems"

Algiers' Government-owned El Moudjahid on Tuesday termed the summit "A Failure of International Dimensions." It said the seven nations, "unable to come to an understanding over economic and monetary differences, found nothing better to do than confront the Soviet Union and show a contemptible indifference to the serious problems of the third world, which are promised only charity based on the whim of the donor and the political docility of the recipient."

Ivory Coast: "Poor Countries Unable to Organize Economically"

Yesterday's Fraternite-Matin of Abidjan said in regard to the Ottawa meeting, "All told, what strengthens the rich countries --their power to organize their economic interests in a truly communal spirit--is the weakness of the poor countries which are incapable of transcending their superficial differences in order to organize economically."

Mexico: "Willingness to Talk With Underdeveloped World"

Leftist-nationalist Unomasuno of Mexico City yesterday asserted that "the main characteristic of the Ottawa summit seemed to be the industrialized nations' willingness to engage in discussions with the underdeveloped world at the Cancun North-South meetingIt (the summit) also demonstrated the negotiating ability of Japan, Western European and indirectly the third world nations to center attention on North-South dialogue rather than on East-West relations, the latter being the preferred emphasis of the Reagan Administration....It is also significant that this is the first time the United States does not reject 'in principle' the pursuit of a North-South dialogue within the framework of global negotiations."

Leftist-nationalist Excelsior said that "perhaps the most positive aspect of the meeting was the idea of constructive negotiations with developed nations" and the "decision to support the independence and nonalignment of such nations..."

Brazil: "A Step Ahead on North-South Negotiation"

In Brasilia yesterday, independent Jornal de Brasilia noted that President Reagan had agreed "to consider the possibility of participating in the negotiations on a new economic order between rich and poor nations." The paper said that while the final communique "does not fully commit the United States to participate in the negotiations scheduled for October in Mexico, it was considered a step ahead in this sense..."

Pro-Government Correio Braziliense emphasized that the participants at the Ottawa summit "agreed for the first time to begin 'global conversations' with developing countries about increasing their participation in international trade..."

Soviet Union: "'Readiness for Dialogue' Appears Unconvincing"

Moscow's Pravda today ran a commentary on the closing of the Ottawa summit headed "Crushing the Partners," which charged that the United States put "crude pressure" on its allies to force them to follow the "unrealistic, hegemonistic course" of its economic and foreign policies.

The paper asserted that "the political declarations published during the conference show that the Americans were successful in forcing the 'big seven' countries to support at least verbally the adventurist, anti-Soviet course of the White House. In the declarations, the hackneyed thesis about the mythical 'Soviet military threat' is played up, and the sentence about 'readiness for a dialogue and cooperation' with the Soviet Union appears unconvincing and intended only for the deception of world opinion..."

"U.S. Dictated Course of Action"

Yesterday's Government paper Izvestiya carried a Washington correspondent report maintaining that the United States "as demonstrated by the final communique...dictated to its partners a course of action that in general is advantageous and pleasing to Washington."

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CONFIDENTIAL

THE VICE PRESIDENT
WASHINGTON

DECLASSIFIED

Authority NSC/State Waiver
BY Jhr NARA DATE 11/4/2017

April 11, 1981

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Overall Strategy for the Ottawa
Economic Summit (July 19-21)

Because we have a number of different groups involved in doing background work for the upcoming Summit, I thought it would be a good idea to have an overall "game plan" which would define our broad goals and ensure that our preparations are consistent with these goals. To do this, I had a short strategy paper prepared which emphasizes the broad objectives of:

- Keeping the Summit general, with time to discuss the world situation as a backdrop but with the focus on the economic topics,
- Establishing your international leadership position,
- Increasing the understanding of the allies of our new domestic and foreign policies and how our economic policies interact with others, and
- Developing a broad consensus among the Summit partners on some important issues, such as East-West trade, without excessively detailed discussion.

The paper offers a range of possible areas in which we might want to pursue one or two specific agreements at the Summit as a tangible demonstration of progress on the issues and of allied solidarity. We will be working on the specifics over the next couple of weeks.

The strategy paper will be a purely internal U.S. paper. I've circulated a draft of it to the other members of the Cabinet group and your senior White House staff. I do not think there will be any substantial disagreement on the paper, but if there is, I will convene the group to resolve it.

CONFIDENTIAL

CLASSIFIED BY NANCY BEARG DYKE
REVIEW ON APRIL 9, 1987

As you know, background papers for the Summit are being written by various Summit participants. The two most important papers for which the U.S. is primarily responsible deal with East-West economic relations and macroeconomic policy. I plan to have Cabinet-level review of the East-West paper so that we will be sure to have it in shape for the next preparatory meeting of Summit representatives in Paris April 22. The Council of Economic Advisors is developing the macroeconomic paper. The Cabinet Council on Economic Affairs will review that paper prior to circulation abroad.

There are bound to be some issues that other participants will raise; and we will have a better handle on them as the papers by the other countries are circulated and reactions to our papers are received. Of course, the international situation, and therefore the Summit focus, could change rapidly.

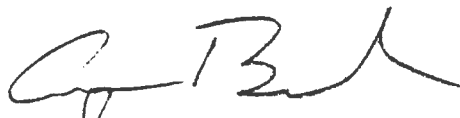
This week Secretary Don Regan came for lunch. He, Ed Meese, and I had a chance to talk about the Summit, and I believe we are in general accord on the approach.

On Thursday, Under Secretary of State-Designate for Economic Affairs Mike Rashish came over. He assures me, from his vantage point at State, that preparations are going forward harmoniously.

Next week Secretary Mac Baldrige will be over to talk about the Summit.

Please let me know if any of this emphasis needs changing.

I'm satisfied with the way the Summit is coming, and I will keep you informed.


George Bush

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THE VICE PRESIDENT
WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President

SUBJECT: Ottawa Economic Summit Preparations

The second preparatory meeting of Ottawa Economic Summit country representatives took place in Paris April 22-24. (Incidentally, the representatives are called "Sherpas" after the Tibetans that frequently act as porters for expeditions to Himalayan mountain summits.) Overall, the meeting went well. Mike Rashish, Under Secretary of State for Economic Affairs, is our Sherpa, and he gave a detailed debrief to my staff, which I would like to pass along to you.

The Ottawa Summit will start Sunday evening, July 19, with a private dinner for the heads of state/government, and then meetings will follow through Tuesday afternoon, July 21. We have been pressing to have the Sunday evening session set aside for general discussions so that you could present the allies with your broad domestic and foreign policy views. This idea was well received at Paris; the allies are very interested in having your thoughts first-hand. Al Haig will draft and coordinate a politically oriented talker for the first evening which will allow you to lay out our new policies and set the tone for the rest of the conference. If necessary, discussions on political issues could be continued the next morning, and also at lunch and dinner Monday.

There was interest in macroeconomic issues, and growing support (especially among the British, Japanese, and Italians) for your supply side economics. Murray Weidenbaum is working on a macroeconomics paper which will present our approach to East-West economic relations issues were not discussed in depth. We did outline our ideas.

Al Haig and others will continue to discuss those ideas with the allies over the next several weeks, and we will provide a formal paper before the next Sherpa meeting June 4-6.

The most contentious issue was the Canadian North-South paper. We do not want this issue to be polemical or overly focused on aid. The Canadian paper puts the emphasis on the responsibility of developed countries to foster development through foreign aid. We resisted that view strongly at Paris, with British and some French support. The other allies appear to be somewhere between us and the Canadians. We will continue to work for a consensus on our position.

All in all, I think preparations are going fine, though much work remains to be done. Agreement is developing to keep the focus general, and on the issues of principal importance to us. You and the other leaders will have ample opportunity to exchange your broad views, which is our primary goal.



THE VICE PRESIDENT
WASHINGTON

May 7, 1981

MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President

CSB

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NAME THE HONORABLE GEORGE BUSH
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SUBJECT OTTAWA ECONOMIC SUMMIT PREPARATIONS
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