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MEMORANDUM

NATIONAL SECURITY COUNCIL

4115 C.F.
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F0006-12
WS

July 9, 1981

INFORMATION

MEMORANDUM FOR RICHARD V. ALLEN
THROUGH: NORMAN A. BAILEY
FROM: HENRY R. NAU
SUBJECT: Ottawa Economic Summit

There is always the danger that conflict, disarray and pessimism will characterize the outcome of the Summit. Some progress was made at the latest preparatory meeting -- no bracketed language on the interest rate issue or World Bank Energy Affiliate (see attached draft communique at Tab A). But serious differences remain on North-South and trade issues. East-West could become more contentious if we announce our opposition to the gas pipeline before or at the Summit. And there are two new governments, the United States and France, whose foreign policies are viewed as uncertain or inadequately formulated.

Unless the President clearly demonstrates that he knows where he is going, that America is leading, and that the other countries have differences with us but accept US leadership, the Summit may not succeed.

The following steps are suggested:

- the President put together the best possible case on his command thusfar of the Congressional process as an indication of his confidence where he is going and his capability to get there [task Stockman and Weidenbaum]
- the President take the initiative to demonstrate his sensitivity to European and Japanese concerns about US economic policies (I have suggested the possibility that he call for a major conference in the fall to highlight international economic recovery in the 1980s. Another possibility is that the President call for a new consultative mechanism, perhaps institutionalizing the role of the personal representatives of the Summit leaders) [task Regan and Haig]
- the President appeal to Trudeau tomorrow to accept the American compromise on global negotiations and not to allow this relatively narrow issue to cause conflict at

NSC #8104115

the Summit. (See attached paper on Global Negotiations and note the two paragraphs 2 in section III of Communiqué.) This is critical, since this issue will be played in the press as US isolated on its hard line position against developing countries (and if we cave, we will pay for it in these Negotiations for the next three years).

- the President consider asking that a definite date be set for the commencement of a new global round of trade negotiations (see attached paper on trade at Tab B). /task Niskanen and Brock/.

These initiatives will have a favorable impact on the press coverage and atmosphere at the Summit. They will divert attention from the assembling clouds of conflict, disarray and pessimism.

GLOBAL NEGOTIATIONS

Trudeau will tell you that the United States is about to be isolated in refusing to agree to launching "global negotiations" between the industrial countries (North) and developing countries (South) at the United Nations this fall. Meeting in Luxembourg on June 29-30, the European Council, which includes among others the heads of governments of UK, Germany, France and Italy, declared that "the preparations for the new round of Global Negotiations should be completed as soon as possible" and that "a positive impetus ... be given to this effect by the Summit Conferences in Ottawa and Cancun." Japan also takes this position.

The present US position is that no decision to participate or do further preparatory work on the agenda and procedures of global negotiations should occur until after the Cancun Summit. We fear that, if the preparatory work for global negotiations is resumed before Cancun, the issues in these discussions will become the dominant issues at Cancun. Trudeau wants the Ottawa Summit to announce the industrial countries' readiness to resume preparatory talks at the UN and to launch the negotiations at an early date. He contends that this is the only way to keep the developing countries from making Global Negotiations the central issue at Cancun.

The United States cannot accept the present terms for launching global negotiations. The developing countries demand that global negotiations exercise central direction over negotiations in the specialized agencies, such as the IMF and the World Bank, by providing guidance and objectives and assigning issues to these agencies. This weakens the role of the specialized agencies which the industrial countries currently control through weighted voting and amounts to a reallocation of decision-making power from the major contributors in these agencies to the borrowers.

Western Europe and Japan are relaxed about the dangers of such a UN gabfest because the Global Negotiations will operate on the basis of consensus and they count on the United States to take the onus for standing up and saying "no" to outrageous demands while they whisper sympathetic regret to the developing nations.

By holding out through the Cancun meeting, we have the best chance of turning the discussion away from these procedural and institutional issues to more substantive and meaningful aspects of our relations with developing countries. We seek to leave open the possibility that a good atmosphere at Cancun may alter the issues on which we are presently deadlocked in the Global Negotiations or perhaps even lead to widely acceptable, alternative forums to Global Negotiations.

~~CONFIDENTIAL~~

July 9, 1981

DRAFT

DECLARATION OF THE OTTAWA SUMMIT

JULY 20 AND 21, 1981

DECLASSIFIED

Authority NSE/state Waivers

BY dlr NARA DATE 11/1/2019

I INTRODUCTION

1. We met at a time of intense change and challenge, with serious economic difficulties and increased international political dangers confronting our societies, and all countries of the world, both developed and developing. For several of us, it was the first occasion to meet each other, and for us all it served to underline the strength of our common bonds -- of values, of interests, and of aspirations.

2. As leaders of major industrial democracies, we welcomed this opportunity to consult on global economic issues. In the years since the first Summit meeting in 1975, our countries have encountered persistent and deep-seated economic problems. The realities of interdependence require that we tackle these problems in a spirit of shared responsibility, both among ourselves and with our partners throughout the world, and that we take into account the effects on others of policies we pursue. In shaping our long-term economic policies, care should be taken to preserve the environment, ecology and resource bases of our plant.

3. We also recognize that economic issues both reflect and affect the broader political purposes we share. We have therefore discussed the relationship between the two overriding

concerns before our countries: the challenge to world economic progress and the challenge to world peace.

II THE ECONOMY

1. The primary challenge we addressed at this meeting was the revitalization of the economies of the industrial democracies. In the year since the Venice Summit, the adjustment to the energy price rise of 1979 has in important respects been better managed than was the case in the middle 70s. The fight against inflation has been pursued with determination and the average rate of inflation has fallen. Energy use and oil dependence have been reduced. Growth in the two years 1980 and 1981 will be higher on an average than in 1974 and 1975 in the industrial countries, while inflation is likely to be lower. Growth has been better maintained in the developing countries than in the industrial countries. The large balance of payments deficits which the energy price increase produced have so far been financed at substantial cost in both developed and developing countries but without imposing intolerable adjustment burdens.

2. On the other hand, the experience of individual countries has differed within this broad picture. In four of our seven countries, inflation remains in double figures. In many countries, unemployment has risen sharply and is still rising. There is a prospect for moderate growth in the coming year but at present it promises little early relief from unemployment. Balance of payments surpluses and deficits originating in the

rates have reached record levels in many countries. If long sustained at these levels, they would threaten productive investment and impose heavy burdens, particularly on deficit countries, developed and developing.

3. We are agreed that the fight to bring down inflation and reduce unemployment must be our highest priority. We are agreed too that these linked problems must be tackled at the same time. We must continue to reduce inflation if we are to secure the higher investment and sustainable growth which are necessary preconditions of the durable recovery of employment. To reduce unemployment and to improve the ability of our economies to adapt to change requires the balanced use of a range of policy instruments. We have to convince our peoples, especially the social partners, of the need for change: change in expectations about pay and conditions, and about the policy environment in which decisions on both pay and prices have to be made, change in management and labour practices, change in the pattern of industry, change in the direction and scale of investment, and change in energy use and supply.

4. We need urgently to reduce public borrowing; but where our circumstances permit or we are able to make changes within the limits of our budgets, we will increase support for productive investment and innovation. We have also to accept and strengthen the application of market disciplines throughout the economy, including heavy reliance on the price mechanism

to conserve energy. And we must not let transitional measures that may be needed to ease change become permanent forms of protection or subsidy.

5. We see low and stable monetary growth as essential to reducing inflation. Interest rates have to play their part in achieving this and are likely to remain high where fears of inflation remain strong. But we are acutely aware that levels and movements of interest rates in one country can make more difficult stabilization policies in other countries by influencing their exchange rates and their economies. For these reasons, as much reliance as possible should be placed on restraint in government expenditure and containment of budgetary deficits. It is also desirable to minimize volatility of interest rates and exchange rates.

6. In a world of strong capital flows and large deficits it is in the interests of all that the financial soundness of the international banking system and the international financial institutions be fully maintained. We welcome the expanded role of the IMF in financing balance of payments deficits on terms which encourage needed adjustment.

III RELATIONS WITH DEVELOPING COUNTRIES

1. We support the stability, growth, independence and genuine non-alignment of developing countries. We recognize the reality of interdependence and reaffirm our commitment

to cooperate and to strengthen our relations with developing countries in a spirit of mutual interest, respect and benefit. We look to them to play a full part in the international system commensurate with their capabilities and responsibilities and to become more fully integrated in it.

2. We look forward to constructive and substantive discussions with them, individually and multilaterally, particularly at the Cancun Summit. We reaffirm the positive spirit we expressed at Venice towards the prospect of Global Negotiations, subject to mutually satisfactory agreement on procedures and agenda, and are willing to participate as soon as possible in efforts to reach an agreed basis for the launching of such Negotiations. (Supported by other Summit countries).

OR

2. We look forward to constructive and substantive discussions with them, individually and multilaterally. The Cancun Summit offers an early opportunity to address our common problems in a new light. Further, recalling the positive spirit expressed at Venice towards the prospect of Global Negotiations, subject to mutually satisfactory agreement on procedures and agenda, we reaffirm our willingness to explore all avenues of consultation and international cooperation with developing countries in whatever forums may be necessary. (Supported by the US.)

3. We are deeply conscious of the serious economic problems in many developing countries, and the grim poverty faced

especially by the poorer among them. We remain ready to support their efforts to promote economic and social development since these efforts are vital to their success.

4. We are committed to maintaining substantial and, in many cases, growing levels of ODA, and will seek to increase public understanding of this policy. We will allocate the major portion of our aid to poorer countries and we will participate actively in the United Nations Conference on the Least Developed Countries. It is important to emphasize that strengthening our own economies, increasing access to our markets, and removing impediments to nonconcessional and private capital flows contribute much larger amounts of needed resources and technology to developing countries and thereby complement official aid.

5. The Soviet Union and its partners, whose contributions are meagre, should make more development assistance available, and take a greater share of exports of developing countries, while respecting their independence and non-alignment.

6. We support the crucial role played by the International Financial Institutions. We will maintain a strong commitment to those bodies, and work to ensure that they have, and use effectively, the financial resources necessary for carrying out their important responsibilities and for encouraging sound policies in member countries.

7. We attach high priority to the resolution of the problems created for the non-oil developing countries by the damaging effects on them of high costs of energy imports following the two oil price shocks. The surplus oil-exporting countries have, with us, a large stake in the resolution of these problems. We call on them further to broaden their valuable efforts to finance development in non-oil developing countries, especially in the field of energy. We stand ready to co-operate with them for this purpose and to explore with them, in a spirit of partnership, possible mechanisms, such as those being examined in the World Bank, which would take due account of the importance of their financial contributions. A favorable climate for energy exploration and investment in non-oil developing countries is indispensable. We will work for practical achievements at the forthcoming UN Conference on New and Renewable Sources of Energy.

8. In view of our concerns about food shortages and malnutrition, we recognize the importance of accelerated food production in the developing world and of greater world food security; and the need for developing countries to pursue sound agricultural and food policies. We will examine ways to make increased resources for assistance available for these purposes. We welcome the emphasis being given to food-related issues within multilateral institutions, including the new facility in the IMF.

9. We recognize the need for many developing countries to deal with problems of excessive population growth, in ways sensitive to human values and dignity; and to develop human resources, including technical and managerial capabilities. We will place greater emphasis on international efforts in these areas.

IV TRADE

1. We reaffirm our strong commitment to maintaining liberal trade policies and to the effective operation of an open, multilateral trading system as embodied in the GATT. We will work together to strengthen it further in the interest of all trading countries. We reiterate our intention to implement the agreements reached in the Multilateral Trade Negotiations and invite other countries, particularly developing countries, to join in these mutually beneficial trading arrangements.

2. Over time, any protectionist measure, whether in the form of overt or hidden trade restriction or in the form of subsidies to prop up declining industries, will not only undermine the viability and dynamism of our economies but also aggravate inflation and unemployment. While we have been generally successful in resisting the growing protectionist pressures, we shall redouble our efforts to avoid the erosion of the open, multilateral trading system and to seek positive structural adjustment to the changing global economic environment.

3. Accordingly, we see the need to take new initiatives in the field of international trade to give a new political

impetus to the strengthening of the open and multi-lateral trading system. We welcome the proposal by the Consultative Group of Eighteen that the GATT CONTRACTING PARTIES should envisage the convening of a meeting at Ministerial level during 1982. Bearing in mind in particular the need further to integrate the developing countries into the world economy, we will be prepared to cooperate with others in assuring the implementation of the results of the Tokyo Round, and in analyzing both the issues confronting the trading system and the trends and opportunities likely to emerge in the 1980s. We will also work together with the other OECD countries in their program of study to examine trade issues.

4. We will keep under review the role played by our countries in the smooth functioning of the multilateral trading system, with particular emphasis on the need to maximize the openness of markets (while allowing for the safeguard measures provided for in the GATT) or (Disruption by the concentration of exports on specific markets and in narrow sectors should be avoided through appropriate international cooperation. Within the framework of this cooperation and according to internationally established rules, a timely industrial adjustment should be sought.)

5. We endorse the accelerated efforts to conclude by the end of this year an agreement to reduce the subsidy effects of official export credit schemes, since an unbridled export credit race will bring about distortion of trade.

V. ENERGY

1. At Venice we set the objective of breaking the link between economic growth and oil consumption by effecting fundamental structural change in our energy economies. That change is now underway. But our countries continue to be vulnerable and energy supply remains a potential constraint to revived economic growth over the decade. We must accelerate the development and use of all our energy sources, both conventional and new, promote energy efficiency and replace oil by other fuels. To these ends we will continue to rely heavily on market mechanisms, supplemented as necessary by government action.

2. We are confident that, with perserverance, our goals for the decade can be achieved. We will continue to watch progress closely. In the meantime, our capacity to deal with short-term oil market problems should be improved, particularly through the holding of adequate levels of stocks.

3. In many countries, progress in constructing new nuclear facilities is disappointly slow. We recognize concerns about safety, health, nuclear waste management and non-proliferation but are convinced that these concerns can and will be met. We intend, in each of our countries, to encourage public acceptance of nuclear energy. We will further our efforts in the development of advanced technologies and in spent fuel management.

4. We will also take steps to realize the potential for economic production, trade and use of coal; this could include removal of impediments, and an improvement in the climate which would favor the conclusion of long-term arrangements between buyers and sellers. We will do everything in our power to ensure that increased use of coal does not damage the environment.

5. The successful implementation of our energy strategy will contribute significantly to the health of the global economy. We look forward to improved understanding and cooperation with the oil exporting countries.

VI. EAST-WEST ECONOMIC RELATIONS

We also reviewed the significance of East-West economic relations for our political and security interests. We

recognized that there is a complex balance of political and economic interests and risks in these relations. We concluded that continuing consultations and (where appropriate) coordination are necessary to ensure that, in the field of East-West relations, our economic policies continue to be compatible with our political and security objectives, for example in such areas as strategic trade controls and the need to guard against the risks of becoming vulnerable to dependence on Eastern resources and markets.

VII. CONCLUSIONS

1. This and earlier Economic Summits confirm our conviction that our common problems can be resolved only through close consultation and cooperation. The resources of our democratic, free societies are equal to the tasks we face. This Summit finds us more united than ever in our perception of shared concerns and in our attachment to our common values and goals. We shall move forward together and with all countries ready to work with us in a spirit of cooperation and harmony. In order to ensure the greatest possible degree of concertation of our approaches to the fundamental problems which we all face, we intend between now and the next meeting to maintain continuing contact with each other (both directly and through our Personal Representatives) or (with a view to agreeing how consultation and cooperation can be made even closer).

The President's Objectives on Trade Issues

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Authority NSC/Staff 1, 1/1/89

BY ~~dk~~ NARA DATE 11/1/89

The objective here is to give some long-term direction to trade discussions that will act to contain short-term protectionist pressures that threaten to unravel the post-war international trading system. The OECD Ministerial two weeks ago, initiated a process whereby trade issues will be taken up by a GATT Ministerial sometime in 1982. At this point, however, there is no clear sense of the goals which these discussions will seek to achieve in the course of this decade. Thus, the President might seek to focus the trade discussion at the Summit on the question of long-term goals. This would cast him in a position of genuine leadership on the trade issue (which sorely needs leadership at this point) without involving immediate political costs on the domestic side. Moreover, if the economic program succeeds, these political costs themselves will be reduced. Hence, the question should be raised now what are our trade goals for this decade assuming industrial world recovery? The President could ask if the following goals seem appropriate.

a. An agreement that a new round of trade negotiations such as Prime Minister Suzuki has suggested, should be launched no later than the end of 1983. This goal would establish a useful political deterrent to the protectionist backsliding that may occur over the next year or two. The prospect of a new round of trade negotiations has served this purpose in the past.

b. Agreement that the liberalization effort in the 1980s, while following through on tariff and non-tariff agreements in the manufacturing sector, should shift decisively to new areas such as services and investment-related trade issues.

c. Agreement that trade negotiations in the 1980s must deal directly and on a priority basis with the problems of developing countries. The objectives in this area should be twofold: 1) the acceptance by industrial and developing countries of reciprocal obligations to adhere to the openness and discipline of the international trading system. This implies that as more advanced developing countries graduate and accept their obligations under GATT, the industrial countries will dismantle the restrictions imposed in the 1970s on the key exports of these countries. This type of commitment need not interfere with the current renegotiation of the multifiber agreement. On the other hand it does establish a long-term goal in which the U.S. and other governments commit themselves to sunset this agreement by the end of this decade. 2) Acceptance and implementation of the concept

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of differentiation for other developing countries, giving these countries special advantages and incentives to participate in the international trading system. This goal is consistent with the Reagan Administration's emphasis on trade and investment as principle mechanisms for development. We should have some interest, therefore, in departing from MFN considerations and using foreign aid monies to assist the middle-income and poorer developing countries to get a start in the international trading system. Such differentiation is already implied in the proposed Caribbean Basin Plan.

By raising questions about long-term goals in the trade area, the President shifts the focus somewhat away from immediate controversies. The most immediate controversy is EC complaints about Japanese export strategies and import barriers. While the U.S. shares some of these concerns, it is essential that the President reject any attempt to isolate the Japanese on the trade issue. Indeed, the best way to handle this problem is to keep the Japanese out in front on the trade issue as was done during the Summit preparations. The Japanese had principal responsibility for drafting the trade paper. It may be useful to have the Japanese take responsibility for any follow-up of the Summit in the trade area. This could be done by picking up on Suzuki's suggestion of another global round of trade negotiations.

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TO ALLEN

FROM NAU

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MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 14, 1981

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MS

MEMORANDUM FOR MURRAY L. WEIDENBAUM

FROM: RICHARD V. ALLEN *Allen*

SUBJECT: Interest Rates (at Ottawa)

Murray --

Thanks very much for the interesting memo on Japanese/
German intentions re interest rate discussions (or lack
thereof) at Ottawa.

NSC #8104142

NSC #8104276

4276

10 JUL 1981

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

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Authority: NSC Waiver
BY: dlr NAC/DATE: 11/1/2019

July 10, 1981

CONFIDENTIAL

MEMORANDUM FOR RICHARD ALLEN

FROM: Murray L. Weidenbaum *MW*

Subject: Interest Rates at Ottawa

Two interesting pieces of intelligence on the subject of interest rates at Ottawa:

- o A representative of the Japanese Embassy volunteered to my special assistant this week that the Japanese government did not want to have U. S. interest rates discussed at Ottawa.
- o A Federal Reserve board member was told by a German official quite flatly that his government did not wish to have interest rates discussed.

aha!
(ah, so...)

Spencer

cc: Richard Darman
Secretary Alexander Haig

NOTE

*Money - very much
for the interesting news
on Japanese/German relations
re interest rate discussions
(or lack thereof) at
Ottawa.*

dlr

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TO ALLEN

FROM WEIDENBAUM, M

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KEYWORDS: OTTAWA SUMMIT

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SUBJECT: DISCUSSION OF INTEREST RATE AT OTTAWA SUMMIT

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White House Guidelines, Sept. 11, 2006
BY NARA DATE 11/12/19

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TAGS: PPDC, UK

SUBJECT: PRESIDENTIAL MESSAGE TO PRIME MINISTER THATCHER, *Margaret*

1. PLEASE DELIVER THE FOLLOWING MESSAGE TO PRIME MINISTER THATCHER FROM PRESIDENT REAGAN:

BEGIN TEXT:

DEAR MARGARET:

I WAS DELIGHTED TO BE WITH YOU AGAIN AT MONTEBELLO. YOU PLAYED SUCH AN IMPORTANT ROLE IN OUR DISCUSSIONS. WE MIGHT STILL BE DRAFTING THE COMMUNIQUE IF IT WERE NOT FOR YOU.

NANCY THOROUGHLY ENJOYED THE FESTIVITIES OF THE ROYAL WEDDING. CERTAINLY, MY THOUGHTS WERE WITH YOU AND THE PEOPLE OF GREAT BRITAIN ON THAT MEMORABLE OCCASION.

I LOOK FORWARD TO THE CLOSEST POSSIBLE RELATIONS BETWEEN OUR TWO COUNTRIES. YOU KNOW, OF COURSE, THE ESTEEM IN WHICH I HOLD OUR PERSONAL FRIENDSHIP.

SINCERELY,

(SIGNED) RON

END TEXT.

2. SIGNED ORIGINAL OF LETTER TO FOLLOW BY POUCH.

SIT: COL JP VP
MOB: RENT
WHR COMMENTS:

*Meeting in Montebello
Mrs Reagan at the Royal Wedding*

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Margaret

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Washington, D.C. 20520

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WS

July 7, 1981

MEMORANDUM FOR MRS. NANCY BEARG DYKE
THE WHITE HOUSE

Subject: Ottawa Summit Preparations

The attached provides a report on the preparatory meeting of political advisors for the Ottawa Summit, July 5-6.

Handwritten signature
L. Paul Bremer, III
Executive Secretary

Attachment: Summary of Discussions at Preparatory Meeting in Ottawa

July 21, 1997
11/20/19

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Authority State Waiver
BY dr NARA DATE 11/1/2019

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E.O. 12958, categorized
DATE 11, 2008

POLITICAL DISCUSSIONS AT THE OTTAWA SUMMIT

SUMMARY

Although the Personal Representatives are still discussing economic topics in Ottawa, the political advisors have concluded their July 5-6 meeting. The following reports on that meeting and indicates next steps.

GIST OF PREPARATORY MEETING ON POLITICAL DISCUSSIONS

1. Consensus on talks. All agree that there should be political discussions at Ottawa. Schmidt has told Trudeau he wants more time devoted to political issues. Although the French reps had no instructions, they participated in discussion of political communique language. The Japanese, though nervous about public reference to political talks, do want such discussions. The UK, Italy and Canada share US view.

2. Topics for discussion. Though no Summit-nation representative has asked for a formal political agenda or political initiatives, the Canadians did propose some topics that could be addressed generally by heads of state/government and more specifically by foreign ministers. Their list is at Tab 1. On terrorism, which will be addressed by foreign ministers, we remain stuck with the language devised by the last experts' meeting -- with the French refusing to agree to sanctions against Afghanistan and all others (including the FRG) prepared to put teeth into the Bonn Declaration if consensus is achieved. In addition, there might be a Contact Group meeting of foreign ministers on Namibia.

3. Bilaterals. There was only informal discussion on the margins of the Ottawa preparatory meeting. A Bremer/Allen, under separate cover, discusses possible timing, US objectives, and other country concerns. Of most note, our political rep found the Japanese reluctant to promote a bilateral because our relations are in "tactical disarray." However, because of special concerns the Japanese raised about East-West economic relations (also a major concern with the FRG) -- which may necessitate our softening the East-West trade language in the communique -- the change in US arms sales policy for the PRC, and regional security, a bilateral with the Japanese would be useful. Given the shortness of time, we need White House decisions on bilaterals quickly. TNF was noted by both FRG and Italian reps as the highest-priority topic for possible bilaterals.

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4. Schedule. The Canadians stressed that Trudeau wants informal talks and that the leaders themselves will decide what they want to discuss and when. Allan Gotlieb, Canada's Personal Representative, did, however, suggest a tentative schedule (Tab 2). The UK suggested that the leaders decide at the Sunday dinner how they want to proceed with the rest of the Summit and what the foreign ministers should take up separately, so that valuable time is not lost on Monday morning and that there is more focus to Foreign Ministers' political talks. The US team suggested several possible modifications for the Canadians and others to consider, as follows:

- Have the leaders and foreign ministers lunch together on Monday -- perhaps with some discussion of political issues, rather than holding political talks late Monday night or at a possible Tuesday breakfast.
- Hold discussions on East-West economic issues before talks on North-South and energy.

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-- East-West

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- Southeast Asia (especially Kampuchea)

-- Problem areas (Underlined language added at US suggestion)

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- Refugees
- Law of the Sea
- Crisis Management

Schedule Proposed by Canadians

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- 19:30: Dinner for seven heads of state/government
No notetakers
Stress on getting acquainted and having informal exchange of views
Foreign and Finance Ministers have separate dinners

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- Mid-morning: Formal beginning of conference
--Foreign and Finance Ministers join leaders
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Possible political talks after concert

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- Breakfast: Possible political talks
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- Requirement for close consultation
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FROM: LPBremer B/S 22540 7224
(Officer name) (Office symbol) (Extension) (Room number)

MESSAGE DESCRIPTION Bremer/Dyke memo re Ottawa Summit Preparations.

TO: (Agency) DELIVER TO: Extension Room No.

Nancy Bearg Dyke

Richard Allen

Nance Col Poindexter Leinz Nau

FOR: CLEARANCE INFORMATION PER REQUEST COMMENT

REMARKS: _____

S/S Officer: LPBremer

[Handwritten signature]



DEPARTMENT OF STATE

8120372

Washington, D.C. 20520

July 7, 1981

MEMORANDUM FOR MRS. NANCY BEARG DYKE
THE WHITE HOUSE

Subject: Ottawa Summit Preparations

The attached provides a report on the preparatory meeting of political advisors for the Ottawa Summit, July 5-6.

L. Paul Bremer, II
L. Paul Bremer, II
Executive Secretary

Attachment: Summary of Discussions at Preparatory Meeting in Ottawa

DECLASSIFIED

Dept. of State (Confidential), July 21, 1997
BY *dh* DATE *11/1/2019*

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GDS 7/7/87

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State Waiver

BY JA NARA DATE 11/1/2019

POLITICAL DISCUSSIONS AT THE OTTAWA SUMMIT

SUMMARY

Although the Personal Representatives are still discussing economic topics in Ottawa, the political advisors have concluded their July 5-6 meeting. The following reports on that meeting and indicates next steps.

GIST OF PREPARATORY MEETING ON POLITICAL DISCUSSIONS

1. Consensus on talks. All agree that there should be political discussions at Ottawa. Schmidt has told Trudeau he wants more time devoted to political issues. Although the French reps had no instructions, they participated in discussion of political communique language. The Japanese, though nervous about public reference to political talks, do want such discussions. The UK, Italy and Canada share US view.

2. Topics for discussion. Though no Summit-nation representative has asked for a formal political agenda or political initiatives, the Canadians did propose some topics that could be addressed generally by heads of state/government and more specifically by foreign ministers. Their list is at Tab 1. On terrorism, which will be addressed by foreign ministers, we remain stuck with the language devised by the last experts' meeting -- with the French refusing to agree to sanctions against Afghanistan and all others (including the FRG) prepared to put teeth into the Bonn Declaration if consensus is achieved. In addition, there might be a Contact Group meeting of foreign ministers on Namibia.

3. Bilaterals. There was only informal discussion on the margins of the Ottawa preparatory meeting. A Bremer/Allen, under separate cover, discusses possible timing, US objectives, and other country concerns. Of most note, our political rep found the Japanese reluctant to promote a bilateral because our relations are in "tactical disarray." However, because of special concerns the Japanese raised about East-West economic relations (also a major concern with the FRG) -- which may necessitate our softening the East-West trade language in the communique -- the change in US arms sales policy for the PRC, and regional security, a bilateral with the Japanese would be useful. Given the shortness of time, we need White House decisions on bilaterals quickly. TNF was noted by both FRG and Italian reps as the highest-priority topic for possible bilaterals.

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4. Schedule. The Canadians stressed that Trudeau wants informal talks and that the leaders themselves will decide what they want to discuss and when. Allan Gotlieb, Canada's Personal Representative, did, however, suggest a tentative schedule (Tab 2). The UK suggested that the leaders decide at the Sunday dinner how they want to proceed with the rest of the Summit and what the foreign ministers should take up separately, so that valuable time is not lost on Monday morning and that there is more focus to Foreign Ministers' political talks. The US team suggested several possible modifications for the Canadians and others to consider, as follows:

- Have the leaders and foreign ministers lunch together on Monday -- perhaps with some discussion of political issues, rather than holding political talks late Monday night or at a possible Tuesday breakfast.
- Hold discussions on East-West economic issues before talks on North-South and energy.

5. Communique. The US proposed political language for the communique -- in the introductory chapeau, the conclusion and a possible separate political section. After we got tentative agreement on language (major themes at Tab 3) the first day of the political advisors' meeting, the Japanese pulled back, saying that Tokyo considered any separate political section in the communique "totally unacceptable." The political meeting concluded with the ad ref agreement (1) that we would keep a brief general reference to political concerns in the chapeau and conclusion and (2) that the Canadians would draw on discussion at the preparatory meeting and language tabled for the political section for a "chairman's summary" that Trudeau might issue as a press statement late Monday (July 20). Embassy Ottawa will dispatch that draft as soon as available.

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