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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

Withdrawer

DLB 1/23/2007

File Folder CANADA (09/22/1981-12/31/1981)

FOIA

F1554

Box Number 12

TAMMY NEMETH

8

| ID | Doc Type | Document Description | No of Pages | Doc Date | Restrictions |
|-------|----------|---|-------------|-----------|--------------|
| 32750 | CABLE | #220455Z SEP 81 R 12/7/2007 NLRRF1554 DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233 | 4 | 9/22/1981 | B1 |
| 32751 | CABLE | #221414Z SEP 81 R 12/7/2007 NLRRF1554 | 3 | 9/22/1981 | B1 |
| 32752 | CABLE | #222151Z SEP 81 R 12/7/2007 NLRRF1554 | 5 | 9/22/1981 | B1 |
| 32753 | MEMO | RICHARD ALLEN TO THE PRESIDENT, RE: CANADIAN CABINET SHELVES NEW FIRA LEGISLATION R 12/7/2007 NLRRF1554 | 1 | 9/23/1981 | B1 |
| 32754 | MEMO | DICK ALLEN TO ED MEESE, RE: CLEARANCE PROCEDURES FOR DEALING WITH U.S.-CANADIAN ISSUES R 12/7/2007 NLRRF1554 | 1 | ND | B1 |
| 32755 | MEMO | RUTHERFORD POATS THUR NORMAN BAILEY TO RICHARD ALLEN, RE: TRILATERAL TRADE MEETING AND US- CANADIAN CONFRONTATION R 12/19/2011 F1554/1 | 3 | 9/23/1981 | B1 |

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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| ID | Doc Type | Document Description | No of Pages | Doc Date | Restrictions |
|-------|----------|---|-------------|------------|--------------|
| 32756 | MEMO | DUPLICATE OF #32744; RUTHERFORD POATS THRU NORMAN BAILEY TO RICHARD ALLEN, RE: TRADE POLICY CONFLICT WITH CANADA <i>R 12/19/2011 F1554/1</i> | 1 | 9/8/1981 | B1 |
| 32757 | MEMO | RUTHERFORD POATS TO RICHARD ALLEN, RE: TRADE POLICY COMMITTEE, JULY 24 <i>R 12/7/2007 NLRRF1554</i> | 1 | 7/24/1981 | B1 |
| 32758 | MEMO | RUTHERFORD POATS THRU NORMAN BAILEY TO RICHARD ALLEN, RE: TRADE POLICY COMMITTEE, AUGUST 7, 1981 <i>R 12/7/2007 NLRRF1554</i> | 1 | 8/7/1981 | B1 |
| 32759 | PAPER | U.S. TRADE STRATEGY TOWARD JAPAN <i>R 12/7/2007 NLRRF1554</i> | 4 | ND | B1 |
| 32760 | MEMO | RUTHERFORD POATS THRU NORMAN BAILEY TO RICHARD ALLEN, RE; TRILATERAL TRADE MEETING <i>R 12/7/2007 NLRRF1554</i> | 1 | 8/27/1981 | B1 |
| 32761 | CABLE | #021640Z OCT 81 <i>R 12/7/2007 NLRRF1554</i> | 1 | 10/2/1981 | B1 |
| 32762 | CABLE | #232037Z OCT 81 <i>R 12/7/2007 NLRRF1554</i> | 1 | 10/23/1981 | B1 |

Freedom of Information Act - [5 U.S.C. 552(b)]

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| ID | Doc Type | Document Description | No of Pages | Doc Date | Restrictions |
|-------|----------|---|-------------|------------|--------------|
| 32763 | CABLE | #2815555Z OCT 81 R 12/7/2007 NLRRF1554 | 2 | 10/28/1981 | B1 |
| 32764 | CABLE | #182202Z NOV 81 R 12/7/2007 NLRRF1554 | 2 | 11/18/1981 | B1 |
| 32765 | CABLE | #252208Z NOV 81 R 12/7/2007 NLRRF1554 | 1 | 11/25/1981 | B1 |
| 32766 | CABLE | #182057Z DEC 81; LETTER - REAGAN TO TRUDEAU R 12/7/2007 NLRRF1554 | 1 | 12/18/1981 | B1 |
| 32767 | CABLE | #241733Z DEC 81 R 12/7/2007 NLRRF1554 | 1 | 12/24/1981 | B1 |

Freedom of Information Act - [5 U.S.C. 552(b)]

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32755

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

ACTION

September 23, 1981

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN BAILEY *MB*

FROM: RUTHERFORD POATS *RP*

SUBJECT: Trilateral Trade Meeting and US-Canadian
Confrontation (U)

AK
10/26/81

I assume that you, Secretary Haig and Ambassador Brock will meet shortly to try to reconcile conflicting views on how to deal with Canada on current trade and investment issues and with the EC and Japan on prospective trade issues. This memorandum provides background and suggestions for this meeting. (C)

Strategy

Two strategic questions need to be answered:

1 - Should we play hard-ball with Canada in trying to check or roll back its nationalistic trends in investment and trade policy, using threats of trade sanctions and legislative reprisals? Is exclusion of Canada from the inner circle of the industrial world's trade policy-makers a productive way of softening up Canadian political leaders for our bilateral showdown? Is the planned confrontation over trade/investment issues likely to jeopardize other important US-Canadian cooperation? (C)

2 - Should we pursue or drop Brock's initiative to convene an informal trilateral meeting of the US, EEC Commission and Japanese trade policy chiefs to seek greater convergence of views on the emerging trade problems of the 1980s? If, as Japan has already suggested, the agenda of such a discussion must avoid any implication that an elite group is determining themes of the 1982 GATT ministerial meeting, and the EEC or Japan exclude some sensitive sectoral issues, what residual purpose would justify proceeding with the meeting? ~~These~~ These were the issues Macdonald wanted to discuss with you, per my memoranda of September 8 and 17 (Tabs I and II). (C)

As I reported July 24 and August 7 (Tabs III and IV), Trade Policy Committee meetings on those days dealt with the design of a comprehensive response to Canada's existing and pending

~~CONFIDENTIAL~~

Review on
September 23, 1987

DECLASSIFIED

NLRR F1554 #32755

BY RW NARA DATE 12/19/11

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

2

departures from OECD and GATT-prescribed non-discriminatory treatment of US investment and trade interests. A wrap-up paper was to be staffed out and put to a TPC meeting soon after Brock returned from the Far East, in preparation for a Brock visit to Ottawa in late September. Meanwhile, we would let the Canadians know that the US was seriously disturbed by Canada's nationalistic course and was considering reprisals. The paper is behind schedule, and Brock has not yet received confirmation of his requested appointments with Minister Gray and others. (C)

State (Rashish and Hormats) and I supported this tactical plan at the TPC meetings, subject to review of the individual pieces of the brief that Brock would take to Ottawa. (C)

In early August, Brock and Dave Macdonald conceived of the trilateral US-EEC-Japan consultative meeting among trade ministers, and they sprang it on the Japanese and EEC without clearing the idea with State, Commerce, Treasury or NSC. Macdonald justified the proposal as means of getting a candid dialog going among those three ministers on how to avert looming protectionist moves in sectors (steel, chemicals, high technology goods) of primary concern to the major industrial powers, and how to revive momentum toward further trade liberalization through an ambitious agenda for the 1982 GATT ministerial. He insisted that no "ganging up" on Japan was intended. Such consultations could be held bilaterally, he acknowledged, but a trilateral session might produce some helpful synergism. (C)

Brock and Macdonald ruled out Canadian participation because Canada is no ally on the subject of trade liberalization, lately behaving more like an LDC; moreover, they thought Canada's exclusion might have a shock effect that would assist our coming confrontation in Ottawa over bilateral trade and investment issues. The exclusion of Canada was not challenged by Rashish and Hormats or by me (as reported in my August 27 memorandum). (C)

We did question the wisdom of Brock's basic idea of initiating trilateral consultations because they might diminish rather than support the GATT and OECD. I urged, and Haig insisted, that Brock not press the idea when he was in Tokyo but, rather, give the Japanese a free choice of saying no or of amending Brock's agenda. Brock carried out this instruction when he went to Tokyo in early September. It was left to Macdonald and his Japanese counterparts (now defined as MFA and MITI vice ministers) to decide whether a worthwhile agenda could be agreed during the mid-September sub-cabinet meetings here and subsequent contacts with the EEC. When it became clear that MFA and MITI were opposed to a broad, GATT-related agenda, but not ready to make a Japanese proposal, Macdonald suggested and they acceded to a further agenda-drafting session on September 24 in Chicago among Denman (EEC), the appropriate Japanese, and himself. (C)

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Thus, the proposed Chicago meeting was arguably consistent with Haig's guidance, which had left USTR free to try to arrange a mutually agreeable trilateral meeting. (C)

You know the rest of the story: your and Fuller's intervention in response to Peter Towe's complaint yesterday, Brock's reaction, and the conversion of the Chicago meeting to a dinner, excluding Canada. (C)

I expect the Chicago dinner discussion to yield so pallid an agenda and unenthusiastic acceptance that an already questionable idea will be recognized even by its authors as no longer worth pursuing. I always have doubted that we could make much progress at a trilateral meeting on our big issues with the EEC and Japan: opening their markets in high technology goods, rolling back the Common Agricultural Policy subsidies, and undoing Japan's subtle exclusions of Western goods. These are more susceptible to broader community pressures in the OECD and GATT or bilateral and covert pressures. In any event, Japan or the EEC will veto some of these topics. Japan's veto of an effort in the trilateral meeting to concert positions on the GATT trade liberalization agenda for the 1980s eliminates the most promising function of the meeting. (C)

As to the hard-ball treatment of Canada, I am not clear from second-hand accounts as to whether your discussion with Towe overturned Brock's plan to exclude the Canadians from a trilateral ministerial meeting, if one is held. If that is the present situation, we need to take a different look at the agenda of the quadrilateral meeting, so as to use the meeting to bring multi-lateral, institutional pressures on Canada. Of course, if the Chicago discussions indicate a tendency or consensus to scrap the whole idea of a trilateral or quadrilateral meeting, your meeting with Haig and Brock should bury the idea and concentrate on getting assurances that Brock will have a precisely defined and cleared brief before he launches the Canadian campaign. (C)

Jim Rentschler concurs.

RECOMMENDATION

That you arrange an early meeting with Haig and Brock and resolve the strategic questions posed in this memorandum, requiring strong justification of any trilateral or quadrilateral meeting and firm arrangements for White House approval of Brock's Canadian campaign.

Approve _____

Disapprove _____

5 Attachments

- Tab I Memo to RVA fr Poats, Sep 8, 81
- Tab I Memo to RVA fr Poats, Sep 17, 81
- Tab III Memo to RVA fr Poats, Jul 24, 81
- Tab IV Memo to RVA fr Poats, Aug 7, 81
- Tab V Memo to RVA fr Poats, Aug 27, 81

~~CONFIDENTIAL~~

ACTION

September 8, 1981

32756

MEMORANDUM FOR RICHARD W. ALLEN

THROUGH: NORMAN BAILEY *NB*

FROM: RUTHERFORD POATS *RP*

SUBJECT: Trade Policy Conflict with Canada (U)

Bill Brock plans to go to Canada next week and serve notice that the United States will take retaliatory action if Canada proceeds with discriminatory elements of its investment and energy policies. He has been authorized by the Trade Policy Committee to spell out to the Canadians some specific measures the US might take and to specify changes we want in Canadian policies. (C)

Dave McDonald, Deputy STR, who is handling preparations for this show-down session, suggests that he should brief you before Brock's trip. I concur and suggest that you give him a half-hour on your calendar some time this week. Norm Bailey and I would like to participate. (C)

RECOMMENDATION

That you schedule a briefing session with Dave McDonald this week. (U)

Approve *RP*

Time/date: _____

Disapprove _____

*want:
Brock
should brief
me.
9/11/81*

~~CONFIDENTIAL~~

Review on
September 8, 1987

~~CONFIDENTIAL~~

DECLASSIFIED

NLRRF1554#32756

BY RW NARA DATE 12/19/11

SITUATION: CHECK
SUBJECT CATEGORY: LIST

32750

MESSAGE / ANNOTATION:

MESSAGE:

HCE681
STU7920
DD RUEHC
DE RUEHDT #5691/01 2650459
ZNY CCCCC ZZH
U 220455Z SEP 81 ZFF4
FM AMEMBASSY OTTAWA
TO RUEHDT/USMISSION USUN NEW YORK NIACT IMMEDIATE 1965
RUEHC/SECSTATE WASHDC IMMEDIATE 2292
BT

~~C O N F I D E N T I A L~~ SECTION 01 OF 02 OTTAWA 05691

EXDIS

FROM AMBASSADOR ROBINSON FOR SECRETARIES HAIG, REGAN AND
STR BROCK

DEPARTMENT PASS WHITE HOUSE FOR MFESE AND ALLEN

USUN PASS SECDEL FOR SECRETARY HAIG

E.O. 12065: RDS-3 9/21/01 (ROBINSON, PAUL H., JR.) DR-M

TAGS: ETRD CA

SUBJECT: NEED TO INCLUDE CANADA IN PROPOSED MEETING IN
TRADE LIBERALIZATION

REF: OTTAWA 5289

1. ~~CONFIDENTIAL~~ - ENTIRE TEXT.

2. SUMMARY: EXTAFF ASSOCIATE DEPUTY SECRETARY MARCHAND
CALLED ME IN TO EXPRESS GOC CONCERN AT CANADA'S EXCLUSION
FROM MEETING SCHEDULED FOR CHICAGO ON SEPTEMBER 24 LOOKING
TOWARDS TRI-PARTITE TALKS ON TRADE LIBERALIZATION. HE
URGED THAT CANADA BE INVITED IN VIEW OF ITS LEADING
POSITION AS A TRADING NATION. MARCHAND STRESSED SERIOUS-
NESS WITH WHICH GOC VIEWS THIS MATTER AND SAID MINISTER
MACGUIGAN WOULD PROBABLY TRY TO REACH SECRETARY HAIG
TOMORROW IN NEW YORK ON THIS ISSUE. I SEE NO ADVANTAGE
TO KEEPING CANADA OUT OF THIS CONSULTATIVE PROCESS AND
BELIEVE THAT WE SHOULD NOT GO FURTHER DOWN THIS
EXCLUSIONARY TRACK UNTIL ISSUE RESOLVED WITHIN THE
ADMINISTRATION. I STRONGLY RECOMMEND THAT CANADA BE
INCLUDED IN CHICAGO MEETING. IF NOT MEETING SHOULD BE
DEFERRED OR CANCELLED.

3. EXTAFF ASSOCIATE UNDER-SECRETARY DE MONTIGNY MARCHAND
REQUESTED A MEETING AT 5:30 PM THIS AFTERNOON TO OBJECT
TO CANADA'S EXCLUSION FROM MEETING IN CHICAGO ON
SEPTEMBER 24 BETWEEN DEPUTY STR MACDONALD AND REPRESENTA-
TIVES FROM EEC AND JAPAN LOOKING TOWARDS TRI-LATERAL
TALKS ON TRADE LIBERALIZATION. MARCHAND WAS ACCOMPANIED
BY ASSISTANT DEPUTY SECRETARIES TED LEE AND DEREK BURNEY.

SENSITIVE

DECLASSIFIED

NLRR FISSY #32750

BY CJ NARADATE 12/7/07

SITUATION: CHECK
SUBJECT CATEGORY: LIST

MESSAGE / ANNOTATION:

4. MARCHAND EXPRESSED THE DEEP CONCERN OF THE GOC THAT SUCH A MEETING WOULD TAKE PLACE WITHOUT CANADA. I TOLD HIM THAT I ALSO HAD SERIOUS MISGIVINGS ABOUT THE PROSPECT OF SUCH A PROCESS OF CONSULTATION DEVELOPING WITHOUT CANADIAN PARTICIPATION AND WOULD REFLECT THAT VIEW IN MY RECOMMENDATIONS ON THE MATTER.
5. DCM, WHO ACCOMPANIED ME, MADE POINT THAT CHICAGO MEETING WAS APPARENTLY INTENDED AS AN INFORMAL, PRELIMINARY SESSION WHICH WOULD LEAVE OPEN THE QUESTION OF CANADA'S INCLUSION IN ACTUAL CONSULTATIONS WHICH MIGHT LATER TAKE PLACE. MARCHAND SAID THAT GOC COULD TAKE NO SOLACE IN THAT AND CONSIDERED THAT IF THEY WERE NOT IN AT THE BEGINNING THEN THE SITUATION WAS LOST.
6. MARCHAND SAID CANADA RECOGNIZED THAT CONSULTATIONS ON FURTHER TRADE LIBERALIZATION MIGHT BE USEFUL AND HAD NO DESIRE TO PLAY THE ROLE OF SPOILER. HE SAID THAT ITC DEPUTY MINISTER BOB JOHNSTONE WAS READY TO BE IN CHICAGO ON THURSDAY IF INVITED. IF CANADA WAS NOT TO BE INVITED, HOWEVER, HE FELT THE MEETING SHOULD NOT TAKE PLACE. MARCHAND MADE CLEAR THAT IF THE THURSDAY MEETING IN CHICAGO OCCURS WITHOUT CANADA, A MAJOR - AND QUITE UNNECESSARY - NEW STRAIN IN THE U.S./CANADIAN RELATIONS WILL HAVE BEEN CREATED.
7. MARCHAND NOTED THAT WHILE SUCH PROPOSED TALKS WOULD BE OUTSIDE THE SUMMIT CONTEXT, IT WAS NONETHELESS SIGNIFICANT THAT IF CANADA WAS LEFT OUT OF SUCH TALKS IT WOULD BE THE ONLY SUMMIT COUNTRY NOT INCLUDED. HE ALSO SAID THAT GOC WAS AWARE THAT THE EEC ACTIVELY FAVORED THEIR INCLUSION AND JAPAN HAD NO OBJECTION TO IT.
8. IN EMPHASIZING THE SERIOUSNESS WITH WHICH THE GOC VIEWED THIS MATTER, MARCHAND POINTED TO CANADA'S POSITIVE AND CONSTRUCTIVE ROLE THROUGHOUT THE POST WORLD WAR II PERIOD IN THE CREATION OF AN OPEN INTERNATIONAL TRADING SYSTEM AND NOTED THE IMPORTANCE IT HAS ATTACHED TO ITS OBLIGATIONS IN THIS AREA.
9. MARCHAND SAID HE EXPECTED THAT MINISTER MACGUIGAN, WHO IS AT THE UNGA IN NEW YORK, WILL TRY TO REACH SECRETARY HAIG BY PHONE ON THIS ISSUE.
10. THE CANADIAN OFFICIALS ALSO EXPRESSED CONCERN ABOUT THE LETTER ON THIS SUBJECT DATED SEPTEMBER 15 FROM STR BROCK TO MINISTER LUMLEY. MARCHAND SAID THE LETTER SAID A LOT OF THINGS THAT SHOULD NOT HAVE BEEN SAID. DCM SAID HE UNDERSTOOD THAT STR BROCK, WHO IS NOW IN MEXICO, WOULD BE FOLLOWING UP WITH A CALL TO MINISTER LUMLEY OR MINISTER GRAY AND SUGGESTED THE GOC WITHHOLD ITS RESPONSE TO THIS
BT

SENSITIVE

PAGE 1 - 186

SITUATION LISTING

DATE 09/30/81//273

SITUATION: CHECK
SUBJECT CATAGORY: LIST

MESSAGE / ANNOTATION:

#5691
NNNN

SENSITIVE

SITUATION: CHECK
SUBJECT CATEGORY: LIST

MESSAGE / ANNOTATION:

MESSAGE:

HCE682
STU7922
OO RUEHC
DE RUEHDT #5691/02 2650501
ZNY CCCCC ZZH
O 220455Z SEP 81 ZFF4
FM AMEMBASSY OTTAWA
TO RUEHDT/USMISSION USUN NEW YORK NIACT IMMEDIATE 1966
RUEHC/SFCSTATE WASHDC IMMEDIATE 2293
BT

~~C O N F I D E N T I A L~~ SECTION 02 OF 02 OTTAWA 05691

EXDIS

UNTIL THAT HAD TAKEN PLACE.

11. EMBASSY COMMENT AND RECOMMENDATION:

AS I NOTED REFTEL, IT DOES NOT MAKE SENSE FOR US TO EXCLUDE
OUR ALLY AND LARGEST TRADING PARTNER FROM THESE TRADE
LIBERALIZATION TALKS. WE STAND TO GAIN NOTHING BY INTRO-
DUCING THIS KIND OF IRRITANT WHICH WILL BE VIEWED AS AN
OVERT AND ARBITRARY ACT OF HOSTILITY TOWARD CANADA. CANADA SHOULD BE
INCLUDED IN SUCH CONSULTATIONS BY RIGHT OF ITS POSITION
AS A MAJOR TRADING NATION. IN ANY CASE, WE SHOULD
NOT PROCEED FURTHER ON THIS COURSE UNTIL THIS MATTER HAS
BEEN RESOLVED WITHIN THE ADMINISTRATION. THEREFORE, I
STRONGLY RECOMMEND THAT EITHER CANADA BE INVITED TO ATTEND
THE SEPTEMBER 24 MEETING IN CHICAGO OR THE MEETING BE
CANCELLED. ROBINSON

BT

#5691

NNNN

SITUATION: CHECK
SUBJECT CATEGORY: LIST

32751

MESSAGE / ANNOTATION:

DECLASSIFIED

MESSAGE:

HCE833
UTS7942
PP RUEHC
DE RUEHOT #5698 2651415
ZNY CCCCC ZZH
P 221414Z SEP 81
FM AMEMBASSY OTTAWA
TO RUEHC/SECSTATE WASHDC PRIORITY 2297
5/AMCONSUL MONTREAL 7565
RUEHCR/AMCONSUL QUEBEC 2960
RUEHCR/AMCONSUL TORONTO 4386
ZEN/ALL OTHER AMCONSULS CANADA POUCH
BT

NLRR F1554 #32751

BY CJ NARADATE 10/7/07~~CONFIDENTIAL~~ OTTAWA 05698

EXDIS

NOFORN - CONTAINS SENSITIVE INFORMATION -- NOT TO BE
DISCUSSED WITH CANADIANS

E.O. 12065: RDS-1 9/21/01 (SMITH, RICHARD J.) OR-M

TAGS: EINV, PINR, PGOV, CA

SUBJECT: CANADIAN CABINET SHELVES NEW FIRA LEGISLATION

1. (C - ENTIRE TEXT.)

2. SUMMARY: MEMBER OF FIRA STAFF INFORMS US THAT
TRUDEAU CABINET HAS DECIDED TO SHELVE PROPOSALS FOR NEW
LEGISLATION STRENGTHENING CANADA'S FOREIGN INVESTMENT
REVIEW AGENCY (FIRA) PUT FORWARD BY MINISTER OF INDUSTRY,
TRADE AND COMMERCE HERB GRAY AND ANNOUNCED IN LAST YEAR'S
THRONE SPEECH. SOURCE SAW DECISION AS DEFINITIVE REJECTION
OF EXPANDED ROLE FOR FIRA, PARTIALLY IN EFFORT TO AVOID
FURTHER ANTAGONIZING AMERICAN BUSINESS COMMUNITY ALREADY
CONCERNED OVER CANADA'S NATIONAL ENERGY PROGRAM (NEP).
FINANCE MINISTER MACEACHEN AND TREASURY BOARD PRESIDENT
JOHNSTON REPORTEDLY PLAYED INFLUENTIAL ROLES IN SIDE-
TRACKING GRAY, WHO MAY AS RESULT BE VULNERABLE IN ANY
FORTHCOMING CABINET REALIGNMENT. END SUMMARY.

3. APRIL 1980 THRONE SPEECH COMMITTED TRUDEAU GOVERNMENT TO
AMENDING FOREIGN INVESTMENT REVIEW ACT: (1) "TO PROVIDE
FOR PERFORMANCE REVIEWS OF HOW LARGE FOREIGN FIRMS ARE
MEETING THE TEST OF BRINGING SUBSTANTIAL BENEFITS TO
CANADA;" (2) TO ENSURE "THAT MAJOR ACQUISITION PROPOSALS
BY FOREIGN COMPANIES WILL BE PUBLICIZED PRIOR TO A
GOVERNMENT DECISION ON THEIR ACCEPTABILITY;" AND (3) TO
ENABLE GOVERNMENT TO "ASSIST CANADIAN COMPANIES WISHING
TO REPATRIATE ASSETS OR TO BID FOR OWNERSHIP OR CONTROL
OF COMPANIES SUBJECT TO TAKEOVER OFFERS BY NON-CANADIANS."

SENSITIVE

SITUATION: CHECK
SUBJECT CATEGORY: LIST

MESSAGE / ANNOTATION:

APPOINTMENT OF DIEHARD ECONOMIC NATIONALIST HERB GRAY AS MINISTER OF INDUSTRY TRADE AND COMMERCE WAS SEEN AS FURTHER EVIDENCE THAT LIBERAL GOVERNMENT WAS DETERMINED TO SIGNIFICANTLY STRENGTHEN FIRA'S ROLE IN CANADIAN ECONOMY.

4. MEMBER OF FIRA'S STAFF INFORMED EMBOFF CONFIDENTIALLY SEPT 19 THAT, AT RECENT MEETINGS AT PRIME MINISTER'S MEACH LAKE RETREAT OUTSIDE OTTAWA, CABINET HAD DECIDED TO SHELVE ALL PLANS FOR PUTTING STRONGER TEETH IN FIRA'S LEGISLATIVE MANDATE. SOURCE SAW DECISION AS DECISIVE REJECTION OF HERB GRAY'S AGGRESSIVELY NATIONALISTIC VIEWS, AND VOICED OPINION THAT STRENGTHENED FIRA LEGISLATION COULD BE SAFELY RULED OUT FOR LIFE OF PRESENT LIBERAL GOVERNMENT. DEPUTY PRIME MINISTER AND FINANCE MINISTER ALLAN MACEACHEN AND TREASURY BOARD PRESIDENT DONALD JOHNSTON REPORTEDLY LED RESISTANCE TO GRAY'S PROPOSALS. CONTACT DEDUCED THAT GRAY MIGHT AS RESULT HAVE BECOME INCREASINGLY VULNERABLE IN LONG-ANTICIPATED CABINET SHUFFLE. SOURCE ATTRIBUTED CABINET'S DECISION TO CONSENSUS THAT IT WOULD BE UNWISE TO AGGRAVATE FURTHER THE CURRENT CLIMATE OF CONCERN AMONG AMERICAN BUSINESSMEN AND BANKERS OVER CANADIAN GOVERNMENT'S PERCEIVED NATIONALISTIC ECONOMIC POLICIES. HE ANTICIPATED THAT ANNOUNCEMENT WOULD BE FORTHCOMING SHORTLY THAT GOVERNMENT WOULD NOT BE INTRODUCING NEW FIRA LEGISLATION AFTER ALL.

5. COMMENT: WE WILL BE SEEKING FURTHER OPPORTUNITIES TO CONFIRM THAT GOVERNMENT IS QUIETLY BACKING AWAY FROM PREVIOUSLY INDICATED INTENTION TO STRENGTHEN FIRA THROUGH NEW LEGISLATION, BUT WE HAVE NO REASON TO DOUBT INFORMATION RECEIVED FROM SOURCE ON FIRA STAFF WHO SHOULD BE WELL PLACED TO KNOW WHAT ACTION WAS BEING TAKEN. PUBLIC ANNOUNCEMENT COULD BE SOME TIME IN COMING AND, IF IT IS MADE, WILL HAVE TO BE HANDLED DELICATELY SINCE IT FLIES IN FACE OF POLICY SET FORTH PUBLICLY IN THRONE SPEECH. GRAY'S FATE IN ANY EARLY CABINET SHUFFLE COULD BE ONE SIGNIFICANT INDICATION OF THE WAY CANADIAN GOVERNMENT IS CURRENTLY LEANING ON FOREIGN INVESTMENT ISSUE.

6. WHILE THIS IS GOOD NEWS INDEED, IT IS UNLIKELY TO SIGNAL AN ABRUPT ABOUT FACE IN OVERALL GOC ATTITUDES. DURING SAME MEACH LAKE DISCUSSIONS, CABINET EXAMINED PLANS FOR NATIONAL "INDUSTRIAL STRATEGY," WHICH HAVE BEEN IN PREPARATION FOR MONTHS AND WHICH PRESS TERMS A "MASTER PLAN" FOR CANADIANIZATION OF THE ECONOMY. WE WILL BE CHECKING FURTHER ON OUTCOME OF CABINET DELIBERATIONS ON SPECIFIC ELEMENTS OF INDUSTRIAL STRATEGY PROPOSALS. SMITH
BT

SENSITIVE

PAGE 1 - 155

SITUATION LISTING

DATE 09/30/81//273

SITUATION: CHECK
SUBJECT CATEGORY: LIST

MESSAGE / ANNOTATION:

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MESSAGE:

NLRR F1554 #32752

BY CW NARA DATE 12/7/07

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RUEHDT/USMISSION USUN NEW YORK IMMEDIATE 1968
BT

~~C O N F I D E N T I A L~~ SECTION 01 OF 02 OTTAWA 05729
EXDIS

USUN PASS SECDEL
DEPARTMENT PASS NSC FOR ALLEN AND RENTSCHLER
E.O. 12065: GDS-3 9/21/87 (SMITH, RICHARD J.) UR-M
TAGS: ENRG CA
SUBJECT: PRESIDENT'S MEETING WITH PRIME MINISTER TRUDEAU
IN GRAND RAPIDS

1. ~~C O N F I D E N T I A L~~ ENTIRE TEXT.
2. THE FOLLOWING IS THE TEXT OF LETTER AND ENCLOSED MEMORANDUM DATED SEPTEMBER 21, 1981, TO ASSISTANT TO THE PRESIDENT RICHARD V. ALLEN WITH COPY TO SECRETARY HAIG: BEGIN QUOTE. THE HONORABLE RICHARD V. ALLEN, ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS, THE WHITE HOUSE, WASHINGTON, D.C. DEAR DICK: ENCLOSED, AS YOU SUGGESTED, IS A MEMORANDUM GIVING MY IMPRESSIONS OF THE BILATERAL MEETING IN MICHIGAN LAST WEEK. IT SEEMS TO ME THAT SOMETHING MIGHT COME OF THE IDEA OF PERIODIC REVIEW IN CONNECTION WITH THE IMPLEMENTATION OF THE NATIONAL ENERGY PROGRAM. IF WE CAN SOFTEN ITS EFFECTS, WE CAN GAIN TIME IN THE LONG RUN TO BLUNT ITS MOST OBJECTIONABLE FEATURES. I WILL PURSUE THIS APPROACH AND WOULD HOPE THAT WE COULD EVENTUALLY GET SOME CONSIDERATION. END QUOTE.

3. TEXT OF ENCLOSED MEMORANDUM:
BEGIN QUOTE. RICHARD V. ALLEN, ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS, FROM PAUL H. ROBINSON, JR., AMBASSADOR. SUBJECT: GRAND RAPIDS MEETING BETWEEN PRESIDENT REAGAN AND PRIME MINISTER TRUDEAU. THE FOLLOWING ARE MY RECOLLECTIONS OF THE BILATERAL MEETING HELD AT 1600 HOURS 17 SEPTEMBER AT THE AMWAY HOTEL IN GRAND RAPIDS, MICHIGAN.

- AFTER PRELIMINARY GREETINGS, THE PRESIDENT OPENED THE
- DISCUSSION BY OBSERVING THAT THERE WAS CONSIDERABLE
- SENTIMENT IN THE CONGRESS FOR RETALIATORY ACTION IN

SITUATION: CHECK
SUBJECT CATEGORY: LIST

MESSAGE / ANNOTATION:

- CONNECTION WITH CANADA'S NATIONAL ENERGY PROGRAM. HE
- MENTIONED THAT, OWING TO THE DIFFERENCES BETWEEN THE
- CONSTITUTIONAL AND THE PARLIAMENTARY SYSTEMS, HE COULD
- NOT CONTROL THE ACTIONS OF THE CONGRESS. CONGRESSIONAL
- SENTIMENT, THEREFORE, COULD MAKE IT HARDER TO GET PAS-
- SAGE OF THE WAIVER PACKAGE NECESSARY TO THE ALASKAN
- NATURAL GAS TRANSPORTATION SYSTEM.
- THE PRIME MINISTER RESPONDED BY SAYING THAT WE HAD MANY
- AREAS OF DISAGREEMENT OF WHICH THE NATIONAL ENERGY PRO-
- GRAM WAS ONLY ONE BUT THAT MANAGING THE RELATIONSHIP
- (I.E., NOT LETTING THE PRESS DO IT) WAS THE PRINCIPAL
- CONSIDERATION. MOREOVER, CONTINUED OPEN DISAGREEMENT
- WOULD NOT BENEFIT EITHER COUNTRY. NEVERTHELESS, THE
- CONVERSATION REMAINED ON THE SUBJECT OF CANADIAN INVEST-
- MENT POLICIES.
- AMBASSADOR ROBINSON MENTIONED THAT WHILE THE EX GRATIA
- AMENDMENT TO THE NATIONAL ENERGY PROGRAM WAS A STEP IN
- THE RIGHT DIRECTION, IT WAS OF LIMITED FINANCIAL VALUE.
- HE FURTHER STATED THAT THE NATIONAL ENERGY PROGRAM
- REPRESENTED A DEPARTURE FROM THE TRADITIONAL CANADA-
- UNITED STATES RELATIONSHIP IN THAT IT AMOUNTED TO
- CHANGING THE RULES IN THE MIDDLE OF PLAY.
- THE PRIME MINISTER SAID THAT THE BACK-IN PROVISION HAD
- LONG PRECEDENCE IN CANADA AND WAS NOTHING MORE THAN AN
- EXTENSION OF WHAT THE FEDERAL GOVERNMENT HAD BEEN DOING
- WITH THE PROVINCES UNDER THE CHECKERBOARD REVERSION
- PROGRAM. AMBASSADOR ROBINSON REPLIED THAT THIS DID NOT
- MAKE THE INVESTMENT ASPECTS ANY MORE ATTRACTIVE TO
- EXISTING OR NEW COMPANIES. THE PRIME MINISTER NOTED
- THAT THE AMBASSADOR INTENDED TO FORWARD A SUMMARY
- SHOWING OUR VIEW OF THE FINANCIAL VALUE OF THE EX
- GRATIA PAYMENT.
- THE PRIME MINISTER STATED THAT HE HAD "WON A GENERAL
- ELECTION ON THE ISSUE OF CANADIANIZATION". ROBINSON
- SAID THAT THE U.S. RECOGNIZED NEP AS A FACT OF POLITICAL
- LIFE AND ASKED IF WE COULD EXPECT PERIODIC REVIEWS AT
- THE MINISTERIAL LEVEL TO MITIGATE THE IMPLEMENTATION
- OF THE NEP PARTICULARLY IF CANADIANIZATION PROGRESSED
- FASTER THAN ANTICIPATED. THE PRIME MINISTER SAID THAT
- THIS COULD BE DONE. THIS HAD BEEN AGREED BETWEEN
- ROBINSON AND THE PRIME MINISTER ON THE AIRCRAFT FROM
- OTTAWA. THE PRIME MINISTER SUBSEQUENTLY RECONFIRMED
- A "MONITORING" OF THE NEP ON THE WAY TO THE AIRPORT
- ON DEPARTURE FROM GRAND RAPIDS.

BT

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 SUBJECT CATAGORY: LIST

MESSAGE / ANNOTATION:

MESSAGE:

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~~C O N F I D E N T I A L~~ SECTION 02 OF 02 OTTAWA 05729
 EXDIS

- THE CONVERSATION THEN TURNED ALONG EASIER LINES IN
- CONNECTION WITH PRESS MISREPRESENTATIONS OF THE RE-
- LATIONSHIP BETWEEN THE PRESIDENT AND THE PRIME MINISTER
- AND IT WAS FELT ROBINSON'S PUBLISHED LETTER TO THE
- NEW YORK TIMES HAD CLARIFIED MATTERS.
- THE MEETING, WHICH LASTED APPROXIMATELY 45 MINUTES,
- ENDED ON A CORDIAL NOTE WITH BOTH SIDES AGREEING THAT
- FURTHER MEETINGS WERE DESIRABLE IN ORDER TO MORE
- FULLY APPRECIATE EACH OTHER'S POSITIONS.
- ON DEPARTING, ROBINSON MENTIONED TO THE PRESIDENT
- THAT, AT HIS REQUEST, THE PRIME MINISTER HAD AGREED
- TO PURSUE A TRILATERAL MEETING WITH CANADA, MEXICO,
- AND THE UNITED STATES PURSUANT TO THE PRESIDENT'S
- CONCEPT OF A NORTH AMERICAN ACCORD. THE PRIME MINISTER
- EMPHASIZED THAT ANY ANNOUNCEMENT OF SUCH A MEETING
- SHOULD BE SIMULTANEOUS SO AS NOT TO GIVE AN IMPRESSION
- THAT CANADA OR MEXICO WAS PLEADING THE CASE.

IN SUMMARY, THE UNITED STATES MADE ITS OBJECTIONS TO THE NATIONAL ENERGY PROGRAM AND RELATED ISSUES CLEAR. THE CANADIANS EXPRESSED A WILLINGNESS TO CONTINUE DISCUSSIONS IN GENERAL TERMS. THE ATMOSPHERE WAS CORDIAL AND BUSINESS-LIKE AND CARRIED ONE STEP FURTHER AN UNDERSTANDING OF THE COMPLEXITIES INVOLVED.

IN MY OPINION, THE PRIME MINISTER'S WILLINGNESS TO ALLOW PERIODIC REVIEWS IN CONNECTION WITH THE IMPLEMENTATION OF NEP COULD REPRESENT A MEANINGFUL PROCEDURAL MODIFICATION IF CARRIED OUT BY THE CANADIANS IN GOOD FAITH.

IN ADDITION, THE PRIME MINISTER'S OFFER OF ASSISTANCE TO SET A DATE FOR A FULL-FLEDGED TRILATERAL MEETING TO DISCUSS A NORTH AMERICAN ACCORD IS SIGNIFICANT. UNQUOTE,
 ROBINSON

BT

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PAGE 1 - 150

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SUBJECT CATEGORY: LIST

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PAGE 1 - 147

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SUBJECT CATEGORY: LIST

MESSAGE / ANNOTATION:

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SENSITIVE

~~CONFIDENTIAL~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

32753

~~CONFIDENTIAL~~

September 23, 1981

MEMORANDUM FOR THE PRESIDENT

RR

FROM:

RICHARD V. ALLEN *Allen*

SUBJECT:

Canadian Cabinet Shelves New FIRA Legislation

According to a staff member of Canada's Foreign Investment Review Agency (FIRA), Prime Minister Trudeau's cabinet recently decided to shelve proposals for new legislation strengthening the agency. The proposals, which were put forward by Minister Herb Gray and announced in last year's throne speech, committed Trudeau's government to amending the foreign investment act to:

- o Provide for performance reviews of how large foreign firms are meeting the test of bringing substantial benefits to Canada.
- o Ensure that major acquisition proposals by foreign companies are publicized prior to a government decision on their acceptability.
- o Enable the government to assist Canadian companies wishing to repatriate assets or bid for ownership or control of companies subject to takeover offers by non-Canadians.

The source attributed the cabinet's decision, which he viewed as a decisive rejection of Gray's aggressively nationalistic views, to a consensus by the cabinet that it would be unwise to further aggravate the current climate of concern among American businessmen and bankers over Canada's perceived nationalistic economic policies. Our embassy reports that while this is good news, it is unlikely to signal an abrupt about face in overall Canadian government attitudes. (C)

cc: The Vice President
Ed Meese
Jim Baker
Mike Deaver

~~CONFIDENTIAL~~
REVIEW ON SEPTEMBER 21, 1987
CLASSIFIED BY EMBASSY OTTAWA

DECLASSIFIED

NLRR # 1554 # 32753

BY OU NARA DATE 12/7/07

~~CONFIDENTIAL~~

RECEIVED 23 SEP 81 19

TO ALLEN

FROM RENTSCHLER

DOCDATE 23 SEP 81

KEYWORDS: CANADA

SUBJECT: MEMO TO MEESE RE SOUND PUBLIC POLICY LINE FOR US-CANADIAN RELATIONS

ACTION: FOR SIGNATURE

DUE:

STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

ALLEN

OBE - no longer
 needed as per exchange with
 RD Pont 25/9/81
 JA "

COMMENTS

REF#

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(D /)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

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|-------------------|----------|-------------|---------------------------------------|-------------------|
| <u>Rentschler</u> | <u>S</u> | <u>9/24</u> | <u>for further action, per Colson</u> | <u>CZ, PD, NB</u> |
| | <u>C</u> | <u>9/28</u> | <u>OBE per Rentschler</u> | |

DISPATCH

W/ATTCH FILE

W/ATTCH (C) JA
PA

MEMORANDUM

5661 9-24
OJL

NATIONAL SECURITY COUNCIL

ACTION

September 23, 1981

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: ALLEN J. LENZ
FROM: JAMES M. RENTSCHLER Jim
SUBJECT: O Canada

RB

Your memo to Meese (Tab I) is an attempt to "operationalize" the idea you mentioned earlier today on the necessity of enforcing a sound public policy line on U.S.-Canadian relations. You may want to consider this suggestion in concert with the separate memo Rud Poats is sending you on the same general subject (he concurs with the thrust of mine).

RECOMMENDATION:

That you sign the memo to Ed Meese at Tab I.

Approve _____ As Amended _____

Tab I Memo to Meese

cc: Jim Lilley

O B E

THE WHITE HOUSE
WASHINGTON

32754

INFORMATION

MEMORANDUM FOR ED MEESE

FROM: DICK ALLEN

SUBJECT: Clearance Procedures for Dealing with U.S.-
Canadian Issues

We urgently need to institute some sort of special clearance/coordination mechanism for dealing with the increasingly static-prone quality of our relations with Canada.

The immediate issue concerns proposed tripartite talks between the U.S., Japan, and the European Community. The Canadians are fearful that they will be excluded from important trade policy deliberations which will affect major segments of their economy. While State is anxious to reassure the Canadians on this point, Mac Baldrige and Bill Brock are taking the position that Canadian exclusion is a desirable thing. The issue has acquired some urgency in light of a dinner meeting scheduled for tomorrow evening with U.S., Japanese, and EC trade representatives. The meeting is sure to become public and will further exacerbate our bilateral relationship with the Canadians.

The Baldrige/Brock position may well have merit. But the public play given this issue is taking on a life of its own and is very injurious to the President's own credibility. In four meetings with Trudeau he has in effect pledged a new deal for the U.S.-Canadian relationship based on cooperation, cordiality, and a patient, non-controversial (i.e., non-public) handling of delicate issues. In Canadian eyes, however, the tripartite trade talks, and the publicity surrounding them (the latter linked with prominent emphasis on U.S. retaliation against discriminatory Canadian measures), call into question the sincerity of that commitment.

At a minimum we need to forge some clear understanding among senior U.S. officials on how the tangled threads of our bilateral relationship with Canada should be treated, particularly their public dimension (and virtually every item of business we transact with Canada these days is not only public but also, on the northern side of the border, scrutinized against the President's call for a new spirit of transboundary cooperation).

Perhaps the Cabinet Council can be used for this purpose. In any case, I recommend that we deal with the matter on a priority basis, taking the lead in the White House to ensure that the President's policy is carried out.

DECLASSIFIED/REF/EXCISE

NLRR ~~EXCISE~~ FILE # 32754BY CN NARADATE 12/7/09

THE WHITE HOUSE
WASHINGTON

#5661

9/23²²

Jim Rentschler

Help - the system is
collapsing!

- ① needs to via Key
- ② Bailey / Posts / new
might have some
useful comments to add.

Thanks

James

#5661

23

81. 23 P 5: 38

JANET COLSON

Y

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

BUD NANCE

PETER

CY TO VP

SHOW CC

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CY TO BRADY

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Comments:

RECEIVED 24 SEP 81 11

db
1/23/07

TO ALLEN

FROM POATS

DOC DATE 23 SEP 81

BAILEY

23 SEP 81

KEYWORDS: INTL TRADE

INTL INVESTMENT

EC

JAPAN

CANADA

SUBJECT: TRILATERAL TRADE MTG & US - CANADIAN CONFRONTATION

ACTION: FOR DECISION

DUE: 24 SEP 81 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

ALLEN

RENTSCHLER

GREGG

COMMENTS

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ACTION OFFICER (S)

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ACTION REQUIRED

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LVA saw but no decision

PO, NB, RE, DG

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| 32755 | MEMO | 3 | 9/23/1981 | B1 |
| | RUTHERFORD POATS THUR NORMAN BAILEY TO RICHARD ALLEN, RE: TRILATERAL TRADE MEETING AND US-CANADIAN CONFRONTATION | | | |

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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| <i>ID</i> | <i>Document Type</i> <i>Document Description</i> | <i>No of</i> <i>pages</i> | <i>Doc Date</i> | <i>Restric-</i> <i>tions</i> |
|-----------|--|------------------------------|-----------------|---------------------------------|
| 32756 | MEMO DUPLICATE OF #32744; RUTHERFORD POATS THRU NORMAN BAILEY TO RICHARD ALLEN, RE: TRADE POLICY CONFLICT WITH CANADA | 1 | 9/8/1981 | B1 |

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
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- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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NATIONAL SECURITY COUNCIL

At

~~CONFIDENTIAL ATTACHMENT~~

INFORMATION

September 17, 1981

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN BAILEY *MB*

FROM: RUTHERFORD POATS *RP*

SUBJECT: Meeting with Bill Brock or Dave Macdonald (U)

After receiving your notation on my September 8 memorandum (attached), I told Dave Macdonald that you thought you might be seeing Bill Brock sometime soon and would chat with him then about the Canadian trade issues. Macdonald said the slate of topics now should include the US-EC-Japan preparatory discussions leading to a trilateral trade meeting at ministerial level. Today Macdonald tells me that he saw you outside the Roosevelt Room, and you indicated willingness to meet with him soon.

ok - look!

Brock does not yet have a response to his request to see Canadian officials in Ottawa, but this trip could occur in late September. Macdonald is arranging an unpublicized meeting with his EC and Japanese counterparts in Chicago September 24 to negotiate an agenda for the ministerial trilateral meeting. Hence your session with Brock and/or Macdonald should be early next week.

} (handwritten bracket)

Attachment

Tab I Poats Memo to Allen, Sep 8, 81

*Atkins has approved this in the memo?
Has State?
Have we?
for
9/19/81*

CONFIDENTIAL ATTACHMENT

DECLASSIFIED
White House Guidelines, August
By *dlb* NARA, Date *1/23/07*

~~CONFIDENTIAL~~

Trade Policy

MEMORANDUM

4443 (add-on)

NATIONAL SECURITY COUNCIL

AP

32757

~~CONFIDENTIAL~~

INFORMATION

July 24, 1981

MEMORANDUM FOR RICHARD V. ALLEN

FROM: RUTHERFORD POATS

RP

RVA HAS SEEN

SUBJECT: Trade Policy Committee, July 24 (U)

The TPC, chaired by Brock, dealt with three issues: approval of a draft presidential report to the Congress on the desirability of entering into North American trade agreements, as required by Section 1104 of the Trade Agreements Act of 1979; the US-Soviet grain agreement negotiations; and strategy for reversing discriminatory aspects of Canada's investment and energy policies. (C)

1. North American Trade Agreements Report. The Committee approved the draft presidential report as I rewrote it except to add one sentence. The report gently dismisses the idea of a North American trade compact or comprehensive bilateral trade agreements while promoting other means of achieving the trade expansion objective. (U)

2. Soviet grain negotiation. Brock gave no hint that he had received instructions from the President at the NSPG. He said, as if it were his own idea, that perhaps the best he could do would be to go for a one-year extension. Brock blandly agreed. Brock did say that maybe we should plan to go back to the negotiating table after two or three months and seek a long-term agreement. I did not intervene but later reminded his assistant that no commitment to negotiate a long-term agreement or cause publicity about one has been authorized. (C)

3. Canada. Extended discussion, marked by great ambivalence, led to agreement that (a) we will develop a set of measures capable of imposing economic injury on Canada and political discomfort on Trudeau but not inconsistent with US economic policy and international commitments; (b) among these may be a flexible application of the US Mineral Lands Leasing Act against Canadian companies and an unfair trade practices finding by Brock against both specific Canadian practices and discriminatory elements of the whole investment and energy schemes; (c) Brock will call in Towe and present our case and retaliation plans as well as noting threatened Congressional action; (d) meanwhile, Administration spokesmen will avoid public threats of reprisals against Canada. The latter includes deferral of Watt's testimony before Dingell's oversight committee on plans to invoke mineral leasing reciprocity -- the practical effect of which would be to intervene against Seagrams in the Conoco takeover context. (C)

~~CONFIDENTIAL~~
Review on
July 24, 1981

~~CONFIDENTIAL~~

cc: Norman Bailey
Henry Nau

14

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NLRR F1554 # 32757
BY CV NARA DATE 6-7-07

NATIONAL SECURITY COUNCIL

CONFIDENTIALINFORMATION

August 7, 1981

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN BAILEY *NS*FROM: RUTHERFORD POATS *RP*

SUBJECT: Trade Policy Committee, August 7, 1981 (U)

The Trade Policy Committee approved today a comprehensive trade strategy toward Japan (Tab I), designed to reduce its myriad subtle obstacles to US goods and services. The campaign will be launched by Ambassador Brock's visit to Japan in early September and the US-Japan subcommittee meeting in mid-September. (C)

The TPC also decided to go back to the drawing boards and have a coherent strategy toward Canada drafted for consideration immediately after Labor Day. This will analyze the probable consequences of a set of proposed US reprisals against Canada's foreign investment regulatory system and pending National Energy Policy legislation, both of which discriminate against US investment and trade interests. At my suggestion, the fact of this serious US approach to the problem will be made known to the Canadian Government next week, and mid-September Ottawa meetings between Brock and Canadian ministers will be sought well in advance, so as to influence the final terms of the energy/investment bill going to Parliament in mid-October. (C)

The TPC also concluded that one pending reprisal action -- "mirror" legislation retaliating against Canadian tax discrimination against US border broadcasting stations -- should be broadened as Treasury proposes to give the President a broader set of tax weapons to use with discretion against Canadian and other countries' discriminatory measures. (C)

Attachment

Tab I US Trade Strategy Toward Japan

CONFIDENTIALReview on
August 7, 1987

DECLASSIFIED

NLRR E1554 # 32758

BY CV NARA DATE 12/7/07

CONFIDENTIAL

TV

E. Status

At its meeting on April 8th, the Trade Policy Committee (TPC) endorsed a U.S. trade strategy toward Japan that called for a comprehensive effort to reduce Japan's formal and informal import barriers. A number of liberalization objectives were identified, and work has begun in developing specific recommendations for achieving those objectives. Following is a status report on the Japan strategy:

- Automobile Issue. It was recognized at the April 8th meeting that a major USG effort to obtain significant further liberalization of the Japanese market could occur only if the automobile issue were resolved on a relatively amicable note without excessively restrictive measures on Japanese auto shipments. These conditions were met in large part by Japan's announcement of May 1st to pursue a 3-year program of unilateral restraint. The Commerce Department already has implemented procedures for reporting automobile imports in a manner that facilitates monitoring of the Japanese action.

- Customs Practices. The TPC requested Treasury to determine how U.S. customs practices differ from the treatment received by U.S. goods entering Japan and to identify those techniques used by the Japanese to delay or otherwise impede imports. This study is in progress and expected to be completed by mid-September.

- High Technology Trade. The TPC paper identified the high-technology industries as requiring special attention in the early 1980s in order to avoid the sorts of friction that we've experienced in more mature industries in the 1970s. During his visit to Washington in May, Prime Minister Suzuki publicly expressed his support in principle for a mutual acceleration of our MTN tariff reductions on semiconductors. The TPSC Subcommittee on Japan and our Embassy in Tokyo are working with the GOJ on the final details of the agreement; we hope to be able to announce an agreement in early September.

- Industrial Tariffs. The TPC strategy called for negotiating additional tariff reduction in products on which Japanese duties remain particularly high. Work is proceeding within the TPSC to develop a proposal to Japan on further reciprocal tariff reduction.

- Services. Services industries were identified as an area of growing importance to U.S.-Japan trade that is not well-covered by existing trade discipline. USTR is continuing to explore services issues in relation to Japan and will report to the TPSC on the outcome of that work.

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NLR #1554 #32759

BY CW NARA DATE 12/7/07

CONFIDENTIAL

- Trade Facilitation Committee. The TPC strategy suggested that it would be useful to review the experience of the Trade Facilitation Committee to determine if the USG could improve the effectiveness with which it responds to individual exporters' problems in trying to penetrate the Japanese market. Commerce recently announced the establishment of an Executive Council of the Trade Facilitation Committee as a means of strengthening joint efforts at improving U.S. business access to the Japanese economy.

- High Level Exchange on Trade. The TPC authorized Ambassador Brock to explore the feasibility of establishing a mechanism whereby senior officials in both governments would meet periodically to discuss the entire range of trade-related issues. The purpose of these exchanges would be to develop joint plans of action aimed at resolving emerging trade issues and maintaining momentum for freer trade. Ambassador Brock held preliminary discussions on this proposal with an inter-ministerial group chaired by Dr. Okita on April 30th. Further discussions were held with MITI Minister Tanaka on July 23rd. The GOJ is waiting for a more detailed U.S. articulation of the proposal.

II. Next Steps

The basic authority to negotiate additional liberalization of trade lies in Sections 102 and 124 of the Trade Act of 1974. The latter provides authority until January 3, 1982 to enter into trade agreements involving modifications of tariffs, and the former provides authority until January 3, 1988 to enter into trade agreements involving the harmonization, reduction or elimination of barriers to international trade. Steps should be taken within the TPSC to make maximum use of these authorities in order to obtain significant improvements in market access in Japan.

The USG should present the GOJ with a proposed work plan for trade, which would form the agenda of the high level exchange. The work plan would include specific steps to open markets further on both sides and to correct any American misperceptions about the relative openness of the Japanese market. The work plan could include the following elements:

- Agreement to pursue additional reciprocal tariff negotiations within our Section 124 authority.
- Intensification of existing joint work in the area of product standards.
- Establishment of a joint working group on customs practices to determine if there are significant differences in U.S. and Japanese customs practices' impact on imports. The joint working group would be a logical follow-up to Treasury's study.
- Agreement to exchange information on alleged specific non-tariff barriers to trade in both economies. The information would be passed to the Trade Facilitation Committee for appropriate clarification or remedial action in cooperation with those agencies in each government that have responsibility for the individual issues.

- Agreement to a joint examination of investment matters with the objective of removing impediments to the flow of investment between our two economies.
- Agreement to a joint effort to explore trade issues in the services area.
- Agreement to complete work on the Commercial Counterfeiting Code by the end of the year.
- Establishment of a 2-year schedule for pursuing liberalization of trade in agriculture; the original MTN schedule for beef and citrus negotiations would be retained, while the immediate focus would be upon other quota items in which the U.S. has strong commercial interest.
- Agreement to exchange information and data on trade in high technology with the aim of developing recommendations for promoting freer international trade in the high technology area.
- Agreement to discuss ways in which U.S. firms can participate fully in untied Japanese development assistance.

Preparations would begin immediately to enable the U.S. to present its proposed work plan to the GOJ either at the time of Ambassador Brock's trip to Japan in early September or at the time of the Subcabinet Meeting. Detailed follow-up discussions would be conducted in Tokyo in early October between inter-agency trade delegations from both governments. U.S. participation would be by the TPRG and would include all agencies with responsibilities in the areas covered by the work plan.

III. Coordination

The TPC has stressed the importance of dealing with Japan's informal import barriers. The extremely wide range of these barriers presents new challenges for inter-agency coordination in both governments. On the Japanese side, the resolution of specific market access problems depends increasingly upon ministries other than MITI, Finance and Foreign Affairs, which have been the normal contact points for the USG in dealing with tariffs and quotas. For example, any solution to product standards problems facing U.S. exporters of cosmetics or pharmaceuticals would require action on the part of the Ministry of Welfare. Liberalization of data communications, on the other hand, would require the participation of the Ministry of Posts and Telecommunications. Other ostensibly domestic ministries will have to be involved directly in international efforts to improve market access in other sectors. On the U.S. side too, the nature of issues to be addressed by our negotiators requires broader participation by USG agencies than has been the case when negotiations have concerned only tariffs or quotas.

~~CONFIDENTIAL~~

Under these circumstances, it is more important than ever that U.S. trade policy be well-coordinated so that the Government of Japan is confronted with a consistent set of U.S. negotiating objectives and positions. Unless the U.S. succeeds in presenting such a united front to the Japanese, they will exploit any confusion among Executive Branch agencies by playing off one USG agency against another. The result will be that no agency will achieve its objectives, and the Administration will not succeed in improving appreciably U.S. market access to Japan. Moreover, as we proceed further into the realm of Japanese non-tariff barriers, there will be a growing number of cases in which the appropriate lines of responsibility within the USG will not be obvious. For these reasons, it is essential that the TPC and its supporting inter-agency bodies intensify their coordination efforts.

~~CONFIDENTIAL~~

TAB A

List of Japanese Non-Tariff Barriers

The following is a preliminary list of Japanese non-tariff barriers (NTBs). It is an illustrative list; many of the impediments exist in similar form for industries other than those cited here. It also should be emphasized that it is a list of alleged NTBs, i.e. we have not been able to confirm the accuracy of each allegation. The proposed high level exchange on trade would provide an opportunity to correct any American misconceptions about NTBs as well as to take remedial action on genuine NTBs.

I. Product Standards

- List of GOJ-approved ingredients not readily available (e.g., list for cosmetics has not been published).
- GOJ refusal to accept test data that has been submitted to other governments for evaluation of product safety (e.g., Ministry of Welfare refusal to accept data submitted to U.S. Food and Drug Administration in testing of pharmaceuticals).
- Excessive ingredient registration requirements (e.g., Japan is the only country in which producers have to register every cosmetic formula separately rather than simply registering ingredients).
- Lack of transparency in requirements and timetable for obtaining new product approval (a problem shared by a very wide range of industries).
- Individual testing of imported products (e.g., automobiles) rather than type testing.
- Labels certifying compliance of processed foods with Japanese requirements must be affixed in Japan rather than at manufacturer's plant.

- 14
- Sporting associations (supported by Japanese sporting goods manufacturers) allow their stamps to be used only by Japanese producers (e.g., softball bats, inflatable athletic balls, tennis balls) even though U.S. equipment is fully acceptable to international and other national sporting authorities.

II. Customs

- Delays in customs clearance for labeling reasons (e.g., some processed foods with labels showing weights and measures in both metric and English units have had to be relabeled at port-of-entry so that labels referred only to metric weights).
- Delays in customs clearance for entire shipments while samples are checked to verify ingredients; this creates a particular problem for processed foods, where delays often result in spoilage of entire shipment.
- Lack of an effective appeals process for questionable customs decisions.

III. Quotas

- Quotas on 22 agricultural products, 4 leather products and coal briquettes.
- Lack of clarity in administering quotas (e.g., quota available to importer reduced without notice).

IV. Taxation

- Discriminatory structure of commodity tax on automobiles.
- Commodity taxes on some items are imposed on ex-factory price of domestic goods but on CIF price plus duty on competing foreign goods.

V. Services

- Lack of Japanese harmonization with internationally accepted requirements for insurance documentation, especially with respect to new lines of insurance.
- Discriminatory treatment for foreign carriers in terms of airport facilities and services.
- Cargo tariff discounting/rebating which favors national carrier.
- Screen quotas for showing local films or T.V. programs.
- Restrictions which prohibit foreign professionals (e.g., lawyers) from offering full line of services.

- Deposit requirements imposed on foreign insurers but not on domestic insurers (minimum is ¥ 10,000,000) -
- Limitations on reinsurance that can be placed outside Japan.

VI. Others

- Exclusion of transportation and power generating entities from coverage by the Government Procurement Code.
- Non-tariff barriers in areas covered by current negotiations (e.g., leather, lumber and manufactured tobacco products) not listed separately.

MEMORANDUM

Trade Policy

RP
4

5009

NATIONAL SECURITY COUNCIL

INFORMATION

August 27, 1981

32760

MEMORANDUM FOR RICHARD V. ALLEN

THROUGH: NORMAN BAILEY *NB*
FROM: RUTHERFORD POATS *RP*
SUBJECT: Triilateral Trade Meeting

DECLASSIFIED

NLRR E1554 #32760

BY CI NARA DATE 12/7/09

You may receive complaints from the Japanese or Canadians about Bill Brock's independent initiative to convene a tri-lateral meeting on trade policy issues with his EC and Japanese counterparts. Brock's letters to Haferkamp and Tanaka (Tab I) were sent without the knowledge, much less concurrence, of State, Treasury, Commerce or NSC staffs. This end-run of both the interested US government agencies and the Japanese Foreign Office has intensified objections to the substance of Brock's proposition.

The Japanese Foreign Office suspects that Brock is conniving with the EC to resuscitate the EC scheme to gang up on Japan. Canada objects to being excluded from a meeting of the major US trading partners. (The polite answer is that no European government is invited, either.)

Both the Japanese and the Canadians contend that instituting such tripartite meetings would offend smaller countries and undermine the multilateral institutions -- GATT and the OECD.

Of course, Brock has no such intention. On the contrary, Dave McDonald says a main objective is to bring the EC and Japan along on our ambitious agenda for the GATT ministerial meeting in 1982, launching a new round of trade negotiations. He also wants to discuss simultaneously with the two major players three sectoral problem areas: steel, petrochemicals, and high technology goods. No permanent "directorate" is intended.

Brock is being asked by Haig, and Embassy Tokyo is being instructed, to assure the Japanese when he arrives in Tokyo shortly that his motives were not as they suspected and to give the Japanese a chance to amend the proposed agenda or postpone the whole idea. We will take the same line in response to EC inquiries.

We don't want to be accommodating to the Canadians/^{right now} when we are about to go to the mat with them on their trade and investment policies.

V

5662


NATIONAL SECURITY COUNCIL

9/23/81

RVA:

Supplementing attached memo:

Brock and Baldrige now plan a Trade Policy Committee meeting next Thursday, Oct. 1, and a Cabinet Council on Commerce & Trade meeting on Friday, Oct. 2, to resolve the Canadian strategy and probably the trilateral meeting strategy. I told Macdonald (by phone in Chicago) that I thought it better to resolve the basic disagreement re our approach to Canada in a small meeting ~~x~~ = you, Haig and Brock -- before the TPC mobscene.

 RP

#5662

RECEIVED

81 SEP 24 A 8: 56

JANET COLSON

[Handwritten signature]

BUD NANCE

DICK ALLEN

IRENE DERUS

JANET COLSON

NATIONAL SECURITY COUNCIL

9/25

Jean —

Points etc has
given us NSC/S

A complete set

Join to files 5662

[Handwritten signature]

SENSITIVE

PAGE 1 - 129

SITUATION LISTING

DATE 11/10/81//314

SITUATION: LDR
SUBJECT CATEGORY: IN

32761

MESSAGE / ANNOTATION:

MESSAGE:

HCE334
UTS9775
RR RUEHC
DE RUEHDT #5984 2751641
ZNY SSSSS ZTH ZTY
R 021640Z OCT 81
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 2494
BT

~~E C R E I~~ OTTAWA 05984

NNNN

E.O. 12065: GDS 10/02/87 (MASON, DWIGHT N.) DR-P

TAGS: MPDL

SUBJECT: PRESIDENTIAL ANNOUNCEMENT ON US STRATEGIC FORCES

REF: STATE 263734

1. LETTERS TO EXTERNAL AFFAIRS AND DEFENSE MINISTERS
FROM THE SECRETARY DELIVERED ON OCTOBER 2, 1981. ROBINSON

BT

#5984

NNNN

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NLRR F-1554 #32761

SENSITIVE

BY CW NARA DATE 12/7/07

SENSITIVE

PAGE 1 - 73

SITUATION LISTING

DATE 11/10/81//314

SITUATION: EUR
SUBJECT CATEGORY: IN

32762

MESSAGE / ANNOTATION:

MESSAGE:

HCE190
UTS1018
OO RUEHC
DE RUEHDT #6506 2962038
ZNY CCCCC ZZH ZZY
O 232037Z OCT 81
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC IMMEDIATE 2775
BT
~~C O N F I D E N T I A L~~ OTTAWA 06506

NODIS

E.O. 12065: RDS-1 10/23/01 (MASON, DWIGHT N.) DR-P
TAGS: PEPR, MARR, CA
SUBJECT: SINAI MULTINATIONAL FORCE
REF: STATE 281921

ON OCTOBER 23 EXSTAFF'S DESK OFFICER FOR EGYPT TOLD EMBOFF THAT RECENTLY EXSTAFF ENERGIES HAD BEEN ALMOST TOTALLY ABSORBED IN SETTLING THE ISSUE OF CANADIAN PARTICIPATION IN THE SINAI PEACEKEEPING FORCE. CITING CANADA'S HISTORY OF DISAPPOINTMENT" AS BEING LARGELY RESPONSIBLE FOR ITS FOOT-DRAGGING, COLLIER SAID THAT EXSTAFF OFFICIALS HAD BEEN ENCOURAGED BY THE PROGRESS MADE SO FAR BY EGYPT AND ISRAEL IN THE SINAI, AND SUGGESTED THAT THERE IS NOW A FAIRLY GOOD CHANCE THAT CANADA WOULD DECIDE TO PARTICIPATE. HE ADDED THAT ASSISTANT UNDER SECRETARY OF STATE FOR EXTERNAL AFFAIRS AND CANADA'S NEW AMBASSADOR-DESIGNATE TO THE UNITED STATES, ALLAN GOTLIEB, HAD FOUGHT HARD IN FAVOR OF CANADIAN PARTICIPATION AND THE PROPOSAL WAS CURRENTLY AWAITING PRIME MINISTER TRUDEAU'S BLESSING.
ROBINSON

BT
#6506
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NLRR F1554 #32762

SENSITIVE

BY CN DATE 12/7/07

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WHITE HOUSE SITUATION ROOM

32763

PAGE 01 OF 02 SECSTATE WASHDC 7648
SIT108 DATE 11/23/81

DTG: 281555Z OCT 81 PSN: 001019
TOR: 310/1716Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: COL JP EOB
EOB:
WHSR COMMENT:

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
DE RUEHC #7648 3101710
O P 281555Z OCT 81 ZFF4 ZDK DUE LACK ACK
FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA IMMEDIATE 4405

INFO AMEMBASSY BOGOTA PRIORITY 3674
AMEMBASSY BRUSSELS PRIORITY 5011
AMEMBASSY CANBERRA PRIORITY 3588
AMEMBASSY THE HAGUE PRIORITY 7175
AMEMBASSY LONDON PRIORITY 5350
AMEMBASSY MONTEVIDEO PRIORITY 5369
AMEMBASSY PARIS PRIORITY 2337
AMEMBASSY ROME PRIORITY 7899
AMEMBASSY SUVA PRIORITY 6416
USMISSION USUN NEW YORK PRIORITY 2340
AMEMBASSY WELLINGTON PRIORITY 7411
WHITE HOUSE PRIORITY 6939
BT

~~CONFIDENTIAL~~ STATE 287648
NODIS
E. O. 12065: RDS-3, 10/27/91 (LLOYD, WINGATE)

TA MARR, CA

SUBJECT: SINAI MULTINATIONAL FORCE

1. ~~C~~ ENTIRE TEXT.

2. ARRANGEMENTS FOR MFO ARE FALLING INTO PLACE. FOLLOWING
MESSAGE (CONTINUED):

COUNTRIES ARE ON VERGE OF AGREEING TO CONTRIBUTE: GREAT
BRITAIN, ITALY, FRANCE, NETHERLANDS, AUSTRALIA, AND
POSSIBLY NEW ZEALAND AND BELGIUM. IN VIEW OF THIS,
IMMEDIATE NEED FOR CANADIAN PARTICIPATION APPEARS TO BE
DECLINING, ESPECIALLY IF THE BRITISH AGREE TO SUPPLY A
SIGNALS UNIT, WHICH WE HAD CONSIDERED REQUESTING FROM
CANADA.

3. IN AN EFFORT TO HEAD OFF A SITUATION IN WHICH CANADA
TAKES A DECISION TO PARTICIPATE ONLY TO BE INFORMED THAT
THERE IS NO PRESENT NEED FOR CANADA'S PARTICIPATION, EMBASSY
IS REQUESTED TO APPROACH EXTAFF AT APPROPRIATE LEVEL AND
MAKE FOLLOWING POINTS:

A. DISCUSSIONS WITH VARIOUS COUNTRIES HAVE BEEN ENCOURAG-

DECLASSIFIED
NLRN FISSY #32763
BY OW NARA DATE 12/7/07

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PAGE 02 OF 02 SECSTATE WASHDC 7648

DTG: 281555Z OCT 81 PSN: 001019

ING. WE NOW HOPE WITH SOME REASON THAT THE UK, ITALY, FRANCE, THE NETHERLANDS, AUSTRALIA (AND POSSIBLY BELGIUM AND NEW ZEALAND) IN ADDITION TO FIJI, COLOMBIA AND URUGUAY

WILL CONTRIBUTE TROOPS TO THE MFO.

B. IT NOW APPEARS THAT THE NUMBER OF COUNTRIES WHICH HAVE TENTATIVELY AGREED TO PARTICIPATE WILL MEET THE NEEDS OF THE MFO FOR THE FIRST ROUND. HOWEVER, ADDITIONAL SUPPORT WILL BE NEEDED IN FUTURE YEARS, WHEN THE MFO'S DIRECTOR-GENERAL WILL BE SOLICITING REPLACEMENT CONTINGENTS ON BEHALF OF EGYPT AND ISRAEL. ACCORDINGLY, WE BELIEVE IT WOULD BE HELPFUL FOR THIS ENTERPRISE IF CANADA WERE TO TAKE A DECISION IN PRINCIPLE TO PARTICIPATE IN THE MFO ALTHOUGH IT WOULD NOT SEND TROOPS TO THE SINAI FOR SEVERAL YEARS. FOLLOW-ON PARTICIPATION WILL BE IMPORTANT IN THE THINKING OF POTENTIAL CONTRIBUTORS IN FIRING UP THEIR COMMITMENTS. THUS, ANY POSITIVE ANNOUNCEMENT FROM CANADA WOULD BE GREATLY APPRECIATED. HAIG

SECSTATE WASHDC 7648

DTG: 281555Z OCT 81 PSN: 001019

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

32764

PAGE 01 OF 02 OTTAWA 7154
SIT420 DATE 11/20/81

DTG: 182202Z NOV 81 PSN: 016695
TOR: 323/0336Z

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WHTS ASSIGNED DISTRIBUTION:

SIT: RVA NAN COL JP VP EOB SIT MR PUBS
EOB:
WHSR COMMENT:

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NLRR E1554 #30764

AI DATE 12/7/09

MESSAGE ANNOTATIONS:

CONTENTS INCLUDED IN ABOVE SUMMARY.

MESSAGE:

IMMEDIATE
DE RUEHOT #7154 3222202
O 182202Z NOV 81
FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 3160

INFO USMISSION USNATO 1782
BT

~~C O N F I D E N T I A L~~ OTTAWA 07154
DEPARTMENT PASS NATO COLLECTIVE
E.O. 12065: RDS-1 11/18/01 (MASON, DWIGHT N.) ORP
TAGS: PARM, PEPR, NATO, CA
SUBJECT: CANADA'S FAVORABLE REACTION TO PRESIDENT'S SPEECH
POLICY

1. ~~(C~~ ENTIRE TEXT).
2. EXTAFF OFFICIALS RESPONSIBLE FOR PREPARING AN INTERNAL

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
WHITE HOUSE SITUATION ROOM

PAGE 02 OF 02 OTTAWA 7154

DTG: 182202Z NOV 81 PSN: 016695

ANALYSIS AND PRESS GUIDANCE FOR PRIME MINISTER TRUDEAU AND EXTAFF MINISTER MACGUIGAN ARE HIGHLY LAUDATORY OF THE PRESIDENT'S SPEECH. WE WERE TOLD BY ARSENE DESPRES, OFFICIAL IN EXTAFF'S BUREAU OF INTERNATIONAL SECURITY POLICY AND ARMS CONTROL AFFAIRS THAT HE AND HIS COLLEAGUES WERE VERY FAVORABLY IMPRESSED BY THE PRESIDENT'S ARMS CONTROL POLICY STATEMENT IN TERMS OF BOTH ITS TONE AND CONTENT. EXTAFF OFFICIALS THOUGHT THE SPEECH WOULD BE WARMLY WELCOMED BY THE EUROPEAN NATO GOVERNMENTS AND, JUST AS IMPORTANTLY, RECEIVE POSITIVE PRESS AND MEDIA COVERAGE IN THOSE COUNTRIES.

3. INDEED, WE WERE TOLD THAT "IF ASKED" GUIDANCE PREPARED BY EXTAFF FOR PRIME MINISTER TRUDEAU AND FOR EXTAFF

MESSAGE (CONTINUED):

MINISTER MACGUIGAN FOR USE WITH EITHER MEDIA OR IN PARLIAMENT STATES THAT THE GOC "WELCOMES" THE SPEECH AND GENERALLY ENDORSES THE POLICY APPROACHES LAID OUT BY THE PRESIDENT. FOR EXAMPLE, EXTAFF HAS PROPOSED RESPONSES TO POSSIBLE QUESTIONS THAT STATE PRESIDENT REAGAN'S REMARKS ARE "CONSISTENT WITH CANADA'S HOPES FOR ARMS CONTROL," WELCOMES THE IMMINENT GENEVA START NEGOTIATIONS AND SPECIFICALLY "ASSOCIATES" CANADA WITH OUR PROPOSALS ON CDE.

4. HOWEVER, FOR INTERNAL GOC PURPOSES EXTAFF DOES HAVE ONE QUESTION REGARDING THE PRESIDENT'S REMARKS ON REDUCTION OF CONVENTIONAL ARMS. EXTAFF WISHES TO KNOW IF THE ABSENCE OF SPECIFIC REFERENCE TO THE MBFR TALKS SUGGESTS THAT THE US HAS AN ALTERNATIVE MEANS OF NEGOTIATION IN MIND. PLEASE ADVISE. ROBINSON

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

WHITE HOUSE SITUATION ROOM

32765

PAGE 01 OTTAWA 7352
SIT192 DATE 11/30/81

DTG: 252208Z NOV 81 PSN: 026174
TOR: 330/0413Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: RVA NAN COL JP VP SIT EOB
EOB:
WHSR COMMENT:

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
DE RUEHOT #7352 3292209
O 252208Z NOV 81
FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 3299

~~C O N F I D E N T I A L~~ OTTAWA 07352
EXDIS
FOR THE SECRETARY FROM AMBASSADOR
DEPARTMENT PLEASE PASS TO SECRETARY WEINBERGER
E.O. 12065: RDS-1 11/25/01 (ROBINSON, PAUL H., JR.) OR-M
TAGS: PEPR, MARR, CA
SUBJECT: WEAPONS SYSTEM TESTING AGREEMENT WITH CANADA

1. MINISTER OF DEFENSE HAS TOLD ME PRIVATELY THAT WEAPONS TESTING AGREEMENT IS NOW BEFORE PRIME MINISTER FOR FINAL APPROVAL AND THAT A LETTER FROM THE PRESIDENT TO THE PRIME MINISTER URGING FAVORABLE ACTION IN VIEW OF THE AGREEMENT'S IMPORTANCE TO THE COMMON DEFENSE WOULD VERY LIKELY RECEIVE A FAVORABLE REPLY. I RECOMMEND THAT THE PRESIDENT SEND SUCH A LETTER.

2. SUGGESTED TEXT FOLLOWS:

DEAR PIERRE:
- AS YOU KNOW THE UNITED STATES ATTACHES GREAT IMPORTANCE TO THE PROPOSED US-CANADIAN AGREEMENT ON WEAPONS SYSTEM TESTING. TESTING IS ESSENTIAL TO ASSURE CONFIDENCE IN THESE WEAPONS SYSTEMS WHICH ARE KEY ELEMENTS OF THE COMMON WESTERN DEFENSE EFFORT.
- CANADA IS UNIQUELY ABLE TO PROVIDE THE APPROPRIATE TERRAIN AND AIRSPACE FOR THIS TESTING AND WOULD BE MAKING A SIGNIFICANT CONTRIBUTION TO THE COMMON DEFENSE EFFORT BY DOING SO.

MESSAGE (CONTINUED):

- I HOPE THAT YOU WILL CONSIDER AND APPROVE THE PROPOSED AGREEMENT ON TESTING. SINCERELY. END TEXT.
ROBINSON

OTTAWA 7352

DTG: 252208Z NOV 81 PSN: 026174

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NLRR F1554 * 32765

24 CU DATE 12/7/07

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WHITE HOUSE SITUATION ROOM

32766

PAGE 01 SECSTATE WASHDC 4804 DTG: 182057Z DEC 81 PSN: 056580
SIT085 DATE 12/22/81 TOR: 352/2232Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

SIT: RVA NAN COL JP VP SIT EOB

EOB:

WHSR COMMENT:

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
DE RUEHC #4804 3522200
O 182057Z DEC 81
FM SECSTATE WASHDC

TO AMEMBASSY OTTAWA IMMEDIATE 5161

~~C O N F I D E N T I A L~~ STATE 334804
E. O. 12065: RDS-3, 11/27/91 LLOYD, WINGATE;

TAGS: PEPR, MARR, CA

SUBJECT: PRESIDENTIAL LETTER TO PRIME MINISTER
TRUDEAU ON CRUISE MISSILE TESTING

REF: OTTAWA 7352

1. ~~(C)~~ - ENTIRE TEXT

2. EMBASSY SHOULD DELIVER THE FOLLOWING MESSAGE TO THE
PRIME MINISTER FROM PRESIDENT REAGAN.

3. BEGIN TEXT:

DEAR PIERRE:

AS YOU KNOW THE UNITED STATES ATTACHES GREAT IMPORTANCE
TO THE PROPOSED US-CANADIAN AGREEMENT ON WEAPONS SYSTEM
TESTING. TESTING IS ESSENTIAL TO ASSURE CONFIDENCE IN
THESE WEAPONS SYSTEMS WHICH ARE KEY ELEMENTS OF THE
COMMON WESTERN DEFENSE EFFORT.

MESSAGE (CONTINUED):

CANADA IS UNIQUELY ABLE TO PROVIDE THE APPROPRIATE
TERRAIN AND AIRSPACE FOR THIS TESTING AND WOULD BE
MAKING A SIGNIFICANT CONTRIBUTION TO THE COMMON DEFENSE

EFFORT BY DOING SO.

I HOPE THAT YOU WILL CONSIDER AND APPROVE THE PROPOSED
AGREEMENT ON TESTING.

--
--

SINCERELY,
RON

END TEXT. HAIG

DECLASSIFIED

NLRR F1554 #30766

BY CU NARA DATE 12/7/07

~~CONFIDENTIAL~~

~~SECRET~~

WHITE HOUSE SITUATION ROOM

PAGE 01
SIT390

OTTAWA 8012
DATE 12/30/81

DTG: 241733Z DEC 81 PSN: 006955
TOR: 358/1931Z

DISTRIBUTION: REPT /001

WHTS ASSIGNED DISTRIBUTION:

32767

SIT:
EOB:
WHSR COMMENT:

MESSAGE ANNOTATIONS:

NO MESSAGE ANNOTATIONS

MESSAGE:

IMMEDIATE
DE RUEHOT #8012 3581733
O 24:733Z DEC 81
FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC IMMEDIATE 3693

~~SECRET~~ OTTAWA 08012
NODIS

E.O. 12065: RDS-1 12/24/81 (SMITH, RICHARD J.) OR-M
TAGS: PL, UR, PINT, NATO
SUBJECT: POLAND: PRESIDENTIAL LETTERS

1. SECRET - ENTIRE TEXT
2. AS REQUESTED REFTEL LETTERS WERE DELIVERED TO OFFICE OF PRIME MINISTER MORNING DECEMBER 24. SMITH

DECLASSIFIED

NLRRF 1554 # 32767

9V CIS NARA DATE 12/7/07

~~SECRET~~