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Plan

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FM WASHINGTON 132350Z JUL 81

TO PRIORITY FCO

TELEGRAM NUMBER 2127 OF 13 JULY

AND TO OTTAWA

INFO BONN, PARIS, ROME, TOKYO, UKREP BRUSSELS.

no

TRUDEAU'S VISIT TO WASHINGTON: 10 JULY

1. THIS WAS A SHORT VISIT, MAINLY CONCERNED WITH THE OTTAWA SUMMIT. TRUDEAU HAD A 40 MINUTE MEETING WITH THE PRESIDENT ON THE MORNING OF 10 JULY, FOLLOWED BY A WORKING LUNCHEON. HE WAS ACCOMPANIED BY ALAN GOTTLIEB, DEPUTY FOREIGN MINISTER WITH RESPONSIBILITY FOR THE SUMMIT, AND THE CANADIAN AMBASSADOR. ON THE AMERICAN SIDE, REAGAN WAS JOINED BY HAIG AND ALLEN.

2. TRUDEAU'S MAIN MESSAGE IN HIS TALKS WITH REAGAN AS WITH THORN (MY TEL NO 2128) WAS THAT HE WANTED THE SUMMIT TO BE A SUCCESS. IN PARTICULAR, HE WAS ANXIOUS TO AVOID ANY GANGING UP ON EITHER THE AMERICANS (OVER EG HIGH INTEREST RATES) OR THE JAPANESE (OVER CAR EXPORTS). REAGAN AND TRUDEAU ARE REPORTED TO HAVE GOT ON WELL. IN SPITE OF THEIR DIFFERENT BACKGROUNDS AND PHILOSOPHIES, TRUDEAU IS NOT INDIFFERENT TO REAGAN'S CHARM AND WARMTH, WHILE REAGAN ADMIRES TRUDEAU'S INTELLECT.

3. MUCH OF THE DISCUSSION TURNED ON RELATIONS WITH DEVELOPING COUNTRIES, AND GLOBAL NEGOTIATIONS IN PARTICULAR. THE IBRD ENERGY AFFILIATE DOES NOT SEEM TO HAVE FEATURED. REAGAN AND TRUDEAU AGREED ON THE IMPORTANCE OF LISTENING TO THE VIEWS OF THE LESS DEVELOPED COUNTRIES. THE PRESIDENT ARGUED THAT THE BEST THING WE COULD DO FOR THEM WAS TO DEMONSTRATE HOW THEY COULD BRING ABOUT ECONOMIC ADVANCE ON THEIR OWN, EMPHASISING THE ROLE OF THE PRIVATE SECTOR. CANADA AND THE US HAD THEMSELVES BEEN UNDERDEVELOPED COUNTRIES AND HAD DEVELOPED RAPIDLY THROUGH HARD WORK AND PRIVATE ENTERPRISE. HE OUTLINED THE US PLAN FOR THE CARIBBEAN BASIN AND SAID THAT HE HOPED THERE WOULD BE AN OPPORTUNITY TO DISCUSS THIS AT OTTAWA.

4. TRUDEAU AGREED THAT IT WOULD BE USEFUL IF INDIVIDUAL PARTICIPANTS AT THE SUMMIT SAID SOMETHING ABOUT THE REGIONS WITH WHICH THEY WERE MOST CONCERNED WE HAVE NOT YET BEEN ABLE TO GET AN ACCOUNT OF TRUDEAU'S REPLY ON THE NATURE OF GLOBAL NEGOTIATIONS. BUT SEE MY TELEGRAM NUMBER 2129 (NOT TO ALL) FOR RICHARD ALLEN'S COMMENT SUBSEQUENTLY TO THE PRESS.

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5. THE PRESIDENT SUMMED UP THIS PART OF THE DISCUSSIONS BY SAYING IN CHARACTERISTIC FASHION: QUOTE IN ESSENCE WE ARE ALL AIMING FOR THE SAME GOALS, WHAT WE ARE TALKING ABOUT IS THE OBLIGATION AND REQUIREMENT TO HELP OTHERS HELP THEMSELVES. WE ARE TALKING ABOUT OTHERS MAKING THEMSELVES ECONOMICALLY SELF-SUFFICIENT, SO THAT WE CAN ADDRESS THE PROBLEM OF REMOVING SOCIAL INEQUITIES IN COUNTRIES, LESS DEVELOPED COUNTRIES, THAT MAKE THEM TARGETS FOR EXTERNALLY SUPPORTED SUBVERSION AND REVOLUTION UNQUOTE.

6. ASIDE FROM THE SUMMIT, BILATERAL ISSUES RAISED BY THE CANADIAN SIDE INCLUDED ACID RAIN, ON WHICH THE AMERICANS SAID THEY WOULD STAND BY EARLIER UNDERTAKINGS NOT TO EXPORT POLLUTION TO CANADA, AND THE ALASKAN PIPELINE, WHERE THE AMERICANS SAID THEY FAVOURED COMPLETION AND, AGAIN, STOOD BY EARLIER COMMITMENTS. THIS IS TO BE DISCUSSED FURTHER BETWEEN EXPERTS. PRESIDENT REAGAN RAISED THE QUESTION OF RESTRICTIVE INVESTMENT POLICIES IN CANADA, WHICH WERE CAUSING CONCERN IN CONGRESS AND ELSEWHERE. TRUDEAU RESPONDED BY CITING ALL SORTS OF DATA, NOTING, FOR EXAMPLE THAT 72 PER CENT OF THE CANADIAN OIL AND GAS INDUSTRY WAS FOREIGN OWNED, A FIGURE WHICH THE CANADIANS INTENDED TO REDUCE TO 50 PER CENT BY 1990, THOUGH HE STRESSED THAT THERE WAS NO QUESTION OF NATIONALISATION BEING USED IN THIS OR OTHER AREAS WHERE THERE WAS A HIGH DEGREE OF FOREIGN CONTROL. THE QUESTION OF HIGH US INTEREST RATES AND THEIR EFFECT ON PARTICIPANTS IN THE SUMMIT WAS NOT RAISED BY TRUDEAU. AFTERWARDS ALLEN TOLD THE PRESS THAT THE MESSAGE HAD ALREADY GOT ACROSS TO THE AMERICANS. FISH WAS NOT (NOT) RAISED. OTHER ISSUES COVERED BRIEFLY WERE NAMIBIA, THE MIDDLE EAST AND THE EUROPEAN INITIATIVE ON AFGHANISTAN BUT NEITHER SIDE HAS YET VOUCHSAFED IN WHAT TERMS.

HENDERSON

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