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WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

FO 006

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PRESIDENT RONALD REAGAN WHITE HOUSE WASHINGTON DC 20500

032032

DEAR MR PRESIDENT,

RECALLING YOUR FEBRUARY 6 REMARKS IN THE OVAL OFFICE AT THE SIGNING OF THE PROCLAMATION FOR THE INTERNATIONAL YEAR OF DISABLED PERSONS-"WE ALL STAND TO GAIN WHEN THOSE WHO ARE DISABLED SHARE IN THE OPPORTUNITIES"-, I URGE YOU AND THE OTHER FREE WORLD LEADERS AT ATTAMA TO DRAMATIZE SUPPORT FOR THE 1981 IYDP OBSERVANCE. INDEED, FULLEST POSSIBLE PARTICIPATION OF THE WORLD'S 1/2 BILLION DISABLED PERSONS IS IN THE ECONOMIC AND HUMANITARIAN INTEREST OF ALL NATIONS AND PEOPLES.

A STRONG LEADERSHIP STATEMENT BY THE ATTAWA LEADERS WOULD HELP GALVANIZE AND ADD MOMENTUM TO EFFORTS IN THESE SEVEN NATIONS AND ALL OTHERS. IT WOULD PROJECT IN A CONCRETE WAY THE HUMAN CONCERN OF THE U.S. AND OTHER GOVERNMENTS.

AS I HAVE STATED IN PERSON TO AMBASSADOR KIRKPATRICK AND SECRETARY GENERAL WALDHEIM, THE UNITED NATIONS ITSELF AS A FORCE FOR GOOD IN THE WORLD WOULD BENEFIT GREATLY FROM A VIGOROUS IYDP PROGRAM.

MUREDVER, YOUR VISIBLE, COLLECTIVE AND INDIVIDUAL COMMITTMENTS EXPRESSED AT THIS TIME WOULD DO MUCH FOR THE WORLD'S DISABLED DURING THE REMAINING 24 WEEKS OF THE TYDP AND BEYOND.

YOU HAVE THE BEST WISHES OF AMERICA'S 35 MILLION DISABLED PERSONS AND THEIR 45 MILLION FAMILY MEMBERS FOR A SUCCESSFUL ATTAWA MEETING.

COPIES OF THIS MESSAGE ARE ALSO BEING SENT TO MR JAMES A BAKER, AMBASSADOR JEANE KIRKPATRICK, AND SECRETARY GENERAL KURT WALDHEIM.

IF YOU WISH, I CAN BE REACHED AT NANTUCKET ISLAND CARE OF FORSYTHE 6172280108

RESPECTFULLY

ALAN A REICH PRESIDENT US COUNCIL FOR IYOP 1575 EYE ST NORTHWEST SUITE 430 WASHINGTON DC 20005

17715 EST

MGMCOMP

TO REPLY BY MAILGRAN, PHONE WESTERN UNION ANY TIME, DAY OR NIGHT.

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OF YOUR TELEPHONE DIRECTORY

OR

DIAL (TOLL FREE) 800-257-2241

(EXCENT IN NEW JERSEY 800-632-2271)

OR DIAL WESTERN UNION'S INFOMASTER SYSTEM DIRECTLY:

BERKET





BOARD OF GOVERNORS OF THE

FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

July 16, 1981

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PAUL A. VOLCKER FOOD6-01.

FIODS
FOOD5-02
FG143

MEMORANDUM FOR THE PRESIDENT

FROM:

Paul A. Volcker

SUBJECT:

Pre-Summit Views of U.S. Economic Policy by

Foreign Central Bankers

A summary of points about U.S. economic policy made to me by foreign central bankers (and to some extent finance ministers) in recent weeks may be helpful before the Summit.

As you know, the comments come against a background of widespread unhappiness and concern about high U.S. interest rates and the depreciation of their currencies. The concern is natural, because it complicates dealing with their own problems. But few of the financial leaders translate that concern into strong substantive criticism of the general thrust of U.S. monetary policy. While some doubts are voiced about the particulars of fiscal policy, they are strongly supportive of the objectives of Administration policy. They are certain to be increasingly impatient to see results as time passes.

Specifically:

- I know of no central banker, and few other financial officials, who would suggest any backing off from firm restraint on growth in money and credit, recognizing that may mean high interest rates for a time. I have taken the position -- and they at least reluctantly accept -that Federal Reserve action attempting to lower interest rates in the short run at the expense of excessive money growth would run the much larger risk of more inflation and higher interest rates in the future.
- Concerns by the foreign "experts" about U.S. monetary policy are essentially confined to tactical issues, e.g., most of them think we emphasize short-run changes in the money supply too much, at the expense of unnecessary and unsettling interest rate and exchange rate volatility. While you may hear echoes of that concern, those more technical questions do not strike me as appropriate issues for extended "Summit" discussion.
- Views on fiscal policy are more mixed. As I indicated, there is broad sympathy for the objectives of, and the broad thrust, of your program. At the same time, they

MEMORANDUM FOR THE PRESIDENT -- Page Two.

are very much concerned about the deficit, feeling it places too heavy a burden on monetary policy to deal with inflation, and keeping interest rates higher than necessary. Complaints are greatly muted by recognition of:

- (a) The generally bad fiscal positions of their own countries, and
- (b) Your own strong efforts to cut spending and the time it takes realistically to turn around a budget.
- 4. While individuals raise the issue, there is no strong and concerted plea for incomes policies or credit controls; only the French really raise the latter point. But some are concerned that not enough attention is paid to bringing pressure on wage settlements.
- 5. In substance, there has been relatively little complaining about the absence of U.S. intervention in foreign exchange markets in recent months. But there is strong concern that limited intervention not become an ideological refusal to intervene in instances where it may be mutually advantageous. They consider it one area where monetary "cooperation" can, on occasion, be effectively demonstrated.
- 6. The sorest point is the fact that the falling exchange rate vis-a-vis the dollar sharply increases their domestic price for oil. They will (grudgingly) admit that our policies have helped weaken the dollar price of oil, and that they have in the past related oil price increases partly to a weak dollar and U.S. inflation.

Central banking views were (I think accurately) summarized for me at a meeting of the Bank for International Settlements in Switzerland early this week as follows:

"Don't expect us to be enthusiastic about what is happening. Individually, we have a lot of different opinions about how you are going about it. But the fact is we have no agreement or better alternatives to your policies. What we would like to see is success."

I have no sense that European or Japanese central bankers want to be associated with anything in the nature of a policy confrontation. They uniformly accept the thesis that dealing with inflation is an essential prerequisite to successful policy, that the process is not painless and requires monetary restraint, and that it takes time.

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WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

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THE WHITE HOUSE

Max Frederiday

FROM:

MICHAEL K. DEAVER Assistant to the President Deputy Chief of Staff

- Information
- Action

CLARENCE J. BROWN 7TH DISTRICT, OHIO

URBANA, OHIO

COMMITTEES: VERNMENT OPERATIONS ERGY AND COMMERCE JOINT ECONOMIC

Congress of the United States

House of Representatives

Washington, P.C. 20515

July 16, 1981

WASHINGTON OFFICE: 2217 RAYBURN HOUSE OFFICE BUILDING AREA CODE: 202 225-4324

DISTRICT OFFICES:

U.S. POST OFFICE BUILDING 150 NORTH LIMESTONE STREET SPRINGFIELD, OHIO 45501 AREA CODE: 513 325-0474

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One of the state of the st 144 EAST CENTER

The President The White House Washington, D.C. 20500

Dear Mr. President:

As you prepare for your upcoming participation in the Ottawa Economic Summit, we feel you should be aware of our increasingly serious concern over the impact of Canadian investment policies - in particular those growing from the Canadian National Energy Program (NEP) - on both the overall international energy interests of the United States and on the economic status of individual American firms.

We understand that the Economic Summit to be hosted by Prime Minister Trudeau is intended to serve as a forum for discussion of broad multilateral issues of concern to all Summit participants. The issue which concerns us is not a purely bilateral issue. The proposed NEP and other Canadian investment policies are serious issues of concern to other Summit participants and the U.S. Government has been joined in its past protests over the impacts of these Canadian policies by other governments that will be represented at the Summit.

Although the immediate impact of these policies falls most heavily on the United States as a result of the degree of American investment in the Canadian economy, the Canadian policies left unchallenged over the long term will serve to undermine much of the international system of free and open economic relationships which western nations have been striving to build since World War II. For this reason, we feel it would be appropriate for you to broach this topic.

You are no doubt aware of the highly publicized attempts by certain Canadianowned firms to take over large American energy companies in recent weeks. Many of these unfriendly takeover attempts have been inspired by Canadian energy policies which discriminate against foreign-owned firms operating in Canada. While Canadian energy policies have not always served as the direct impetus of the takeover attempts, they have at least served to place targeted American companies in impossible legal and financial situations. The problems have been aggravated by existing U.S. law and policies which at times place American business at a disadvantage to foreign firms in these takeovers.

We have today passed out of the Subcommittee on Telecommunications, Consumer Protection and Finance of the House Energy and Commerce Committee legislation establishing strict margin requirements for the financing of non-U.S. companies involved in the takeover attempts directed at U.S. corporations. This bill is a direct reaction to the recent takeover activities by the Canadian companies aimed at U.S. corporations involved in the development of energy resources in the U.S. and Canada. In the Mines and Mining Subcommittee of the House Interior Committee, a separate piece of legislation was reported today establishing a moratorium on acquisitions of U.S. oil and mineral companies by foreign firms.

It was only with a great deal of effort and out of respect for your upcoming Economic Summit meeting that the Commerce Sub-Committee resisted adding to our legislation language which would put a moratorium on any takeovers of American firms by Canadian interests. However, we can offer no assurance that the Congress will resist such action in the near future.

Many Members of Congress are incensed at the imbalanced Canadian actions which are not only unfair in terms of free and open investment and trade, but are causing severe repercussions in the U.S. economy. If the Canadians wish to nationalize their own economy, we do not feel it should come at the expense of the United States and the welfare of its citizens.

The Canadian National Energy Policy, which fosters Canadianization of that nation's oil and mineral industry, depresses the stock values of U.S. energy companies with interests in Canada, thus making these firms susceptible to takeover bids (often financed on exceptionally generous terms) by Canadian companies in which Canadian government entities, in some cases, have substantial interests.

At the same time, Canada's Foreign Investment Review Agency (FIRA) has regulated outside investments in the Canadian economy under unusually severe controls. FIRA can not only approve or disapprove any direct foreign investment in Canada based on "significant benefit" to Canada, but FIRA can also determine the criteria by which "good corporate citizens" are judged based on short-term Canadian political whims. While many of us believe that international investment should not be discriminated against by any nation, it is absolutely unfair and improper for Canadians to be allowed to invest in the United States or abroad on terms more attractive than those which U.S. or other firms are granted in Canada.

This present Canadian advantage has now lead to many U.S. firms, threatened by Canadian takeover, being taken over or bid for by other U.S. corporations in such a way as to raise severe anti-trust questions under U.S. law.

If two companies choose to merge to provide greater economics of scale and lower production costs, the resulting efficiencies and lower prices to the consumer are a beneficial economic phenomenon worthy of being encouraged. However, when two large domestic firms are forced to merge in order to protect themselves from discriminatory foreign takeovers at depressed prices, then our free market system runs the risk of concentration for the wrong reason.

Clearly, it is time that something be done at the highest level of government. Some in the Congress are prepared to allow for additional time so that diplomatic initiatives can be pressed to resolve this difficulty but we cannot wait forever while American interests are increasingly impacted by unfair and discriminatory foreign government actions. Support for a legislated moratorium on Canadian investments in the United States will continue to grow with each new takeover attempt. Such legislation, if it does not bring about the desired modifications in Canadian policy is likely to be only a first step.

We urge you to discuss this matter with Prime Minister Trudeau in the interest of preserving the traditional friendship and free market relationship enjoyed for centuries between the United States and Canada. Failure of the Canadian government to be sensitive to the uproar currently underway in the United States in reaction to their takeover actions here clearly risks the prospects of strong legislative reaction in the United States.

Sincerely,

hn D. Dingell, Chairman Committee on Energy and

Commerce

J. Broyn, Ranking Minority Member, Subcommittee on Fossil and

Synthetic Faels

Timothy E. Wirth, Chairman

Subcommittee on

Telecommunications, Consumer

Protection, and Finance

Bob Whittaker, M.C.

James f. Broyhill, Ranking

Member, Committee on Energy and

Commerce

ames M. Collins, Ranking Minority

Member, Subcommittee on Telecommunications, Consumer

Protection and Finance

B/B

July 24, 1981



03304255 F0006-01 F0005-03 TR009 F6298 C0009

Dear Mr. President:

I thought the attached report reflecting your superb performance at the Ottawa Summit would be of interest to you.

Best,

Sincerely,

Charles Z. Wick

"81 JL 27 P5:14

/Attachment

International Communication Agency United States of America

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SUBJECT: OTTAWA SUMMIT

AGE WASHINGTON CORRESPONDENT, PETER COLE-ADAMS, USING TITLE "REAGAN WINS WITH PAPER BOMB," BEGINS FEATURE ARTICLE, JULY 24, ASSERTING THAT THE SUMMIT'S PRIMARY PURPOSE WAS NO MORE THAN A RESTATING OF COMMON ENDS RATHER THAN A DEFINING OF A COMMON MEANS OF ARRIVING AT THEM. WHILE COLE-ADAMS MENTIONS IN PASSING THE VARIOUS POLICY ISSUES TOUCHED ON AND THE FACT THAT THE DELIBERATIONS WILL HAVE FAR REACHING CONSEQUENCES, HE IS MUCH MORE INTRIGUED BY THE WAY THE AMERICANS CAPTURED THE HEARTS AND MINDS OF THE MEDIA WITH THEIR BOMBARDMENT OF PAPER."

HE SAYS, "IN THE MEANTIME, I AM HAPPY TO REPORT THAT THERE WAS ONE CLEAR CUT VICTORY IN OTTAWA: THE AMERICANS WON THE WAR FOR THE MINDS, IF NOT THE HEARTS, OF THE MEDIA. THEY DID IT BY SATURATION PAPER BOMBING."

"BUT WE'RE AN UNGRATEFUL LOT, WE SCRIBES AND SPRUIKERS. I
MUST RECORD THAT MANY OF THE 1500 OF US WHO CONVERGED ON OTTAWA
SPENT MORE TIME AT THE WHITE HOUSE PRESS FACILITIES AT THE
SKYLINE HOTEL THAN WE DID IN THE ENORMOUS OFFICIAL CONFERENCE MEDIA
CENTRE."

"ALL THE WHITE HOUSE HAD TO OFFER WAS INFORMATION - VOLUMES OF IT. INSTEAD OF COYLY DISCREET "BACKGROUND" BRIEFINGS FROM NAMELESS FUNCTIONARIES, THE AMERICANS STAGED REGULAR, OPEN PRESS CONFERENCES. USUALLY, GIVEN BY AND DIRECTLY ATTRIBUTABLE TO A VERY SENIOR ADMINISTRATION OFFICIAL: SECRETARY OF STATE ALEXANDER HAIG, TREASURY SECRETARY DONALD REGAN, PRESIDENTIAL COUNSELLOR EDWIN MEESE, NATIONAL SECURITY ADVISER RICHARD ALLEN."

"WITHIN AN HOUR OF THE CLOSING OF THE BRIEFING, A COMPLETE TRANSCRIPT WAS AVAILABLE TO ANY JOURNALIST, OF ANY NATIONALITY, WHO ASKED FOR IT."

"THE RESULT WAS INEVITABLE. WHEN THEY EVENTUALLY DID GET AROUND TO BRIEFING THE PRESS, THE OTHER NATIONAL DELEGATIONS FOUND THEMSELVES ON THE DEFENSIVE. INSTEAD OF BEING ABLE TO ANNOUNCE THEIR VERSION OF EVENTS, THEY FOUND THEMSELVES TRYING TO RESPOND TO AN ON THE RECORD AMERICAN ACCOUNT OF THE SAME DISCUSSIONS."

"INDEED, IT WAS OFTEN THE AMERICANS WHO PROVIDED THE FIRST TRANSCRIPTS OF PUBLIC STATEMENTS BY THE LEADERS OF OTHER DELEGATIONS. FOR EXAMPLE, IT WAS THE WHITE HOUSE, NOT THE WEST GERMANS, WHO PROVIDED REPORTERS WITH A FULL TRANSCRIPT OF AN EARLY MORNING TELEVISION INTERVIEW WITH CHANCELLOR SCHMIDT IN WHICH HE WAS CRITICAL OF AMERICAN ECONOMIC POLICIES."

IT WAS THE WHITE HOUSE WHICH PRODUCED THE FIRST COPIES OF THE FINAL STATEMENTS BY ALL THE NATIONAL LEADERS IN THEIR TUESDAY EVENING PRESS CONFERENCE.

"WITH SERVICE LIKE THAT, IT IS NOT ENTIRELY SUPRISING THAT THE AMERICANS WON THE PROPAGANDA WAR ALMOST BY DEFAULT. SCEPTICAL AS THEY SOMETIMES WERE ABOUT THE AMERICAN VERSION, REPORTERS UP AGAINST A DEADLINE HAD TO MAKE WHAT THEY COULD OF THE INFORMATION AVAILABLE, EVEN IF IT MEANT TRYING TO MAKE SENSE OF AL HAIG'S REFERENCES TO "FUTURISTIC TIME SCALES." ENDUSINFO:

BT

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 5, 1981

40006-01
PROOF

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM:

RICHARD V. ALLEN Dive

SUBJECT:

Letters of Appreciation to Secretaries Haig and Regan

I thought that you might wish to acknowledge the outstanding job that Secretaries Haig and Regan did in connection with the Ottawa Summit.

RECOMMENDATION: That you sign the attached letters to Secretaries Haig and Regan (Tab A).

APPROVE

DISAPPROVE

Attachment

Tab A Letters of Appreciation to Secretaries
Haig and Regan

*81 AGO -5 A9:30

THE WHITE HOUSE

WASHINGTON

Dear Al:

I wanted to take a personal moment to thank you for the outstanding work and cooperative effort which you contributed to the outcome of the Ottawa Summit. The meeting was an important success in our continuing effort to rally the allies around a common view of the dangers and opportunities which we face in the present world situation. I was particularly pleased by the degree of unity achieved in the Chairman's Summary of our political discussions. We have come a long way with our Canadian, European and Japanese friends, and you have been responsible for much of that progress.

I also want to express my admiration for the outstanding job which Myer Rashish did under your leadership as my personal representative in the Summit preparations. He accomplished his task in an especially professional and graceful manner, and he earned the respect of his counterparts as well.

This occasion to implement the teamwork approach paid excellent dividends, and I look forward to many similar successes in the future.

Sincerely,

The Honorable Alexander M. Haig, Jr. The Secretary of State Washington, D.C.

THE WHITE HOUSE

WASHINGTON

Dear Don:

I think you know how pleased I was at the outcome of the Ottawa Summit. The results were in no small measure due to your unfailing efforts and cooperation throughout the preparations and at the Summit meeting itself.

You have been an untiring ambassador of my economic program both here at home and abroad. I know that the measure of understanding which we received at the Ottawa Summit was a consequence of the long and careful explanations that you have made on occasion after occasion to our Canadian, European and Japanese friends. You have my personal and lasting gratitude.

I also want to express my thanks and admiration for the outstanding job that Beryl Sprinkel performed under your leadership as a member of the US delegation for the Summit preparations. He has earned the reputation of a firm but friendly advocate of US economic policy, and I am proud to have him serving with you in his important capacity.

I look forward to working with you and others on the many challenges that lie ahead of us.

Sincerely,

The Honorable
Donald T. Regan
The Secretary of Treasury
Washington, D.C.

NATIONAL SECURITY COUNCIL



July 29, 1981

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MEMORANDUM FOR RICHARD V. A

THROUGH:

NORMAN A BAILEY

FROM:

HENRY R. NAU_

SUBJECT:

Letters of Appreciation from the President

to Secretaries Haig and Regan

I have drafted letters from the President to Haig and Regan thanking them and their associates Rashish and Sprinkel for the outstanding job they did in connection with the Ottawa Summit (Tab A).

I do not know your inclinations in matters of this sort, but I thought I would give you the opportunity to have the President take note of a job well done. It could inspire the troops to greater efforts of teamwork and achievement in the months and years ahead.

You may wish to recast the letters in language and syntax more appropriate to the President's personal style.

RECOMMENDATION: That you sign the memo to the President (Tab I) forwarding the letters to Haig and Regan.

APPROVE as omerled DISAPPROVE

Attachments

Tab I Memo to the President

A Letters to Haig and Regan

THE WHITE HOUSE

WASHINGTON

Copera

Dear Al:

I wanted to take a personal moment to thank you for the outstanding work and cooperative effort which you contributed to the outcome of the Ottawa Summit. The meeting was an important success in our continuing effort to rally the allies around a common view of the dangers and opportunities which we face in the present world situation. I was particularly pleased by the degree of unity achieved in the Chairman's Summary of our political discussions. We have come a long way with our Canadian, European and Japanese friends, and you are personally responsible for much of that progress.

I also want to express my thanks and admiration for the outstanding job which Myer Rashish did under your leadership as my personal representative in the Summit preparations.

He accomplished his task in an especially professional and graceful manner. Lam proud to have him serving with you in this important facts as well.

I look forward to continued cooperation and common effort with you and other members of my Cabinet in dealing with the challenges and opportunities that lie ahead of us.

Sincerely,

This occasion to implement the floorwork before paid elected devidends, and of look forward to many primiting purcess and The Honorable the future, Alexander M. Haig. Jr.

Alexander M. Haig, Jr. The Secretary of State Washington, D.C.

been pe Done 81 AUG 4 P7: 05 JANET COLSON BUD NANCE DICK ALLEN IRENE DERUS JANET COLSON BUD NANCE KAY SHOW CC CY TO VP SHOW CC CY TO MEESE THE WHITE HOUSE 1 SEPTEMBER 1981 #4523 NOTE FOR FILE:

Checked w/Mr. Darman's office this date. According to their records, this item is still with the President; they do not show that the letters have as yet been signed.

4523

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FROM NAU

DOCDATE 29 JUL 81

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29 JUL 81

KEYWORDS: OTTAWA SUMMIT

HAIG, A

REGAN, D

SUBJECT: LTRS OF APPRECIATION FM THE PRES TO HAIG & REGAN

ACTION: FOR DECISION DUE: 03 AUG 81 STATUS X FILES

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

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July 15, 1981

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MEMORANDUM FOR RICHARD V. ALLEN

FROM:

CHARLES P. TYSON /

SUBJECT:

Ottawa Summit Participants

Per your request, attached at Tab A is the most current list of Ottawa Economic Summit participants -- which was received from our Embassy in the respective Summit country.

You expressed a desire to meet with some members of the delegations. Please advise.

NSC#8104282

July 20-21, 1981

France:

Francois Mitterrand President

Claude Cheysson Minister of Foreign Affairs

Jacques Delors Minister of Economy and Finance

Pierre Beregovoy Secretary-General of the Elysee

Jacques Attali Special Counselor for Economic Affairs

Hubert Vedrine Elysee Foreign Affairs Counselor

Michel Vauzelle Press Spokesman

United Kingdom:

Margaret Thatcher Prime Minister

Lord Carrington
Secretary of State for Foreign and
Commonwealth Affairs and
Overseas Development

Sir Geoffrey Howe Chancellor of the Exchequer

Sir Robert Armstrong Secretary to the Cabinet

Sir Michael Palliser Permanent Undersecretary Foreign and Commonwealth Office

Sir Kenneth Couzens Second Permanent Secretary Ministry of the Treasury

Italy:

Giovanni Spadolini Prime Minister

Emilio Colombo Minister of Foreign Affairs

Beniamino (Nino) Andreatta Minister of Treasury

Ambassador Maurizio Bucci Director General for Economic Affairs. Foreign Ministry

Vieri Traxler Vice Director General for Political Affairs Foreign Ministry

Giovanni Bottiglieri Prefect, Prime Minister's Office

Dr. Lamberto Dini Director General Bank of Italy

Giuseppe Borga Energy Coordinator Foreign Ministry

Alberto Leoncini Partoli Director of NATO Office Foreign Ministry

Ranieri Tallarigo Office Director, Middle Eastern Affairs Foreign Ministry

Sergio Berlinguer Diplomatic Advisor to Prime Minister

Dr. Stefano Folli Press Secretary to Prime Minister

Enzo Perlot Press Spokesman Ministry of Foreign Affairs

Luigi Guidobono Cavalchini Vice Chief of Cabinet Ministry of Foreign Affairs

Professor Lucio Izzo Economic Advisor to Treasury Minister

(cont'd)

Italy: (cont'd)

Professor Giuseppe Ammassari Director General for Energy Ministry of Industry

Paolo Ianni Chief of Multilateral Organizations Office Directorate General for Economic Affairs Foreign Ministry

Mario Piersigilli Head of Research Office Directorate General for Economic Affairs Foreign Ministry

Antonio Badini Prime Minister's Office

Dr. Fabrizio Saccomanni Research Office Bank of Italy

Japan:

Zenko Suzuki Prime Minister

Sunao Sunoda Minister of Foreign Affairs

Michio Watanabe Minister of Finance

Tsutomu Kawara Deputy Chief Cabinet Secretary

Shogo Zaitsu Secretary to the Prime Minister

Sakutaro Tanino Secretary to the Prime Minister

Mamoru Ozaki Secretary to the Prime Minister

Noboru Hatakeyama Secretary to the Prime Minister

Kiyoaki Kikuchi Deputy Minister of Foreign Affairs

Hiromu Fukada Director General, Economic Affairs Bureau Ministry of Foreign Affairs

(cont'd)

Japan: (cont'd)

Shinichi Yanai Director General, Economic Cooperation Bureau Ministry of Foreign Affairs

Mitsuro Donowaki
Deputy Director General, European and Oceanic
Affairs Bureau
Ministry of Foreign Affairs

Minoru Endo Deputy Director General, Economic Affairs Bureau Ministry of Foreign Affairs

Yoshiyasu Sato Deputy Director General, Economic Affairs Bureau Ministry of Foreign Affairs

Katsuhiso Uchida
Director, Research and Planning Department,
Policy Planning Division
Ministry of Foreign Affairs

Terusuke Terada
Director, Public Information and Cultural
Affairs Bureau, Press Division
Ministry of Foreign Affairs

Ryojiro Watanabe Private Secretary to the Minister

Koichi Haraguchi Private Secretary to the Minister

Ryozo Kato Special Assistant, Economic Affairs Bureau Ministry of Foreign Affairs

Kiichi Watanabe Vice Minister for International Affairs Ministry of Finance

Takehiro Sagami Special Advisor to the Minister Ministry of Finance

Takashi Kato
Director General, International Finance Bureau
Ministry of Finance

Hirotake Fujino Counselor Ministry of Finance

Japan: (cont'd)

Toshio Osu Director, International Organizations Division Ministry of Finance

Toshimichi Tanikawa Personal Secretary to the Minister

Nobuyuki Teramura Personal Secretary to the Minister

Kyoji Kikkawa Director, Second International Affairs Division, Customs and Tariff Bureau Ministry of Finance

Takatoshi Kato
Special Assistant to the Vice Minister of
Finance for International Affairs
Ministry of Finance

Akira Matsuura Director General, Economic Affairs Bureau Ministry of Agriculture, Forestry & Fisheries

Naohiro Amaya Advisor Ministry of International Trade & Industry (MITI)

Shohei Kurihara Deputy Vice Minister MITI

Makoto Kuroda Deputy Director General, International Trade Policy Bureau MITI

Toshihiko Hotta Director, International Economy Division, International Trade Policy Bureau MITI

Ryuji Anraku
Director, International Resources Division,
Resources and Energy
MITI

Seiichiro Tanaka Director General, Research Bureau Economic Planning Agency (EPA)

Japan: (cont'd)

Tsuneo Unno

Director, Coordination Division, Research Bureau

Economic Planning Agency (EPA)

Ambassador Michiaki Summa Embassy of Japan in Canada

Hiroyuki Yushita

Counselor

Embassy of Japan in Canada

Germany:

Helmut Schmidt Chancellor

Hans-Dietrich Genscher Minister of Foreign Affairs

Otto Lambsdorff Minister of Economics

Hans Matthofer
Minister of Finance

Horst Schulman State Secretary for Finance

Franz Peiffer Political Director Ministry of Foreign Affairs

Fritz Fischer Technical Assistance Ministry

Per Fischer State Secretary for Economic Policy

Otto von der Gablenz Foreign Affairs Advisor Chancellor's Private Office

Herman Heick Economic Affairs Advisor Chancellor's Private Office

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TO ALLEN

FROM TYSON

DOCDATE 15 JUL 81

035043,

KEYWORDS: OTTAWA SUMMIT

CANADA

SUBJECT: OTTAWA SUMMIT PARTICIPANTS

ACTION: FOR INFORMATION

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MEMORANDUM

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THE WHITE HOUSE

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FRED FIELDING

CRAIG FULLED

ELIZABETH DOLE
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CRAIG FULLER
DAVID GERGEN
DAN MURPHY
LYN NOFZIGER
KARNA SMALL
LARRY SPEAKES
FRANK URSOMARSO
MURRAY WEIDENBAUM
RICHARD WILLIAMSON

FROM:

RICHARD V. ALLEN

SUBJECT:

Results of Ottawa Summit

Attached is an ICA Special Report on the foreign media reactions on the results of the Ottawa Summit for July 24, 1981.

Attachment

SPECIAL REPORT

Foreign Media Reaction

July 24, 1981

RESULTS OF OTTAWA SUMMIT

Summary

Extensive worldwide media coverage and comment attempted to assess the outcome of the seven-nation economic conference at Ottawa.

High praise for President Reagan's performance dominated media discussion, especially in Western Europe. Many writers echoed the <u>Times</u> of London judgment that "there can be no denying that the...summit represented a considerable victory for President Reagan."

Few analysts felt anything very substantive came from the summit. Some allowed, as did the London <u>Financial Times</u>, that "while there may not have been any immediate narrowing of differences... at least there may be a greater readiness to discuss these differences in depth."

The issue of East-West trade and dealing with the Soviets was seen as causing a wide gap between America and its allies. The President's frankness on the subject of the Soviet-West European gas line project prompted headlines and considerable comment in West Germany.

At the same time, the Americans were widely credited with showing flexibility on accepting a "global" position for aid to third world countries. However, third world commentators doubted that the summit resolved anything more than, as Mexico City's Unomasuno said, "willingness to engage in discussions with the underdeveloped world at Cancun."

Foreign editorialists seemed, at the conference's end, resigned to accepting high U.S. interest rates as unchangeable, and noted that European governments would have to adjust to them with anti-inflation programs of their own.

Support by participants for the Administration's delay of jet airplane delivery to Israel enhanced U.S. stature at the summit.

Coverage and comment fell into the following general themes.

* * * * * * *

1. The summit was a personal triumph for President Reagan, who demonstrated "brilliant" leadership skill and dominated the sessions.

"Reagan Firmness and Charm"

Among London headlines July 23 were "Glowing Thatcher Assessment of Reagan's Summit Performance (Times of London, front page), "Firmness and Charm by Reagan" (Daily Telegraph), and "Leaders Are Surprised by Their Own Amity" (Financial Times, inside page).

"Considerable Victory for Reagan"

Times correspondent Nicholas Ashford in Ottawa said July 23 Mrs. Thatcher's "glowing assessment of the American President's performance may have been colored by the fact that she had just spent the previous two and a half days of talks at Chateau Montebello agreeing with practically everything Reagan said...

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

"New International Stature for Reagan"

The conservative <u>Daily Telegraph</u> of London July 23 carried Washington correspondent Richard Beeston's report that "a weary President Reagan has returned to Washington from Ottawa with new international stature after a highly successful debut...He won endorsement for America's anti-inflation policies and praise for the combination of firmness and charm he displayed..."

"Americans Do Not Fool Around"

West German TV One Washington correspondent Peter Merseburger said July 23, "The United States was a little afraid before the summit because this was the new Administration's first test of its diplomatic skill. The United States is satisfied.... Everything was unanimous."

"Reagan Stuck to the Protocol"

West German TV Two's Washington correspondent Dieter Kronzucker reported the same day that at Ottawa President Reagan "stuck meticulously to the protocol and remained hard on the issues."

"Compromise Replaced Genuine Consensus"

Left-of-center Frankfurter Rundschau ran a correspondent's report from Ottawa July 23 that "the West again has a leader.... The summit demonstrates that Reagan...cannot have enough of leadership....The old California gentleman's simplistic concept of the world largely dominated the discussions...

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

Nationally circulated liberal weekly <u>Die Zeit</u>, out July 23, ran a columnist's assertion that "Reagan almost managed to give the summit his imprint. In the shadow of his power, Alexander Haig regained his old, guiet self-assurance..."

"Reagan's Bitter Medicine"

Social Democratic Party weekly <u>Vorwaerts</u> remarked July 23 that the summit of the seven nations "showed that only one of them, the United States, determines the course.

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

"Triumph for Reagan on Almost All Fronts"

Leftist La Repubblica of Rome carried a byliner's view July 23 that "for Ronald Reagan...it was a triumph on almost all fronts....The communique could not be more explicit in celebrating the victory of Reagan's monetary doctrine..."

"Reagan Passed the Test Brilliantly"

In Milan, July 23, centrist <u>Corriere della Sera</u> ran correspondent Ugo Stille's report that "this was the debut of Ronald Reagan on the international stage. The most unanimous opinion is that the American President passed the test brilliantly."

Among Paris headlines July 23 were "U.S. Wins" (Figaro), "Ottawa: Reagan Leads the Game" (Quotidien), "Europe Against the Wall After Reagan's Challenge in Ottawa" (financial Les Echos).

"Reagan Found France Is a Strong Ally"

Mass-circulation France-Soir remarked July 23 that "despite the somewhat peremptory tone of a Reagan who came out as the big winner... Mitterrand can claim some satisfaction...Ronald Reagan himself invited Mitterrand to the United States. And it was also Reagan who expressed satisfaction in finding that France is a strong ally..."

"Reagan Remains Master of the Game"

Independent <u>Quotidien</u> said July 23, "Reagan remained master of the game.... Although they did not lack courage, the (Europeans)...lacked the necessary weapons to struggle effectively. Their few arrows did not really halt the American giant....It is clear the United States came out of the affair in very good shape..."

"Freedom to Grumble"

In Brussels, Socialist <u>De Morgen</u> July 23 held that "the European participants...again witnessed how weak is their voice...If Reagan says no the others...may have freedom to grumble, but that is all."

In Canada the same day the Ottawa <u>Citizen</u> ran the headline, "Ronald Reagan Ambles Into Role of Western Leader."

Australia: "Likely to Enhance Reagan's Reputation"

The July 22 independent Melbourne Age carried a correspondent's story headed "Summit a Victory for Reagan," which said "the Ottawa conference, billed as Ronald Reagan's first real test as a world leader, seems increasingly likely to enhance rather than damage his reputation...(Initial) indications...were that the American leader has been forced to concede very little while winning some grudging respect, and even a few points, from his skeptical allies."

2. While no success, the summit was not the failure that had been predicted. It demonstrated at least a willingness among industrialized nations to cooperate and discuss differences. But the summit communique largely masked the gravity of differences between America and its economic partners. The United States once again sought to impose its policies on them.

"Avoided Commitment to Do Anything About Economic Disorder"

In an editorial July 23 the <u>Times</u> of London said that "everybody smiled for the camera at Ottawa and the smiles were as faked as in previous summits....The general feeling of success lay in what was left out of the communique, not what was put in....But the sweetness was managed only by avoiding or blurring a commitment to do anything positive about the world's economic disorders. The leaders have descended from Fudge Mountain..."

"Big Differences Left Unresolved"

Correspondents David Blake and Nicholas Ashford of the Times reported July 22 that the summit ended with the leaders "congratulating each other....But the meeting left unresolved big differences on key economic and political issues....The communique contained few specific pledges (on aid to the developing world)."

"Achievements Not as Meager as Feared"

The <u>Financial Times</u> of London observed in an editorial the next day that "the achievements of the...summit...are fairly meager, but they are not quite as meager as might have been feared from the advance publicity...

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

"Europe's Worries Did Not Change Anything"

West German TV One on July 21 carried correspondent Peter Merseburger's observation that "it is clear that in Ottawa more differences have been consolidated than eliminated. Regarding economic policy, the United States is openly talking about a victory of its own position. Indeed, the worries of the Europeans did not change anything..."

TV Two's correspondent Friedhelm Ost reported, "No good news from Ottawa. Economic, political illusions or hopes finally had to be given up. Economic summits...cannot supply patent cures for inflation, unemployment, recessions and protectionism."

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

"A Spirit of Cooperation"

Conservative Die Welt of Bonn in its lead story July 22 spoke of the leaders' "firm intention to tackle common problems in a spirit of cooperation" and said they were "determined to prevent worldwide economic depression. In President Reagan's words, the foremost task is 'revitalization of national economies.'"

Liberal <u>Sueddeutsche Zeitung</u> of Munich carried a correspondent's report the same day that "anyone who expected substantial results from the Ottawa summit will be disappointed..."

"Grave Divergences Continue"

Pro-Social Democratic Neue Ruhr Zeitung of Essen ran a correspondent's conclusion that "with grave divergences between the Western allies continuing, the outcome of the Ottawa summit appears very unsatisfactory."

Communique "Tries to Hide Problems"

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

Paris radio today stated that at Ottawa "nothing was settled" despite an excellent atmosphere, and added there was a feeling that U.S. leaders would be more responsive to European requests in the future.

"Showed What Divides U.S. From Its Allies"

Financial Les Echos held that the summit had "clearly shown that what divides Washington from its allies is the conviction of U.S. leaders that what is good for their country is...good for its European and Japanese partners..."

"U.S. Law and Order Will Continue to Be Imposed"

Pro-Socialist Le Matin of Paris the same day asserted that "in economic matters U.S. law and order will continue to be imposed on Europe."

"What America Proposes Is Not Ambiguous"

An editorial July 23 in conservative <u>Il Giornale</u> of Milan held that "it was to be expected that the Ottawa conference was not going to be a success. What we did not know in advance was that it would bring so ruthlessly to light what divides the United States from its allies...

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

Conservative Morgenbladet of Oslo July 23 pointed to what it called "coordination of American and European views on East-West disarmament" and "economic cooperation with the third world" and added, "We must therefore be allowed to characterize the Ottawa summit as constructive and promising. Cooperation between the Western democracies is functioning."

"Consultations an Important Step"

In Denmark, conservative Jyllands-Posten of Aarhus maintained July 23 that "a weaker communique has not been seen in years," but said that "the summit should not be dismissed as a summer outing of heads of state....They have agreed on the need for more frequent consultations at a lower level, and with the world economy as erratic as it is, such a step is extremely important..."

"A Success If Promises Are Realized"

TBS television in Tokyo stated July 22, "Whether the Ottawa summit can be called a success or not depends on whether summit promises are realized in the period preceding next year's summit in France, and the Soviet response to Western unity indicated at Ottawa."

A New U.S.-Japan Relationship?

An NHK television commentator maintained July 23 that in view of the "political character" of the communique and the reconfirmation of U.S.-Japan relations at the Reagan-Suzuki talks, a new relationship linked to the NATO Alliance appeared

to have been formed between the United States and Japan. He suggested that as a result of the Ottawa summit Japan would have to make substantial contributions in trade and economic aid.

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

Singapore: "Reagan Should Be Allowed to Pursue His Policies"

Singapore's <u>Business Times</u> remarked July 22 that "it would have been a great surprise if the Ottawa summit did produce some concrete results. Experience has taught us not to expect that summit meetings will solve international problems."

The paper went on to defend President Reagan's "refusal to budge from his Administration's high interest rate policy... Although the interdependence of the leading economies in the world is recognized, it must be pointed out that Mr. Reagan's first duty is to his people. If Americans are to enjoy lower inflation next year, then he should be allowed to pursue his policies, unfettered by pleas from the rest of the Western economic powers."

3. The summit showed deep differences between the United States on one side and the Europeans on the other on East-West trade issues and on dealing with Moscow, the latter as emphasized by the Soviet-West Europe gas pipeline project.

"Time That Bickering Ceased on Trade With Russia"
The liberal Guardian ran a byliner's assertion July 24 that the summit "could produce no more than a polite agreement to disagree about many of the major problems facing them.

"Underlying all the disagreements was one fundamental disagreement--how to best deal with Soviet power..."

"Left on a Higher Note Than Expected"

Correspondents Reginald Dale and John Wyles of the Financial Times July 22 said agreements on trade policy, and a "break-through" on a Western position for North-South negotiations, "enabled the seven heads of government to leave Ottawa on a higher note than originally expected—in spite of continuing economic and political differences."

"Summit Deeply Divided on Key Issues"

Correspondents Dale and Wyles on July 21 observed that "despite evident progress on nuts-and-bolts economics, the heads of government attending the Ottawa summit remained deeply divided on a host of key political issues, and especially over how to tackle their relations with Moscow and defuse East-West relations."

Times correspondents David Blake and Nicholas Ashford reported July 21, "There are also deep divisions between America and Germany over relations with Communist countries and growing concern over Japan's trade with the rest of the world."

"Americans Made Some Concessions"

Pro-Socialist Le Matin of Paris observed July 24 that the Europeans "did not leave (Ottawa) empty-handed....The Americans made some concessions...concerning the Soviet military threat..."

"Reagan and Advisers Satisfied"

Leftist <u>Liberation</u> held that "Ronald Reagan and his advisers are clearly very satisfied with the summit, even though they did not get all that they expected, mainly regarding trade with the USSR."

"Differences Over Gas Deal"

West German headlines July 21 included "Differences Between Reagan and Schmidt Over Gas Deal With Moscow" (liberal Sueddeutsche Zeitung, Munich), "Argument Between U.S. and Bonn over Gas Deal" (Rheinische Post of Duesseldorf), "Reagan Shows Schmidt the Fist: 'You Furnish Soviet Rope to Hang Us'" (mass-circulation Bild-Zeitung).

"Harsh U.S. Criticism of Natural Gas Project"

In the view of pro-Christian Democratic Rheinische Post, "The harshness of U.S. criticism of the German-Soviet natural gas project is surprising... America's objection is amazing since Washington itself was prompted recently by domestic pressure to lift the grain embargo against the Soviets."

"U.S. Energy Offer Not an Alternative to Soviet Gas Project"

Left of center <u>Westfaelische Rundschau</u> of Dortmund reported July 22 that "in spite of American misgivings, Bonn adheres to the gas pipeline project with the USSR."

The paper cited a Government spokesman as saying that Economics Minister Lambsdorff considered the U.S. offer of energy alternatives to the gas line "still very much unclear" and in any case as an "additional offer" rather than an alternative to the Soviet natural gas project.

"Warnings to Moscow a Mere Scrap of Paper?"

In the view of a byliner in independent <u>Koelner Stadt-Anzeiger</u> of Cologne the same day, "The political declaration of Ottawa is designed to demonstrate Western unity and firmness to the Soviets...

"Bonn announced that it will adhere to the natural gas deal with the Soviets regardless of American misgivings....Does that mean that the warnings to Moscow signed by the seven are a mere scrap of paper?"

Japan: "Impression That This Is a Political Summit"

Media July 21 focused attention on the summit leaders' summary statement on the day's discussion, including an expression of concern over the buildup of Soviet military power.

Publicly financed NHK television said that although the statement mentioned the need for dialogue with the Soviets, it generally reflected President Reagan's strong stand toward Moscow. The network judged that the issuance of this statement gave the "strong impression that the Ottawa summit is a political summit."

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

Liberal Asahi wrote July 23, "We must say that the conference left a great deal of dissatisfaction and uneasiness...It is good for the Western leaders, who share common values on freedom, to strengthen unity and cooperation. But we feel that the character of the Ottawa summit was too much a strategy conference aimed at East-West confrontation... We strongly oppose Soviet military and diplomatic policy as seen in Afghanistan. However, there is no need for Japan to act completely in concert with the United States and European countries."

4. The Administration did show some flexibility on aid to developing nations, but in general the summit offered little hope to the third world countries.

"Spadolini Fought for Third World Negotiations"

Centrist Corriere della Sera of Milan July 24 ran a byliner's report that at the summit Prime Minister Spadolini, "together with his European colleagues...fought for U.S. acceptance of global negotiations between the developed and third world nations. Rome is particularly happy about this effort."

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

Correspondents Reginald Dale and John Wyles of the London Financial Times wrote that July 23 "the Ottawa decisions were marked by a greater determination to solve trade and development problems than many had expected—the most significant element being a new flexibility by the U.S. Administration on North-South relations between industrialized and developing countries. This unlocked the door for a number of further compromises in other fields."

"Aid to Poor Nations Emerged as Major Theme"

The conservative <u>Sydney Morning Herald</u> July 23 declared, "The need to increase aid to poor nations emerged as the surprisingly major theme of the seven-nation summit meeting....There were several indications of some softening of the U.S. position."

Fiji: "Had Scant Time for Poorer Nations"

The Fiji Times of Suva held July 23 that the summit ended "without coming out with any clear thoughts on how to tackle the global problems of unemployment, inflation and rampant poverty in many of the third world countries. The seven...were far too preoccupied with their own economic problems and had scant time for the crushing problems of the poorer nations."

Algeria: "Indifference to Third World Problems"

Algiers' Government-owned El Moudjahid termed the summit "A Failure of International Dimensions." It said July 21 the seven nations, "unable to come to an understanding over economic and monetary differences, found nothing better to do than confront the Soviet Union and show a contemptible indifference to the serious problems of the third world, which are promised only charity based on the whim of the donor and the political docility of the recipient."

Ivory Coast: "Poor Countries Unable to Organize Economically"

Fraternite-Matin of Abidjan said July 22 in regard to the Ottawa meeting, "All told, what strengthens the rich countries -- their power to organize their economic interests in a truly communal spirit--is the weakness of the poor countries which are incapable of transcending their superficial differences in order to organize economically."

Mexico: "Willingness to Talk With Underdeveloped World"

Leftist-nationalist <u>Unomasuno</u> of Mexico City asserted the same day that "the main characteristic of the Ottawa summit seemed to be the industrialized nations' willingness to engage in discussions with the underdeveloped world at the Cancun North-South meeting....

"It (the summit) also demonstrated the negotiating ability of Japan, Western European and indirectly the third world nations to center attention on North-South dialogue rather than on East-West relations, the latter being the preferred emphasis of the Reagan Administration....It is also significant that this is the first time the United States does not reject 'in principle' the pursuit of a North-South dialogue within the framework of global negotiations."

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

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

In Brasilia July 22, independent <u>Jornal de Brasilia</u> noted that President Reagan had agreed "to consider the possibility of participating in the negotiations on a new economic order between rich and poor nations." The paper said that while the final communique "does not fully commit the United States to participate in the negotiations scheduled for October in Mexico, it was considered a step ahead in this sense..."

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

5. President Reagan did not give an inch on high interest rates or U.S. monetary policy. European leaders accordingly will have to adjust their own economies to include social budget cutting and anti-inflation measures.

"Reagan Hard Line Means Europeans Must Protect Currencies"

Times of London correspondent David Blake wrote July 23 of high interest rates that "the hard line adopted by President Reagan means that they (the European leaders) now need to take deflationary action at home to protect their currencies and thus hold down inflation..."

"U.S. Reaction Understandable"

Conservative Frankfurter Allgemeine said July 23 the Bonn Government should have discussed high interest rates privately with Washington before the conference, "thus saving ourselves the embarrassment of returning as losers...

"We would also have spared ourselves the kick dealt us by Reagan's closest adviser, Meese, who said in effect that when the dollar was weak the United States was humiliated by its partners, and now that it holds a good international position as it should...they should not complain...

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

"West Germans Must Economize"

A byliner in independent Stuttgarter Zeitung declared July 23 that "Chancellor Schmidt will draw conclusions from insights gained in Ottawa. In plain language this means that...(the West German) citizen must be prepared for drastic economizing and cuts in social spending...

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

6. The Middle East crisis cast a shadow over the the summit. Favorable reaction of the summit participants to the Administration's delaying of delivery of F-16 jets to Israel reflects the West's concern.

"F-16 Decision Won Backing of Leaders"

London's conservative <u>Daily Telegraph</u> ran Washington correspondent Richard Beeston's report July 22 that the summit meeting ended with "strong support for President Reagan's efforts to curb Israel, a blast at the Soviet Union...and a denunciation of international terrorism...

"Mr. Reagan's decision to suspend shipment of 10 F-16 fighter-bombers to Israel won the backing of the six leaders present..."

"Overshadows Ottawa Summit Talks"

A headline in the conservative <u>Daily Telegraph</u> on July 21 said: "Middle East Crisis Overshadows Ottawa Summit Talks."

"Action Reflects Concern Felt by Allies"

Correspondent Nicholas Ashford reported from Ottawa in the independent Times of London that "the American action reflects the concern felt by Western leaders meeting in Ottawa about the effects of the latest Israeli raid into southern Lebanon on stability in the Middle East."

Israel: Ottawa and President's Staff Helped Decision

Washington correspondent Shalom Kital of Israel radio reported July 21 that what helped President Reagan overcome his "doubts" about suspending the F-16 shipments was the "almost unanimous" view of his discussion partners at the Ottawa summit, and "the recommendations of his senior staff."

Algeria: "Specter of Middle East Hovers Over Summit"

Algiers' Government-owned <u>ash-Shab</u> wrote July 21: "Although this kind of Western summit meeting is designed to discuss relations among participating states, most observers believe that the specter of the Middle East hovers over the summit.

"Although all the participating capitals have condemned in one way or another the barbaric raids against unarmed civilians in Beirut and other Lebanese towns, everyone knows that these condemnations are but words to console the Arabs...which the Western nations keep repeating after every Israeli aggression..."

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