CABINET OFFICE 12th February, 1981 FILING INSTRUCTIONS FILE No. Ottawa Summit and Meeting of Personal Representatives As I told you on the telephone, Mr. Alan Gotlieb called on Sir Robert Armstrong on Tuesday 10th February and discussed with him a number of aspects of both the Ottawa Summit and the forthcoming meeting of Personal Representatives in London. Ottawa Summit Format Mr. Gotlieb said that he had heard that the State Department had indicated that it was not likely that President Reagan would wish to be without Secretary of State Haig during most of the Summit. If Mr. Haig was present, this would obviously have implications for the attendance of other Foreign Ministers. Mr. Gotlieb had recently discussed this question with Prime Minister Trudeau, who had suggested that the Heads of State and Government might meet alone over dinner on the first night of the Summit (the Sunday night). That would no doubt be an occasion for a wide-ranging informal discussion. They might then meet alone on the Monday morning for a short opening session, when they could both discuss how they wished the Summit to proceed and commission work as necessary. They could always reserve the right to return to restricted session (for instance, at the end of the first day) if that seemed necessary or appropriate. Sir Robert Armstrong commented that he thought that this formula would be acceptable to the Prime Minister, if it were to be proposed by the Canadians. He emphasised that her position had not changed since he last outlined it in Paris and that she attached importance to having discussions with the other Heads of State and Government alone. Economic Topics for Ottawa In response to a suggestion from Sir Robert Armstrong that there was probably no need for the Ottawa Summit to be dominated by energy questions in the same way as the previous two Summits, Mr. Gotlieb agreed and said that he thought that the Canadians might wish to propose the commissioning of a study of /racycling R.A. Burns, Esq.

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recycling questions. This had been raised at previous Summits, and although he was not yet in a position to suggest what the remit or conclusions of a recycling study might be, he thought that it could very usefully consider how to handle recycling in the medium and long term so as to avoid crises. On macroeconomic questions, Mr. Gotlieb agreed that it would be necessary to consider whether a paper should be commissioned similar to those drafted by Mr. Schultze for previous Summits. His financial officials thought that on balance there should be a paper, but it was for consideration whether it should be drafted by Shultze's successor, Mr. Weidenbaum, or by someone else. It could be prepared for discussion at the Personal Representatives' meeting in May and then updated for the Summit.

Political Questions

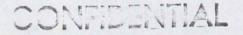
Mr. Gotlieb thought that Heads of State and Government at Ottawa would want to give a good deal of attention to the management of East-West relations. He had been struck when he had attended recent discussions between Mr. MacGuigan and Secretary of State Haig that a major turning point had been reached in East-West relations following recent developments in Poland: it was no longer true to assume that all the Western industrialised nations had the same basic interests in their relations with the Soviet Union. The absence of common interest meant that it was much more difficult for the West to agree how to react to crises and to see their reaction in terms of the West's long-term relations with both the Soviet Union and the Eastern European satellite states. Mr. Gotlieb thought that a wide-ranging discussion of East-West relations at Ottawa would be welcome to all Heads of State and Government, not least to the Americans. It would allow them to put the work of the aid study into a greater strategic perspective than might otherwise be the case if the Summit were merely to concentrate on aid in isolation. It was clear that Secretary of State Haig realised both the political role of United States aid policy and the importance of not tying the hands of the new United States Administration on aid and North-South questions. Aid to the developing world could be a major tool in the new Administration's strategy towards its relations with the Soviet Union.

Sir Robert Armstrong agreed that there was much to be said for considering what sort of framework the West needed to device for handling its relations with the East and that this could well be a greater focus of attention at Ottawa than aid alone.

Trade

Sir Robert Armstrong said that he was not aware of any multilateral trade issues which were likely to require attention either at the Personal Representatives meeting or at Ottawa. He did, however, mention to

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Mr. Gotlieb that Europe's trading relations with Japan were likely to be in the minds of the Personal Representatives representing European Governments and institutions, though the matter would probably not surface at this meeting.

Copies of this letter go to Joseph Halligan (Treasury). Chris Wright (Energy), Jonathan Phillips (Trade) and Vi Read (ODA).

D. J. WRIGHT

(D. J. Wright) Private Secretary