WONFO 048/30 OTWON 028/30

PP FCO

RR WASHINGTON

RR PARIS

RR BONN

RR TOKYO

RR ROME

RR UKREP BRUSSELS

GRS 260

CONFIDENTIAL FM OTTAWA 302135Z JUN 81 TO PRIORITY FCO TELEGRAM NUMBER 317 OF 30 JUNE INFO ROUTINE WASHINGTON, PARIS, BONN, TOKYO, ROME, UKREP BRUSSELS

MIPT (attached)

OTTAWA SUMMIT: NORTH/SOUTH ITEM

1. IF IT PROVES IMPOSSIBLE TO REACH THE SORT OF AGREEMENT ON NORTH/SOUTH ISSUES MR TRUDEAU HAS IN MIND, IT IS LIKELY THAT HE MAY SEEK TO LAY THE BLAME ON THE UK AND THE US. THE GROUNDWORK HAS ALREADY BEEN LAID FOR THIS IN TWO RECENT PUBLIC STATEMENTS BY MR MACGUIGAN WHO ON ONE OCCASION SAID:

QUOTE THE MAJORITY OF THE EUROPEAN COUNTRIES, AT LEAST I THINK, HAVE A STRONG INTEREST AND THE THATCHER GOVERNMENT IN BRITAIN CERTAINLY HASN'T BEEN IN ANY WAY OBSTRUCTIVE. I THINK IT'S NOT A HIGH PRIORITY OF THEIRS BUT THEY HAVEN'T BEEN CAUSING ANY PARTICULAR DIFFICULTY OVER IT. UNQUOTE

(Ltd Distra (MHV887) ADVANCE COPY HO/ERD

> Hd/En SSD Hel/ Planing Staff Ha/TRED

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PS/Tr Marten

PS/PUS

Mr. Braithwarte

No 10 DS.

NOT A HIGH PRIORITY OF THEIRS BUT THEY HAVEN'T BEEN CAUSING ANY ... PARTICULAR DIFFICULTY OVER IT. UNQUOTE

AND ON ANOTHER QUOTE ASIDE PERHAPS FROM GREAT BRITAIN AND OF COURSE THE UNITED STATES WHICH HAS CONCERNS OF ITS OWN, THE OTHER SUMMITEERS BY AND LARGE ARE QUITE INTERESTED IN NORTH/SOUTH ISSUES AND QUITE INTERESTED IN ADVANCING THEM. UNQUOTE

SPEAKING SPECIFICALLY OF THE AMERICANS, MACGUIGAN WENT ON:

QUOTE WE URGE THEM AND ALL OTHER COUNTRIES TO INCREASE THEIR SPENDING ON FOREIGN AID. THE AMERICAN RECORD IS RATHER PITIABLE. THERE WERE SOME SUGGESTIONS THAT WE WEREN'T DOING WELL. WHILE WE'RE GETTING UP TO POINT FIVE PER CENT OF OUR GNP THE AMERICANS ARE LESS THAN HALF THAT AND THEY HAVE A LONG WAY TO GO BEFORE THEY ARE EVEN RESPECTABLE AMONG COUNTRIES WITH RESPECT TO THE AMOUNT OF FOREIGN AID THEY GIVE. UNQUOTE

2. IN THE LIGHT OF THESE STATEMENTS I HAVE IN A TELEVISION INTERVIEW, POINTED OUT THAT WE ARE CURRENTLY GIVING TWO BILLION DOLLARS GOVERNMENT AID PER ANNUM AND INVESTING FOUR AND A HALF BILLION POUNDS IN THE THIRD WORLD, MORE THAN FRANCE AND GERMANY PUT TOGETHER.

MORAN

NNNN