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THE SECRETARY OF STATE  
WASHINGTON

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January 30, 1981

MEMORANDUM FOR: THE PRESIDENT

From : Alexander M. Haig, Jr. 

1. Budget: We received today from the French, Dutch, Canadians, and the EC-10 strongly worded demarches, which replied to the proposed 50% cut in the International Development Association (IDA) replenishment. They perceived such action as a unilateral revocation of a US pledge which would cause significant harm. Our reply was to the effect that no final decisions had been made. The entire issue of foreign assistance (bilateral and multilateral) was addressed today in an OMB meeting chaired by Dave Stockman. Today's meeting concluded with a tenuous consensus to proceed in an evolutionary fashion towards bilateralism without the loss of international stability or damage to our prior commitments. Recommendations for your consideration will be forthcoming.  
(C)

2. Canada: In my meeting with the Canadian Foreign Minister, Mark MacGuigan, today, stress was placed on your dedication to close relations with our northern neighbor and your hope for an early meeting with Trudeau. He hoped it could be in the latter half of March.

After affirming our intention to consult and coordinate, I set forth our views on the Soviet relationship, human rights, Poland, Central America, the Near East, and Europe.

MacGuigan welcomed our concern for consultation and crisis management and for a more consistent harder line with the Soviets. He assured us that Canada would not differ with us publicly on arms to Salvador, will double Canadian aid to Jamaica next year, and wants to work vigorously with us in the Caribbean.

RDS 2/3 1/30/01 (HAIG, Alexander M., Jr.)

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Dec 3, 1993, E.O. 12958, as amended  
With No. 100-200000-100000  
BY NSD

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A repeatedly strong concern was voiced by MacGuigan that the US should maintain its support to keep the Third World countries on our side (i.e., not reduce our aid effort and especially our contribution to IDA to which other national pledges are related). He stressed these countries are beginning to turn away from the Communists so now is the time for us in the West to help them.

In our discussion of the range of top bilateral issues (including fisheries, trade, defense, energy, and environmental questions), MacGuigan emphasized the East Coast Fisheries and Boundary Treaties, which have been before the Senate for almost two years. He proposed that each side name a coordinator with overall responsibility to deal with both the Hill and Canada on this issue. I agreed with this proposal, and told MacGuigan we would name a coordinator very soon.

All in all, it was just the kind of warm, informal meeting that we should have with the Canadians to set the right stage for your visit to Trudeau. (S)

3. Meeting with Michel Debre: French Presidential candidate (and former Prime Minister) Michel Debre told me today how much he welcomed your election and the prospects for the restoration of American strength and leadership. Debre, the leading defender of the Gaullist heritage, stressed the concept of French strength and independence. I told him we respect the French role and look forward to close cooperation with France. Debre's visit reflects a growing Gaullist interest in closer ties with the US. (LOU)

4. Nicaragua: Instructions were sent to Ambassador Pezzullo to reinforce in no uncertain terms earlier statements to the Nicaraguans in Washington that they must stop Cuban use of their territory to support the insurgency in El Salvador or suffer consequences even more serious than a simple loss of US aid. Pezzullo will be back for consultations in the next week.

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Our strong demarches to the Nicaraguan Government are being complicated by the lack of any official protest to it from the Government of El Salvador, the offended party. Our Chargé is urging President Duarte and his Foreign Minister to make their demarche as soon as possible.

While continuing to assemble and analyze our intelligence on Nicaraguan involvement in El Salvador, we are working with the Salvadorans to prepare a "white paper" for use with other governments and the public.

Contingency planning for possible evacuation of staff and dependents in advance of our possibly suspending aid to Nicaragua is underway. (S)

5. Poland: In order to keep the issue of Poland alive in NATO, we are proposing to the British, French, and Germans that we engage the NATO Permreps in a discussion of allied response to Polish attempts to suppress the workers by force. We think Polish use of force could also cause the situation to deteriorate still further, forcing the government to call for Soviet assistance. If the allies agree to talks, we will also try to move ahead on contingency planning for a Soviet intervention as well.

Meanwhile, our Ambassador saw the Polish Foreign Minister today and expressed our concern over possible use of force. The Pole said that his government would continue to take a political approach toward resolution of the country's problems; that yesterday's government statement was triggered by increasing anarchy; and that the government remained willing to negotiate with the workers, but extremists in Solidarity continued to raise new difficulties. (S)

6. US Crude Oil Decontrol: Calls were placed by Myer Rashish to key high-level officials in the other Summit countries prior to your formal announcement of US crude oil decontrol. The response was uniformly positive; officials thought the move was a wise one for the United States and would help provide added stability in the international oil market. (LOU)

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THE WHITE HOUSE  
WASHINGTON

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Has been sent to:  
Camp David

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Comment: Historically  
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