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PM tells Reagan of trade concerns

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VENICE

Prime Minister Brian Mulroney acknowledged yesterday that "a host of things remain unresolved" in the free-trade negotiations with the United States.

Emerging from a 40-minute meeting with President Ronald Reagan, Mr. Mulroney expressed concern about possible congressional reaction to a free-trade deal.

"We're concerned that the separation of powers (in the U.S. political system) makes it more difficult for them than for us," Mr. Mulroney told reporters after the two leaders met in the garden of the hotel where Mr. Reagan stayed during this week's seven-nation economic summit.

For his part, Mr. Reagan said merely that the trade negotiations retain his full support. He also quipped that he has to be careful about Canadians these days, since the Toronto Blue Jays have taken over first place in the American League's eastern division.

It was the second high-level meeting between Canada and the United States at the Venice summit. Before the summit began, Finance Minister Michael Wilson and U.S. Treasury Secretary James Baker conferred. They, too, spent most of their time discussing free trade.

Some reports from the Wilson-Baker meeting suggested that

TRADE — Page A2

Trade talks discussed

● From Page One

both sides were working toward an implicit trade whereby Canada would yield on investment controls in exchange for U.S. agreement to establish a powerful bilateral dispute-resolving body.

But Mr. Mulroney denied any such trade off. "We're not at a point of saying there are two outstanding issues," he said.

The two meetings reflect Canada's continuing concern that the trade talks are bogged down with the October deadline fast approaching, by which time any free-trade deal must be submitted to the U.S. Congress.

The last two trade sessions in Ottawa and Washington did not go as well as the Canadians had hoped,

according to those familiar with the talks. By meeting Mr. Reagan again yesterday, Mr. Mulroney was trying to impress on the Administration the Canadian Government's concerns.

After his meeting, Mr. Mulroney left Venice for Ottawa on a Canadian Forces Boeing 707 after a quiet sendoff at Marco Polo airport, Canadian Press reported.