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Nixon Arrives in Canada for 2-Day Visit

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OTTAWA, April 13 — President and Mrs. Nixon arrived here tonight on a state visit, which Canadians hope will result in a better understanding of a "new" United States-Canadian relationship.

President and Mrs. Nixon arrived at Uplands Airport here at 6:30 P.M. and were greeted by Prime Minister Pierre Elliott Trudeau and Governor General Roland Michener. Amid heavy security, only invited guests were allowed into the area where the Presidential jet arrived.

With the Nixons were Secretary of State William P. Rogers and Henry A. Kissinger, the President's adviser for national security.

In airport welcoming remarks following a 21-gun salute, Governor General Michener said the United States and Canada "enjoy a special relationship." President Nixon replied: "We have our separate identities. We are not the same, but we have found a way to discuss our differences in a friendly way."

Auto Pact at Issue

The 40-hour visit, Mr. Nixon's first to Ottawa as President, comes at a sensitive time. Elections are due in both countries. Both Canada and the United States are concerned over economic instability, inflation and unemployment. For several months negotiations to resolve a half dozen outstanding differences regarding trade have been stalemated.

The differences reached a peak after President Nixon announced his new economic policy last Aug. 15. Canada, while demanding her economic independence of the United States, complained that she was treated as harshly as were such aggressive trade competitors as Germany and Japan.

The 10 per cent surtax on all imports to the United

States was the specific complaint then, and it has since been lifted. But as the leaders meet, these differences still divide the two countries:

For the United States is pressing Canada to agree to a revision of the 1965 automobile pact that allows new cars to cross the border duty-free. The United States is demanding the removal of Canadian production safeguards that have contributed to Canada's favorable balance in automobile trade since 1968.

Second, President Nixon urges increased imports from Canada of energy and natural resources and has long sought some over-all agreement with Canada on raw materials. But Canadians object to the package-deal approach because, in their view, it would assume that the country's oil, gas, coal, atomic energy and water were a continental resource.

Canada Has Trade Surplus

To stem the tide of the United States investment in Canada, sometimes called the "American economic invasion," the Trudeau Government is planning to tighten regulations on foreign corporations to make sure they serve Canadian "interests and aspirations."

Above all, Canadians are demanding some guarantee that the United States will not expect a perpetual trade surplus in its commercial dealings with Canada. Canada's favorable trade balances since 1969—due largely to provisions of the auto pact—are a sore point with Secretary of the Treasury John B. Connally and other United States negotiators. But Canadian experts argue that for 75 years before 1969 Canada had been on the short end of trade, always buying more from the United States than it sold.

Additionally, there is in Canada, a rising nationalism, which will be an issue in the campaign leading to general elections, probably in October. This na-

tionalism is aggravated by the difficulties with the United States, which have given rise to plans for a series of "Yankee-go-home" demonstrations during the Nixon visit. The protests, promoted by anti-American, anti-war and United States draft-register groups, have led to tight security measures that may prevent Mr. Nixon and the protestors from ever seeing each other.

Prime Minister Trudeau, in his two-and-one-half-hour meeting with President Nixon tomorrow morning, will try to portray a Canada that considers herself less a "partner" dependent on the United States than a friendly self-reliant neighbor.

Philosophical Discussions

An agreement on a joint United States-Canadian effort to combat pollution of the Great Lakes is to be signed just before Mr. Nixon leaves here Saturday morning.

But the difficult problems of trade, United States ownership of industry here and the sharing of continental resources are problems Mr. Nixon will probably leave unsettled. These problems are to be discussed on a philosophical plane rather than at the technical level, Canadian officials said here yesterday.

Ottawa's best hope, officials say, is that Mr. Nixon in his address to the Canadian Parliament Friday afternoon will put on the record a statement reassuring Canadians that the United States wants its neighbor to remain a "free and independent" nation. His speech is to be televised across the country.