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Additional Item for Canadian Paper

Nuclear Issues for Trudeau Visit

Canada wishes to renegotiate its bilateral agreement for nuclear cooperation with the US in order to obtain additional safeguards and reprocessing approval rights over Canadian natural uranium imports into the US. The absence of formal arrangements up-graded to meet current Canadian nuclear export policy is complicating our ability to import Canadian uranium for enrichment and use in both US and third-country power reactors. At the same time, the present agreement with Canada (which came into force in 1955) does not contain a US right of approval for reprocessing or retransfers to another nation of US-supplied material. Thus, renegotiation of the present agreement would serve both US and Canadian interests, although neither side is yet able to begin negotiations pending enactment of our non-proliferation legislation and completion of Canadian safeguards negotiations with Japan and the European Community.

We understand that Trudeau will also mention Canada's recent decision to accept spent fuel from a Canadian-supplied research reactor on Taiwan. We had earlier requested this action in order to engage Canada in cooperation with us on limiting the serious proliferation risk on Taiwan. We would like to build on this example of US/Canadian cooperation in dealing with the proliferation risk elsewhere, such as Argentina.

Canada is currently considering an Argentine suggestion that it might accept full scope safeguards in return for Canadian heavy water technology. We hope that, in addition, Argentina might be prepared to defer its unsafe-guarded reprocessing activities. You recently approved a strategy to achieve parallel acceptance of full scope safeguards and deferral of reprocessing activities in Argentina and Brazil, an important component of which is joint Canadian/US willingness to supply heavy water technology to Argentina under specified conditions. Canada has previously refused to supply this technology, but flexibility in responding to the latest Argentine request could enhance achievement of our objectives in Latin America.

Talking Points

- Note that we have a mutual desire to update our nuclear cooperation agreement to make it consistent with our current policies.

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- Although we both have to complete details of these policies, we should begin renegotiating as soon as we are both in a position to do so.
- Express to Trudeau our appreciation for the constructive role that Canada is undertaking with us to limit the proliferation risks on Taiwan and express interest in continued cooperation in this and other areas.
- Explain to Trudeau that we contemplate new initiatives in Argentina and Brazil and that Canada's approach to continued nuclear cooperation with Argentina could have important effect on the success of our efforts.

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Additional Checklist Item for Trudeau Meeting

- Nuclear Issues - Trudeau will cite Canadian decision to accept Taiwanese spent research reactor fuel as an example of close US/Canadian cooperation on nuclear issues, and will seek US agreement to renegotiate our bilateral agreement for cooperation. Note close identity of US and Canadian policies, and express desire for continued mutual efforts to limit proliferation.

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THE WHITE HOUSE

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WASHINGTON

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MEMORANDUM OF CONVERSATION

SUBJECT: President's Meeting with Prime Minister
Trudeau of Canada

PARTICIPANTS: The President
Cyrus Vance, Secretary of State
Zbigniew Brzezinski, Assistant to the
President for National Security Affairs
Richard D. Vine, Deputy Assistant Secretary
of State
Thomas O. Enders, US Ambassador to Canada
Gregory F. Treverton, NSC Staff Member

Pierre Elliott Trudeau, Prime Minister of
Canada
Ivan Head, Assistant Principal Secretary
of Canada
Donald D. Jamieson, Secretary of State for
External Affairs
Allan E. Gotlieb, Under Secretary of State
for External Affairs
Peter Towe, Canadian Ambassador to the US
Vernon G. Turner, Minister, Canadian
Embassy

DATE, TIME AND PLACE: Thursday, September 8, 1977
9:40 - 10:30 a.m.
The Cabinet Room

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Classified by Zbigniew Brzezinski

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The President opened the talks by remarking that he was learning a lot of history from his series of bilateral discussions with Western Hemisphere visitors. It was, he noted, the 100th Anniversary of the Pacific War. He then handed to the Prime Minister a volume of satellite photographs. He hoped it would prove of interest and if photographs from American satellites could be of any use to Canada--for instance for crop analysis--they would all be made available. The Prime Minister thanked the President, asking if the US had found any Canadian missile sites. After further lighthearted exchange about the guest list for the White House dinner the previous evening (soccer player Pele had been invited but could not come), the President mentioned the bilateral discussions taking place about the northern gas pipeline.

Gas Pipeline

Alluding to the general state of relations, the Prime Minister applauded the progress registered since his meeting with the President last February; mutual cooperation had been a "tremendous success". As for the northern pipeline question, it looked as if negotiators on both sides had worked out agreement down to the last details late on September 7. Much had been achieved since the meeting of the Prime Minister with the President last February and this showed what could be done by working together. One snag remained: what would follow brief general statement to be issued on September 8 immediately after the meeting. The Prime Minister understood that Dr. Schlesinger wanted to go public that afternoon. He had to inform the President, however, that he had spoken to MacEachen who was greatly distressed by this prospect and did not believe Canada could be ready to handle its end of the publicity today. For one thing, there was the need for a separate statement to get the Indians on board, and there were also problems with British Columbia. While these were internal questions and of no direct concern to the US, it had to be noted that from the very beginning Canada had acted consistently in order to meet the US timetable. MacEachen had a firm understanding with Dr. Schlesinger that announcement in both countries would be made at a time which was mutually suitable.

Dr. Schlesinger intervened to say he would call MacEachen. The Prime Minister replied that it would be too late to turn off the afternoon press conference if there were no agreement to go ahead with it. Dr. Schlesinger replied that the US was not going to be public without Canadian approval. The Prime Minister responded that a brief joint statement was okay but that giving out details would

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have to wait at least until tomorrow. Dr. Schlesinger explained that he was concerned that an "information vacuum" left in the wake of a brief joint statement would enable critics of the joint project to erode the agreement between the two countries. At this point, the President intervened to say that the US would not go public on details "until you say it is okay". The Prime Minister appreciated that and alluded again to the great achievement since February. He observed that 12 hours might make the difference. In any event it was one thing for the President and himself to go out after the meeting and speak in brief general terms about the achievement involved.

The President then asked Dr. Schlesinger if the joint statement had been cleared on both sides. On learning that his separate personal statement to be read out during the ensuing press conference had not been cleared with Canada, he asked Schlesinger to read it over the phone to MacEachen. The Prime Minister demurred at the need for this, having ascertained that no details or figures were included. The Prime Minister then agreed that Dr. Schlesinger should talk to MacEachen, expressing his own concern that the information might leak out in the wrong way which could result in negative public reaction in Canada.

Dr. Schlesinger then left the room to call MacEachen, and he returned shortly before the meeting ended. He reported that it had now been agreed with MacEachen that details could be released the next day. Fact sheets would go up to Ottawa this afternoon on the Prime Minister's plane. Finally, he said again that he would prefer to have a press briefing before the weekend slipped by.

During this exchange the President expressed his appreciation for Canadian cooperation in reaching agreement and added that he admired Canadian negotiating abilities very much. He suggested that Canada might now want to take on SALT or Southern Africa.

Southern Africa

The President turned the discussion to Rhodesia and Namibia, expressing particular satisfaction with the Five-Power western approach toward Namibia. Secretary Vance said that everything should be in place to meet the October 1 deadline with regard to Rhodesia, a move would be made earlier, perhaps within ten days, to the UN, where the Security Council would be asked to appoint a representative to cooperate with the British High Commissioner in working out how

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to proceed. That would be the first step. The President raised the question of a possible veto by the Soviet Union or PRC, remarking, half jokingly, that the Chinese had indicated they thought the Soviets would veto. More seriously, progress on Rhodesia would be a setback to the Russians, but it would be bad for them to veto.

Foreign Minister Jamieson asked if Waldheim was edgy, and the President replied that the latter was "on side", as far as Namibia was concerned. Waldheim was more cautious about Rhodesia but felt that there were possibilities of moving forward there too, particularly since his visit to Africa in the middle of the month. The President said the issue was the withdrawal of South African troops to "cantonment areas" in Namibia. South African retention of Walvis Bay is a harder question, but it may be a South African bargaining counter.

The Prime Minister then raised the question of a UN force in Rhodesia and asked what the UN would be expected to do; the Patriotic Front army and some elements of the Rhodesian army would come under the command of the British commissioner. Secretary Vance replied that the "peacekeeping force" would support the commissioner and its purpose would be to ensure peace is maintained primarily during the transition period when both Rhodesian forces and Patriotic Front forces were in existence. The UN Commissioner, Vance said, needed troops; initially he could use police, but would then require a UN force to keep the peace before a Zimbabwe army could be assembled from what was still acceptable of the old Rhodesian forces and on the liberation forces.

The Prime Minister asked who would police the elections, and Secretary Vance replied the police under the British High Commissioner. He went on to say that the Nigerians had told Young that they believed a peacekeeping force must come under a UN umbrella, although its composition should be primarily commonwealth. The President remarked with a laugh that it sounded as if peacekeeping forces should be fifty percent Nigerian and fifty percent Canadian. The Foreign Minister intervened lightheartedly to say that he assumed in those circumstances Canada could get itself out of Cyprus.

Commenting on the reactions to the British proposals, the President said that Smith, notwithstanding some of his comments, was keeping his options open. Sithole had now come out in favor of the British

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proposals and Muzorewa was prepared to go along too because he thought he could win an election against Nkomo and knew he could not gain ascendancy over Nkomo through force of arms. The President added that the provision for free elections made the proposals more acceptable to him as well as to the outside world and later paid tribute to the British Commissioner, Lord Carver, saying that everyone thought very highly of him; he seemed to have the confidence of both blacks and whites.

The Prime Minister asked what pressure could be put on Smith. In reply, the President remarked that first of all there was Vorster and, second, the realization that the alternative to the British proposal was a ten to fifteen year war which Smith ultimately would lose. The Prime Minister remarked that Africans knew that too; and as he had noted at the Commonwealth Conference, they realized that the whole country could be destroyed. The President then said that Nyerere supported the Rhodesian police and the civil service staying in office during the transition. He had not deviated from that position. The Prime Minister observed that at the London Commonwealth Conference he had been struck by the fact that the countries represented there knew that war would do no good if the result were destruction of the infrastructure and economy of Zimbabwe. The President spoke again of Vorster's desire for some agreement because he wanted to re-establish his country's place in the world community.

Concluding, the President expressed again his satisfaction with the western five-nation joint action on Namibia, and his desire for similar efforts in other areas -- for instance, the Horn of Africa.

Horn of Africa

The President said that after some indecision, the US had finally decided to provide no arms to either Ethiopia or Somalia. We were angry with Ethiopia because of the way it had expelled Americans. The President speculated that Somalia, having taken over a large part of Ogaden, would be vulnerable about six months from now to a major Ethiopian counterattack--a quandary for both Somalia and the Soviet Union. The Prime Minister wondered what Soviet interest really was, and the President said he thought he detected a subtle Soviet shift towards Ethiopia. Secretary Vance said the Soviets seemed still to have an interest in a settlement and he thought that Gromyko would raise the issue with him during their next meeting at UNGA in New York.

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Dr. Brzezinski, after outlining the tangle of arms suppliers to both sides, expressed the view that the OAU should take a firmer position on the need for other countries to stay out of this African dispute. The Prime Minister questioned this view on the ground that the OAU was unlikely to adopt such a stance so long as any colonial problems remained in Africa.

Dr. Brzezinski noted that the OAU is very worried about territorial wars. However, the Prime Minister thought that even if the Namibia and Rhodesia issues were settled there would still be local conflicts while the "holy war against South Africa" would, he supposed, go on forever. That would continue to preoccupy the OAU.

South African Nuclear Questions

In the context of the discussion of African problems, the President remarked that he did not have much doubt that South Africa had intended to explode a nuclear device. The US considered that it had intervened as far as it could in suggesting that South Africa disavow any such intentions and say that it had no plans of this kind. This outcome, the President added, was the best we could get. Originally, the US had thought of asking South Africa to accept observers but had decided that was too much interference. The public disavowal had now been made by South Africa, and it would be difficult for it to proceed with an explosion: to do so would be a "terrible admission." Meanwhile there was no doubt about the South African ability to set off a device if it so wished. Actually detonating a device was not essential to prove that South Africa, for its part, therefore, had achieved its purpose: as a result of all the publicity Africans were now convinced that it could in fact set off an explosion if it wished.

The Foreign Minister inquired about the possibility that the Israelis had provided technical help. The President said that the US had asked about this and had received an equivocal answer. He noted that Israel depended heavily on South Africa for cut diamonds for its industry. Rabin had told him about a visit to South Africa which the President surmised could have covered more than trade relations. The President concluded that there was "a general presumption" that Israel had an explosive capacity too; and if Israel wanted to conduct a test, South Africa was an obvious location.

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Nuclear Proliferation

Turning to nuclear proliferation issues more generally, the President said that the US had been putting real pressure on Brazil and the FRG not to go through with the sale of reprocessing equipment to Brazil. We had pushed "to the limit" and could not push further. The US was trying to convince other nations they could have nuclear power without reprocessing. In this connection, the President noted that Mrs. Carter, during her recent trip to Brazil, had found President Geisel remarkably uninformed about uranium enrichment and other aspects of nuclear development. The President expressed the hope that it might be possible to persuade Argentina to sign the Latin American Treaty of Tlatelolco and that then Brazil might conceivably be persuaded to follow suit. The US was determined to try to get all nations to sign the NPT.

Foreign Minister Jamieson mentioned how important it was for Canada to cooperate with the US. He was concerned that Canada might get out in front and find itself isolated. Relations with the European Community were currently "embarrassed" because of its policy and the Japanese were also irritated with Canada. Any information on the US agreement with Japan would be welcome; and if Canada were to stay with its current policy, it had to avoid getting isolated.

The President mentioned that Congress was working on a non-proliferation act which would consolidate US policies. He then suggested that Ambassador Gerard Smith come to Canada. The President noted later also that he was not entirely clear about Canadian position and that it would be useful to have Smith come to Ottawa and find out exactly what kinds of problems Canada faced. If Canada, the US and other like-minded countries could work together, this would be helpful, and the US could make its own position more effective in dealing, for example, with the Soviet Union.

The Japanese agreement, the President said, was a pleasing development. The US--like the FRG with Brazil, France with Pakistan--had imposed on Japan tighter restraints than had been earlier indicated to Japan would be necessary. This was difficult for Prime Minister Fukuda but, in the view of the President, Fukuda could live with it. The President noted that Fraser of Australia seemed prepared for restraint in uranium sales. The US was trying to work increasingly with the Soviet Union, the PRC and South Africa, though the

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Chinese had not been eager to cooperate. All of us -- France, the US, Canada--with regard to India--had been culprits in the past.

Foreign Minister Jamieson mentioned the problem of double labelling. Secretary Vance said this had been raised with him by the Japanese, and he expressed hope that this problem could be worked out. The Foreign Minister spoke of the need for political direction of those engaged in non-proliferation restraint.

The President mentioned the possibility of working out an agreement which could be signed by all countries willing to accept a common policy on fuel sales. He indicated that this idea had just occurred to him, but it might be worth pursuing, even if some exceptions would have to be made in such an agreement for countries where prior agreements already existed. Gerard Smith could discuss this kind of possibility in Ottawa, and he noted that the US position on non-proliferation was inevitably weaker in the absence of an agreed plan subscribed to by a number of countries. Secretary Vance heartily endorsed suggestion of Smith going to Canada, and the President added that following such talks, Smith and Canadian representatives could report back to the President and Prime Minister respectively with their ideas, including their views about a possible fuel sales agreement. The President and Prime Minister could then if necessary talk again.

Canadian-Latin American Relations

In conclusion, the President said "nothing would please us more than to have you play a more active role in this Hemisphere". The US, the President asserted, needed Canada's help--on human rights, nuclear questions and in dealing with the nations of the Caribbean. Indicating that he would not wish to press the Prime Minister in any way, the President said that if Canada were itself inclined to be more active in Hemisphere matters, the US would certainly encourage that.

The Prime Minister replied that Canada tried to play a useful role where it could. It tried, in fact, to exercise "a kind of influence," especially in the Caribbean. During the February meeting, he and the President had discussed Jamaica and Belize and Canada tried to extend its policy in Latin America. It already has deeply involved the Caribbean. So the desire for expanded relations was there. The only question was how to go about it. The Prime Minister wondered if the President was about to raise the question of Canadian membership in the

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OAS. If that was where his remarks were leading, the Prime Minister wanted to say at once that "the whole thing was being reviewed". Was the OAS, in fact, a valid instrument for Canadian purposes, the Prime Minister asked rhetorically. Canada had received conflicting advice from different participants. The Prime Minister said that Canada would not wish to involve itself further with OAS until it was convinced that it was the right thing to do. But meanwhile Canada tried to show its interest in various ways. His attendance at Canal treaties signing ceremony, which associated Canada with the treaties, was part of that effort.

The President remarked that at the outset of his discussions with President Torrijos about the Canal treaties signing ceremony, the latter had urged the US to work on Canada to ensure that Prime Minister Trudeau attended. Canada was the first country Torrijos mentioned. The President sensed that the Latin American states in general would like Canada to be part of OAS and to share its responsibilities.

The Prime Minister speculated that the Latin Americans might be attracted to Canada because of its "third option" policy which had involved Canada distancing itself from the US--for instance, in economic and cultural matters. Fortunately, this had caused no real problems for US-Canadian relations. But the Prime Minister was not sure whether it was in the American interest to encourage the Latin Americans to coalesce with Canada against the United States. Summing up, the Prime Minister said that Canada had no objection to the OAS if Canada could play a positive role. Foreign Minister Jamieson added that the timing of any decisions would be affected by the end of review of the problem. There was no unanimity in Latin American on the question so far.

Before concluding, the President and the Prime Minister talked of what they would say to the press afterward. The Prime Minister said he would like to talk of progress in all areas, including the sea-way and tolls. The President suggested that he would make a brief statement and then the Prime Minister could say whatever he wished and answer questions. The Prime Minister asked if he could mention the convention tax issue, and Secretary Vance replied that he was uncertain of the status of the issue. The Prime Minister said that many non-governmental organizations have members on both sides of the border. If those kinds of relationships are to continue, it would be helpful if the US changed its law. The President suggested that the

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Prime Minister express his own view. He could not promise what the US might be able to do, noting that there had been many abuses in the previous convention tax law. What was necessary was more general tax reform.

The Prime Minister said he wanted to mention the issue of extra-territoriality of US antitrust law. Attorney General Bell had visited Canada, and that was helpful, but later in a speech he had used the "big stick." The way to solve the problem is through diplomatic channels, not through US laws and US courts. Secretary Vance agreed that the issue needed a push. The President asked for a memorandum on the subject, saying he had not known of the Bell speech.

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