

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telephone Conversation with Brian Mulroney,
Prime Minister of Canada (Ø)

PARTICIPANTS: The President
Brian Mulroney, Prime Minister of Canada
Notetaker: Adrian Basora

DATE, TIME June 12, 1989, 9:00 - 9:08am EDT
AND PLACE: The Oval Office

The President initiated the telephone call, but as part of the salutation Prime Minister Mulroney congratulated the President on his leadership at Brussels and on the success of his European visits after the Summit. (Ø)

The President thanked Prime Minister Mulroney for his supportive message and said that the USIA poll taken after the Summit was most gratifying. (Ø)

Prime Minister Mulroney repeated his praise. (U)

The President then turned to the environmental issue, saying he knew how sensitive this issue was in Canada and that acid rain was a genuine issue. He said he would make an announcement that same day at a White House ceremony with environmentalists, business people and Members of Congress. He was taking steps to achieve broad support. His target was 10 million tons of sulfur dioxide reduction by the year 2000, plus 2 million tons of nitrogen oxide; of that total, 5 million tons would be achieved by 1995. (Ø)

The President continued that this would be costly for US electric utilities, for older coal-burning power plants. In order to keep the costs from escalating, he had introduced an element of flexibility and market incentive which would allow the utilities to trade required reductions so as to achieve them in the least costly way. Even so, it would be a tough issue politically. Congress had not moved on clear air legislation in 12 years, and this would enable Congress to go forward. Ambassador Burney would receive a more detailed Fact Sheet and would FAX it to Prime Minister Mulroney. (Ø)

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Prime Minister Mulroney said he appreciated this major step forward on the environment and on acid rain. He looked forward, after Congress had a chance to work on the legislation, to discussing a bilateral accord which would be politically good for both Canada and the US. (Ø)

The President suggested that they talk at a later time. He wanted to see how this legislation went down. (Ø)

Prime Minister Mulroney said he appreciated the call and the President's strong leadership. He added that he would welcome it if the President could mention their cooperation on this issue. This would mean more coming from a friend and would have more credibility than coming from a politician in Canada. (Ø)

The President mentioned that he had been in touch with his predecessor, and that he was generally in agreement. (Ø)

Prime Minister Mulroney said that he had suffered in silence on this issue for the last 5 years. He would not criticize the President's esteemed predecessor, but every time he had gone back to Canada he had nothing to show for his visits and he had had to bite his tongue and take a lot of flack. He wouldn't criticize, but if the President could get this done, it would be a major accomplishment. (Ø)

The President said he would keep working on the issue. (Ø)

Prime Minister Mulroney concluded, saying that, as an observer, he wanted to say how extremely effective the President was in Brussels and how delighted he was with the effective control of the Alliance which the President had established. (Ø)

The President thanked Prime Minister Mulroney for his comments. (Ø)