MEMORANDUM OF CONVERSATION

SUBJECT: Telcon with Prime Minister Brian Mulroney of Canada (U)

PARTICIPANTS: The President
Prime Minister Brian Mulroney
Adrian Basora, NSC Staff (Notetaker)

DATE: November 15, 1990
LOCATION: The Oval Office
TIME: 5:12-5:22 p.m.

The President: We've got a new Clean Air Act. (U)

Prime Minister Mulroney: Congratulations on the signing. You were very persuasive with Congress. (Q)

The President: The whole thing had a nice feel to it. What's on your mind? (Q)

Prime Minister Mulroney: I wanted to talk to you about the Mack Amendment. It involves American controls over subsidiaries of U.S. corporations in Canada. (Q)

The President: Oh, you mean extraterritoriality? Just between you and me I'm going to veto the whole bill. I plan to do it in the next day or two, but it is still confidential so please keep it to yourself. (Q)

Prime Minister Mulroney: I will. How did you get on with Andreotti regarding agricultural subsidies? (Q)

The President: It was a confrontational meeting. Delors said that the EC was offering more than we realized, but I am skeptical. Delors also had meetings with Baker and Brady and they didn't get too far. He said that Carla was too tough. (Q)

Prime Minister Hawke called me today. He is up in arms. He wants a meeting of heads of state in April. He feels we have not made much headway. (Q)

Prime Minister Mulroney: I had Arthur Dunkel come to see me about this, and I was wondering if there would be any value in
two or three of us getting together in Paris. (Q)

The President: It might be useful. I have meetings with Mitterrand and Kohl, and I want to remind them about what we said in Houston. If it looks like a meeting would be helpful, count me in. I don't know the schedule but it may be a tough one. Let's wait and see until after I talk to Kohl and Mitterrand. (Q)

Prime Minister Mulroney: Do you have any recent word about how Margaret is doing? (Q)

The President: The prediction that I saw earlier today was that she would make it, but it looks to me like they're after her. (Q)

Prime Minister Mulroney: I hope she survives it all. She's a good ally. What do you plan to do about the transatlantic declaration? (Q)

The President: I think they are still talking about one word. You are talking about the EC Declaration? (Q)

Prime Minister Mulroney: Yes, the EC with the U.S. (Q)

The President: We're getting close. There is one word that needs to be worked out and then the agreement is ready. Not everyone in our government is enthusiastic about this declaration -- that's the understatement of the year! I can check into it and have someone send you a cable. (Q)

Prime Minister Mulroney: Why don't you have someone let Derek know. I am going to Italy and we have our own version of a declaration with the EC, not identical. I would hope to sign it in Rome. (Q)

The President: I will get someone to call Derek. (U)

Prime Minister Mulroney: When are you off to Europe? (U)

The President: Tomorrow night. I'm going to Kohl's home town and then we will go to Paris where I will be for three nights. I don't know why. Then one night in Saudi Arabia. (Q)

Prime Minister Mulroney: I look forward to seeing you in Paris. (Q)

The President: Me, too. (U)

Prime Minister Mulroney: Congratulations again on the environmental thing. It is very important. (Q)