MEMORANDUM

THE WHITE HOUSE

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WASHINGTON

## MEMORANDUM OF CONVERSATION

PARTICIPANTS:	<ul> <li>President Ford</li> <li>Joe Clark, Canadian Opposition Leader, Progressive Conservative Party</li> <li>Dr. Henry A. Kissinger, Secretary of State</li> <li>Jack H. Warren, Canadian Ambassador</li> <li>William Seidman, Special Assistant to the President</li> <li>Brent Scowcroft, Assistant to the President for</li> <li>National Security Affairs</li> </ul>
DATE & TIME:	Tuesday, June 15, 1976 10:05 - 10:43 a.m.

PLACE: The Oval Office

Clark: Some of my family is from the Bay City area.

<u>President:</u> We are delighted to have you down and have the opportunity to chat with you about our relations. Our impression is that our relations are generally good; we have minor problems from time to time.

Energy matters are of great interest to us, as you know. Frank Zarb met recently with Gillespie on that matter.

We are also interested in NATO cooperation. I strongly feel we must all enhance our position in NATO. I would be interested in your views about the long-range patrol aircraft. I feel strongly that we must cooperate closely in security matters.

<u>Clark:</u> This is my first visit outside Canada since I was elected party leader. I and my party deliberately chose the United States for this visit to demonstrate the essential nature of this relationship. It is in the nature of our relations that most of the problems will come from our side because we are the small partner.

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NOC MENO, MEDURA, STATE DEPT. GUIDELINE; Jac Review 3/12/04 <u>SECRET</u> XGDS (3) BY ALL NAMA. DATE 1/13/04 CLASSIFIED BY: HENRY A. KISSINGER There is no disagreement between the parties on the Lockheed issue. We all are dedicated to modernize this mission. My party has traditionally been more devoted to NATO than the Liberals.

On energy, there are a number of complex issues. We right now are examining the issue of a pipeline; it will be a year or so before the environmental studies are completed.

President: There is a debate here between the MacKenzie route versus the El Paso route to the coast. We want to leave it procedural but to accelerate it so it doesn't take forever.

<u>Clark:</u> I would point out that the security of a route through Canada is more an issue of the press rather than of fact. There is no security problem.

<u>President:</u> No, we are not concerned about security. It is a matter of economics.

<u>Clark</u>: In potash, the Saskatchewan decision is more a concern here than in Canada. I think this action should be seen as an extraordinary one, not as typical. It should not set a precedent and I wouldn't be concerned about it. These things run in cycles and I think the Canadians are turning to other concerns. Canada will continue to be a good investment climate.

<u>President:</u> I am pleased to hear that. How is the Canadian economy doing?

<u>Clark:</u> That depends largely on U.S. economy. Things are improving but there are some areas where we think there are steps which could be taken.

<u>President:</u> [Describes the recent economic statistics on GNP, inflation, and employment.]

<u>Clark:</u> We are, it is fair to say, in a state of indecision about our public policy. I don't know or even have a good feel for the direction the Prime Minister might take on the economy. It is my view that there is the danger of permanent controls in disguise, but that is a minority view. We really don't know, and for the time being we are uniting and relying on the U.S. recovery.



<u>President:</u> We made an early decision not to impose price and wage controls and it turned out to be a wise move.

Clark: My party has no faith in permanent controls.

On cable television, our two countries are trying to work out a solution which won't force deletion of commercials by us or jamming by you. It is a difficult issue because it is in the area of national consciousness. We are working on it but I can't promise an early solution.

<u>President:</u> We have sharp problems between broadcasting and cable television and I think there is no good solution.

When is your next election?

<u>Clark:</u> That is up to the Prime Minister. It has to be before the Spring of 1979. The polls favor us extravagantly but that will change -- it is a result of our party congress. We have much work to do -- in Quebec and in the image that we have been out so long that people think that is where we belong. We see nothing which will force an election, so the decision will be whatever is in the interest of the Prime Minister. That is the blessing of our system for the incumbent.

President: How long is your campaign?

Clark: 60 days. That is a long time.

President: Not compared to us.

<u>Clark:</u> But it is grueling -- the British have a three-week campaign. That is an alternative, but that too favors the incumbent. We have two challenges -- to build a team which the public will have confidence in and then to make them known to the public.

The American campaign is surprising -- Carter, that is.

President: The regular Democrats are still surprised.

Kissinger: He never did take more than 40 percent.

<u>President:</u> He was welcomed initially as an antidote to Wallace. But he built up momentum. He has his problems but he is intelligent and hard-working. [There is discussion of Carter, Jerry Brown and the primary system.]

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