

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM OF TELEPHONE CONVERSATION

SUBJECT: Telcon with Canadian Prime Minister Chretien
(U)

PARTICIPANTS: The President
Prime Minister Chretien

Notetakers: Marianna Papadimitriou, Jeffrey Rathke, David Sandalow, Miriam Sapiro, James Smith

DATE, TIME October 20, 1997, 3:25-3:48 p.m. EDT
AND PLACE: The Oval Office

The President: Hello, Jean? (U)
(U)

Prime Minister Chretien: Hello, Bill. How are you?

The President: Fine. Are you in Moscow? (U)

Prime Minister Chretien: Yes, I'm visiting with Boris and Chernomyrdin, and it's been very interesting. (C)

The President: How is he? (C)

Prime Minister Chretien: He's in great shape, great physical shape - much stronger than when we met him in Denver. I had to push him very hard on personnel mines. He's wavering. (C)

The President: It would be good if we could get him. I'm going to work on Jiang Zemin when he's here. Even if we could get them to make a commitment that they won't sell to anyone anymore. (C)

Prime Minister Chretien: He said that he made a commitment that he wouldn't sell anymore, and will sign this agreement, but they don't know when. He's working on it with his Army to do this before December. (I told him) if you do that America and China will have to follow through. I'm still working on that, I'm

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very impressed by his commitment to finish. But we'll talk when I get back. Did you call me on Kyoto? (C)

The President: Yes. On Kyoto, what are you thinking on this? I've been working like hell on this. I just got back from Latin America. I spent a lot of time talking to the presidents of Brazil and Argentina on this. (C)

Prime Minister Chretien: What have you heard from South America? (C)

The President: The Argentines have agreed to support joint implementation between developed and developing countries, with a share of credit to each for participation. They would be in (if that were on offer) for developing countries as long as they wouldn't be sacrificing growth. I'm convinced there are enormous economic benefits, not burdens, to conservation-based development and alternative energy sources. I would be willing to, in effect, guarantee growth as it applies to energy to get them in and give them a leg up to deal with China and India. This would avoid a situation in 2035 where our CO2 goes down and theirs goes up. (C)

Prime Minister Chretien: My view is if we can get credit for what we do abroad, I would be willing to accept a lower level. As an example, we are working with Russia to sell electricity from Siberia to China. If we help China with its energy problem - they're burning so much coal there -- what we're doing in Canada is being killed on a daily basis by the Chinese heating their houses. So if we can work on a global approach like that, I am with you. Japan can make a positive difference too. (C)

The President: Are you going to go for 1990 levels by 2010? Or Europe's 10 percent reduction? For us, by 2010 that's 38 percent. (C)

Prime Minister Chretien: I think they are going too far. The EU will not be able to do it. (C)

The President: What I'd like to do, I don't want to crater the conference, but if we could go for 1990 levels by 2010 or 2008, then commit another 10 percent or so over the next 10 years, that would be good. (C)

Prime Minister Chretien: I'm not in a position to discuss

details. My position is that I have to do a little better than you, so your position is very important to me. The EU can suggest more, but no one will respect it. What happened in Rio was they didn't keep in mind growth. The problem that you and I have to face is that we have managed to bring growth into the economy, we can't kill growth. We need credit for activities abroad. For me this is a very good position. I would be willing to take more drastic cuts than at the moment. I'm not in a position to discuss figures with you; I don't have the facts in front of me. (C)

The President: I'm still working this - I have two or three more days to work it. When are you going home? (C)

Prime Minister Chretien: We can chat tomorrow. (C)

The President: We'll talk tomorrow. (C)

Prime Minister Chretien: The line here makes it quite easy to talk. (C)

The President: If we can be pretty close together, we have a chance to do some good. (C)

Prime Minister Chretien: We cannot remain with the status quo, that's unacceptable. (C)

The President: I agree. (C)

Prime Minister Chretien: The status quo is completely unacceptable. When we moved to unleaded gas, the oil companies warned us and threatened to close down.

The President: Hell, most of the time, we come out ahead. We are going to make money -- through advanced technology -- on this, because of the increased profitability of firms. The choice of conservation at low fuel prices is always the right choice. I think you're thinking the same way I am. (C)

Prime Minister Chretien: Japan will come along. We must help the third world. (C)

The President: Well, I'll work on it and I'll get back to you and give you a heads up and we can talk some more. (C)

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Prime Minister Chretien: I'll talk to you tomorrow or the day after. (C)

-- End of Conversation --

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