

Visits --- 10/EUR

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INTERNATIONAL SECURITY AFFAIRS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

In reply refer to:
I-04320/81

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Canadian Minister of National Defense
Gilles Lamontagne

TIME AND PLACE: Thursday, 5 February 1981, 1400 Hrs Rm 3E912

PARTICIPANTS:

US

CANADA

Secretary of Defense
Casper Weinberger
Deputy Secretary Frank Carlucci
(Acting) Under Secretary
Frank Kramer
Special Assistant Bing West
Director, EUR & NATO Affairs
MGen Richard Bowman, USAF
Military Assistant BGen Carl Smith
Assistant for Canada, ISA,
LTC Donald L. Parsons, USA

Minister of National Defense
J. Gilles Lamontagne
Minister, Canadian, Embassy,
Gilles Mathieu
Canadian Forces Military Attache,
BGen J.J. Barrett
Executive Assistant to the MOD
BGen Lacroix (Retired)

1. (C) North American Air Defense

(C) Minister Lamontagne said that the North American Air Defense Master Plan under preparation by the US was of great importance to Canada and suggested that the Canadians would like to become more involved in its development. Secretary Weinberger said that budget constraint had led Secretary Brown to make a decision to reduce the number of DEW line sites but that the matter was under review by the new team and that we would consult with the Canadians on the Master Plan. General Bowman indicated that the USAF has only completed its draft Air Defense Master Plan two days ago and that OSD would try to provide it to the Canadians for their review very soon. Minister Lamontagne

OSD Review completed

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pointed out that closure of DEW Line Sites would have a severe impact on the local civilian economy in the neighborhood of the sites. Mr. Weinberger responded that joint consultations would take place before any closure action began, and that he understood the problem since the US had many military installations that might be closed if it were not for the impact on the local economies.

2. (U) Defense Development and Defense Production Sharing Arrangements

(C) Minister Lamontagne emphasized that Canadian-US economic cooperation in the defense area was very important to Canada, and said that it would be helpful if President Reagan, when he visits Canada, would publicly reaffirm the Defense Development and Defense Production Sharing Agreements. Secretary Weinberger endorsed the need for US-Canada economic cooperation in the defense area and indicated he would recommend that the President reaffirm the Agreement when he visits Canada.

3. (U) Canadian CF-18

(C) Minister Lamontagne commented that the US and Canadian press have reported possible problems with the aircraft and although he personally discounts these reports it would be helpful if he could comment publicly in Canada that he received the assurances of the Secretary of Defense that the Program was in good shape. Secretary Weinberger responded yes, that it was in DoD's best interest that the Canadians be satisfied with the CF18 development and that the DoD was closely following the program to insure that it meets its goals. So far as he knew, there were no problems with the program.

4. (C) Canadian Commitment to NATO

(C) Minister Lamontagne reiterated his statement on the importance of Canada's commitment to NATO and mentioned the many modernization programs underway including the Maritime aircraft, new tanks, and the F-18. He said that Canada would meet its 3% real growth in defense spending this year even though most other spending would be cut. Secretary Weinberger said that it was clear that we would all have to do more to insure adequate defense. He said that while he did not favor fixed commitments, that was because sometimes they were too low and sometimes too high. The 3% goal was now on the low side. The Soviet threat was growing far beyond what would be needed for defensive purposes, and the US had not done as much as it should in recent years. The US intended to reach a 6%/7% increase this year. Mr. Carlucci stated that the DoD was considering a 10% to 15%

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3

real growth in the FY 81 and FY 82 budgets. Secretary Weinberger said that the US did not want to be provocative but neither did it want to be in a weak position where we were likely to be provoked. Minister Lamontagne strongly agreed.

5. (C) Neutron Bomb

(C) Minister Lamontagne expressed the view that as a non-nuclear nation Canadians were generally uncomfortable with discussions concerning Neutron bombs; he personally understood the Secretary's recent press comment on this subject but some of the other members of the Cabinet were quite nervous. Secretary Weinberger responded by stating that there are always risks when responding to reporters. He had stated his view that the Enhanced Radiation Weapon would strengthen Alliance tactical nuclear capabilities, but he had also said that there would be no change in policy without consultations with Allies. Minister Lamontagne said that he had no problem with the Secretary's reply to the press.

6. (U) Secretary Weinberger's Visit to Canada

(U) Minister Lamontagne closed by extending an invitation to Secretary Weinberger to visit Ottawa in the near future. Secretary Weinberger said that he would be very pleased to do so and indicated that the staff could work out the details.

Prepared by

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THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

His Excellency J. Gilles Lamontagne
Minister of National Defence
Department of National Defence
Ottawa, Ontario KIA OK 2
Canada

Dear Colleague:

I was pleased to have had the opportunity to meet with you last month, and to share your views on issues of mutual concern to our common defense. Your invitation at that time to meet again in Ottawa was most welcome and I accept it with pleasure.

In my view, it would be worthwhile to have such a meeting before we attend the DPC Ministerials in Brussels this May. I shall be available on the 15th of April and hope that the date would be convenient to you. If this is acceptable, I suggest that our staffs make the necessary arrangements.

In the meantime, I would take this opportunity to respond to some of your expressed concerns dealing with the broad issue of North American Air Defense. With regard to the DEW Line, we have amended our FY 82 defense budget to include the \$19.0 million required for the full 31 site operation through FY 82. This action should provide ample time for full consultation on the future of this system. As you requested, we have received CINC NORAD's views on this matter and have attached his comments for your information and review. The development of our draft text of the North American Air Defense Master Plan is progressing and should be available to your staff prior to our meeting in April. I look forward to visiting Ottawa.

Sincerely,

Attachments
a/s

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ARE DETACHED