

Canada-U.S. discussion of bilateral and multilateral issues

United States Secretary of State Cyrus Vance* met with Secretary of State for External Affairs Mark MacGuigan in Ottawa on April 23 to discuss a number of bilateral and international issues.

Dr. MacGuigan and Mr. Vance held a joint press conference during the course of the official one-day visit, which included day-long talks and a lunch with Prime Minister Pierre Trudeau.

During the press conference, Mr. Vance reiterated the U.S. Government's support for the draft of a Canadian-U.S. east coast fisheries agreement, which is currently before the U.S. Senate Foreign Relations Committee. "We support the treaty as negotiated and signed and...we will do everything within our power to see that it is ratified in that form," he said.

The House of Commons has approved a unanimous resolution accord for early ratification of the fisheries treaty as a matter of great importance for Canada and for Canadian-U.S. relations.

External Affairs Minister MacGuigan said that Canadian and American national interests "appear in collision" over reaching an agreement on the speed with which nodules containing nickel and other minerals should be harvested from ocean floors.

*Mr. Vance announced his resignation from the position of Secretary of State April 28, as this issue went to press.

"We had a disagreement on the question of the sea bed, as friends do from time to time," said Mr. Vance. On Law of the Sea consultations, he said that the United States anticipates discussions that will be "full" and "complete".

The two started the press conference by signing a protocol extending the Canada-U.S. Nuclear Co-operation Agreement for another twenty years. The protocol, which must still be reviewed by the U.S. Congress, would incorporate the current safeguards and other non-proliferation requirements of both Canada and the United States. It provides for safeguards undertakings to be verified by the International Atomic Energy Agency. By extending the life of the agreement, the protocol would permit on-going nuclear co-operation between the two countries.

Secretary of State Vance said he was "pleased" with the steps that Canada has taken with regard to the Moscow Olympics and the hostage situation in Iran. The two also discussed the prospect of an Alaska pipeline agreement, the auto pact, problems posed by acid rain and oil tankers travelling down the West Coast from Alaska.

External Affairs Minister MacGuigan concluded the press conference saying that he and his American counterpart had had a "very full discussion" of bilateral and multilateral issues but that Canada

and the United States were "not finished yet". "I think the most important happening today is the degree of consultation that we have had," he said.

Mr. Vance added that their talks had covered "three of the most important issues that exist in the international field, namely, Iran, Afghanistan and South West Asia, the steps taken and to be taken in each of these cases and in addition to that the situation in the Middle East...".

At a formal dinner held later, Secretary of State Vance took the opportunity to thank Canada for what he called "a luminous and heroic" act by Canadian diplomats in helping six Americans escape from Iran last July.

Coal-produced oil feasible

Synthetic oil produced in conjunction with electric power generation may offer one potential way of supplementing Canada's liquid fuel supply, says Dr. Norbert Berkowitz, vice-chairman of Alberta's energy resources conservation board.

Dr. Berkowitz, also a professor of mineral engineering at the University of Alberta, says preliminary studies suggest that synthetic oil from coal could be produced at costs comparable with oil sands production.

Moreover, oil production equipment could be installed anywhere large volumes of coal are burned for power generation, he said.

Ontario and Alberta, both large users of thermal coal for power generation, could develop significant amounts of synthetic oil production.

Researchers from the University of Calgary have examined the economics of such a project, using the planned Keephills thermal station being developed by Calgary Power Ltd., west of Edmonton, as a model, Dr. Berkowitz added.

They estimated that 14,800 barrels a day of medium gravity synthetic oil could be produced from the coal going into two of the 375-megawatt generators at Keephills.

Dr. Berkowitz said the study showed a synthetic oil plant at Keephills could produce crude at a cost of about \$23 a barrel.

He cautioned that the estimates are only preliminary but the economics appear sufficiently promising to justify detailed studies.



(Left to right) External Affairs Minister MacGuigan, Secretary of State Vance and Prime Minister Trudeau, before their lunch at the Prime Minister's residence.