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PART 6.

SECRET

MT

CONFIDENTIAL FILING

UK/Canadian Relations
 Canadian Constitution
 British North America Acts
 Internal Acts
 Internal Situation

CANADA

Part 1: May 1979

Part 6: Sept. 1985

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
5/9/85		23/1/88		17.4.90			
15.4.85		4.2.88		30.4.90			
2.10.85		11.2.88		18.5.90			
4.10.85		24.88		24.5.90			
11.11.85		18.4.88					
18.11.85		19.6.88		10.6.90			
19.11.85		24.6.88		18.6.90			
21.11.85		17.88		25.6.90			
33.12.85		30.6.88					
9.2.86		5.7.88					
11.3.86		12.4.88					
17.3.86		28.9.88					
2.4.87		6.10.88					
13.4.87		21.10.88					
20.3.87		28.10.88					
14.4.87		31.10.88					
31.7.87		8.11.88					
5.8.87		20.11.88					
30.10.87		21.11.88					
9.11.87		22.11.88					
23.11.87		29.11.88					
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24.12.87		29.5.89					
1.1.88		31.8.89					
15.1.88		22.9.89					
		27.11.89					
		11.3.90					

Part ends

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●PART 6 ends:-

Canadian H.C to COP 25.6.90

PART 7 begins:-

FCO Note - Internal 8.8.90

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Canadian High Commission



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Saint Commissariat du Canada

Macdonald House
1 Grosvenor Square
London, W1X 0AB

27/6
June 25, 1990

GVA 27/6

Dear Mr. Powell,

Current events in Canada have, understandably, generated considerable discussion and public comment. I thought you might find the attached background information of use.

Yours sincerely,

G. Lavertu
Deputy High Commissioner

Mr. Charles D. Powell
Private Secretary to the
Prime Minister
Overseas Affairs
Prime Minister's Office
10 Downing Street
London SW1A 2AA

PRESS LINES ON MEECH LAKE

On June 22, the Manitoba and Newfoundland legislatures adjourned without voting on the Meech Lake accord, which, since its signing in April 1987, had been ratified by Parliament and eight Provinces representing 94 percent of the population.

This brings to a close the constitutional round that began in 1986.

Canada's constitutional evolution has been marked by periods of concern about the country's future. This is inherent in the diverse nature of the Canadian federation.

But the record shows that in the face of such concern, Canadians have been able to bridge their differences and find the necessary solutions.

The Government of Canada will promote the unity of the country very vigorously. It intends to launch a series of national policy initiatives that will help enhance national unity and respond to the economic and social needs of all Canadians.

A strong economy based on the objective of regional equity will foster a commitment to a united Canada.

The Government of Canada will remain dedicated to the policies of sound economic growth it has pursued since 1984.

- It will continue to work to reduce inflation.
- It will hold to its program of fiscal consolidation.
- It will continue to pursue its program of structural reforms to build a more efficient and competitive economy.

On economic policy, as in other areas, the Government of Canada will continue to collaborate with all provincial Governments for the benefit of Canadians in all parts of the country.

Now is not the time to launch a new constitutional initiative; before we try again we will have to assess the way we go about constitutional reform in Canada.

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COMMUNICATIONS SECTION

FM/DE OTT BCB0209 24JUN90

TO/A ALL MISSIONS/TOUTES LES MISSIONS

DELIVER BY 250800

---MEECH LAKE ACCORD: STATEMENT BY FINANCE MINISTER MICHAEL WILSON/

L ACCORD DU LAC MEECH: RAPPORT PAR MINISTRE DES FINANCES MICHAEL WILSON

THE FOLLOWING PRESS RELEASE ISSUED 24JUN BY FIN DEPT CONTAINS FIN

MINISTER WILSON'S VIEWS ON THE MEECH LAKE ACCORD. MISSIONS ARE

ENCOURAGED TO USE THE CONTENTS OF THE PRESS RELEASE, ALONG WITH MEDIA

LINES TELEXED EARLIER, IN THEIR CONTACTS WITH LOCAL MEDIA, GOVERNMENT AND

BUSINESS LEADERS. IN THE EVENT OF QUESTIONING ON HIGHLY TECHNICAL OR

SENSITIVE MATTERS NOT COVERED IN THE WILSON RELEASE OR IN THE LINES,

QUESTIONERS SHOULD BE REFERRED TO THE FOLLOWING OFFICIALS AT DEPT

OF FINANCE:

MICHEL CARON, ASSOCIATE DEPUTY MINISTER 992-0910/992-0910;

NICK LEPAN, ADM, 992-6843/992-6843.

FOLLOWING FOR USE BY MISSIONS IS THE TEXT OF THE PRESS RELEASE

CONTAINING MR WILSON'S STATEMENT.

2. QUOTE: STATEMENT BY THE MINISTER OF FINANCE ON THE MEECH LAKE ACCORD

THE MINISTER OF FINANCE, THE HON MICHAEL WILSON, EXPRESSED HIS

DISAPPOINTMENT THAT THE MEECH LAKE CONSTITUTIONAL REFORM PROPOSAL

HAS FAILED. WHILE THIS IS REGRETTABLE, THE FAILURE TO RATIFY THE ACCORD

AS THE PRIME MINISTER NOTED, WAS NOT THE FAILURE OF CDA. INDEED, WHILE

UNANIMITY WAS REQUIRED, THE MEECH LAKE ACCORD HAD BEEN APPROVED BY THE

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FEDERAL PARLIAMENT AND EIGHT OF CDAS 10 PROVINCIAL LEGISLATURES,
REPRESENTING 94 PER CENT OF THE CDN POPULATION.

3. AS THE PM NOTED, BEFORE ANY NEW CONSTITUTIONAL INITIATIVE IS LAUNCHED,
THE PROCESS TO ACHIEVE CONSTITUTIONAL RENEWAL IN CDA WILL HAVE TO BE
RE-ASSESSED. IN THIS REGARD MIN WILSON NOTED THAT THE RECORD SHOWS THAT,
IN THE PAST, CDNS HAVE BEEN ABLE TO BRIDGE THEIR DIFFERENCES AND FIND
THE NECESSARY SOLUTIONS.

4. FINANCE MIN WILSON ALSO EMPHASIZED THE IMPORTANCE OF BALANCING ANY
UNCERTAINTY FROM THE LACK OF PROGRESS AT CONSTITUTIONAL RENEWAL WITH
A CLEAR APPRECIATION OF THE MANY POSITIVE ELEMENTS IN THE ECONOMIC
STRUCTURE AND PERFORMANCE OF THE CDN ECONOMY AND THE SOUND ECONOMIC
POLICIES THE GOVT IS PURSUING.

5. THE GOVT OF CDA REMAINS DEDICATED TO THE POLICIES OF SOUND ECONOMIC
MANAGEMENT IT HAS PURSUED SINCE 1984:

-IT WILL CONTINUE TO WORK TO REDUCE INFLATION AND IMPROVE CDAS
COMPETITIVENESS.

-IT WILL HOLD TO ITS PROGRAM OF FISCAL CONSOLIDATION.

-IT WILL CONTINUE TO PURSUE ITS PROGRAM OF STRUCTURAL REFORM TO BUILD
A MORE EFFICIENT AND COMPETITIVE ECONOMY.

6. MR WILSON NOTED THAT THE SOUND ECONOMIC FUNDAMENTALS IN CDA SHOULD
BE KEPT IN SIGHT. CDA HAS RICH ECONOMIC POTENTIAL. BASED UPON IMPRESSIVE
PHYSICAL AND HUMAN RESOURCES:

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-ITS 26 MILLION PEOPLE HAVE BUILT THE WORLDS FIFTH LARGEST INDUSTRIAL ECONOMY,AND HAVE ACHIEVED ONE OF THE HIGHEST STANDARDS OF LIVING IN THE WORLD.

-SINCE 1984,CDA HAS BEN ONE OF THE FASTEST GROWING ECONOMIES:OUTPUT HAS EXPANDED AT AN ANNUAL PACE OF 3.7 PER CENT AND EMPLOYMENT HAS GROWN AT A 2.7 PER CENT ANNUAL RATE.

-INVESTMENT,AS A SHARE OF THE ECONOMY (GDP),IS THE HIGHEST IN OUR HISTORY,AND CDA HAS EXPERIENCED AN UNPARALLELED INVESTMENT BOOM OVER THE PAST FOUR YEARS.

-THE RATE OF GROWTH OF THE CONSUMER PRICE INDEX HAS BEEN REDUCED FROM APEAK NEAR 6 PER CENT IN 1989 TO 4.5 IN MAY OF THIS YEAR,ALTHOUGH UNDERLYING UNIT LABOUR COST PRESSURES HAVE YET TO SHOW A SIMILAR DECLINE.GOV'T POLICY WILL BE TO CONTINUE TO REDUCE INFLATIONARY PRESSURES IN ORDER TO ENHANCE CDAS COMPETITIVENESS.

7.MIN WILSON STRESSED THAT THE GOVT OF CDAS PROGRAM OF FISCAL CONSOLIDATION IS WORKING AND WILL BE CONTINUED IN THE FISCAL YEAR JUST ENDED,1989-90,THE PUBLIC ACCOUNTS DEFICIT WAS 29.5 BILLION DLRS, 1 BILLION DLRS LESS THAN WAS FORECAST IN THE FEB 1990 BUDGET.THIS WAS THE FOURTH YEAR IN A ROW THAT WE CAME IN UNDER OUR PROJECTION.

-THE GOVTS FINANCIAL REQUIREMENTS WERE 3.1 PER CENT OF GDP IN 1989-90; AS A PROPORTION OF GDP,THEY HAVE BEEN MORE THAN HALVED SINCE 1984-85, AND THE GOVERNMENT S MEDIUM TERM FISCAL PLAN CALLS FOR A SURPLUS BY 1994-95.

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-GROWTH IN GOVERNMENT SPENDING ON ALL PROGRAMS HAS BEEN HELD TO 3.6 PER CENT ON AVERAGE OVER THE LAST FIVE YEARS, LESS THAN THE INFLATION RATE; IT WILL RISE BY ONLY 3 PER CENT IN 1990-91 AND THIS RESTRAINT ON SPENDING WILL BE MAINTAINED IN FUTURE YEARS.

-GROWTH IN THE PUBLIC DEBT HAS BEEN BROUGHT ROUGHLY IN LINE WITH THE GROWTH IN THE ECONOMY, AND A SIGNIFICANT REDUCTION IN THE GOVERNMENT DEBT-TO-GDP RATIO IS CALLED FOR OVER THE NEXT FIVE YEARS IN THE GOVERNMENT'S FISCAL PLAN.

8. MR WILSON ALSO EMPHASIZED THE GOVERNMENT'S COMMITMENT TO STRUCTURAL REFORM, AND THE SIGNIFICANT PROGRESS THAT HAS BEEN ACHIEVED SINCE 1984. MAJOR ECONOMIC REFORMS THAT ARE ALREADY IN PLACE, OR ARE BEING IMPLEMENTED, INCLUDE: THE CANADA-US FREE TRADE AGREEMENT; INCOME TAX REFORM; PRIVATIZATION OF MORE THAN 20 GOVERNMENT CORPORATIONS OR AGENCIES; DEREGULATION OF THE ENERGY AND TRANSPORTATION SECTORS; SALES TAX REFORM, AND LABOUR MARKET REFORM (THE LABOUR FORCE DEVELOPMENT STRATEGY). THESE POLICIES ARE ESTIMATED TO RAISE CANADA'S GROWTH POTENTIAL IN THE FIRST HALF OF THE 1990S FROM ABOUT 2 3/4 PERCENT TO ALMOST 3 1/2 PER CENT.

9. IN CONCLUDING, MR WILSON STATED THAT THE GOVERNMENT HAS MADE CLEAR AND SUBSTANTIAL PROGRESS IN PURSUING ITS ECONOMIC POLICIES OF FISCAL CONSOLIDATION, INFLATION REDUCTION AND STRUCTURAL REFORM SINCE 1984, AND THE COMMITMENT TO THESE POLICIES REMAINS UNALTERED.

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FUTURE PROGRESS WILL FURTHER ENHANCE CANADA S COMPETITIVENESS AND
GROWTH POTENTIAL.UNQUOTE./

J. Fieldhouse

PRESS RELEASE BY THE MINISTER OF FINANCE
ON THE
MEECH LAKE ACCORD

The Minister of Finance, the Honourable Michael Wilson, expressed his disappointment that the Meech Lake constitutional reform proposal has failed. While this is regrettable, the failure to ratify the Accord, as the Prime Minister noted, was not the failure of Canada. Indeed, while unanimity was required, it is important to note that the Meech Lake Accord had been approved by the federal Parliament and eight of Canada's ten provincial legislatures, representing 94% of the Canadian population.

As the Prime Minister noted, before any new constitutional initiative is launched, the process to achieve constitutional renewal in Canada will have to be reassessed. In this regard, Mr. Wilson noted that the record shows that, in the past, Canadians have been able to bridge their differences and find the necessary solutions.

Finance Minister Wilson also emphasized the importance of balancing any uncertainty resulting from the lack of progress at constitutional renewal with a clear appreciation on the many positive elements in the economic structure and performance of the Canadian economy and the sound economic policies the government is pursuing.

The Government of Canada remains dedicated to the policies of sound economic management it has pursued since 1984:

- It will continue to work to reduce inflation and improve Canada's competitiveness.
- It will hold to its program of fiscal consolidation.
- It will continue to pursue its program of structural reform to build a more efficient and competitive economy.

Mr. Wilson noted that the sound economic fundamentals in Canada should be kept in sight. Canada has rich economic potential, based upon impressive physical and human resources:

- Its 26 million people have built the world's 8th largest industrial economy, and have achieved one of the highest standards of living in the world.
- Since 1984, Canada has been one of the fastest growing economies: output has expanded at an annual pace of 3.7% and employment has grown at a 2.7% annual rate.

Investment, as a share of the economy (GDP), is the highest in our history, and Canada has experienced an unparalleled investment boom over the past four years.

The rate of growth of the Consumer Price Index (CPI) has been reduced from a peak of near 6% in 1989 to 4.5% in May of this year although underlying unit labour cost pressures have yet to show a similar decline. Government policy will be to continue to reduce inflationary pressures in order to enhance Canada's competitiveness.

Minister Wilson stressed that the Government of Canada's program of fiscal consolidation is working and will be continued:

In the fiscal year just ended, 1989-90, the public accounts deficit was \$29.5 billion, \$1 billion less than was forecast in the February 1990 budget --- the fourth year in a row we came in under our projection.

The government's financial requirements were 3.1% of GDP in 1989-90; as a proportion of GDP, they have been more than halved since 1984-85 and the government's medium-term fiscal plan calls for a surplus by 1994-95.

Growth in government spending on all programs has been held to 3.6% on average over the last 5 years, less than the inflation rate, and it will rise by only 3% in 1990-91; this restraint on spending will be maintained in future years.

Growth in public debt has been brought roughly in line with the growth in the economy, and a significant reduction in the government debt-to-GDP ratio is called for over the next five years in the government's fiscal plan.

Mr. Wilson also emphasized the government's commitment to structural reform, and the significant progress that has been achieved since 1984. Major economic reforms that are already in place, or are being implemented, include: the Canada-U.S. Free Trade Agreement; income tax reform, privatization of more than 20 government corporations or agencies; deregulation of the energy and transportation sectors; sales tax reform and labour market reform (the Labour Force Development Strategy). These policies are estimated to raise Canada's growth potential in the first half of the 1990's from about 2 3/4% to almost 3 1/2%.

In concluding, Mr. Wilson stated that the government has made clear and substantial progress in pursuing its economic policies of fiscal consolidation, inflation reduction and structural reform since 1984, and the commitment to these policies remains unaltered. Future progress will further enhance Canada's competitiveness and growth potential.

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TO/A SPEECH ADDRESSEES/DESTINATAIRES DE DISCOURS

---NOTES FOR AN ADDRESS BY PM TO THE NATION/NOTES POUR UNE
ADRESSE A LA NATION

NOTES FOR AN ADDRESS TO THE NATION BY PRIME MINISTER BRIAN
MULRONEY OTTAWA JUNE 23, 1990

CHECK AGAINST DELIVERY

QUOTE ON JUNE 9, HERE IN OTTAWA, THE 10 PROVINCIAL PREMIERS AND
I REACHED AN AGREEMENT ON MAKING THE MEECH LAKE ACCORD PART OF
CANADAS CONSTITUTION. ALL OF US AGREED TO IMPROVE MEECH LAKE
IN RESPONSE TO CONCERNS THAT HAD BEEN EXPRESSED OVER THE PAST
THREE YEARS BY WOMEN, NORTHERNERS, MINORITY LANGUAGE GROUPS AND
ABORIGINAL CANADIANS.

2. THE PREMIERS OF NEW BRUNSWICK, MANITOBA AND
NEWFOUNDLAND AGREED TO USE EVERY POSSIBLE EFFORT TO ARRIVE AT A
DECISION ON THE MEECH LAKE ACCORD BY JUNE 23. ON JUNE 15, THE
NEW BRUNSWICK LEGISLATURE PASSED THE ACCORD UNANIMOUSLY. AND
IN THE TWO WEEKS SINCE JUNE 9, MANITOBA TRIED TO OVERCOME
PROCEDURAL OBSTACLES AND ADOPT THE ACCORD. THE THREE MANITOBA
PARTY LEADERS SPOKE IN FAVOUR OF THE AGREEMENT. WITH MORE
TIME, THERE APPEARED TO BE EVERY PROSPECT THAT THE ACCORD WOULD
BE PASSED.

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3. HOWEVER, YESTERDAY EVENING, THE LAST REMAINING HOPE THAT THE ACCORD WOULD BE RATIFIED WAS DASHED WHEN THE HOUSE OF ASSEMBLY OF NEWFOUNDLAND AND LABRADOR ADJOURNED WITHOUT A VOTE. THIS ACTION MEANS THAT THE CURRENT ROUND OF CONSTITUTIONAL REFORM HAS COME TO AN END.

4. TODAY, WE MUST GUARD AGAINST TWO DANGERS. FIRST, TO DESPAIR THAT ANYTHING CAN BE DONE AND, SECOND, TO DELUDE OURSELVES THAT NOTHING HAS HAPPENED.

5. IN SAYING YES TO CANADA IN THE 1990 REFERENDUM, QUEBECERS WERE PROMISED A RENEWED FEDERALISM. BUT THE CONSTITUTION ACT OF 1992 WAS NOT ACCEPTED BY QUEBEC BECAUSE IT DID NOT RESPOND TO THE EXPECTATIONS RAISED IN 1990. IN PARTICULAR, IT DID NOT RECONCILE THE NEED TO PRESERVE THE DISTINCTIVENESS THAT QUEBEC BRINGS TO CANADA WITH THE NEED TO PRESERVE THE EQUALITY OF ALL PROVINCES AND ALL CANADIANS.

6. THE MEECH LAKE ACCORD WAS DESIGNED TO BRIDGE THOSE REALITIES. I BELIEVE SINCERELY THAT IT WAS IN THE INTEREST OF ALL CANADIANS THAT IT BE RATIFIED. BUT THE OUTCOME IS CLEAR; WE HAVE FALLEN SHORT OF THE UNANIMOUS CONSENT REQUIRED AND THE ACCORD HAS NOT PASSED.

7. IT IS IMPORTANT THAT CANADIANS UNDERSTAND WHY THIS HAS HAPPENED. THE ACCORD, WHICH WAS DRAFTED TO ACHIEVE UNITY,

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BECAME OVER 3 YEARS A LIGHTNING ROD FOR DISCONTENT ABOUT BUDGETS, INTEREST RATES, FREE TRADE AND TAXES. IT ATTRACTED ACCUSATIONS OF FAVOURITISM AND SENTIMENTS OF REJECTION AND STIMULATED REGIONAL RIVALRIES AND LINGUISTIC TENSIONS.

8. MUCH OF THE DISCONTENT OF CANADIANS FOUND EXPRESSION IN HOSTILITY TO THE MEECH LAKE ACCORD. ITS ORIGINAL PURPOSE, AS AGREED TO BY THE PREMIERS IN EDMONTON IN 1986 WAS ONLY TO BRING QUEBEC BACK INTO THE CONSTITUTIONAL FAMILY. BUT THE ACCORD CAME TO BE EXPECTED TO RESPOND TO ALL THE CONSTITUTIONAL PREOCCUPATIONS OF THE COUNTRY.

9. THAT WE DID NOT SUCCEED IS, AT LEAST PARTLY, ALSO THE FAILURE OF THE CONSTITUTIONAL AMENDING PROCEDURES. UNDER THE 1982 PROCEDURES, THE PREMIERS AND I WERE REQUIRED TO RE-OPEN NEGOTIATIONS AND REPRODUCE UNANIMITY EVERY TIME A NEW PROVINCIAL LEADER WAS ELECTED WHO CHOSE NOT TO HONOUR THE UNDERTAKING OF HIS PREDECESSOR. OR, IN THE CASE OF NEWFOUNDLAND, WHEN A NEW PREMIER WAS ELECTED WHO CHOSE TO RESCIND THE APPROVAL OF THE PREVIOUS LEGISLATURE.

10. BUT, WE HAD CREATED AN HISTORIC CONSENSUS AROUND THE ACCORD AND, BY PERSEVERING CAME VERY CLOSE TO MAINTAINING IT. IT WAS ENDORSED BY 10 PROVINCIAL PREMIERS REPRESENTING 4 DIFFERENT POLITICAL PARTIES. IT WAS APPROVED BY EIGHT

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PROVINCIAL LEGISLATURES REPRESENTING 94 PERCENT OF THE POPULATION -- AND THE THREE POLITICAL LEADERS OF THE 9TH PROVINCE HAD PUBLICLY COMMITTED THEMSELVES TO PASSING IT. IT WAS PASSED BY THE HOUSE OF COMMONS ON TWO SEPARATE OCCASIONS, BY OVERWHELMING MAJORITIES.

11. DESPITE ALL THIS EFFORT, WE HAVE MISSED AN OPPORTUNITY TO TURN THE PAGE AND TO START A NEW CHAPTER OF CONSTITUTIONAL DEVELOPMENT. WHILE THE WORLD BEARS UP FOR THE 21ST CENTURY, WE HAVE FAILED TO RESOLVE A DEBATE THAT PREDATES CONFEDERATION ITSELF. THAT IS WHY I AM SO DEEPLY DISAPPOINTED THAT THIS ATTEMPT AT CONSTITUTIONAL REFORM HAS FAILED.

12. TO OUR FRIENDS AND PARTNERS ABROAD, I URGE THAT THIS SITUATION BE KEPT IN PERSPECTIVE. CANADIANS HAVE ALWAYS OVERCOME CHALLENGES TO OUR UNITY AND WE SHALL DO SO AGAIN. WITH A POPULATION THAT TOTALS ONLY 25 MILLION, WE HAVE BUILT THE EIGHTH MOST POWERFUL ECONOMY IN THE WORLD, WITH ONE OF THE HIGHEST STANDARDS OF LIVING AND ONE OF THE BEST QUALITIES OF LIFE. IT WOULD BE UNWISE FOR ANYONE TO UNDERESTIMATE THIS INDUSTRIOUS AND RESOURCE-RICH NATION OF HARD-WORKING AND PRODUCTIVE PEOPLE.

13. CANADAS ECONOMIC PROSPECTS CONTINUE TO BE AMONG THE MOST EXCITING AND PROMISING OF ANY COUNTRY IN THE WORLD. THE

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GOVERNMENT WILL CONTINUE TO PURSUE POLICIES DESIGNED TO FULFIL THAT PROMISE.

14. TO MY FELLOW QUEBECERS I WANT TO SAY HOW DISMAYED I AM THAT QUEBEC HAS NOT, AT THIS TIME BEEN ABLE TO REJOIN THE CONSTITUTIONAL FAMILY WITH QUOTE HONOUR AND ENTHUSIASM UNQUOTE. BUT QUEBEC EMERGED FROM THESE NEGOTIATIONS WITH ITS DIGNITY AND ITS PRINCIPLES INTACT. QUEBEC WAS NEVER ISOLATED AND, IN FACT, WAS A MEMBER OF THE MAJORITY THROUGHOUT. QUEBEC'S CONCERNS AS ELOQUENTLY STATED BY PREMIER BOURASSA, WERE SUPPORTED TIME AND TIME AGAIN BY ENGLISH-SPEAKING PREMIERS WHOSE SENSITIVITY WAS ALWAYS IN EVIDENCE.

15. FOR SEVEN LONG DAYS, 10 PROVINCIAL PREMIERS AND I STRUGGLED TO FIND THE BASIS OF REINTEGRATING QUEBEC INTO THE CANADIAN CONSTITUTIONAL FAMILY. HOWEVER, WE WERE NOT SUCCESSFUL AND THERE ARE POTENTIALLY SIGNIFICANT IMPLICATIONS FOR CANADA -- BECAUSE ACTIONS DO HAVE CONSEQUENCES.

16. THE DEBATE OVER THE PAST THREE YEARS HAS DEMONSTRATED THAT CANADA HAS CHANGED PROFOUNDLY... AND ITS OUTCOME SIGNALS AN ERA OF FURTHER CHANGE. TODAY IS NOT THE DAY TO LAUNCH NEW CONSTITUTIONAL INITIATIVES. IT IS A TIME TO MEND DIVISIONS, AND HEAL WOUNDS AND REACH OUT TO FELLOW CANADIANS. THERE IS MUCH TO REFLECT ON BEFORE WE TRY AGAIN TO AMEND THE

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CONSTITUTION. ONE THING IS VERY CLEAR; WE SIMPLY MUST FIND A BETTER WAY TO DO IT. IN THE COMING MONTHS AND YEARS, WE MUST FIND A WAY TO RECONCILE THE NEED FOR PUBLIC PARTICIPATION AND OPEN DEMOCRATIC PROCESS WITH THE LEGAL REQUIREMENTS NOW IN THE CONSTITUTION.

17. I DO NOT HIDE FROM YOU MY GREAT DISAPPOINTMENT AT THE SETBACK CANADIANS HAVE SUFFERED TODAY. BUT THERE IS NO DISHONOUR IN HAVING TRIED TO OVERCOME A SERIOUS THREAT TO OUR UNITY. NO ACHIEVEMENT IS POSSIBLE WITHOUT GREAT EFFORT. SUCH EFFORT ALWAYS CARRIES WITH IT THE RISK OF FAILURE. BUT I WOULD RATHER HAVE FAILED TRYING TO ADVANCE THE CAUSE OF CANADA'S UNITY THAN TO HAVE SIMPLY PLAYED IT SAFE, DONE NOTHING OR CRITICIZED FROM THE SIDELINES. TO GOVERN IS TO CHOOSE. TO LEAD IS TO RUN THE RISK OF FAILURE. WE DID NOT SUCCEED BUT THE FAILURE TO RATIFY THE ACCORD WAS NOT THE FAILURE OF CANADA.

18. CANADA IS NOT A NATION OF DEFEATISTS ... AND THIS IS NOT A GOVERNMENT OF QUITTERS. WE WILL ALL BE BACK AT WORK NEXT WEEK. WE WILL IMPLEMENT AN AGENDA OF NATIONAL POLICY INITIATIVES TO RESPOND TO THE ECONOMIC AND SOCIAL PRIORITIES OF CANADIANS. WE WILL INITIATE PROGRAMS TO BRING CANADIANS TOGETHER AND BRIDGE THE SOLITUDES IN WHICH SO MANY ENGLISH AND FRENCH-SPEAKING CANADIANS STILL LIVE.

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19. THERE IS MORE TO THIS COUNTRY THAN CONSTITUTIONAL PAPERS; CANADA IS MORE -- MUCH MORE -- THAN DRY PARCHMENT LYING IN A DRAWER IN THE NATIONAL ARCHIVES. CANADA IS OUR INHERITANCE FROM OUR PARENTS AND OUR LEGACY TO OUR CHILDREN. CANADA IS ADMIRERD AND RESPECTED AROUND THE WORLD. I AM NOT PREPARED TO GIVE UP ON ALL OF THAT -- OR ANY OF THAT.

20. DESPITE THIS SETBACK, DESPITE THIS GREAT DISAPPOINTMENT, THE IDEA OF A TRULY UNITED, GENEROUS AND TOLERANT CANADA ENDURES. AND WILL, EVENTUALLY, PREVAIL. THANK YOU AND GOOD AFTERNOON. UNQUOTE.

A VERIFIER AU MOMENT DE L ALLOCUTION

21. CIT LE 9 JUIN, ICI A OTTAWA, LES PREMIERS MINISTRES PROVINCIAUX ET MOI NOUS ETIONS ENTENDUS POUR QUE L ACCORD DU LAC MEECH DEVIENNE UNE PARTIE DE LA CONSTITUTION DU CANADA. NOUS AVIONS TOUS CONVENU DE L AMELIORER DE MANIERE A REPONDRER AUX PREOCCUPATIONS EXPRIMEES AU COURS DES TROIS DERNIERES ANNEES PAR LES FEMMES, LES CITOYENS DU NORD, LES GROUPES MINORITAIRES DE LANGUE OFFICIELLE ET LES AUTOCHTONES. LES PREMIERS MINISTRES DU NOUVEAU-BRUNSWICK, DU MANITOBA ET DE TERRE-NEUVE AVAIENT CONVENU DE TOUT METTRE EN OEUVRE AFIN QU UNE DECISION SUR L ACCORD DU LAC MEECH PUISSE ETRE PRISE AVANT L ECHEANCE DU 23 JUIN.

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22. LE 15 JUIN, L'ASSEMBLEE LEGISLATIVE DU NOUVEAU-BRUNSWICK A ADOPTE L'ACCORD UNANIMEMENT. ET AU COURS DES DEUX SEMAINES ECOULEES DEPUIS LE 9 JUIN LE MANITOBA A ESSAYE DE SURMONTER DES OBSTACLES DE PROCEDURE POUR L'ADOPTER. LES CHEFS DES TROIS PARTIS POLITIQUES DU MANITOBA ONT PARLE EN FAVEUR DE L'ACCORD. LES CHANCES QU'IL SOIT ADOPTE SEMBLAIENT PRES BONNES POURVU QUE L'ASSEMBLEE LEGISLATIVE MANITOBAINNE DISPOSE DE PLUS DE TEMPS. MAIS, HIER SOIR, L'ESPoir Q'LE L'ACCORD PUISSE ETRE RATIFIE A ETE ANEANTI QUAND L'ASSEMBLEE LEGISLATIVE DE TERRE-NEUVE ET DU LAPRADOR A AJOURNE SANS TERNIR DE VOTE. CETTE ACTION SIGNIFIE LA FIN DE CETTE RONDE DE REFORME CONSTITUTIONNELLE.

23. NOUS DEVONS MAINTENANT NOUS PREMUNIR CONTRE DEUX DANGERS : CELUI D'ABANDONNER TOUT ESPoir ET CELUI DE NOUS CREER L'ILLUSION QUE NOUS POUVONS CONTINUER COMME SI RIEN NE S'ETAIT PASSE. LES QUEBECOIS ONT DIT OUI AU CANADA LORS DU REFERENDUM DE 1980 PARCE QU'ON LEUR AVAIT PROMIS UN FEDERALISME RENOUVELE. MAIS LE QUEBEC N'A PAS ACCEPTE LA LOI CONSTITUTIONNELLE DE 1982 PARCE QU'ELLE NE REPONDAIT PAS AUX ATTENTES SOULEVEES EN 1980. EN PARTICULIER, ELLE NE CONCILIAIT PAS LE BESOIN DE PRESERVER LE CARACTERE DISTINCT QUE LE QUEBEC CONFERE AU CANADA AVEC LA NECESSITE DE MAINTENIR L'EGALITE DE TOUTES LES PROVINCES ET D'

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TOUS LES CITOYENS CANADIENS. L ACCORD DU LAC MEECH AVAIT ETE CONCU POUR CONCILIER CES REALITES. JE CROIS SINCEREMENT QUE SA RATIFICATION AURAIT ETE DANS LE MEILLEUR INTERET DE TOUS LES CANADIENS. MAIS LE RESULTAT EST EVIDENT : NOUS N AVONS PAS OBTENU LE CONSENTEMENT UNANIME REQUIS ET L ACCORD N A PAS PASSE.

24. IL EST IMPORTANT QUE LES CANADIENNES ET LES CANADIENS COMPRENENT POURQUOI CELA S EST PRODUIT. L ACCORD QUI VISAIT A PROMOUVOIR L UNITE, EST DEvenu EN TROIS ANS, POUR BEAUCOUP DE GENS, UN PRETEXTE POUR MANIFESTER LEUR INSATISFACTION A L EGARD DES BUDGETS, DES TAUX D INTERET, DU LIBRE-ECHANGE ET DES TAXES. IL A DONNE LIEU A DES ACCUSATIONS DE FAVORITISME OU A DES SENTIMENTS DE REJET ET IL A ATTISE LES RIVALITES REGIONALES ET LES TENSIONS LINGUISTIQUES. LEUR HOSTILITE ENVERS L ACCORD DU LAC MEECH A ETE POUR BIEN DES CANADIENS UNE FACON D EXPRIMER LEUR MECONTENTEMENT A L EGARD DES MESURES IMPOPULAIRES PRISES PAR LE GOUVERNEMENT.

25. L OBJET INITIAL DE L ACCORD, COMME EN AVAIENT CONVENU LES PREMIERS MINISTRES PROVINCIAUX A EDMONTON EN 1986, ETAIT LA REINTEGRATION DU QUEBEC DANS LA FAMILLE CONSTITUTIONNELLE. MAIS ON EN EST VENU A ATTENDRE DE LUI QU IL REPONDE A TOUTES LES PREOCCUPATIONS CONSTITUTIONNELLES DU PAYS.

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NOTRE INSUCCES EST AUSSI, AU MOINS EN PARTIE. L'ECHEC DES
MECANISMES DE MODIFICATION DE LA CONSTITUTION. PAR SUITE DES
PROCEDURES ETABLIES EN 1982. LES PREMIERS MINISTRES PROVINCIAUX
ET MOI DEVIONS ROUVRIER LES NEGOCIATIONS ET RECREER L'UNANIMITE
CHAQUE FOIS QU'ETAIT ELU DANS UNE PROVINCE UN PREMIER MINISTRE
QUI CHOISSAIT DE NE PAS HONORER L'ENGAGEMENT DE SON
PREDECESSEUR. OJ, COMME CE FUT LE CAS A TERRE NEUVE, QUAND
ETAIT ELU UN PREMIER MINISTRE QUI CHOISSAIT DE REVOQUER L'
APPROBATION DONNEE PAR LA LEGISLATURE PRECEDENTE.

26. MAIS NOUS AVONS CREE UN CONSENSUS HISTORIQUE AUTOUR
DE L'ACCORD ET, A FORCE DE PERSEVERANCE, SOMMES VENUS BIEN PRES
DE LE MAINTENIR. L'ACCORD A ETE SIGNE PAR DIX PREMIERS
MINISTRES PROVINCIAUX REPRESENTANT QUATRE PARTIS POLITIQUES
DIFFERENTS. IL A ETE APPROUVE PAR LES ASSEMBLEES LEGISLATIVES
DE HUIT PROVINCES REPRESENTANT 94 PERCENT DE LA POPULATION DU
PAYS. ET LES TROIS LEADERS POLITIQUES DE LA NEUVIEME PROVINCE S'
ETAIENT PUBLIQUEMENT ENGAGES A LE FAIRE ADOPTER. IL A ETE
ADOPTE PAR LA CHAMBRE DES COMMUNES A DEUX OCCASIONS DISTINCTES,
CHAQUE FOIS PAR UNE TRES FORTE MAJORITE DES VOIX.

27. MALGRE TOUS CES EFFORTS, NOUS AVONS RATE UNE
OCCASION DE TOURNER LA PAGE ET D'OUVRIR UN NOUVEAU CHAPITRE DE
NOTRE EVOLUTION CONSTITUTIONNELLE. AU MOMENT OU LE MONDE SE
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PREPARE A ENTRER DANS LE 21E SIECLE, VOUS N AVONS PAS SU CLORE UN DEBAT QUI REMONTE AVANT LA CONFEDERATION ELLE-MEME. C EST POURQUOI JE SUIS SI PROFONDEMENT DECU QUE CETTE TENTATIVE DE REFORME DE LA CONSTITUTION AIT ECHOUÉ.

28. J INVITE INSTAMMENT NOS AMIS ET PARTENAIRES DE L ETRANGER A CONSIDERER LA SITUATION DANS SA JUSTE PERSPECTIVE. NOUS, CANADIENS, AVONS TOUJOURS SURMONTE DANS LE PASSE LES OBSTACLES A NOTRE UNITE. ET NOUS LE FERONS ENCORE. AVEC UNE POPULATION D A PEINE 26 MILLIONS, NOUS AVONS BATI UN PAYS DONT L ECONOMIE SE CLASSE AU HUITIEME RANG DES PLUS PUISSANTES DU MONDE ET QUI JOUIT D UN DES PLUS HAUTS NIVEAUX ET D UNE DES MEILLEURES QUALITES DE VIE AU MONDE. IL SERAIT MAL AVISE POUR QUICONQUE DE SOUS-ESTIMER LE POTENTIEL D UN PAYS AUSSI RICHEMENT POURVU DE RESSOURCES QUE LE NOTRE, ET DE SA POPULATION, FORMEE DE TRAVAILLEURS PRODUCTIFS ET INDUSTRIEUX. LES PERSPECTIVES ECONOMIQUES DU CANADA DEMEURERONT PARMY LES PLUS INTERESSANTES ET LES PLUS PROMETTEUSES AU MONDE ET LE GOUVERNEMENT VA CONTINUER D APPLIQUER DES POLITIQUES DESTINEES A REALISER TOUT CE POTENTIEL.

29. JE VEUX DIRE A MES CONCITOYENS DU QUEBEC A QUEL POINT JE SUIS DESOLE QUE LE QUEBEC N AIT PAS PU, CETTE FOIS-CI, REINTEGRER LA FAMILLE CONSTITUTIONNELLE DANS CIL L HONNEUR ET L

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ENTHOUSIASME FINCI. MAIS IL SORT DE CES NEGOCIATIONS EN AYANT GARDE SA DIGNITE INTACTE ET SANS AVOIR LE MOINDREMENT DEROGE A SES PRINCIPES. LE QUEBEC N A JAMAIS ETE ISOLE; EN FAIT, IL A ETE PENDANT TOUT CE TEMPS UN MEMBRE DE LA MAJORITE. SES POSITIONS, EXPRIMEES ELOQUEMMENT PAR LE PREMIER MINISTRE BOURASSA, ONT MAINTEES FOIS RECU L APPUI DE PREMIERS MINISTRES ANGLOPHONES QUI SE SONT TOUJOURS MONTRÉS SENSIBLES A SES PREOCCUPATIONS.

30. PENDANT SEPT LONGUES JOURNEES. LES DIX PREMIERS MINISTRES PROVINCIAUX ET MOI NOUS SOMMES EFFORCES DE TROUVER UNE FORMULE QUI PERMETTRAIT DE REINTEGRER LE QUEBEC DANS LA FAMILLE CONSTITUTIONNELLE CANADIENNE. MAIS NOS EFFORTS ONT ECHOUE ET CELA POURRAIT AVOIR DE SERIEUSES INCIDENCES POUR LE CANADA, CAR TOUTE ACTION A DES CONSEQUENCES. LE DEBAT DES TROIS DERNIERES ANNEES A DEMONTRE QUE LE CANADA A PROFONDEMENT CHANGE ET NOUS ALLONS ENTAMER UNE ERE DE CHANGEMENTS ENCORE PLUS PROFONDS. CE N EST PAS LE TEMPS MAINTENANT DE LANCER DE NOUVELLES INITIATIVES CONSTITUTIONNELLES. C EST LE TEMPS DE CONCILIER NOS DIFFERENDS, DE PANSER NOS PLAIES ET DE TENDRE LA MAIN A NOS CONCITOYENS.

31. IL Y A BEAUCOUP DE CHOSES AUXQUELLES IL NOUS FAUDRA REFLECHIR AVANT D ENTREPRENDRE A NOUVEAU DE MODIFIER LA

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CONSTITUTION. IL Y A UNE CHOSE QUI EST TRES CLAIRE ET C EST QUE NOUS DEVRONS TROUVER DE MEILLEURS MOYENS DE LE FAIRE. DANS LES MOIS ET LES ANNEES A VENIR, NOUS DEVRONS TROUVER ENSEMBLE DES MOYENS DE CONCILIER LA NECESSITE DE FAIRE PARTICIPER LA POPULATION ET D AGIR DE FACON DEMOCRATIQUE AVEC LES CONTRAINTES JURIDIQUES MAINTENANT ENCHASSEES DANS LA CONSTITUTION.

32. JE NE VOUS CACHERAI PAS LA GRANDE DECEPTION QUE ME CAUSE LE DUR COUP QUE LES CANADIENS ONT TOUS SUBI HIER. IL N Y A PAS DE HONTE A AVOIR ESSAYE D ECARTER LA LOURDE MENACE QUI PESE SUR NOTRE UNITE. RIEN NE PEUT ETRE ACCOMPLI A MOINS D Y METTRE LES EFFORTS NECESSAIRES. ET TOUTE ENTREPRISE COMPORTE UN RISQUE D ECHEC. MAIS JE PREFERE AVOIR ECHOUÉ EN ESSAYANT DE FAIRE AVANCER LA CAUSE DE L UNITE CANADIENNE QUE DE N AVOIR PAS PRIS DE RISQUE, DE N AVOIR RIEN FAIT ET D AVOIR CRITIQUE LES EFFORTS DES AUTRES. NOS EFFORTS POUR FAIRE RATIFIER L ACCORD ONT ECHOUÉ, MAIS CET ECHEC N EST PAS L ECHEC DU CANADA.

33. LE CANADA N EST PAS UN PAYS DE DEFAITISTES, ET LE GOUVERNEMENT QUE JE DIRIGE N EST PAS DE CEUX QUI ABANDONNENT FACILEMENT. NOUS ALLONS TOUS ETRE DE RETOUR A LA TACHE LA SEMAINE PROCHAINE. NOUS ALLONS METTRE EN OEUVRE UNE SERIE D INITIATIVES NATIONALES APIN DE REpondre AUX PRIORITES ECONOMIQUES ET SOCIALES DES CANADIENNES ET DES CANADIENS. NOUS

...14

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ALLONS ETABLIR DES PROGRAMMES DESTINES A LES RAPPROCHER ET A
JETER DES PONTS ENTRE LES SOLITUDES DANS LESQUELLES TANT DE NOS
CONCITOYENS ANGLOPHONES ET FRANCOPHONES DEMEURENT CONFINES.

34. LE CANADA N EST PAS QU UNE SIMPLE LIASSE DE
DOCUMENTS CONSTITUTIONNELS: LE CANADA EST PLUS -- BEAUCOUP PLUS
-- QU UN VIEUX PARCHEMIN RANGE DANS UN CLASSEUR AUX ARCHIVES
NATIONALES. LE CANADA EST LE LEGS QUE NOUS ONT LAISSE NOS
PARENTS ET L HERITAGE QUE NOUS ALLONS LAISSER A NOTRE TOUR A
NOS ENFANTS. PARTOUT DANS LE MONDE, LES GENS ADMIRENT ET
RESPECTENT NOTRE PAYS. JE NE SUIS PRET A RENONCER A RIEN DE
TOUT CELA. ENTRETEMPS, MALGRE CE REVERS, MALGRE CETTE GRANDE
DECEPTION, LE MAGNIFIQUE IDEAL D UN CANADA GENEREUX ET TOLERANT
SUBSISTE, ET IL FINIRA PAR PREVALOIR UN JOUR.FINCIT.

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Foreign and Commonwealth Office
London SW1A 2AH

21 June 1990

Dear Charles,

CD 21/6

Letter to the Prime Minister from Mr Mulroney

I enclose the original of a letter to the Prime Minister from Mr Brian Mulroney about Expo 2000.

Jawolva
S L Gass

(S L Gass)
Private Secretary

C D Powell Esq
10 Downing Street



PRIME MINISTER - PREMIER MINISTRE

OTTAWA, K1A 0A2

June 11, 1990

Dear Margaret,

As you may know, Canada has submitted a bid to the Bureau International des Expositions (BIE) in Paris to host in the year 2000 in Toronto a universal exposition marking the beginning of the new millennium. On June 14 the member countries of the BIE will meet in Paris to decide the site of EXPO 2000. I am writing to seek the support of the United Kingdom for the only North American candidate, the city of Toronto.

Toronto would be an excellent site for EXPO 2000 given its multicultural fabric, its infrastructure and spectacular waterfront facilities, its strategic location on the North American market and the organizational and financial strength behind EXPO 2000 Canada.

I am personally enthusiastic and excited about this project which will give Canada an opportunity to welcome the world at the dawning of a new millennium, addressing issues that are of fundamental importance to us all. The EXPO 2000 organizers have chosen "Peace With Our Planet -- Visions of a New Millennium" as the exposition's theme. By focusing on environmental and urban development concerns, it is hoped that EXPO 2000 will provide a forum for the world to chart new directions for a more healthy and vibrant world in the next century.

The Right Honourable Margaret Thatcher
Prime Minister of the United Kingdom
London, England

To this end, the organizers of EXPO 2000 have expressed their commitment to a new initiative to the protection of the environment by the establishment of a \$25 million international environmental awards program which will be linked to the year 2000 Universal Exposition and future Expositions. The Canada Competition and Awards Program, which is proposed by the private sector, will make a significant contribution to sustainable development in all our countries.

I do hope that we can count on your delegate to cast your country's vote in support of Canada and Toronto at the June 14 General Assembly meeting of the Bureau International des Expositions.

Yours sincerely,

Judith Klueber



Rolland

Department

Washington, D.C.



Foreign and Commonwealth Office

London SW1A 2AH

18 June 1990

John Charles,

*No reply to
G. J. 18/6.*

Expo 2000: Canada

In your letter to Simon Gass of 12 June you asked for a draft reply Mr Mulroneys letter of 11 June about Toronto's claim to be the site of Expo 2000.

The International Exhibitions Bureau (BIE) held a secret vote on 14 June to decide the site for Expo 2000. Hanover won by 21 votes against Toronto (20 votes). There was one abstention.

In our letter of 12 June, we said we would try to preserve the secrecy of our vote. We have done this so far, and we continue to see no advantage in revealing how we voted, even to the Germans. There would be a risk of a leak; and any credit we gained with them could be offset by the disappointment of the Canadians. Moreover, if the vote became public knowledge, there might be enquiries from the media about why we chose one rather than the other. It would be difficult to answer these without appearing to criticise the Canadian bid. The press have shown no interest in how we voted (their interest faded when Venice withdrew from the competition).

I enclose a draft reply but any reply may rub salt in the wound and you may think it better to let the matter lie.

Jans.
Stephen Gass
(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

DRAFT LETTER FROM THE PRIME MINISTER



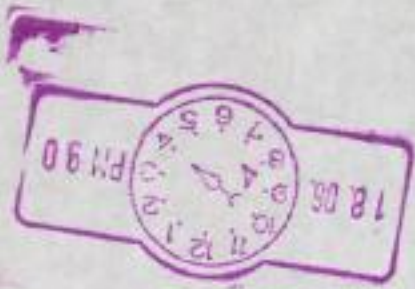
Thank you for your letter of 11 June about Expo 2000.

Your proposals for the exhibition were very positive and imaginative. Canada conducted an impressive campaign, and I can understand how disappointed you and the organisers in Toronto must have felt by the result.

Toronto has given an excellent account of itself during the campaign and I am sure the city's reputation will benefit.

The Right Honourable Brian Mulroney PC MP

CANDOR : Waiana PTL





10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 June 1990

I enclose a copy of a further message to the Prime Minister from the Canadian Prime Minister about the decision to be taken on 14 June on the site of Expo 2000. I should be grateful for advice and a draft reply.

I am sending a copy of this letter and enclosure to Ben Slocock (Department of Trade and Industry).

(C. D. POWELL)

Simon Gass, Esq.,
Foreign and Commonwealth Office.

788

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T123A/90.

SUBJECT CC MASTER
OPS

OTTAWA, K1A 0A2

June 11, 1990

Dear Margaret,

As you may know, Canada has submitted a bid to the Bureau International des Expositions (BIE) in Paris to host in the year 2000 in Toronto a universal exposition marking the beginning of the new millennium. On June 14 the member countries of the BIE will meet in Paris to decide the site of EXPO 2000. I am writing to seek the support of the United Kingdom for the only North American candidate, the city of Toronto.

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The Right Honourable Margaret Thatcher
Prime Minister of the United Kingdom
London, England

- 2 -

To this end, the organizers of EXPO 2000 have expressed their commitment to a new initiative to the protection of the environment by the establishment of a \$25 million international environmental awards program which will be linked to the year 2000 Universal Exposition and future Expositions. The Canada Competition and Awards Program, which is proposed by the private sector, will make a significant contribution to sustainable development in all our countries.

I do hope that we can count on your delegate to cast your country's vote in support of Canada and Toronto at the June 14 General Assembly meeting of the Bureau International des Expositions.

Yours sincerely,

(signed)

Brian Mulroney

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TELNO 371
OF 100600Z JUNE 90
INFO ROUTINE MONTREAL TORONTO EDMONTON VANCOUVER WASHINGTON

MY TEL NO 370: CANADIAN CONSTITUTIONAL ISSUES

SUMMARY:

1. AGREEMENT, BUT NEWFOUNDLAND NOT YET COMMITTED . PROSPECTS THERE, AND TO A MUCH LESSER EXTENT IN MANITOBA, REMAIN UNCERTAIN.

DETAIL

2. FIRST MINISTERS CONCLUDED THEIR DISCUSSIONS TODAY HAVING ACHIEVED WHAT NINE OUT OF TEN PROVINCIAL PREMIERS BELIEVED WAS THE BEST POSSIBLE DEAL IN THE CIRCUMSTANCES. THE AGREEMENT (ALONG THE LINES OUTLINED IN PARAGRAPH 2 OF MY TUR) WAS SUFFICIENT TO BRING MANITOBA'S GARY FILMON ON BOARD (WITH THE AGREEMENT OF THE PROVINCIAL LIBERAL AND NDP LEADERS) AND TO KEEP BOURASSA ON BOARD, THEREBY ISOLATING WELLS OF NEWFOUNDLAND. WELLS HAS ANNOUNCED THAT ALTHOUGH HE HAS SIGNED THE AGREEMENT HE CANNOT ENDORSE IT. HE WILL CONSULT HIS NEWFOUNDLAND CAUCUS TOMORROW, AND WILL THEN DECIDE WHETHER TO PROCEED WITH A PROVINCIAL REFERENDUM, OR WHETHER HE WILL INSTEAD INTRODUCE THE AGREEMENT INTO HIS PROVINCIAL LEGISLATURE AND ALLOW A FREE VOTE.

3. A REFERENDUM IN NEWFOUNDLAND WOULD TAKE TWO WEEKS, AND LEGISLATIVE PROCESS IN MANITOBA TO RATIFY THE ACCORD COULD TAKE UP TO TEN DAYS. THE SITUATION IS THUS DISTINCTLY MESSY. NO ONE CAN BE CERTAIN WHETHER OR NOT NEWFOUNDLAND WOULD VOTE IN A REFERENDUM IN FAVOUR OF THE AGREEMENT WHICH THEIR OWN PREMIER HAS SAID THAT HE CANNOT ENDORSE, NOR WHAT THE RESULT OF A FREE VOTE IN THAT LEGISLATURE MIGHT BE. IN THE MEANTIME, THE MANITOBA LEGISLATIVE PROCESS CALLS FOR PUBLIC HEARINGS, WHICH WILL BE TAKING PLACE CONCURRENTLY WITH THE DEBATEE IN NEWFOUNDLAND. THIS COINCIDENCE OF TIMING WILL ENABLE THE APPONENTS OF THE ACCORD IN BOTH PROVINCES TO FEED UPON ONE ANOTHER. AND THERE WILL ON ADDITION BE ROOM FOR A MAXIMUM OF MISCHIEF MAKING BY SEPARISTS IN QUEBEC, WHO WOULD LIKE TO SEE THE DEAL FAIL, AND HAVE BEEN CONSPIRING IN THEIR PUBLIC ATTACKS ON BOURASSA.

4. IN PRACTISE THEREFORE, SEVEN DAYS OF DISCUSSION AND NEGOTIATIONS HAVE FALLEN DISAPPOINTINGLY SHORT OF THE AGREEMENT WHICH SEEMED WITHIN REACH ON FRIDAY AFTERNOON. THE ACTION NOW LEAVES THE FEDERAL STAGE, AND WE MUST WAIT TO SEE WHETHER THE FINAL PIECES CAN BE PUT TOGETHER IN MANITOBA (WHERE THE PROSPECTS ARE HOPEFUL, GIVEN THE AGREEMENT HERE OF THE THREE PARTY LEADERS) AND IN NEWFOUNDLAND, WHERE THE PICTURE REMAINS AS MURKY AS EVER. MUCH STILL DEPENDS ON THE

PAGE 1
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ABILITY OF ANGLOPHONE SUPPORTERS OF MEECH, PERHAPS PARTICULARLY IN THE MARITIME PROVINCES, TO CONVINCING THE PEOPLE AND THE LEGISLATURE OF NEWFOUNDLAND THAT THEIR PREMIER HAS GOT HIMSELF OUT ON THE WRONG LIMB. ONCE THINGS BECOME A LITTLE CLEARER, I WILL BE OFFERING FURTHER THOUGHTS ON HOW THINGS ARE LIKELY TO GO IN MANITOBA AND, MORE IMPORTANTLY, NEWFOUNDLAND.

5. THE FAT LADY HAS NOT YET SUNG, BUT MULRONEY HAS TAKEN THINGS AS FAR AS HE CAN. I AM SURE THAT A SHORT MESSAGE FROM THE PRIME MINISTER -PERHAPS NOT MUCH MORE THAN CONGRATULATIONS AND WE ARE KEEPING OUR FINGERS CROSSED - WOULD BE MUCH APPRECIATED. A PHONE CALL FROM NO 10 TO MULRONEY'S OFFICE, OR A POSTSCRIPT TO A MESSAGE AFTER MRS THATCHER'S VISIT TO THE SOVIET UNION, WOULD DO THE JOB NICELY.

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MY TELNO 329: PROSPECTS FOR CONSTITUTIONAL REFORM *mt*

1. PRIME MINISTER MULRONEY HAS SEEN THE PREMIERS OF ALL 10 PROVINCES INDIVIDUALLY SINCE 25 MAY. FROM COMMENTS MADE BY THE PREMIERS SINCE THESE MEETINGS IT LOOKS AS THOUGH THERE HAS BEEN SOME NARROWING OF DIFFERENCES, BUT THAT OBSTACLES TO A SOLUTION STILL REMAIN. NEWFOUNDLAND MAY REMAIN THE MOST INTRANSIGENT PROVINCE.

2. INTERESTINGLY, THERE HAVE BEEN INDICATIONS THAT THE THREE QUOTE HOLD OUT UNQUOTE PROVINCES OF NEW BRUNSWICK, NEWFOUNDLAND AND MANITOBA ARE ALL WILLING TO COMPROMISE OVER THE DISTINCT SOCIETY CLAUSE FOR QUEBEC AND OVER OTTAWA'S RIGHT TO PRESERVE AND PROMOTE LINGUISTIC DUALITY. AT PRESENT IT IS THE QUESTION OF SENATE REFORM - AND IN PARTICULAR QUEBEC'S RIGHT TO VETO - WHICH SEEMS TO BE THE STICKING POINT. AFTER HE HAD SEEN THE PRIME MINISTER ON 28 MAY QUEBEC PREMIER BOURASSA REMINDED REPORTERS THAT UNDER THE 1867 CONSTITUTION QUEBEC ALREADY HAD A VETO OF SORTS OVER THE ISSUE OF SENATE REFORM, AND SAID THAT HE DID NOT THINK IT UNREASONABLE THAT THE PROVINCE SHOULD RETAIN THIS. BUT HE STOPPED SHORT OF INSISTING.

3. IN THE HOUSE OF COMMONS ON 28 MAY FOREIGN MINISTER JOE CLARK (WHO WAS STANDING IN FOR MULRONEY DURING THE LATTER'S DISCUSSIONS WITH UN SECRETARY GENERAL PEREZ DE CUELLAR) SAID THAT THE EXCHANGE OF VIEWS HAD BEEN OF VALUE IN HELPING TO IDENTIFY AREAS WHERE THERE WAS A GROWING CONSENSUS, AND IN CLARIFYING THOSE ISSUES ON WHICH FURTHER WORK WAS REQUIRED. HE SAID THAT THE DISCUSSIONS HAD NOT REVEALED SUFFICIENT COMMON GROUND AT THIS STAGE TO WARRANT IMMEDIATELY CALLING A FIRST MINISTERS' CONFERENCE, AND THAT BILATERAL DISCUSSIONS WERE CONTINUING. MOST OBSERVERS NEVERTHELESS EXPECT MULRONEY TO CALL THE PREMIERS TOGETHER SOON SEMICOLON HE MAY BE DELAYING DOING SO IN THE EXPECTATION THAT THE LATER THEY MEET, THE MORE AMENABLE THEY MAY BE. EVEN IF MULRONEY FINALLY JUDGES THAT AGREEMENT IS OUT OF REACH, HE MAY THINK IT WISE TO CALL A MEETING TO DISCUSS HOW TO CONTAIN THE DAMAGE.

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ms
Prime Minister
Mr. Mulroney's added Private Secretary
told me yesterday that Mulroney
was convinced he would get through
at the last moment.
CAF.

MY TELNOS 323 AND 324: CANADIAN POLITICAL SCENE AND MEECH LAKE ACCORD

1. AS THE DUST BEGINS TO SETTLE FOLLOWING THE RESIGNATION OF LUCIEN BOUCHARD, THERE ARE INDICATIONS THAT THE KEY PLAYERS MAY BE PREPARING FOR A FINAL EFFORT TO ACHIEVE COMPROMISE.
2. FOR THE MOMENT, THE PRIME MINISTER AND SENATOR MURRAY ARE STICKING TO THEIR LINE THAT THERE IS NO POINT IN CALLING A FIRST MINISTERS' MEETING AT PRESENT. AN INFORMAL DINNER FOR FIRST MINISTERS (ARRANGED BEFORE THE EVENTS OF THIS WEEK) TENTATIVELY PLANNED FOR 24 MAY HAS BEEN CANCELLED. BUT MULRONEY IS SEEING IN OTTAWA ALL OF THE PROVINCIAL PREMIERS IN A SERIES OF INDIVIDUAL MEETINGS DURING THE NEXT FEW DAYS TO SEE WHAT COMMON GROUND THERE MAY BE. THERE ARE REPORTS THAT THESE DISCUSSIONS MAY BE A PRELUDE TO THE PRIME MINISTER'S BRINGING ALL FIRST MINISTERS TOGETHER, POSSIBLY ON 31 MAY. CLEARLY MUCH WILL DEPEND ON THE OUTCOME OF THE VARIOUS BILATERAL CHATS. IN THE MEANTIME, PROVINCIAL PREMIERS ARE CONTINUING TO PRESS FOR AN EARLY MEETING. NEW BRUNSWICK'S FRANK MCKENNA HAS SAID THAT PANIC IS RISING IN THE COUNTRY AND A FIRST MINISTERS' CONFERENCE WAS REQUIRED SEMICOLON A SIMILAR CALL CAME FROM DAVID PETERSON OF ONTARIO AND DON GETTY OF ALBERTA, MEETING IN TORONTO. AFTER REPORTS OF DISCUSSIONS BETWEEN HIM AND GARY FILMON OF MANITOBA, PREMIER BOURASSA OF QUEBEC REITERATED HIS WILLINGNESS TO ATTEND A FIRST MINISTERS' CONFERENCE SEMICOLON BOURASSA STATED THAT THE CHAREST COMMITTEE REPORT CONTAINED SOME ELEMENTS WHICH DID NOT AFFECT QUEBEC, AND THAT QUEBEC WAS READY TO DISCUSS THOSE ELEMENTS WHICH COULD BE SEEN AS A SECOND ROUND OF CONSTITUTIONAL NEGOTIATIONS. BUT HE ADDED THAT QUEBEC WAS STILL UNWILLING TO DISCUSS AMENDMENTS TO THE MEECH LAKE ACCORD ITSELF. BOURASSA'S COMMENTS APPEAR DESIGNED TO LEAVE HIM AS MUCH ROOM FOR MANOEUVRE AS POSSIBLE DURING THE FINAL STAGES OF NEGOTIATION - WHICH MAY WELL CENTRE ON THE DISTINCT SOCIETY CLAUSE.
3. DURING HIS WHIRLWIND TOUR OF PROVINCIAL CAPITALS LAST WEEKEND, SENATOR MURRAY WAS CANVASSING PROPOSALS, BASED LARGELY ON THE CHAREST COMMITTEE'S REPORT, WHICH THE FEDERAL GOVERNMENT BELIEVED MIGHT FORM THE BASIS FOR A COMPROMISE. THESE WERE REASONABLY WELL RECEIVED BY

AT LEAST SOME OF THE MAJOR PLAYERS (INCLUDING LEADERS OF ALL THREE POLITICAL PARTIES IN MANITOBA). BUT THERE IS SPECULATION THAT IN THE LIGHT OF THE EVENTS OF THIS WEEK, MURRAY'S TEXT MAY NOW BE TOO DETAILED TO ENSURE ACCEPTANCE. AS BOUCHARD CLAIMED, THEY PROBABLY PAID TOO LITTLE ATTENTION TO QUEBEC'S CONCERNS TO STAND MUCH CHANCE OF ACCEPTANCE FROM THAT QUARTER. MURRAY AND THE PRIME MINISTER HAVE BEEN WORKING ON A MODIFIED, AND SUBSTANTIALLY BRIEFER, PROPOSAL, AND IT IS THIS THAT THE PRIME MINISTER WILL BE DISCUSSING IN HIS MEETINGS WITH FIRST MINISTERS. HE MAY JUDGE THAT AT LEAST SOME OF THE RECALCITRANT PREMIERS WILL HAVE BEEN SUFFICIENTLY SHAKEN BY THE BOUCHARD RESIGNATION TO BE WILLING TO MODERATE THEIR OWN POSITIONS. THEY MAY ALSO BE ENCOURAGED THAT BOURASSA'S OWN POSITION HAS NOT SIGNIFICANTLY HARDENED (AND BOURASSA HIMSELF RECEIVED WIDESPREAD SUPPORT ON 23 MAY FROM THOSE OF BOTH NATIONALIST AND FEDERALIST SYMPATHIES IN HIS PROVINCIAL LIBERAL CAUCUS).

4. IT THUS REMAINS TOO EARLY TO SAY QUITE WHAT EFFECT BOUCHARD'S RESIGNATION WILL HAVE ON THE PROSPECTS FOR MEECH LAKE. THE FUNDAMENTAL DIFFERENCES REMAIN, AND ARE NO EASIER TO RESOLVE TODAY THAN THEY WERE A FORTNIGHT OR EVEN A YEAR AGO. BUT THE MINDS OF THE MINISTERS (AND THE CANADIAN PUBLIC) ARE NOW VERY SHARPLY FOCUSED ON THE ISSUE, AND, PERHAPS NOT BEFORE TIME, ON THE POTENTIAL CONSEQUENCES OF FAILURE. BOUCHARD MAY HAVE SOUGHT TO UPSET THE BOARD, BUT THE END GAME CONTINUES.

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10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

24 May 1990

MESSAGE TO PRIME MINISTER MULRONEY

Thank you for your letter of 24 May suggesting a message from the Prime Minister to Mr. Mulroney about his present difficulties. The Prime Minister agrees that the best course would be for me to speak to Mr. Hartt which I shall try to do.

(C. D. POWELL)

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

SECRET



Foreign and Commonwealth Office

London S.W.1

24 May 1990

500
 (a-c) case
 (1)
 Prime Minister
 Center for me
 Dear Charles, to speak to
 Mr. Hartt? - Yes Mr.
 CAN.

Message to Prime Minister Mulroney

The constitutional issue of Quebec's position in Canada is causing Prime Minister Mulroney increasing problems as the deadline for ratification of the Meech Lake Accord (23 June) approaches. Until now, the general view has been that "Canada will muddle through". However, the resignation of his close associate from Quebec and Federal Minister for the Environment, Lucien Bouchard, must complicate his problems. Ottawa telno 321 (enclosed) gives background.

The Prime Minister might want to send Mr Mulroney a short message of encouragement. I enclose a draft in the form of a draft telegram to Ottawa. Alternatively, and this would be the preference of the High Commissioner whom we have consulted, the Prime Minister could speak to Mr Mulroney or you could speak to Stanley Hartt.

You may consider the game is not worth the candle but I have little doubt the gesture would be valued.

Yours,

Stephe Wall

(J S Wall)
Private Secretary

C D Powell Esq
 10 Downing Street

Message delivered
 by telephone to
 Mr. Hartt: 25 May 1600

CAN
 25/5

OUT TELEGRAM

16.

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 2 SECRET
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 F 7 OF 231046Z MAY 90
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9 MESSAGE FROM THE PRIME MINISTER TO MR MULRONEY

- 10
- 11 1. Your telno 321 refers.
- 12 2. Provided you see no objection, please deliver the
- 13 following message to Mr Mulroney as soon as possible:
- 14 Quote: With such an important date for Canada in the
- 15 offing, I wanted to send you a line to let you know that ~~at such~~
- 16 ~~a time~~ my thoughts are very much with you. ~~and Canada's best~~
- 17 ~~interests.~~ *I'm sure you'll win through.*
- 18 Margaret ~~Thatcher~~ Unquote.
- 19 3. Grateful if you would ensure that knowledge of the
- 20 existence of this personal (repeat personal) message is strictly
- 21 limited, including in Mulroney's Private Office.

22

23 HURD

24 YYYY

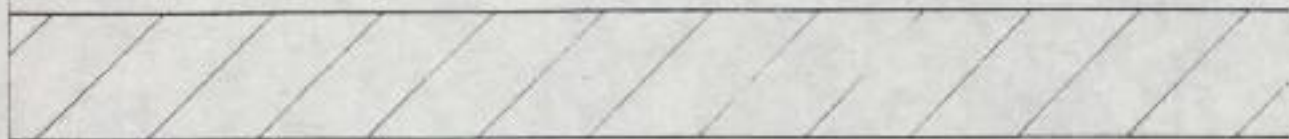
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/ 28 MR BEAMISH NNNN

29 MR MCLAREN



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TELNO 321
OF 222012Z MAY 90
INFO IMMEDIATE MONTREAL, TORONTO, EDMONTON, VANCOUVER
INFO PRIORITY WASHINGTON, DTI, DEPT OF ENVIRONMENT

RESIGNATION OF FEDERAL MINISTER FOR THE ENVIRONMENT

SUMMARY

1. BOUCHARD'S RESIGNATION A SETBACK FOR THE MEECH LAKE ACCORD. POTENTIALLY SERIOUS CONSEQUENCES FOR THE PRIME MINISTER AND THE GOVERNMENT.

DETAIL

2. FEDERAL MINISTER FOR THE ENVIRONMENT (AND THE MINISTER WITH POLITICAL RESPONSIBILITY FOR QUEBEC), LUCIEN BOUCHARD, RESIGNED FROM THE CABINET ON THE EVENING OF 21 MAY AMIDST CONTROVERSY ABOUT HIS POSITION ON RECENT EFFORTS TO SECURE THE PASSAGE OF THE MEECH LAKE ACCORD. HE ANNOUNCED HIS RESIGNATION FROM THE FEDERAL PC CAUCUS ON 22 MAY.
3. HAVING SENT (FROM PARIS) A TELEGRAM OF GREETINGS TO A PARTI QUEBECOIS MEETING HELD IN HIS CONSTITUENCY ON 20 MAY TO COMMEMORATE THE TENTH ANNIVERSARY OF THE QUEBEC REFERENDUM ON INDEPENDENCE, BOUCHARD RETURNED TO OTTAWA TO AN ATMOSPHERE WHICH WAS ALREADY HIGHLY CHARGED FOLLOWING THE DECISION BY A FELLOW MEMBER OF THE RULING PROGRESSIVE CONSERVATIVE QUEBEC CAUCUS TO RESIGN FROM THE CAUCUS ON 18 MAY AS A RESULT, HE SAID, OF THE FEDERAL GOVERNMENT'S REACTION TO THE CHAREST COMMITTEE'S REPORT ON A COMPANION RESOLUTION (MY TELNO 320: NOT TO ALL). BOUCHARD MET THE PRIME MINISTER ON THE EVENING OF 21 MAY, AND SUBSEQUENTLY ANNOUNCED HIS DECISION TO RESIGN FROM THE CABINET. HE HAS SINCE DENOUNCED THE CHAREST RECOMMENDATIONS AS REMOVING THE SUBSTANCE FROM THE MEECH LAKE AGREEMENT.
4. BOUCHARD WAS A MAJOR FIGURE IN THE MULRONEY GOVERNMENT. HIS RESPONSIBILITY FOR THE POLITICALLY IMPORTANT ENVIRONMENT PORTFOLIO GAVE HIM A HIGH PUBLIC PROFILE. A LONG-TIME FRIEND OF THE PRIME MINISTER, TO WHOM HE OWED HIS POLITICAL ADVANCEMENT, HE WAS MULRONEY'S TRUSTED LIEUTENANT IN QUEBEC. A SEPARATIST TURNED FEDERALIST, HE IS WELL RESPECTED IN QUEBEC, AND APPEARS TO HAVE CONCLUDED THAT HIS POLITICAL FUTURE LIES THERE. THE EFFECT OF THE RESIGNATION COULD BE SUBSTANTIAL. THERE ARE A NUMBER OF OTHER QUOTE

NATIONALIST UNQUOTE MEMBERS OF THE QUEBEC PC CAUCUS WHO MAY FOLLOW HIS LEAD OVER THE NEXT FEW WEEKS (ONE DID SO THIS MORNING) SEMICOLON EVEN SOME MEMBERS OF THAT CAUCUS WHO ARE NOT INSTINCTIVELY NATIONALIST MAY FIND THEMSELVES INCREASINGLY UNCOMFORTABLE SITTING AS CONSERVATIVES IN THE FEDERAL PARLIAMENT.

5. THE RESIGNATION IS A SETBACK TO THE MEECH LAKE PROCESS WHICH WAS NOT IN VERY GOOD HEALTH ANYWAY SEMICOLON PREMIER BOURASSA, THOUGH SCEPTICAL, HAD TAKEN NO IRREVOCABLE PUBLIC POSITION TO THE CHAREST COMMITTEE REPORT, AND THERE HAD BEEN INDICATIONS OF WILLINGNESS ON HIS PART TO SHOW AT LEAST SOME FLEXIBILITY. BOUCHARD'S DECISION WILL REMOVE MUCH OF BOURASSA'S ROOM FOR MANOEUVRE SEMICOLON WITHOUT SOME MOVEMENT FROM QUEBEC, IT IS DIFFICULT TO SEE HOW THE MEECH LAKE ACCORD COULD SUCCEED. FAILURE TO FIND A COMPROMISE ON MEECH LAKE WOULD INCREASE THE PRESSURE ON BOURASSA TO MOVE FURTHER AWAY FROM THE FEDERALIST POSITION. CONVERSELY THOUGH PERHAPS UNLIKELY, THE PROSPECT OF THE RE-EMERGENCE OF BOUCHARD ON TO THE QUEBEC PROVINCIAL POLITICAL SCENE (PROBABLY IN PQ COLOURS) MIGHT JUST PROVIDE AN INCENTIVE TO BOURASSA (AND OTHERS) TO TRY TO FIND A WAY OF SALVAGING MEECH LAKE (IN A WAY ACCEPTABLE TO THE PEOPLE OF QUEBEC), THUS CUTTING SOME OF THE GROUND FROM UNDER THE NATIONALISTS' FEET.

6. THE DEPARTURE FROM THE QUEBEC CAUCUS OF BOUCHARD AND OTHERS IS THE FIRST VISIBLE SIGN OF A CRACK IN THE HITHERTO SOLID SUPPORT THAT MULRONEY HAS HAD FROM HIS SUPPORTERS IN PARLIAMENT. IT WILL WEAKEN HIS AUTHORITY AT A TIME WHEN HE IS BELOW 20 PER CENT IN THE OPINION POLLS. HE BUILT HIS POLITICAL POSITION ON HIS ABILITY TO WIN QUEBEC FOR HIS PARTY, AND A SIGNIFICANT HAEMORRHAGE OF SUPPORT FROM WITHIN QUEBEC WOULD INEVITABLY RAISE QUESTIONS, NOT LEAST FROM REPRESENTATIVES OF WESTERN CONSTITUENCIES, WHOSE OWN ELECTORAL PROSPECTS APPEAR UNCERTAIN AT PRESENT.

FALL

YYYY

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MR MCLAREN

ADDITIONAL 2

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D/ENVIRONMENT

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PAGE 3
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FM OTTAWA

TO IMMEDIATE FCO

TELNO 323

OF 232210Z MAY 90

INFO PRIORITY MONTREAL, TORONTO, EDMONTON, VANCOUVER
INFO ROUTINE WASHINGTON

MY TELNO 321: CANADIAN POLITICAL SCENE

SUMMARY

1. GOVERNMENT CAUCUS RALLIES AROUND MULRONEY FOR NOW. MIXED SIGNALS ON MEECH LAKE, THOUGH LITTLE OPTIMISM.

DETAIL

2. MULRONEY HAS MOVED QUICKLY TO MINIMISE THE DAMAGE CAUSED BY THE DEPARTURE FROM THE CAUCUS OF BOUCHARD AND GILBERT CHARTRUN (BACKBENCH MP FOR VERDUN). HE SAW HIS REMAINING QUEBEC MINISTERS ON 22 MAY SEMICOLON SPEEKING AFTER THE MEETING, MINISTER OF TRANSPORT BENOIT BOUCHARD (WHOSE HEART IS VERY MUCH IN QUEBEC) SAID THAT HE HAD LONG AGO MADE A COMMITMENT TO STAND BY THE GOVERNMENT UNTIL THE END OF THE MEECH LAKE PROCESS, AND THAT HE INTENDED TO DO SO. WHAT HE WOULD DO AFTERWARDS DEPENDED ON THE OUTCOME OF THE MEECH LAKE DISCUSSIONS. PIERRE BLAIS, MINISTER OF CONSUMER AND CORPORATE AFFAIRS, SAID THAT HE BELIEVED LUCIEN BOUCHARD HAD BEEN MISTAKEN IN HIS DECISION TO LEAVE THE GOVERNMENT AND THE CAUCUS NOW, AND THAT HE (BLAIS) WOULD NOT FOLLOW SUIT AT THIS STAGE. THIS LINE APPEARS TO HAVE BEEN REPEATED LATER IN THE DAY WHEN MULRONEY MET HIS QUEBEC BACKBENCH CAUCUS, AND RECEIVED A STANDING OVATION. MINISTERS AND SENIOR CONSERVATIVE MPS AT JOE CLARK'S DINNER ON 22 MAY FOR THE GOVERNOR OF HONG KONG, WHILE ACKNOWLEDGING THAT THE GOVERNMENT FACED DIFFICULTIES, WERE RELATIVELY RELAXED AND DID NOT (NOT) GIVE THE IMPRESSION THAT THEY ANTICIPATED AN IMMINENT MAJOR CRISIS. CLARK HOWEVER COMMENTED THAT THINGS WOULD GET WORSE BEFORE THEY GOT BETTER.

3. IT IS TOO EARLY TO SAY WITH CERTAINTY THAT MULRONEY WILL NOT LOSE ANOTHER ONE OR TWO MEMBERS OF THE QUEBEC CAUCUS OVER THE NEXT FEW DAYS, BUT IT IS BEGINNING TO LOOK AS THOUGH THERE WILL NOT BE A MAJOR HAEMORRHAGE, AT LEAST IN THE SHORT TERM. A CONSERVATIVE BACKBENCHER TOLD US AFTER A FULL CAUCUS MEETING ON 23 MAY THAT THE FIRE WAS OUT FOR THE MOMENT AND THAT QUEBEC MPS HAD SAID THEY WOULD REMAIN IN THE PARTY UNTIL AT LEAST 23 JUNE. BUT THE GOVERNMENT ARE BY NO MEANS OUT OF THE WOODS. FAILURE TO SECURE THE PASSAGE OF THE MEECH LAKE ACCORD BY THE 23 JUNE DEADLINE WOULD ALMOST CERTAINLY RESULT IN THE

DEPARTURE FROM THE GOVERNMENT RANKS (AND POSSIBLY FROM PARLIAMENT) OF FURTHER QUEBEC MPS.

4. THE PROSPECTS FOR THE MEECH LAKE ACCORD IN THE IMMEDIATE AFTERMATH OF THE BOUCHARD RESIGNATION AND SENATOR LOWELL MURRAY'S RECENT ROUND OF DISCUSSIONS WITH PROVINCIAL PREMIERS LOOK DIM, BUT IT IS TOO SOON TO SAY THAT THE PROCESS IS DEAD. MURRAY, THE FEDERAL MINISTER FOR FEDERAL/PROVINCIAL RELATIONS, HAS VISITED ALL TEN PROVINCIAL PREMIERS SINCE 18 MAY, TO TRY TO IDENTIFY COMMON GROUND IN THE LIGHT OF THE CHAREST COMMITTEE REPORT WHICH MIGHT FORM THE BASIS OF A FIRST MINISTERS' CONFERENCE. HE HAS REPORTED TO THE PRIME MINISTER, AND BOTH MEN HAVE EXPRESSED PESSIMISM. MURRAY SAID THAT IN HIS VIEW HIS PEREGRINATIONS HAD NOT (NOT) IDENTIFIED ENOUGH COMMON GROUND TO JUSTIFY CALLING FIRST MINISTERS TOGETHER.

5. CONVERSELY, HOWEVER, IN PUBLIC STATEMENTS THE MAJORITY OF PREMIERS HAVE SAID THAT THEY BELIEVE IT IS TIME FOR THEM TO MEET. CLYDE WELLS OF NEWFOUNDLAND, LONG THE ACCORD'S MOST INTRANSIGENT OPPONENT, IS REPORTED IN TODAY'S PRESS AS SAYING THAT HE BELIEVES THAT HOPE EXISTS FOR A COMPROMISE. HE CALLED FOR THE FIRST MINISTERS TO MEET IMMEDIATELY, USING THE CHAREST COMMITTEE REPORT AS A STARTING POINT FOR DISCUSSIONS. PREMIER FILMON OF MANITOBA HAS SAID THAT BOUCHARD'S RESIGNATION CLOUDS THE (MEECH LAKE) ISSUE BUT DOES NOT END THE POSSIBILITY OF ACHIEVING A SUCCESSFUL CONCLUSION. IN RESPONSE TO BOUCHARD'S CALL (DURING HIS RESIGNATION SPEECH IN THE COMMONS) TO REFUSE TO ATTEND A FIRST MINISTERS' MEETING TO DISCUSS THE CHAREST COMMITTEE REPORT, PREMIER BOURASSA OF QUEBEC SAID ON 22 MAY THAT HE COULD NOT SEE HOW REFUSING TO ATTEND THE FIRST MINISTERS CONFERENCE WOULD SERVE QUEBEC'S INTERESTS. HE WAS NOT AN AMATEUR AND WAS WILLING TO DEFEND HIS CASE AT A FIRST MINISTERS' CONFERENCE. THE QUEBEC GOVERNMENT HAVE HOWEVER CONTINUED TO MAKE IT CLEAR THEIR UNHAPPINESS WITH THE CHAREST RECOMMENDATIONS. BUT WITHOUT FURTHER SIGNIFICANT SHIFTS IN PROVINCIAL POSITIONS, IT REMAINS DIFFICULT TO SEE HOW A COMPROMISE CAN BE REACHED WHICH WILL AT THE SAME TIME SATISFY WELLS AND BE POLITICALLY ACCEPTABLE TO BOURASSA.

6. IT IS UNCLEAR HOW FAR THESE STATEMENTS REFLECT POSTURING BY ALL SIDES SEMICOLON NO-ONE AT THIS CRITICAL STAGE WANTS TO BE SEEN AS THE ONE FOR HAMMERING THE LAST NAIL INTO THE MEECH LAKE COFFIN. IT MAY BE THAT THE SAME MOTIVES WILL PROMPT MULRONEY INTO CALLING THE FIRST MINISTERS TOGETHER, THOUGH TACTICALLY HE MAY PREFER TO DELAY DOING SO FOR A LITTLE LONGER, THEREBY ALLOWING PRESSURE FROM THE PREMIERS TO BUILD TO THE POINT WHERE THEY RATHER THAN HE BECOME THE DEMANDEURS. BEFORE ANY MEETING IS CALLED TOGETHER, HOWEVER, IT WILL

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147246
MDHIAN 1902

BE IMPORTANT FOR ALL PARTICIPANTS TO BE CLEAR WHETHER THEIR AIM IS TO TRY AND SALVAGE THE ACCORD, OR WHETHER IT IS TO LIMIT THE DAMAGE CAUSED BY FAILURE.

7. SEE MIFT.

FALL

YYYY

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PAGE 3
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Foreign and Commonwealth Office

London SW1A 2AH

18 May 1990

Dear Charles,

CD 18/5

EXPO 2000

KOP

I am replying to your letter of 10 May to Martin Stanley (DTI), since EXPO 2000 is at present our responsibility.

On 14 June the International Exhibitions Bureau (43 member states including the UK) will decide by secret vote which of the three candidates, Venice, Hanover and Toronto, should be the site for EXPO 2000. The Foreign Secretary will shortly be consulting other Ministers about how the UK should vote.

We have received and acknowledged intensive lobbying from all three candidates and I do not think you need reply to the Canadian High Commissioner.

I am copying this letter to Martin Stanley at the DTI.

*Yours ever,
S L Gass*

(S L Gass)
Private Secretary

C D Powell Esq
10 Downing Street



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

10 May 1990

Dear Martin,

EXPO 2000

The Canadian High Commissioner raised the subject of Expo 2000 when he called to see me on another matter today. He said the decision on the site was likely to be taken shortly and he hoped very much the United Kingdom would give its support to Toronto. I said that I did not know very much about this. I had read in the newspapers that Venice was also a candidate. But I would make his representations known. I should be grateful if you could let me know what the position is and whether I should reply to the Canadian High Commissioner.

I am copying this letter to Richard Gozney (Foreign and Commonwealth Office).

Yours sincerely,

(C. D. POWELL)

Martin Stanley, Esq.,
Department of Trade and Industry.

D



to
A. FALL

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

8 May 1990

Would you please pass the enclosed personal note to Brian Mulroney from the Prime Minister. It is simply a thank you for a personal message from him about the local government elections.

(C. D. POWELL)

B.J.P. Fall, Esq., C.M.G.

DF

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL No. T 96 190



10 DOWNING STREET,
WHITEHALL, S.W. 1.

7 July 1955

Dear Brian.

Thank you so much
for your charming message.
We were very encouraged by
36% of the vote and especially by

285

a few spectacular successes.
But we need another 10 or 15
to win in 18 months - 2 years time.
However the party's morale has
had a tremendous boost and
hope we are nearly through the
work.
Yours ever
Raymond

Canadian High Commission



26/5
C 00 6/5
Haut Commissariat du Canada

Macdonald House
1 Grosvenor Square
London W1X 0AB

May 6, 1990

Mr. C. D. Powell
Private Secretary to the Prime Minister
10 Downing Street
London SW1A 2AA

Dear Mr. Powell,

I would be grateful if you would pass the attached message from Prime Minister Mulroney to Prime Minister Thatcher.

I thank you for your early attention to this matter.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'G. Lavertu'.

Gaëtan Lavertu
Deputy High Commissioner

Faxed to PM

R/S

Brian Minister

6/5
Subject cc Roster
Ops
Duty clerk.

CDP6/5

OTTAWA, K1A 0A2

May 5, 1990

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T94A/90**

Dear Margaret,

If the Conservative Party of Canada, in present circumstances, could get 31 percent of the vote anywhere, I would spend the entire weekend with Mila drinking champagne! Given the most encouraging results of yesterday, I strongly recommend that you and Dennis do precisely that. It is richly deserved.

With warm regards,

(signed Brian)

The Right Honourable Margaret Thatcher
Prime Minister of the United Kingdom
10 Downing Street
London, England

PRIME MINISTER

Mr. Mulroney's Chief of Staff telephoned this evening to say that Mr. Mulroney had been thinking a lot about you and the problem of community charge over the weekend. He had not found credible press reports that the Government was going to abandon or substantially modify the community charge. But to reinforce you against that, he wanted to remind you of his own experience. He had withdrawn a new tax some years ago under pressure, in the belief that it would be a demonstration of reasonableness. Instead it was immediately derided as a weakness and he lost further ground in the opinion polls. That was why, this time, he was standing firm on the new VAT, even though it was hurting him in the polls. Although he would not presume to give you advice, he thought you might find his own experience relevant. I said I was sure you would be very grateful.

There was no question of withdrawing the Community charge or modifying its principle.

C.D.P.

C. D. POWELL

*Dankson
MS*

30 April 1990

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(slh)

CANADA: Kels

PRIME MINISTER

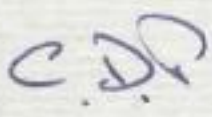
MEETING WITH OUR HIGH COMMISSIONER IN OTTAWA

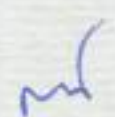
Brian Fall, our High Commissioner in Ottawa, is coming in to see you for just ten minutes tomorrow morning. Although he has actually been in Ottawa for some months, he went there direct from Washington and has only now been back to the UK for formal briefing and so on. He is very keen to be able to say to Brian Mulroney that he had seen you before returning to Ottawa.

There are no great problems between us and the Canadians at the moment. Mulroney is suffering badly in the polls (down to 15 per cent) as a result of introducing a new sales tax.

The Canadians seem quite keen on the idea of a NATO Summit and you might ask Brian to encourage them to support London.

There is most unlikely to be any occasion for you to visit Ottawa in the near future although you will see Mr. Mulroney at the NATO Summit in June (if there is one) and at the Economic Summit in July.


CHARLES POWELL
17 APRIL 1990


c:\wpdocs\foreign\Ottawa.mrm

PERSONAL



Melvin

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 March 1990

I should be grateful if you could deliver the enclosed personal letter from the Prime Minister to Mr. Mulroney, in response to a telephone call which he made to me last weekend.

C. D. POWELL

His Excellency B.J.P. Fall, C.M.G.

PERSONAL

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. TS1A/90

Baker



me

10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

10 Nov 1990

SUBJECT cc MASTER
OPJ

Dear Brian,

Thank you for your
very kind message which Charles
has just passed on to me. It is
most encouraging. We have both
got things right by 'sticking to our
guns' and neither of us will falter
now.

Thank you too for all your
good advice about television.
It has been invaluable. The opposition

make as much noise as they can
to drown out my replies - but
I have followed your injunction not
to raise one's voice.

Terri joins me in sending
warm regards to you & the
kids.

Yours truly

Raymond

PRIME MINISTER'S SUBJECT OF MULRONEY
C.P.

PERSONAL MESSAGE

SERIAL No. TS1:190

PRIME MINISTER

Mr. Mulroney telephoned me this afternoon and asked me to give you the following message.

At the meeting of his Parliamentary party on Wednesday he had mentioned your current political difficulties and said that he was absolutely sure you would be re-elected in a year or two's time with a strong majority. This had produced the longest, strongest, standing ovation which the Parliamentary party had accorded to anything for several years. It was entirely spontaneous and a recognition of the enormous respect for you in Canada.

Mr. Mulroney also asked me to tell you that if you think you are currently unpopular, you should take a look at his position. He is down to 20 per cent in the polls, largely because of his attempt to introduce a goods and services tax. He had had to put up with every sort of insult and violent protest, but was just beginning to see the first glimmers of understanding. It seemed to him there were some parallels with our difficulties over community charge, and he just wanted you to know that he was going through the same thing.

I said it was very generous of him to telephone and I knew you would appreciate it very much. You would be entirely confident that he would overcome his difficulties and come out on top once more. I added that I knew you were very grateful for his advice about handling television in the House, and had been guided by it. He said that he had seen a great deal of you on Canadian television and that you were "right on the money". You just had to hang in there and you would win without doubt.

You might like to send a message back. I attach a draft - although if you had time to do it out in your own hand I am sure it would be much appreciated.

C. D. P.

(C. D. POWELL)

9 March 1990

a:\foreign\Mulroney (srw)

CANADA - INF 50

1) (this page only) to Mr. Beaman
Mr. Gilmour.

Mr. Jones
by French.

if you have the time -
an interesting insight into the
Canadian thinking
then to Mr. French for report to be kept

3 Sec
HoPS
HC

13/12

SECURITY, ARMS CONTROL AND DEFENCE: PUBLIC ATTITUDES IN CANADA

1. I attach a copy of the third annual public opinion survey conducted by the Canadian Institute for International Peace and Security. A total of 890 people responded to a questionnaire in both English and French. The response rate was 50%. The margin of error is approximately +/- 3%, 95 times out of 100. The survey was conducted during September and October 1989.

2. The survey gives a remarkable insight into Canadian thinking in the fields of security, arms control and defence.

3. In a question relating to the trustworthiness of a number of current leaders, Mrs Thatcher topped the poll with 36.2% of those responding to the questionnaire regarding her as being very trustworthy. This in comparison to only 9% who considered the Canadian Prime Minister as trustworthy and 20.5% for President Bush.

4. Some 52.4% considered Canadian participation in NATO to be very important; however, 10.5% had never heard of NATO. 58.6% thought that the size of Canadian forces in Europe as part of NATO was about right.

5. Although it is now history, some 47.8% approved of Canada's acquisition of nuclear-powered submarines, with 62.2% against. 51% either strongly favour or somewhat favour Canada buying a fleet of conventionally-powered submarines compared to 49.9% who strongly oppose or somewhat oppose this purchase.

6. With regard to Mr Mulroney's visit to the Soviet Union, 89.8% considered it a good thing; however, only 55.2% considered that the visit would make a contribution, but not a major one, to international peace.

[Handwritten signature]

Douglas E Donald

[Handwritten notes:]
yes. In
like C. see
blue leaders
acting a deal
on the
international
stage. One of
T. Mulroney
big plus points.

DED/tfs
6.12.89
INF 020/1

cc: DA)
NA) with a copy of survey
AA)

12.12

copy of survey

Question: 20b)

Is the United States more or less content with its power or influence in the world today, or is it trying to increase its area of influence?

Responses:

- | | |
|---|--------------|
| 1. More or less content | 32.1 |
| 2. Trying to increase its area of influence | <u>67.9%</u> |
| | 100.0% |

Question: 21a)

Some people believe that the Soviet leaders do not genuinely want disarmament. Other people believe that they do genuinely want disarmament. Which of these views is closest to your own?

Responses:

- | | |
|----------------------------|-------------|
| 1. Do not want disarmament | 45.1 |
| 2. Do want disarmament | <u>54.9</u> |
| | 100.0% |

Question: 21b)

Some people believe that American leaders do not genuinely want disarmament. Other people believe that they do genuinely want disarmament. Which of these views is closest to your own?

Responses:

- | | |
|----------------------------|-------------|
| 1. Do not want disarmament | 56.4 |
| 2. Do want disarmament | <u>43.6</u> |
| | 100.0% |

Question: 22

How trustworthy do you find the following leaders?

Responses:

British Prime Minister Margaret Thatcher

- | | |
|---------------------------|------------|
| 1. Very Trustworthy | 36.2 |
| 2. Somewhat Trustworthy | 50.8 |
| 3. Not Very Trustworthy | 9.5 |
| 4. Not at All Trustworthy | <u>3.4</u> |
| | 99.9% |

Japanese Prime Minister Toshiki Kaifu

1. Very Trustworthy	6.8
2. Somewhat Trustworthy	62.5
3. Not Very Trustworthy	26.8
4. Not at All Trustworthy	<u>3.9</u>
	100.0%

West German Chancellor Helmut Kohl

1. Very Trustworthy	13.6
2. Somewhat Trustworthy	64.8
3. Not Very Trustworthy	17.9
4. Not at All Trustworthy	<u>3.7</u>
	100.0%

American President George Bush

1. Very Trustworthy	20.5
2. Somewhat Trustworthy	62.6
3. Not Very Trustworthy	12.7
4. Not at All Trustworthy	<u>4.2</u>
	100.0%

Canadian Prime Minister Brian Mulroney

1. Very Trustworthy	9.0
2. Somewhat Trustworthy	45.7
3. Not Very Trustworthy	30.6
4. Not at All Trustworthy	<u>14.8</u>
	100.1%

Soviet leader Mikhail Gorbachev

1. Very Trustworthy	13.0
2. Somewhat Trustworthy	63.3
3. Not Very Trustworthy	19.4
4. Not at All Trustworthy	<u>4.3</u>
	100.0%

Question: 23

At the present, there is an international treaty prohibiting tests of nuclear weapons above ground. Some people have suggested that there should be a ban on all such testing, including underground tests. Which one of the following comes closest to your view of what Canada should do about this issue?

Responses:

1. Canada should push actively for such a ban even if the United States strongly opposes it and argues it might weaken nuclear deterrence	59.3
2. Canada should quietly try to get American agreement to a ban	28.7
3. Canada should not get involved in this issue	<u>11.9</u>
	99.9%

1829Z
COPY FOR PRIVATE OFFICE
COMMENT:

UNCLASSIFIED
FM FCO
TO DESKBY 071500Z MONTREAL
TELNO 39
OF 071005Z DEU 89
AND TO DESKBY 071500Z OTTAWA.

MONTREAL MURDERS

1. PLEASE PASS FOLLOWING MESSAGE FROM THE PRIME MINISTER TO
PREMIER BOURASSA:
BEGINS:

I WAS APPALLED TO HEAR THE DREADFUL NEWS OF THE MASSACRE
OF THE STUDENTS AT THE UNIVERSITY OF MONTREAL. OUR THOUGHTS ARE
WITH THOSE WHO HAVE SO BADLY LOST LOVED ONES AND SUFFERED INJURY
AND WE SEND THEM AND YOU OUR DEEPEST SYMPATHY. ENDS.

HURD

YYYY
MAIN 26
LIMITED 6
HD/NAD 1
NEWS 9
PS 7
PS/MR SAINGSBURY 1
PS/PLUS 1
MR BEAMISH 1
ENGLACHLANJ



R4
EM

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 December 1989

MONTREAL MURDERS

Thank you for your letter proposing that the Prime Minister should also send a message to the Premier of Quebec. I see no problem with this and the message enclosed with your letter may be despatched.

CHARLES POWELL

J S Wall Esq
Foreign and Commonwealth Office

Ho



Foreign and Commonwealth Office

London SW1A 2AH

7 December 1989

Dear Charles,

Montreal Murders

I sent you earlier today a draft message to Brian Mulroney.

The Prime Minister might also wish to send one to the Premier of Quebec. You will recall she received Robert Bourassa on 19 January this year.

I enclose a draft.

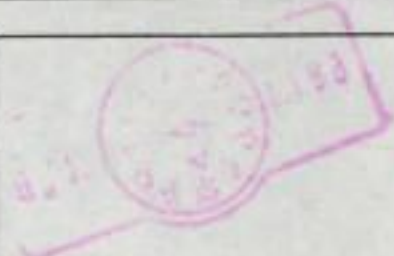
James,
Stephe Wall

(J S Wall)

Private Secretary

C D Powell Esq
10 Downing Street

OUT TELEGRAM

	Classification	Caveat	Precedence
	UNCLASSIFIED		DESKBY
ZCZC	1 ZCZC		
TC	2 UNCLASSIFIED		
CAVEAT	3		
FM	4 FM FOC		
TO	5 TO DESKBY 071300Z MONTREAL		
TELNO	6 TELNO		
OF	7 OF 071005Z DEC 89		
AND TO	8 AND TO DESKBY 071300Z OTTAWA		
	9		
	10 MONTREAL MURDERS		
	11		
	12 1. Please pass following message from the Prime Minister to		
	13 Premier Bourassa:		
	14 Begins:		
	15 I was appalled to hear the dreadful news of the massacre		
	16 of the students at the University of Montreal. Our thoughts are		
	17 with those who have so sadly lost loved ones and suffered injury		
	18 and we send them and you our deepest condolences ^{sympathy} . Ends.		
	19		
	20 HURD		
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	25 Mr Beamish		
///	26 PS		
//	27 PS/Mr Sainsbury		
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	29 NEWS DEPT NNNN		
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YYYY			Catchword
MAIN	File number	Dept	Drafted by (Block capitals)
ADDITIONAL	CANAET	NAD	P Sinkinson
NNNN	Authorised for Initials Date/time		Telephone no
	despatch by:		270 2666
	For COD use only	Comcen reference	Telegram number
			Processed by





10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

7 December 1989

MURDERS IN MONTREAL

Thank you for your letter proposing a message from the Prime Minister to Mr Mulroney about the murders in Montreal.

I should be grateful if the enclosed message could be despatched.

CHARLES POWELL

Stephen Wall Esq
Foreign and Commonwealth Office

OUT TELEGRAM

	Classification UNCLASSIFIED	Caveat	Precedence DESKBY 071300Z
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Authorised for despatch by: Initials Date/time			
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Bo



Foreign and Commonwealth Office

London SW1A 2AH

7 December 1989

Dear Charles,

Montreal Murders

You will have heard the news that 14 female students were murdered at the University of Montreal yesterday. In case the Prime Minister wishes to send a message to Brian Mulroney, I enclose a draft.

Yours,

Stephe Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

OUT TELEGRAM

	Classification UNCLASSIFIED	Caveat	Precedence DESKBY 071300Z
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ZCZC 1 ZCZC
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 TO 5 TO DESKBY 071300Z OTTAWA
 TELNO 6 TELNO
 OF 7 OF
 AND TO 8

10 MONTREAL MURDERS

11 1. Please pass the following message from the Prime Minister
 12 to Prime Minister Mulroney:

13 BEGINS

14 I was shocked to hear the dreadful news of the massacre in
 15 Montreal. Our ~~hearts go out~~ ^{thoughts are very much with} to the families and friends of
 16 the victims. ~~You are very much in the thoughts of all of us.~~

17 ENDS

in our sorrow, which we share.

18 HURD

22 YYYY

23 MAIN

24 HEAD NAD

25 PS

/// 26 PS/MR SAINSBURY

// 27 PS/PUS

/ 28 NEWS DEPT

29 NNNN



YYYY	Catchword:			
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	Authorized for despatch by: Initials Date/time			
NNNN	For COD use only	Comcen reference	Telegram number	Processed by



CONFIDENTIAL
FM OTTAWA
TO PRIORITY FCO
TELNO 793
OF 272350Z NOVEMBER 89
INFO PRIORITY WASHINGTON, PARIS, MOSCOW, BONN, UKREP BRUSSELS
INFO PRIORITY UKDEL OECD, UKDEL NATO

MIPT: MR MULRONEY'S VISIT TO THE SOVIET UNION: ECONOMIC SUMMITS AND
GATT

SUMMARY

1. MR MULRONEY'S PROPOSALS ON DEBRIEFING THE SOVIET UNION ON ECONOMIC
SUMMIT DISCUSSIONS AND SOVIET OBSERVER STATUS AT THE GATT WERE
LARGELY HIS OWN INITIATIVES. DEA HAVE NO PREPARED BLUEPRINTS FOR
THEIR IMPLEMENTATION.

DETAIL

2. ON 24 NOVEMBER WE ASKED THE DIRECTOR OF THE DIVISIONS DEALING WITH
ECONOMIC AFFAIRS AND THE GATT IN DEA ABOUT MR MULRONEY'S PROPOSALS
THAT EACH YEAR THE OUTGOING CHAIRMAN OF THE ECONOMIC SUMMIT SHOULD
DISCUSS WITH THE PRESIDENT OF THE SOVIET UNION THE OUTCOME OF THE
SUMMIT AND THAT OBSERVER STATUS FOR THE SOVIET UNION AT THE GATT
SHOULD BE EXAMINED. SPEAKING IN CONFIDENCE (PLEASE PROTECT) THEY GAVE
US THE FOLLOWING BACKGROUND TO THESE TWO INITIATIVES.

3. ON THE ECONOMIC SUMMIT PROPOSAL, THEY CONFIRMED THAT THIS HAD NOT
BEEN WORKED UP AS AN AGREED INTERDEPARTMENTAL PROPOSAL IN ADVANCE OF
MULRONEY'S VISIT TO THE SOVIET UNION. THEY ALSO SUGGESTED THAT
MULRONEY MIGHT HAVE CLEARED HIS LINES ON IT WITH PRESIDENT BUSH
ALTHOUGH THEY HAD NO SPECIFIC EVIDENCE OF THIS. INDEED, DURING A
PRESS CONFERENCE WHICH MULRONEY GAVE IN MOSCOW, HE HAD DENIED THAT
HE HAD CONSULTED PRESIDENT BUSH IN ADVANCE ABOUT IT. AT THE SAME
PRESS CONFERENCE MULRONEY ALSO SAID THAT GORBACHEV HAD REACTED
FAVOURABLY TO THE PROPOSAL AND THAT HE DID NOT SEE WHY IT SHOULD
CAUSE ANY TROUBLE TO THE OTHER MEMBERS OF G7. OUR DEA CONTACTS SAID
THAT TRADITIONALLY THE CHAIRMAN OF THE ECONOMIC SUMMIT HAD A FAIR
DEGREE OF LATITUDE TO DEBRIEF NON-PARTICIPANTS ON THE OUTCOME AND
THERE WERE GOOD ARGUMENTS FOR NOW INCLUDING THE SOVIET UNION IN THIS
PROCESS. THE MODALITIES WOULD HAVE TO BE WORKED OUT. THEY SUGGESTED
THAT SHERPAS MIGHT WISH TO DISCUSS THIS PROPOSAL AT ONE OF THEIR
FORTHCOMING MEETINGS.

4. OUR DEA CONTACTS ALSO CONFIRMED THAT THE GATT PROPOSAL HAD EMERGED FROM THE PRIME MINISTER'S OFFICE (PMO). THEY TOLD US THAT THERE HAD BEEN CONSIDERABLE DEBATE TAKING PLACE WITHIN THE DEA ON THE SUBJECT OF SOVIET ASSOCIATION WITH INTERNATIONAL ECONOMIC AND FINANCIAL INSTITUTIONS. THE LINE WHICH DEA HAD SUBMITTED ON THIS IN THE BRIEFING FOR MULRONEY'S VISIT WAS COUCHED IN FAIRLY GENERAL TERMS WITHOUT ANY SPECIFIC COMMITMENT TO SOVIET ASSOCIATION WITH, OR MEMBERSHIP OF, ANY OF THE MAJOR ORGANISATIONS INCLUDING THE GATT. CLEARLY, HOWEVER, THE PMO HAD DECIDED THAT HE SHOULD SAY SOMETHING MORE SPECIFIC AND GATT WAS THE OBVIOUS CHOICE BECAUSE OF THE POSSIBILITY OF OBSERVER STATUS. THAT SUGGESTED THAT MULRONEY MIGHT HAVE ALSO BEEN INFLUENCED BY COMMENTS WHICH PRESIDENT MITTERRAND APPARENTLY MADE IN A RECENT SPEECH AT BRUGES IN WHICH HE TOO REFERRED TO THE POSSIBILITY OF SOVIET OBSERVER STATUS AT THE GATT. THEY ALSO POINTED OUT THAT IN COMMENTS TO THE PRESS IN MOSCOW MULRONEY MADE IT CLEAR THAT IT WOULD BE A LONG TIME BEFORE THE SOVIET UNION WAS READY FOR FULL INTEGRATION INTO INTERNATIONAL BODIES SUCH AS THE WORLD BANK, THE IMF, THE GATT AND OECD. THEY SAID THAT THEY INTERPRETED MULRONEY'S PROPOSAL AS BEING LIMITED TO OBSERVER STATUS IN THE GATT COUNCIL BUT THEY HAD NO INSTRUCTIONS YET ON HOW AND WHERE THEY SHOULD PURSUE IT. THEIR PRELIMINARY VIEW WAS THAT THEY MIGHT WISH TO PROPOSE INFORMAL DISCUSSIONS WITH LIKE-MINDED NATIONS IN GENEVA AND A DISCUSSION IN THE TRADE COMMITTEE AT THE OECD.

FALL

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PAGE 2
CONFIDENTIAL

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PRIME MINISTER

PERSONAL MESSAGE

SERIAL No. 165/89



file
SUBJECT.
cc EPS
MASTER.

10 DOWNING STREET

LONDON SW1A 2AA

THE PRIME MINISTER

22 September 1989

file: CANADA: UK/Canada Relations
Part 6.

Dear Brian,

This letter will be presented to you by Mr Brian James Proetel Fall, CMG, who has been appointed by Her Majesty's Government in the United Kingdom to be their High Commissioner in Canada.

I am confident that Mr Fall is eminently fitted, both by his personal qualities and by his experience of affairs of State, for the charge with which he has been entrusted, and that his appointment will serve to maintain the relations of close friendship which so happily exist between us.

In this confidence, I commend Mr Fall to you and, on behalf of the United Kingdom Government, ask you to afford him all possible help in the fulfilment of his important mission.

Yours ever

The Right Honourable Brian Mulroney, M.P.

W

CONFIDENTIAL
FM OTTAWA
TO IMMEDIATE FCO
TELNO 697
OF 102200Z OCTOBER 89

ADVANCE COPY

INTRODUCTORY CALL ON PRIME MINISTER

SUMMARY

1. FRIENDLY INTRODUCTORY CALL ON MULRONEY, WITH SOME POINTS OF SUBSTANCE ON CHOGM.

DETAIL

BILATERAL

2. I CALLED ON THE PRIME MINISTER ON THE AFTERNOON OF 10 OCTOBER, AND HAD JUST OVER HALF AN HOUR WITH HIM. I WAS UNACCOMPANIED, BUT MS DOYLE (PRIVY COUNCIL OFFICE) SAT IN ON THE CANADIAN SIDE AND TOOK THE OCCASIONAL NOTE.

3. I PASSED ON AND MULRONEY WARMLY RECIPROCATED GOOD WISHES FROM THE PRIME MINISTER AND YOURSELF. MULRONEY LOOKS FORWARD TO SEEING YOU AT CHOGM, AND COMMENTED THAT YOUR TALKS WITH JOE CLARK SEEMED TO HAVE GONE VERY WELL. HE ALSO LOOKS FORWARD TO AN OPPORTUNITY FOR A WORD IN THE MARGINS (PERHAPS AT THE RETREAT) WITH THE PRIME MINISTER. HE IS BEGINNING TO THINK ABOUT HIS VISIT TO THE SOVIET UNION (FROM 20 TO 25 NOVEMBER) AND AID TO POLAND IS ANOTHER SUBJECT CURRENTLY VERY MUCH AT THE TOP OF THE IN-TRAY.

4. ON BILATERAL RELATIONS, MULRONEY SAID THAT WE OCCASIONALLY HAD OUR DIFFERENCES BUT THE UNDERLYING RELATIONSHIP WAS VERY CLOSE AND GOOD ONE. HE SPOKE WITH GREAT WARMTH ABOUT HIS ADMIRATION FOR THE PRIME MINISTER AND FOR WHAT SHE HAD ACHIEVED IN OFFICE, AND THE IMPORTANCE HE ATTACHED TO HIS CLOSE RELATIONSHIP WITH HER, EVEN WHEN, ON OCCASION, THEY DISAGREED.

IRA AND TERRORISM

5. MULRONEY THEN WENT ON TO EXPRESS AN OPPOSITION TO THE IRA WHICH HE CLAIMED TO BE SECOND IN VIGOUR ONLY TO MRS THATCHER'S. HE CONFIRMED THAT HE INTENDING TO VISIT IRELAND, BUT DID NOT APPEAR TO HAVE DECIDED UPON THE DATE. HE ONLY WISHED THAT HE COULD DO MORE TO HELP ABOUT THE IRA. I SAID THAT WE VERY MUCH WELCOMED THE STEPS WHICH THE CANADIANS WERE TAKING TO TRAIN THE GARDA. I WOULD KEEP IN CLOSE TOUCH WITH HIS PEOPLE ON IRA MATTERS AND ON TERRORISM MORE

GENERALLY, AND SUGGESTED THAT IT MIGHT BE USEFUL FOR ME TO COME IN AND HAVE ANOTHER WORD IN THE RUN-UP TO MULRONEY'S VISIT TO IRELAND. HE AGREED THAT THIS MIGHT BE HELPFUL, AND STRUCK ME AS BOTH OPEN TO IDEAS AND GENUINELY WILLING TO HELP.

SOUTH AFRICA AND CHOGM

6. I INTRODUCED THE QUESTION OF SOUTH AFRICA AND SANCTIONS IN RELATION TO CHOGM, MAKING IN ESSENCE FOUR POINTS:

- (I) THERE WAS NO DIFFERENCE BETWEEN US ABOUT APARTHEID
- (II) THE QUESTION OF WHAT BEST TO DO ABOUT IT NEEDED TO BE LOOKED AT IN THE WIDER CONTEXT OF SOUTHERN AFRICA, WHERE THERE HAD ALREADY BEEN POSITIVE DEVELOPMENTS AND WHERE MORE NEEDED TO BE ENCOURAGED. THE INK WAS NOT YET DRY ON THE NAMIBIA SETTLEMENT, AND WE SHOULD DO NOTHING THAT MIGHT MAKE IT HARDER TO SECURE PROPERLY CONDUCTED ELECTIONS AND A STABLE GOVERNMENT THEREAFTER. WE NEEDED ALSO TO BUILD ON PROGRESS AS FAR AS SOUTH AFRICAN DESTABILISATION OF NEIGHBOURING COUNTRIES WAS CONCERNED AND, MORE GENERALLY, TO DO ALL WE COULD TO SHORE UP ECONOMIES WHICH WERE STILL FRAGILE TO SAY THE LEAST SEMI COLON
- (III) DE KLERK HAD ALREADY MADE A NUMBER OF THE RIGHT NOISES. IT WOULD TAKE A LITTLE TIME BEFORE WE COULD SEE HOW FAR HE WAS ABLE TO TRANSLATE THEM INTO PRACTICE. THE FACT THAT HE RECOGNISED THAT CHANGE WAS NECESSARY, NOT LEAST IF SOUTH AFRICA WAS TO SUCCEED IN RAISING INVESTMENT FUNDS FROM FOREIGN BANKS WAS HELPFUL BACKGROUND PRESSURE, BUT WE MUST BE CAREFUL ON THE POLITICAL SIDE NOT TO PRODUCE THE SORT OF HEADLINES WHICH MIGHT PROVE COUNTER-PRODUCTIVE SEMI COLON AND
- (IV) THE MESSAGE WE WERE GETTING MORE AND MORE CLEARLY FROM BLACKS IN SOUTH AFRICA WAS THAT THEY WERE NOT IN FAVOUR OF SANCTIONS IF SANCTIONS WOULD ADVERSELY AFFECT THE PROSPECTS FOR EMPLOYMENT.

7. MULRONEY RESPONDED MOST POSITIVELY TO THE FIRST TWO POINTS. HE RECOGNISED BOTH THAT THE PRIME MINISTER WAS AS STRONGLY OPPOSED TO APARTHEID AS SHE WAS TO SANCTIONS, AND THAT THERE HAD BEEN POSITIVE DEVELOPMENTS. WHEN THE COMMONWEALTH HAD MET IN NASSAU FOUR YEARS AGO NO-ONE WOULD HAVE BELIEVED THE AMOUNT OF PROGRESS WHICH WE COULD NOW SEE IN ANGOLA/NAMIBIA AND, INDEED, IN SOME OF THE THINGS WHICH DE KLERK WAS SAYING AND DOING IN SOUTH AFRICA: HE SEEMED COMMITTED TO CHANGE. MULRONEY AGREED ALSO THAT THERE WAS A NEED FOR CONTINUING ECONOMIC AID TO THE FRONT LINE STATES, WHERE BRITAIN AND CANADA HAD A GOOD RECORD. BUT HE WAS RELUCTANT TO BE PINNED DOWN IN ANY WAY ON WHAT CHOGM MIGHT DO OR SAY ABOUT SANCTIONS. THE MESSAGE WAS THE FAMILIAR ONE: SANCTIONS (THOUGH NOT SANCTIONS ALONE) HAD HAD A USEFUL PART TO PLAY IN BRINGING IT ACROSS TO THE SOUTH AFRICANS THAT CHANGE

WAS NECESSARY: CANADA HAD PLAYED ITS PART, INCLUDING AT AN EARLIER STAGE IN GETTING THE AMERICANS TO LOOK MORE FAVOURABLY AT SANCTIONS: BUT HE WAS NOT IN THE BUSINESS OF PREACHING MORALITY TO ANYBODY. HE GAVE THE IMPRESSION THAT HE WOULD NOT BE LEADING CRUSADES AT CHOGM, BUT THAT NEITHER WOULD HE BE VERY ACTIVE IN RESISTING WHAT MIGHT COME FROM OTHERS.

COMMONWEALTH SECRETARY-GENERALSHIP

8. MULRONEY ASKED WHETHER THERE HAD BEEN ANY CHANGE IN OUR POSITION ON THE SUCCESSION TO RAMPHAL. I SAID THAT WE WOULD BE HAPPY WITH EITHER CANDIDATE. MULRONEY SAID THAT HE WAS COMMITTED TO HAWKE TO SUPPORT FRASER, ON THE CLEAR UNDERSTANDING THAT HAWKE WOULD WITHDRAW HIM IF HE DID NOT HAVE THE NECESSARY VOTES.

HONG KONG

9. MULRONEY CONCLUDED BY UNDERLINING ONCE AGAIN HIS VIEW THAT HONG KONG WAS NOT A PROBLEM FOR BRITAIN ALONE: AN INTERNATIONAL EFFORT WAS REQUIRED IF THE NECESSARY CONFIDENCE WAS TO BE MAINTAINED. IF THE SUBJECT AROSE AT CHOGM HE WOULD BE PREPARED TO MAKE THIS VERY CLEAR. I THANKED HIM, AND SUGGESTED THAT THIS WAS A SUBJECT ON WHICH WE SHOULD KEEP IN CLOSE BILATERAL TOUCH WITH THE CANADIANS: A CRUCIAL ELEMENT WAS TO FIND WAYS OF PERSUADING THE KEY PEOPLE TO STAY ON.

10. PLEASE ADVANCE TO NO. 10.

FALL

YYYY

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RESIDENT CLERK
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CANADA - A VALEDICTORY

The British High Commissioner in Ottawa to the
Secretary of State for Foreign and Commonwealth Affairs

SUMMARY

1. Because of the importance of British interests here, we should continue to pay Canada high-level attention. The Canadian economy has been growing rapidly; so too have our exports. Thanks to the re-organisation of our commercial work in Canada and the appointment of a Toronto-based Director of Trade Promotion and Investment, we are well placed to take advantage of future opportunities. There are still opportunities for us in the defence sales field, although Canada's decision not to proceed with the acquisition of nuclear-powered submarines dashed our hopes of winning a very large contract.
(Paragraphs 1 - 4)
2. South Africa, furs and the disposal of toxic wastes were potential irritants in our bilateral relations. Agriculture and fisheries also posed problems with the European Community. In NATO the Canadians expect to be given a rough ride for their failure to pull their weight. Defence cuts are however popular in Canada, where there is a marked tendency to wishful thinking about Gorbachev's policies and the evolution of East/West relations.
(Paragraphs 5 and 6)
3. Even though Canada has been increasingly drawn into the US economic orbit, many special links with Britain remain and our two countries have a lot to give each other. If these links are to be maintained in the next generation, a sharp increase will be needed in the two-way flow of students at university and especially at post-graduate level. (Paragraphs 7 and 8)
4. Canadian internal politics continue to have their ups and downs. Mr Mulroney's most notable achievement has been the Canada/US Free Trade Agreement. But the prospects for ratification of the Meech Lake Accord seem uncertain and the problems of the

/budget

budget deficit are far from resolved. Although the Conservatives are once again at the bottom of the polls, Mulroney has four years in which to retrieve Conservative fortunes. (Paragraphs 9 - 11)

5. Canadian foreign policy objectives have been broadly similar under Liberal and Conservative governments. There is an awareness of the importance of the European relationship to Canada and of the need to strengthen it. But Canadian politicians tend to spend much of their time on internal problems and on nursing distant constituencies; foreign affairs are consequently not accorded a high priority, either by them or by officials. But Canadian businessmen are keenly interested in the UK particularly as a good base of operations in post-1992 Europe and investment is flowing strongly in both directions. (Paragraphs 12 - 14)

6. Despite Canada's prosperity, her great economic potential and apparently bright future, many Canadians fear either that the country will break up or that it will eventually be absorbed by the United States. These fears are probably greatly exaggerated. (Paragraphs 15 and 16)

7. Farewell to the Diplomatic Service. (Paragraphs 17 and 18)

BRITISH HIGH COMMISSION

OTTAWA

24 August 1989

The Right Honourable
Mr John Major, MP
LONDON SW1

Sir,

CANADA - A VALEDICTORY

1. Two years ago my predecessor in his final despatch reviewed the underlying British interests in the relationship with Canada - strategic, commercial, financial, constitutional and sentimental - which require us to take this country seriously. He also issued a prescient warning on the problems posed by the mounting Federal deficit. As I in turn leave Ottawa the Conservative government, safely re-elected, is making the deficit its central concern; but in seeking to limit the domestic pain, Canada's external interests - particularly defence and aid - are being made to pay disproportionately for earlier profligacy. So, as I take stock of developments here during my stewardship of this post, my message is the same: Canada may sometimes irritate and disappoint, but our interests here justify persistence and continuing high level attention.
2. The Canadian economy has continued to grow at a rapid pace during the past two years. So too has our trading relationship. Britain's visible exports to Canada, now running at over £2 billion a year, increased by almost 20%. Whereas in 1982 Canada was 18th on the list of Britain's overseas trading partners, by 1988 she was in 10th place (by way of contrast with a not dissimilar market, in 1982 Britain's visible exports to Australia were 20% more than those to Canada: by 1988 they were 30% less). Investment in both directions, though hard to quantify precisely, has continued to grow rapidly with more major British acquisitions in Canada (Plessey/Leigh Instruments, British Gas/Bow Valley, Allied Lyons/Hiram Walker - to name only a few) and we are second only to the US in the size of our investments in Canada, while Canary Wharf in Dockland serves as a highly visible symbol of continuing Canadian commercial interest in Britain and confidence in our future.
3. Following an inspection in my first months here, the direction of our commercial work in Canada has been re-organised with the appointment of a Senior Grade Director of Trade Promotion and Investment based in Toronto, who has brought with him a unique knowledge of our commercial operation in the US and qualities of energy and enthusiasm which bode well for the future.

/4.

4. Where our hopes have been to some extent disappointed is in the field of defence sales. Apparently determined to remedy past neglect, the first Mulroney administration in their 1987 Defence Review initiated a major programme of re-equipment of the Canadian Armed Forces. The first fruit of this for us was an agreement in principle to purchase the Anglo/Italian EH101 helicopter for the Canadian navy. We were also strong contenders for the supply of between 10 and 12 nuclear-powered submarines. The French, with an inferior product but unencumbered by US restraints and willing to offer the moon in terms of access to future technology, established a clear lead and at one time seemed set to win the contract. Thanks to heroic efforts by Sir Peter Levene, the Defence Export Services Organisation, The Royal Navy and Vickers themselves, we managed to regain the initiative and seemed set to win the contract, the value of which to Britain would have exceeded £1 billion, when the Canadian government in an attempt to stem the growing Federal deficit decided not to proceed with the acquisition of nuclear-powered submarines. It has not yet been determined precisely what mix of vessels will take their place and we shall certainly be competing hard for any orders open to us. But the Canadian decision put paid to our hopes of securing this major contract, to the winning of which my colleagues and I in the High Commission had devoted so much time and effort.

5. Apart from this major disappointment, there have been some other irritants in our relations with Canada during my time here. Potentially the most serious were the differences of view over South Africa, which led to a public squabble at the time of the Commonwealth Heads of Government Meeting in Vancouver. However the two Prime Ministers rapidly re-established a close and friendly relationship, all the easier because of Mr Mulroney's profound admiration and esteem for the Prime Minister. While continuing to pursue with other Commonwealth countries means of increasing the pressure on South Africa, the Canadians have also gone out of their way both to keep us closely informed of what they are doing and to ensure that the effects do not spill over into the rest of the relationship. Our own initiative to introduce fur labelling in the UK aroused widespread protest here and was seen as a threat to the way of life of the native peoples. Our proposal fortunately fell away before it could do more serious damage. A subsequent European Commission regulation gives the Canadians a breathing-space to make progress with more acceptable trapping methods. As with the rejection by UK ports of consignments of toxic waste from Quebec, the fur issue served to underline the complex and often contradictory pressures which the Canadians face on environmental issues.

6. The nexus of problems and disagreements between Canada and the European Community, with agricultural subsidies and alleged over-fishing by the Portuguese and Spaniards off the Newfoundland Banks as the persistent bones of contention, can also affect the bilateral relationship. While the Canadians readily acknowledge Britain's helpful role within the Community, as in the GATT, they also think we should try harder and we are not exempted from the reprisals taken against other EC countries such as refusal to allow us to trans-ship fish through Canadian ports. In general, however, the Canadians are probably disposed to believe us when we stress the greater opportunities which will be open to them in a more integrated Europe, although they will also want to be sure that 1992

/does

does not result in increased obstacles to their exports: we have made it clear that we shall be similarly watchful of the consequences of the Canada/US Free Trade Agreement, especially its potentially adverse effects for us in the fields of insurance and financial services. The Canadians are fully expecting a rough ride from their NATO allies on account of the cuts in their defence programme. Here as elsewhere cuts in defence spending have a wide popular appeal, particularly when viewed against the background of the profound changes taking place in the Soviet Union and Eastern Europe. Those who argue that we should actively encourage the process by reducing our own armaments find a ready audience among Canadians who are naturally disposed to give others the benefit of the doubt. By firmly resisting a precipitate and over-eager response to Soviet disarmament measures, we can help Mulroney to resist domestic pressures for further reductions in Canadian defence expenditure. At the same time we can also be of some help to the Canadians by reminding our allies of the value to the Alliance of Canadian training facilities and of the size of the home base which they have to defend.

7. It is often fashionable on both sides of the Atlantic to lament the weakening of the very special bonds between Canada and Britain, which had remained more or less intact up to the end of the Second World War. How often have I heard on my travels, especially on the Eastern Seaboard and in British Columbia, that things are not what they used to be! But then, how could they be? Canada, ranking 7th among the industrialised nations of the world, has inevitably been drawn increasingly into the US economic orbit in much the same way as Britain has looked increasingly to Europe in her economic relations. For Canada the countries of the Pacific Rim have become a major market for her raw materials and an important source of imported goods. An earlier attempt by John Diefenbaker and, during my time here, by the Liberal leader John Turner to put the clock back have proved vain. But this does not mean that we do not retain very special links with Canada or that our two countries do not have much to give each other. Even if through no fault of ours it has not proved possible over the last two years to arrange regular meetings of our two Foreign Ministers, the number of Ministerial visits in both directions has been gratifyingly large and our Ministers have readily recognised that we have much to learn from Canadian experience, as the Canadians do from us. The problems we face are in so many areas very similar. Continued frequent Ministerial exchanges are important if we are to make the most advantageous use of our special position here.

8. Loyalty to the Crown remains very strong in Canada, particularly among the older generation, and the family ties are extensive and strong; as a consequence Ottawa issues more British passports than any other post in the world except Canberra and Canada retains a larger diplomatic representation in London than anywhere else. It is among the young that we have to work hardest, especially because so many of the new generation are not of European origin and have grown up largely ignorant of Britain and indeed of Europe. If they go abroad at all for their education, they tend to go to the United States because it is so much nearer and easier. The Commonwealth and Rhodes Scholarships have made a notable contribution to maintaining educational links, but we need to do much more in this

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area and I am particularly glad that during my time here we have been able to revive the Athlone Fellowship Scheme under which engineers from Canada and Britain will receive post-graduate training in each other's countries. There are other, even more ambitious projects in the offing for increasing the two-way flow of students which I feel sure we shall do everything possible to encourage and assist.

9. Canada's internal politics have followed a rollercoaster course over the past two years. When I arrived, Mulroney's administration only three years after a notable election victory was dogged by a succession of scandals and the Conservatives had sunk to bottom place in the polls, with the Liberals far ahead and the New Democratic Party under a personable and popular leader posing a strong challenge. When seeking to raise the flagging morale of his troops, Mulroney was fond of quoting Mrs Thatcher to the effect that there was only one poll which counted and that was the one on election night. It says much for Mulroney's agile political footwork and sense of timing that he was able to reverse the trend and in November 1988 won a second Conservative term of office with a convincing majority. The Liberal claim to be the natural party of government in Canada had apparently been decisively rejected: soon afterwards both the Liberal and NDP leaders announced their intention to stand down and Mulroney was the dominant figure in Canadian politics. Yet within a very few months the Conservatives were back at the bottom of the polls, with only 27% support. Why such a rapid renewed fall from grace?

10. No doubt the personality of the Prime Minister is an important factor. He has many personal qualities and considerable charm. He is well supported by an attractive wife and has a deep understanding of the aspirations of French Canadians. But his present kitchen cabinet does not inspire confidence and he seems unable to convince the electorate of either his consistency or his strength of purpose. How often have I been told by Canadian Conservatives: «if only we had a leader like yours!». When the going gets rough Mulroney usually falters: the abandonment of so many of the essentials of the 1987 Defence programme, to which the government had pledged itself, and the failure to tackle the deficit sooner are two cases in point.

11. Mulroney's most notable achievement so far has undoubtedly been the successful negotiation and passage through Parliament of the Canada/US Free Trade Agreement. But the euphoria was short-lived and there is now a widespread impression among political observers that the government is adrift, with no real agenda for its second term. The principal political objective Mulroney had set himself on coming to power was to bring the Province of Quebec to full acceptance of the patriated Canadian constitution, which he sought to achieve through the so-called Meech Lake Accord. Partly as a result of the actions of the Quebec Premier in trying to meet the challenge of Quebec nationalism, opposition to the Accord elsewhere in Canada and especially to the attempt to impose bilingualism in the other provinces while Quebec was unwilling to accord English a similar place has grown steadily. The prospect of securing ratification of the Accord by all the Provincial Assemblies is now uncertain. Another major challenge to the Mulroney government was the high annual deficit and accumulating national debt. During his first administration the problem was largely ignored and, in the run-up

/to

to last year's elections, promises of Federal handouts to the Provinces for large projects designed to win votes in marginal constituencies were made on an unprecedented scale. But once the elections were out of the way the need to tackle the deficit and to overhaul the tax system assumed a high priority. A prematurely leaked budget, intended to look tough but probably not tough enough, a high interest rate policy aimed at curbing inflation and proposals to impose a Federal VAT of 9% have quickly taken the bloom off the government's popularity, as has their slowness to react even after it had become obvious that, however reluctantly, they would have to get involved in the highly controversial abortion issue. However, Mulroney has over four years before he is obliged to call another election and the two opposition parties, both in the throes of replacing their leaders, are not at present well placed to challenge him: so he has plenty of time in which to recover.

12. Canada has continued to follow broadly the same foreign policy objectives under the Conservatives as under the Liberals. Canada remains a member - if scarcely an over-subscribed one - of the NATO Alliance. Under Mulroney the differences with the US on defence policy and trade matters have been either eliminated or kept to a minimum. Because of the overriding priority given to the Canada/US Free Trade Agreement, there has been a tendency to underestimate the importance of Canada's European relationships, with the countries of the Pacific Rim appearing to present a new and more exciting frontier. But I would expect the balance to be rectified over the next two or three years; certainly there is keen awareness both in government and among political commentators of the importance of the European relationship to Canada and of the need to nurture it. In keeping with the vision of the very distinguished group of Canadian statesmen and diplomats who were the architects of Canadian foreign policy in the immediate post-War years, the Canadians have continued to participate in United Nations peacekeeping operations and their foreign aid programme, although cut in the recent budget, remains large and on the whole well administered. While not neglecting either Africa or the Middle East, Canadian interest in the Third World has tended to be focussed on the Caribbean, Central and South America.

13. Despite Canada's growing international self-confidence and the importance of Canada's role in the world as a member of NATO, G7, the Commonwealth and now of the UN Security Council, Ottawa is not the most exciting capital in which to conduct political consultations. Perhaps this is because so many Canadian politicians feel obliged to devote most of their time to internal problems: basically, to holding this vast and somewhat loose-knit confederation of provinces together and nursing often distant constituencies. Consequently they tend to have little time or energy left for foreign affairs and even less for foreign Ambassadors. This must be one of the few world capitals where arriving Heads of Mission are greeted with the advice that they should not attempt to see the Minister for External Affairs while they are here, advice which I have done my best to disregard. Fortunately senior officials are almost always helpful, friendly and well informed, if sometimes a little detached, and day to day business can therefore be conducted with relative ease and despatch. The government bureaucracy as a whole is neither particularly hard-working nor efficient and again one suspects that most of their energies are consumed in the running battle between the Federal Government and the Provinces.

14. One of my predecessors told me before I came here: «everything will come right for you the moment you get out of Ottawa». So indeed it has proved. I have travelled very extensively across the length and breadth of Canada, visiting all 10 Provinces - many of them several times - as well as the Yukon and the huge areas of the North-West Territories. Everywhere I have been received by Provincial Premiers, Ministers, Mayors, leading officials and businessmen with the utmost courtesy and friendliness and have repeatedly been reminded of the immense reserves of friendship which exist for Britain. I have been fortunate too in having such a good story to tell about our own affairs: the eagerness and evident pleasure with which Canadians have greeted accounts of our national recovery speak volumes for the relationship. It is perhaps Toronto which takes the prize among Canadian cities for sheer excitement and entrepreneurial verve: these are world-class players and I have been received with particular warmth by members of the great business dynasties who have special links with Britain: Thomsons, Westons, Reichmanns, Blacks and so forth. But Montreal, Vancouver and Calgary are not far behind and they too have more than their share of outstanding individuals and firms, who have done so much to raise Canada to her present place in the world.

15. For Canada is now by any standard of measurement in the top league of the world's wealthiest countries. With immense natural resources, including a large share of the world's energy reserves, unlimited space and still relatively under-populated, her future seems assured. The most serious obstacle to the realisation of Canada's potential may well be lack of people: without immigration, Canada's population would actually be in decline, which in turn poses the question of how many new immigrants from distant countries Canada can safely absorb while retaining her identity.

16. Yet despite these glittering perspectives it must be said that Canadians, ever since Confederation in 1867 and even before that, have lived in the almost constant expectation that their country was about to disintegrate; even today there are those in high places who doubt whether it can be held together and fear that one day French Canada may break away or that Canada herself will gradually be absorbed by the United States. The Liberal leader John Turner conducted his last election campaign on the single issue that the Free Trade Agreement would fatally compromise Canada's independence. To the outsider such as myself, these fears seem greatly exaggerated. I simply do not believe that the canny French Canadians, now prospering so well within a united Canada, will go off on their own or willingly choose association with the United States as a better way of preserving their separate personality. Nor do I think that Canada's national identity is in real danger of being submerged by her great neighbour, however strong the economic and cultural links and the superficial similarities in lifestyles. But it remains a fact that Canadians themselves worry constantly about these things, rather as Germans worry about the state of their economy. As one of Mulroney's closest advisers put it to me the other night: «wherever in the world people are destitute and deprived of liberty, security or the means of earning a livelihood, they dream of Canada as the land of freedom and opportunity: we Canadians would not be lightly forgiven if we threw away our extraordinary good fortune through inability to keep our act together».

I agree with him and I just do not think it will happen. However the manner in which Canada holds together depends crucially on the quality of the Federal government's leadership and that in turn depends on the strength of character and vision of its Prime Minister: here the nagging doubt remains.

Finale

17. My last despatch would scarcely be complete without the customary homily on the state of the Service which I leave with sadness, the blow in my case being greatly softened by my immense good fortune in being allowed to continue in harness as a servant of the House of Commons. I have been privileged to serve in a wide variety of posts in both the developed and the developing worlds over the past 37 years, including almost 17 years spent in the Middle East. The Service has undergone far-reaching changes during that time. Like Sir Mark Russell in his recent masterly review of these changes, I see almost all of them as being for the better. Like him too, I had my initial reservations about the attempt to transpose to diplomatic work the managerial systems and criteria of manufacturing industry and retailing. So much of what we do is by its nature neither measurable nor clearly quantifiable: yet we all know, or think we know, the difference between a good and bad Mission and even (dare I say it?) between good and bad Ambassadors. I have rather special reasons for treading carefully in this area: my father has also been called the father of British management studies and the concept of Management by Objectives originated in the firm he founded: a whole generation before Lord Rayner, he was brought into Whitehall in the War to introduce modern methods of management into the Civil Service (but was predictably and decisively seen off by the Treasury). So I cannot escape at least a degree of inherited responsibility for the revolution which has since swept Whitehall. Much of it is excellent and long overdue. But, as my father was fond of saying, the first syllable of management is man and if you do not get that part right none of the rest will follow. Here too and especially in ensuring greater fairness by making us all do our stint in the difficult places, I think we have come a long way as a Service and we are indeed fortunate to be led by a Permanent Under-Secretary who has himself had his full share of hard posts and understands their problems. My own experience tells me however that it was precisely the difficult and sometimes dangerous posts which were both the happiest and professionally the most rewarding.

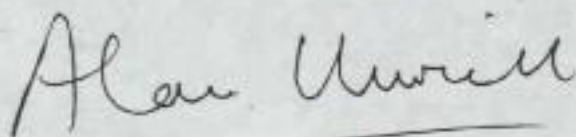
18. Finally a heartfelt tribute to my wife and to my colleagues in the Service, without whose unstinting support none of it would have been possible. My wife, like so many in her generation, gave up a career in order to share the ups and downs of diplomatic life and has been my guide, comfort and best counsellor during all these years. Brought up in a diplomatic household, she has excelled as a hostess. Each official property in which she has lived has been left more beautiful than she found it, Earnscliffe being no exception. She has also brought help to the poor and destitute wherever we have served: there are unexpected pockets of poverty and misery even in a wealthy city like Ottawa if, as she has, you seek them out. For all this and so much more, I owe her an immeasurable debt. Of my colleagues and especially those who served with me in overseas postings where the greater part of my career has been spent, whether

/from

from the Diplomatic or other Services, I cannot speak too highly. An Embassy or High Commission is a collective effort or it is nothing. In Canada, as elsewhere, I have been able to rely on their unfailing help and support at all times. I shall miss their friendship and their high standards of professional competence very much indeed.

19. I am sending copies of this despatch to HM Ambassadors in NATO and EC posts, Pretoria and UKMIS New York, to the Department of Trade & Industry, the Ministry of Defence and to our Consuls-General in Canada.

I am, Sir,
Yours faithfully

A handwritten signature in cursive script that reads "Alan Urwick". The signature is written in dark ink and is positioned above a horizontal line.

A B Urwick



Foreign and Commonwealth Office

London SW1A 2AH

31 August 1989

Dear Charles,

Appointment of High Commissioner in Canada

I enclose the draft of a letter for Mr Fall to take with him on his appointment as High Commissioner in Canada. It follows the normal lines. If the Prime Minister agrees, I should be grateful if you would arrange for it to be signed and returned to me.

Mr Fall is expected to arrive in Canada in the first week of October on direct transfer. It would be useful if the letter could bear a date shortly before the new High Commissioner's arrival: 22 September would be suitable.

Jans.
Stephen Wall

(J S Wall)
Private Secretary

C D Powell Esq
10 Downing Street

DSR 11 (Revised Sept 85)

LETTER OF INTRODUCTION

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1 +

FROM:

Prime Minister

Reference

DEPARTMENT:

TEL. NO:

Your Reference

BUILDING:

ROOM NO:

SECURITY CLASSIFICATION

Top Secret

Secret

Confidential

Restricted

Unclassified

TO:

Copies to:

The Right Honourable
Brian Mulroney, PC, MP
Prime Minister of
CANADA

DSB/TKA

*Pl. Lett 22
Sept 1985*

SUBJECT:

[Dear Prime Minister]

PRIVACY MARKING

..... In Confidence

CAVEAT

This letter will be presented to you by Mr Brian James Proetel Fall, CMG, who has been appointed by Her Majesty's Government in the United Kingdom to be their High Commissioner in Canada.

I am confident that Mr Fall is eminently fitted, both by his personal qualities and by his experience of affairs of State, for the charge with which he has been entrusted, and that his appointment will serve to maintain the relations of close friendship which so happily exist between us.

In this confidence I commend Mr Fall to you and, on behalf of the United Kingdom Government, ask you to afford him all possible help in the fulfilment of his important mission.


[Ending handwritten]

The Right Honourable Brian Mulroney, PC, MP.

cm

Enclosures flag(s)

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FOR NAD

YOUR TELNOS 300 AND 301:

VALEDICTORY CALL ON THE CANADIAN PRIME MINISTER

1. MR MULRONEY GAVE ME A FULL HALF HOUR TODAY, MUCH OF IT DEVOTED TO EXPRESSING HIS ADMIRATION FOR THE PRIME MINISTER, PARTICULARLY FOR HER HANDLING OF THE PRINCIPAL TOPICS AT THE PARIS ECONOMIC SUMMIT (QUOTE THE ONLY PRIME MINISTER I CAN THINK OF WHO GETS BETTER AND BETTER THE LONGER SHE STAYS IN THE JOB UNQUOTE) AND AT THEIR MEETING IN LONDON, ALTHOUGH HE HAD CLEARLY BEEN HURT BY THE DAMAGING PRESS COVERAGE OF THE LATTER IN CANADA. HE ALSO SAID HOW MUCH HE ESTEEMED SIR GEOFFREY HOWE, WHOM HE REFERRED TO AS A GREAT FOREIGN MINISTER AND AN INSPIRED CHOICE AS LEADER OF THE HOUSE AT A TIME WHEN ITS PROCEEDINGS WERE ABOUT TO BE TELEVISED AND WHEN IT WAS ESSENTIAL FOR THE CONSERVATIVE PARTY TO BUILD UP ITS SUPPORT IN THE COUNTRY PRIOR TO THE NEXT GENERAL ELECTION. MULRONEY REMARKED THAT JUST ABOUT THE ONLY FREEDOM LEFT TO A PRIME MINISTER NOWADAYS WAS TO BE ABLE TO RESHUFFLE HIS OR HER CABINET AND SAID HE FULLY UNDERSTOOD WHY MRS THATCHER HAD FELT IT NECESSARY AT THIS STAGE TO BRING FORWARD SOME OF THE YOUNGER MEN IN THE PARTY. THERE WAS MUCH MORE IN THE SAME VEIN. I REFERED TO THE FACT THAT YOU WERE SEEING MR CLARK TODAY AND THAT A MORE EXTENDED MEETING WAS IN PROSPECT IN EARLY SEPTEMBER: MULRONEY WAS CLEARLY PLEASED TO HEAR OF THIS.

2. ON HONG KONG I WAS ABLE TO MAKE ALL THE POINTS IN YOUR TELNO 301. MULRONEY VOLUNTEERED THAT HE HAD GONE OUT OF HIS WAY, IN THE MARGINS OF THE ECONOMIC SUMMIT AND PARTICULARLY WITH THE GERMANS AND THE FRENCH, TO EMPHASISE THAT BRITAIN COULD NOT AND SHOULD NOT BE LEFT TO COPE ON HER OWN WITH THE PROBLEMS OF HONG KONG, WHICH RESULTED DIRECTLY FROM RECENT EVENTS IN CHINA AND THE FEARS THESE HAD AROUSED THAT THE CHINESE WOULD NO LONGER HONOUR THE AGREEMENT THEY HAD ENTERED INTO WITH BRITAIN. IT WAS, IN MULRONEY'S VIEW, A WORLD PROBLEM THE SOLUTION TO WHICH MUST BE AN INTERNATIONAL ONE. I REFERRED TO HIS PROPOSAL THAT HONG KONG MIGHT ESTABLISH AN OFFICE IN CANADA WITH ITS OWN RIGHTS AND PRIVILEGES, SAID THIS HAD BEEN GRATEFULLY NOTED AND THAT WE WOULD BE FOLLOWING UP SHORTLY. I ALSO

REFERRED TWICE TO THE PROBLEMS OF THE VIETNAMESE BOAT PEOPLE, BUT MULRONEY DID NOT PURSUE THIS TOPIC.

3. I TOOK THE OPPORTUNITY TO LEAVE WITH THE PRIME MINISTER A COPY OF MY REQUEST TO CLARK FOR AGREEMENT FOR MY SUCCESSOR, WHOM I WARMLY COMMENDED: AGAIN MULRONEY SEEMED WELL PLEASED. AS I HAD ALREADY COVERED THE COMMONWEALTH FOREIGN MINISTERS MEETING IN CANBERRA AND CHOGM FULLY WITH PERRON (ADM FOR THE MIDDLE EAST AND AFRICA IN THE DEA) EARLIER IN THE DAY I DID NOT THINK IT NECESSARY TO RAISE THE MATTER AGAIN: MULRONEY HIMSELF DID NOT REFER TO IT, NOR TO THE SUCCESSION TO RAMPHAL.

4. NONE OF THE DEFENSIVE POINTS IN THE BRIEFING IN YOUR TELNO 300 CAME UP AND INDEED MULRONEY SPENT MUCH OF THE LATER PART OF OUR MEETING IN A WHOLLY UNDESERVED EULOGY OF MY OWN TENURE IN OTTAWA.

URWICK

YYYY

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MR MOSS
MR FAIRWEATHER
MR TOMKYS
MR GILLMORE

ADDITIONAL 5

PS/NO 10 DOWNING ST
~~PRESS OFFICE, NO 10.~~
MR APPEYARD, CAB OFF

ASSEMENT STAFF
PS/SIR GEOFFREY HOWE

PAGE 2
CONFIDENTIAL

NNNN

copy also filed as NATO:
summits PT3



me fm
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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

29 May 1989

See Stanley,

PRIME MINISTER'S MEETING WITH THE CANADIAN PRIME MINISTER

The Prime Minister had a talk with Mr. Mulroney this morning, shortly before the opening of the NATO Summit. Mr. Stanley Hartt was also present.

NATO Summit

The Prime Minister described the United Kingdom's viewpoint on SNF and the need not to give ground. Mr. Mulroney gave every appearance of agreeing and being in ignorance of the Canadian position as advanced in NATO.

Commonwealth Secretary-General

Mr. Mulroney said that there was only one point which he particularly wanted to raise, and that was the question of the Commonwealth Secretary-General. Formally Canada had not shown its hand. But he was increasingly convinced that the best and least divisive course was to ask Ramphal to continue. The Prime Minister said that she had established that Ramphal was ready to do so. She agreed that this would avoid a damaging black/white division in the Commonwealth, and would allow Anyaoku more time to establish himself as the natural successor. Mr. Mulroney said that he would be seeing President Kaunda soon and would raise the matter with him. He would also talk to Rajiv Gandhi. The Prime Minister suggested that Mr. Mulroney should also contact Dr. Mahathir. Thereafter she and Mr. Mulroney should be in touch again.

South Africa

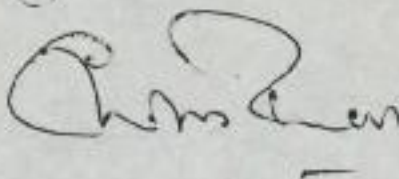
The Prime Minister said that it was important not to allow the issue of South Africa to dominate the forthcoming CHOGM. Mr. Mulroney agreed: he was talked out on the subject.

British High Commissioner

The Prime Minister said that Sir Alan Urwick would be leaving Ottawa in the summer to take up the office of Serjeant-at-Arms in the House of Commons. We would do our best to find a good successor. Mr. Mulroney spoke glowingly of Sir Alan's success as High Commissioner.

CONFIDENTIAL

I am copying this letter to Brian Hawtin (Ministry of Defence)
and to Trevor Woolley (Cabinet Office).

Yours sincerely,


C.D. Powell

Stephen Wall, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

PRIME MINISTER

MEETING WITH CANADIAN PRIME MINISTER

You are to have a talk with Brian Mulroney at Brussels on Monday morning at his request. You last saw him in London on 13 March, and a note of that meeting is in the folder. The main event since then is the Canadian decision not to order SSNs. He sent you a charming hand-written note for your tenth anniversary.

I think the main issues which you want to cover are the following:

NATO Summit

You will want to discuss the prospect with him and explain your views on SNF, particularly the dangers inherent in agreeing to negotiations.

East/West Relations

He is to visit Moscow in August. You will want to tell him about President Gorbachev's visit here, and explain our decision to expel Soviet spies.

South Africa

When you last met, Mulroney hinted that he was thinking of modifying Canada's policy towards South Africa, and you subsequently sent him a list of arguments. There has not been much sign of change so far. You will want to tell him of your determination to step up contacts with South Africa, in order to encourage the post-Botha generation to adopt a more positive approach: hence your meetings with Pik Botha, du Plessis, and soon De Klerk. You will also want to stress how important it is to avoid a row on South Africa at CHOGM, particularly with elections in Namibia likely to take place

very shortly afterwards. If he raises the Australian proposal for financial sanctions, you will want to make clear our view that the Government should not dictate to markets: we shall certainly not be prepared to go along with any such measure.

Commonwealth Secretary General

Since you last met him, you have seen Sonny Ramphal who is clearly prepared to serve for a further three years. You might discuss with Mulroney how Ramphal's candidature could be launched. For obvious reasons, you would prefer not to do it yourself. But you might suggest that he should raise the matter with Rajiv Gandhi.

The Environment

We have continued to make the running on this with our proposal for a global climate convention. Our approach of working through the UN and avoiding sanctions and compulsion is gaining support. The approach adopted by the participants in The Hague meeting is running out of steam.

Bilateral

You should tell him that Sir Alan Urwick, our High Commissioner, is to become the Serjeant-at-Arms and will leave Ottawa at the end of August. You hope to propose a good successor soon.

I attach a fuller note, together with a telegram from the High Commissioner describing the political scene. The main recent event has been John Turner's resignation as Leader of the Liberal Party. You will recall that there was also a mighty row over the leaking of the Canadian Budget.

CDP

CDP

26 May, 1989.

not copied
Defence Secs
P112

Canadian High Commission



Haut Commissariat du Canada

Macdonald House
1 Grosvenor Square
London W1X 0AB

May 5, 1989

CONFIDENTIAL

CDP/sjs

Mr. C. D. Powell
Private Secretary to the Prime Minister
10 Downing Street
London SW1A 2AA

Dear Mr. Powell,

I should be grateful if you would transmit to Prime Minister Thatcher the enclosed letter from Prime Minister Mulroney. I have been asked by Prime Minister Mulroney's office to stress that this is a private and personal communication intended solely for Prime Minister Thatcher.

✓
kept by Mr.?

Yours sincerely,

Donald S. Macdonald

Donald S. Macdonald
High Commissioner

STRICTLY PERSONAL



Mr Pm
(51)

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

22 January 1989

Thank you for your letter of 19 January with its interesting enclosure. I will, if I may, reflect on this for a short while before letting you have a definitive reply. But I am most grateful to you for sending it.

C. D. Powell

R.I.J. Agnew, Esq.

PERSONAL



File PM
cc PM

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

21 January 1989

EARNSCLIFFE

Thank you for your letter of 19 January about Earnscliffe. In fact Conrad Black himself telephoned me out of the blue a couple of weeks ago with a slightly different version of the story. If I understood correctly - and I was trying to do something else at the time - Peter White had actually bought the other house, presumably Berkenfels, for a very large sum, and was now looking for someone to take it off his hands. The Canadian Government, or possibly the Ottawa City Government, might be persuaded to do so if we were to say at the highest level that we might want to consider a move out of Earnscliffe. Of course in practice it was quite clear that we would not move, but even the vaguest possibility would be enough.....

I said all this sounded a bit ropey to me. I would think about it - which I have not done until the moment I received your letter - but did not see any way in which we could help.

I would not wish this conversation with Conrad Black to be known widely, or to be reported back to him. But I have no objection to your telling Alan Urwick in strict confidence.

C.D. POWELL

Richard Gozney, Esq.,
Foreign and Commonwealth Office.

26

PERSONAL



Foreign and Commonwealth Office

London SW1A 2AH

19 January 1989

CAF
241

Dear Charles,

Earnscliffe: British High Commissioner's
Residence in Ottawa

You may recall that, at Conrad Black's dinner for the Prime Minister during the Toronto Economic Summit, Peter White (then Conrad Black's Deputy, now in Mr Mulroney's office) raised with the Prime Minister the subject of the Canadian wish to buy the High Commissioner's Residence, Earnscliffe, from us. It would become a memorial to John MacDonald, Canada's first Prime Minister.

This subject has now been raised with our High Commissioner in Ottawa and it is just possible that the subject could come up during one of Mr Mulroney's telephone conversations with the Prime Minister.

We wish neither to sell Earnscliffe nor to swap it for another Residence, if one were offered. (There is a suggestion that the Canadians purchase a property called Berkenfels and then persuade us to swap it for Earnscliffe.)

Sir Alan Urwick has already made our position quite clear to Peter White, namely:-

- John MacDonald lived at Earnscliffe for 8 years - we have owned and maintained it for 60!
- We have full title to Earnscliffe, which we acquired on the open market.
- We have spent considerable sums putting the house into good order.
- Earnscliffe meets our purposes perfectly and we have neither the need nor the desire to move.

/We



- We do not want Berkenfels to be purchased by any Canadian authority (or by anyone on their behalf) in the expectation that HMG might be persuaded to swap it for Earnsliffe.

The Foreign Secretary hopes that, if Mr Mulroney raises the matter, the Prime Minister will discourage him.

Yours ever,

Richard Gozney

(R H T Gozney)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street



10 DOWNING STREET

LONDON SW1A 2AA

19 January 1989

*From the Private Secretary**Dear Richard**Subject cc Master*

The Premier of Quebec, accompanied by the Canadian High Commissioner, duly called on the Prime Minister this afternoon. The meeting lasted half an hour.

A substantial part of the meeting was taken up with the Premier of Quebec describing how his years at Oxford had truly been the best of his life, and how much he admired the Prime Minister's policies and style. The specific subjects which were discussed, although not in any great depth, were as follows:

(i) The public sector debt repayment: the Prime Minister explained the United Kingdom's policy, and contrasted it with that of the United States. The Premier agreed that ours was best, and stressed the importance of repayment now given the age profile of the population.

(ii) The Premier asked about training by the private sector, and the Prime Minister explained how much importance she attached to this given that the universities and polytechnics still did not have the necessary incentives in terms of involvement in business.

(iii) There was a slightly longer discussion of the Canadian/US trade agreement, particularly in the context of 1992, and fears of 'fortress Europe'. This led on to the question of agricultural subsidy which it was agreed was a major difficulty.

(iv) The Prime Minister and Premier then agreed on the importance of action on the environment. They were further agreed that this should be through international channels such as UNEP, and the importance of involving developing countries since their populations were so large, and potential for environmental degradation so great, that it was foolish to think that action from countries such as the United Kingdom alone could have any significant effect. The Premier agreed with all of this, and said how important it was, and for that very reason, the Prime Minister should be seen to be taking a lead on this.

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- 2 -

The meeting concluded with the Premier extending an invitation to the Prime Minister to visit Quebec whenever she wished.

Z
Andy

P. A. BEARPARK

Richard Gozney, Esq.,
Foreign and Commonwealth Office

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PRIME MINISTER

MEETING WITH THE PREMIER OF QUEBEC

You have agreed to see the Premier of Quebec briefly on Thursday. He will be accompanied by the Canadian High Commissioner. Andrew Bearpark will be present to take a note (I have to leave for Bonn, if you will excuse me).

Mr. Bourassa sounds good news. He went to Oxford and is a specialist in tax law. He won Quebec for the Liberals in 1985 (wresting it from the nationalists). Despite being a Liberal, he has been a strong supporter of the US/Canada Free Trade Agreement. He has also brought Quebec back into proper constitutional relations with the rest of Canada.

His programme in the UK is quite a light one, mostly involving meetings with people in the City and industry who are interested in investing in Quebec.

The main subjects likely to interest him - covered in the attached FCO brief - are:

- inward investment in Quebec
- the implications of 1992.

You will want to put the case for buying our Trafalgar Class submarines. You might also ask him about the political prospects in Canada after the elections.

C.D.P.

CHARLES POWELL
17 January 1989

EL3DGG


 CCPC
 BUP
 Foreign and Commonwealth Office

London SW1A 2AH

17 January 1989

Dear Charles,

Call on the Prime Minister by Premier Robert Bourassa
of Quebec: 5.00 pm, 19 January

M. Bourassa will be visiting the UK from 18-20 January as part of a European tour. He will also call on Chancellor Kohl and M. Mitterrand, and attend the Davos World Economic Forum. His programme in the United Kingdom, and a personality note are attached.

M. Bourassa was disappointed that it was not possible to see the Prime Minister during his last visit to London, early in 1987. He regards this call as the highlight of his European tour. He will be accompanied by the Canadian High Commissioner, Mr Donald Macdonald.

M. Bourassa's main objectives in making this tour are to attract inward investment to Quebec; and to demonstrate to his electorate that Quebec, under his leadership, commands external influence and respect (he has to go to the polls before spring 1990 and may call an election as early as May this year). During his call on the Prime Minister, M. Bourassa will probably wish to discuss the prospects for 1992 in Europe and Anglo/Quebec trade. He has spent some time in Brussels studying the workings of the European Community.

M. Bourassa strongly supports the US/Canada Free Trade Agreement and, despite being the Leader of a Liberal Government, supported Mr Mulroney during the recent federal election campaign. He played an important role in drafting, with the Federal Government, the Meech Lake Accord, which will bring Quebec in the Constitution for the first time since the patriation of the latter in 1981, and at the same time meet Quebec's desire for recognition of her distinctive society.

1992 and Uruguay Round: Canadian fears of "Fortress Europe" are similar to those in the US. The Prime Minister may recall the welcome given by the Toronto Economic Summit to the US/Canada Free Trade Agreement, alongside the Single European Market. She may like to say that both must be open to third

/countries



countries and contribute to the global liberalisation we are seeking through the GATT Uruguay Round. The Rhodes Council Declaration on the Community's international role committed the EC to this.

Anglo/Quebec Trade/Investment: The present Quebec Government wish in a pragmatic way to foster the development of the private sector. M. Bourassa cut tax rates in his last provincial budget, is attacking the provincial deficit and has privatised several provincially owned corporations. Quebec's economy, as a result, has become more dynamic, with growth well above the Canadian average. GDP rose by 5% in real terms in 1987. There is a new generation of French-Canadian entrepreneurs. Anglo-Quebec trading links are also increasing. British exports to Quebec in 1987 were worth approximately £1 billion (8% of Quebec's total imports), a 31% increase over 1986. Quebec exports to the UK in 1987 were worth over £300 million. The UK is the second largest outside investor, after the US. A recent major contract (for Airbus worth £200 million) for Canadair from British Aerospace should lead to closer UK/Quebec collaboration in this field. Some 15 UK companies have been alerted to the second phase of the James Bay Hydro-electric scheme. Some will, we hope, already have made contact.

Since 1978 Canada has had a cooperation agreement with the European Space Agency (ESA), which allows access to the main ESA organs and optional programmes. At the ESA Council Meeting on 15/16 December, the Director-General was authorised to sign a new cooperation agreement covering the next ten years.

Should the question of the sale of Trafalgar to the Canadians arise, the Prime Minister might reaffirm her view that ours is the best boat for the Canadians. It fully meets their requirements and is superior to the French submarine: it is faster, quieter and has shown it can surface through the ice. It is a proven design.

Because the Foreign Secretary is not returning from Vienna until late on 18 January, he will not be able to see this letter in draft. If he disagrees with any points, we shall telephone you early on 19 January.

Yours ever,
Richard Gozney

(R H T Gozney)
Private Secretary

BOURASSA, THE HON ROBERT, MNA MA

Premier of Quebec (Liberal) since December 1985 (and from 1970-1976).

Born in Montreal, July 1933.

Educated at Jean de Brebeuf College and University of Montreal. He was a Rhodes Scholar at Oxford in 1959 and also studied at Harvard.

A lawyer and economist, Mr Bourassa was a Fiscal Adviser in 1960 and subsequently Secretary of the Belanger Commission on Taxation in Quebec. He taught at Ottawa University.

He was first elected to the Quebec National Assembly in 1966. He became Financial (Opposition) Critic. He was chosen Leader of the Quebec Liberal Party in January 1970 and sworn in as Premier of Quebec in May 1970. He held the Portfolios of Finance (1970) and Intergovernmental Affairs (1971-72). In 1976 he lost the Liberal leadership and the Quebec provincial election. He went to Europe and the US to study for several years. In October 1983 he was elected Leader of the Quebec Liberal Party for a second time and by an overwhelming majority.

Bourassa led his party to a landslide victory over the Parti Quebecois in December 1985.

More of a technocrat than a politician by nature, he has made himself a politician by application. He is now a good political tactician and respected. His performance since 1985 demonstrates that he has learned a lot. He gives his Ministers a greater share of the limelight. His heart lies in promoting the economic advancement of Quebec and he played a key role in the Seventies in authorising work on the James Bay hydro-electric project. He announced some months ago that work would begin soon on the second phase of the project.

He is intelligent, well informed, and follows events in the UK with a keen and sympathetic interest. He has no consuming interests outside work.

Married to Andrée Simard of the wealthy Quebec shipbuilding family. Two children.

M BOURASSA'S PROGRAMME IN THE UNITED KINGDOM

Wednesday 18 January

- 1700 - Arrive airport. Met by Agent-General for Quebec.
- 1930 - Dinner at Savoy with representatives from British Aerospace and Bombadier.

Thursday 19 January

- 1100 - Meeting with two senior industrialists who have projects in Quebec.
- 1245-1430 - Lunch hosted by Warburgs (Sir David Scholey).
- 1500-1530 - Meeting with Secretary of State for Foreign and Commonwealth Affairs, Sir Geoffrey Howe.
- 1700 - Meeting with the Prime Minister.
- 2000 - Dinner at the Berkeley Hotel hosted by the Quebec Government (50 - 75 guests).

Friday 20 January

- 1100 - Meeting with businessmen who have projects in Quebec.
- 1245 - Lunch at the High Commission for journalists.
- 1430 - Meeting with journalist from The Financial Times.
- 1630 - Meet staff of the Quebec delegation in London.
- 1800 - Reception hosted by the Agent-General for financiers, Foreign Office representatives, bankers, businessmen and foreign trade advisers.
- 1930 - Depart for Paris.

Gouvernement du Québec
Délégation générale
Londres



Government of Quebec
Délégation Générale
London

Le délégué général

The Agent General

January 9th, 1989

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EB 11 ji

The Rt Hon. Mrs Thatcher, MP
Prime Minister,
First Lord of the Treasury and
Minister for the Civil Service
No. 10 Downing Street
London SW1

Dear Prime Minister,

The Premier of Quebec, Mr Robert Bourassa, wishes me to express his thanks to you for agreeing to meet with him on Thursday, January 19th, at 5.00 pm at No. 10 Downing Street. It is understood that the Premier will be accompanied by the Canadian High Commissioner.

The counsellor at our Delegation responsible for the Premier's visit is Mr Marc Boucher. He has already been in touch with certain members of your staff and they should feel free to communicate with him at any time with instructions or comments which will help to ensure the success of this visit.

May I personally take this opportunity to wish you a very satisfying New Year.

Yours faithfully,

Reed Scowen

Canadian High Commission



Haut Commissariat du Canada

CEPC 2
Rie Austin
CDP
29/xii

Macdonald House
1 Grosvenor Square
London, W1A 0AB

December 28, 1988

Mr. C. D. Powell
Private Secretary to the Prime Minister
10 Downing Street
London SW1A 2AA

Dear Charles,

I should be grateful if you would pass the enclosed text of a Christmas message from Prime Minister Mulroney to Prime Minister Thatcher. The original letter is being forwarded by diplomatic bag.

May I extend to you my own seasons greetings and best wishes for the New Year.

Sincerely,

L. A. Delvoie
L. A. Delvoie
Deputy High Commissioner

ms

OTTAWA, K1A 0A2

December 21, 1988

Dear Margaret,

I wish to thank you for your kind message and phone call on the occasion of the re-election of my Government. It was a hard-fought campaign, particularly on the issue of free trade, but common sense prevailed in the end. The Canada-U.S. free trade agreement will soon be a reality.

It is also extremely important that progress be made in the Multilateral Trade Negotiations. The results of the Montreal Review Meeting were disappointing. I hope that we can continue to work together to bring the European Community and the United States to make the necessary compromises on the issue of agriculture.

I look forward to seeing you again at the NATO Summit. Mr. Gorbachev's latest initiative is a promising development that opens up new prospects for conventional arms control in Europe.

Mila joins me in wishing you and Denis our very best wishes for Christmas and the New Year.

Yours sincerely,

(signed Brian)

The Right Honourable Margaret Thatcher
Prime Minister of the United Kingdom
10 Downing Street
England

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CANADA

PRIME MINISTER · PREMIER MINISTRE

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PRIME MINISTER
PERSONAL MESSAGE
SERIAL No. T.192c/88

OTTAWA, K1A 0A2

December 21, 1988

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Dear Margaret,

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I look forward to seeing you again at the NATO Summit. Mr. Gorbachev's latest initiative is a promising development that opens up new prospects for conventional arms control in Europe.

Mila joins me in wishing you and Denis our very best wishes for Christmas and the New Year.

Yours sincerely,

The Right Honourable Margaret Thatcher
Prime Minister of the United Kingdom
10 Downing Street
London
England

no

~~CCP~~

Canadian High Commission



Haut Commissariat du Canada

Macdonald House
1 Grosvenor Square
London, W1X 0AB

November 29, 1988

Miss Gorman
1/12
OH

Dear Mr. Powell,

Thank you very much for your letter of November 18 informing me that Prime Minister Thatcher would be able to see Premier Robert Bourassa on January 19 at 5.00 p.m. I am pleased to confirm that this date and time are entirely convenient for Mr. Bourassa.

I need hardly tell you that I am most grateful for your assistance in arranging this appointment.

Yours very truly,

Donald S. Macdonald

Donald S. Macdonald
High Commissioner

Mr. Charles D. Powell
Private Secretary to the Prime Minister
10 Downing Street
London

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FILE KK
cc PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

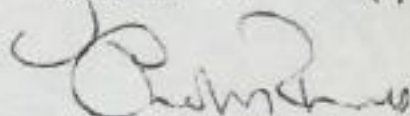
27 November 1988

Dear John,

CANADIAN EUROPEAN THEATRE BASE

Thank you for your letter of 24 November about the Defence Secretary's intention to open negotiations with the Canadians on 28 November for the establishment of a Canadian European Theatre Base in the UK. I am sure that the Prime Minister would be content with this.

I am copying this letter to the Private Secretaries to Members of OD and to Trevor Woolley (Cabinet Office).

Yours sincerely,

(C. D. POWELL)

John Colston, Esq.,
Ministry of Defence.

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KK

24 November 1988



With the Compliments
of the
British High Commissioner

A B Urwick

British High Commission,
80 Elgin Street,
Ottawa K1P 5K7

R6/12

European leaders hail 'hard-earned' Mulroney win

LONDON (Staff-AP) — British Prime Minister Margaret Thatcher yesterday sent her "warmest congratulations" to Prime Minister Brian Mulroney for a "hard-earned and well-deserved victory" in Canada's election.

"I am particularly pleased because it means continuity, which is so important in dealing with the major world political and economic issues of our time," Thatcher said in a message. "It also means that we shall be able to go on working closely together for the things we both believe in."

Thatcher was one of several Western leaders to send regards to Mulroney after his Progressive Conservative party breezed to a record-tying second consecutive majority government in Monday's federal election.

Opened door

President Francois Mitterrand communicated his congratulations through Ambassador Claude Charland and expressed satisfaction at Mulroney's re-election. Charland said the two leaders "have good chemistry."

French Premier Michel Rocard sent congratulations and said he hopes to build on "our personal friendly relations to reinforce the relations between our countries."

West German Chancellor Helmut Kohl said Mulroney's victory helped free trade between America and Europe.

"The clear vote of the Canadian electorate has now opened the door for even closer economic co-operation with the American continent."

"You justifiably expect from this — as we do from the 1992 European (Community) internal market — additional growth for your country and for the world economy in general."



MO 14/6L

MINISTRY OF DEFENCE
 MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2111/3

24 November 1988

Pine Nister
I am sure you will
Dear Charles, be content with this proposal. ✓
Agree? ✓
CB 25/11

CANADIAN EUROPEAN THEATRE BASE

Ian Andrews' letter of 31st March explained that the Defence Secretary had received a formal approach from his Canadian counterpart, Perrin Beatty, about the possibility of establishing a Canadian European Theatre Base (CETB) in the UK. This Base would provide facilities to support Canadian reinforcement of Europe in transition to war and would be largely dormant in peacetime. Only limited facilities would be required permanently in peacetime to hold prepositioned stocks of supplies and ammunition. The larger part of the requirement - to provide logistic and medical support of Canadian reinforcements committed to ACE in times of tension of war - would be met by earmarking in peacetime UK military or civil facilities which could be made available when required.

The Defence Secretary subsequently wrote in positive terms to Mr Beatty proposing further confidential discussions between officials. One doubt was the uncertainty over NATO's reaction to the redeployment of Canadian forces in Europe, particularly her Air/Sea Transportable (CAST) Brigade. Another concerned the need for more detailed discussions of the plans for the CETB, in particular the financial implications. It has now been agreed that a NATO Composite Force (NCF) (with a Canadian element) will assume the responsibilities formerly discharged by the CAST brigade in the Northern Region. The Canadians have also provided more details on their plans for the CETB. Discussions have confirmed the Canadians will accept full financial liability for the entire cost and expense of a CETB in the UK except for the potential loss of receipts which will result from retention of surplus MOD owned land and buildings which might otherwise have been sold and which will be made available rent free.

The Defence Secretary believes that we should now move ahead and offer to open formal negotiations with the Canadians to establish a CETB in the UK. This proposal could then be announced to NATO Ministerial colleagues at the Defence Planning Committee meeting in Brussels on 1st/2nd December. The Canadians support this approach, which would be well received within the Alliance as an enhancement of NATO's reinforcement capability. We are still considering with the

Charles Powell Esq
 10 Downing Street



Canadians what, if anything, should be said publicly following such an announcement. The process of identifying possible sites will follow the opening of negotiations.

I understand that the Chief Secretary has been consulted on the financial implications and is now content subject to Treasury officials being kept informed of developments.

The Defence Secretary proposes to inform the Canadians on Monday that he is ready to open negotiations. Before he does so, however, he would be grateful if the Prime Minister could be alerted to his proposal. I am copying this letter to the Private Secretaries of other OD members, and to Trevor Woolley.

Yours sincerely,

John Colston.

(J P COLSTON)
Private Secretary

CANADA Relatives

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MIPT: CANADIAN FEDERAL ELECTION: INITIAL ASSESSMENT

SUMMARY

1. THE CONSERVATIVE VICTORY IS A NOTABLE PERSONAL TRIUMPH FOR MR MULRONEY AND SHOULD ASSURE THE ADOPTION OF THE FREE TRADE AGREEMENT WITH THE US. IT SHOULD ALSO BE GOOD FOR ANGLO-CANADIAN RELATIONS. BUT THE NEW GOVERNMENT WILL HAVE TO COME TO GRIPS WITH A NUMBER OF DIFFICULT PROBLEMS, NOTABLY THE LARGE AND INCREASING NATIONAL DEBT.

DETAIL

2. THIS IS AN EXCEPTIONAL ACHIEVEMENT BY MULRONEY: NOT SINCE 1953 HAS ANY PARTY SECURED A SECOND OVERALL MAJORITY AND NOT SINCE THE LAST CENTURY HAS THIS BEEN ACHIEVED BY THE CONSERVATIVES. TWO MAIN FACTORS ACCOUNT FOR HIS SUCCESS. FIRST AND MOST IMPORTANT IS HIS CAPTURE OF THE VOTE IN QUEBEC, FOR MANY YEARS THE LIBERAL POWER BASE. HERE HE REAPED THE REWARD FOR DELIVERING THROUGH THE MEECH LAKE AGREEMENT ON THE PROMISES MADE IN 1984. SECOND, THE LIBERAL FAILURE TO PUT ACROSS THE IDEA THAT THEY HAD ANYTHING ELSE TO OFFER OTHER THAN OPPOSITION TO THE FREE TRADE AGREEMENT. IT WAS NOT JUST THAT TURNER FAILED TO SECURE WHAT CONRAD BLACK HAS APTLY DESCRIBED AS HIS QUOTE FAUSTIAN BARGAIN UNQUOTE OVER FREE TRADE SEMI-COLON HE ALSO PAID FOR EARLIER FAILURE TO UNITE THE LIBERAL PARTY ROUND COHERENT THEMES, SO THAT ITS SPECIFIC POLICIES MIGHT CARRY CONVICTION. HIS PARTY HAD BEEN WORN DOWN NOT ONLY BY INTERNAL STRIFE, BUT ALSO BY ITS INABILITY TO RESPOND CONVINCINGLY UNDER THE PRESSURE OF A SUCCESSION OF CONSERVATIVE POLICY INITIATIVES OVER THE PAST 18 MONTHS.

3. NEVERTHELESS MULRONEY'S SUCCESS IN SELLING FREE TRADE IS REMARKABLE. HE HAD TO OVERCOME THE DEEPLY ROOTED SENSE OF INSECURITY AND INFERIORITY VIS-A-VIS THE UNITED STATES, WHICH FREQUENTLY EMERGES IN RELATION TO SPECIFIC POLICY ISSUES: TWICE IN THE PAST THE TRADE RELATIONSHIP WITH THE US HAS BEEN THE CENTRAL ELECTION ISSUE AND TWICE THE PARTY PROPOSING FREE TRADE HAS BEEN REJECTED AT THE POLLS. FURTHERMORE IN THE PAST IT HAS BEEN THE

CONSERVATIVES WHO HAVE RESISTED FREE TRADE. MULRONEY ALSO HAD TO LAY AT REST THE WIDESPREAD AND CONTINUING DISTRUST OF HIMSELF (AS ONE PERCIPIENT OBSERVER HAS COMMENTED: QUOTE IT IS MULRONEY'S SINGULAR MISFORTUNE ON TELEVISION TO LOOK PHONEY EVEN WHEN HE IS BEING NATURAL UNQUOTE). BY ACCEPTING MULRONEY'S POLICIES CANADIANS HAVE INDEED MADE AN UNCHARACTERISTIC LEAP OF FAITH AND HAVE RECONGNISED THAT THEY MUST TAKE RISKS IF THEY ARE TO MEET THE ECONOMIC CHALLENGES THE WORLD AND NOT JUST THE UNITED STATES PRESENT TO THEM.

4. NONETHELESS, THE REGIONAL RESULTS CONTAINED SURPRISES. IT WAS CENTRAL CANADA WHICH RETURNED THE CONSERVATIVES, WITH THE PERIPHERAL REGIONS TO WHICH THE GOVERNMENT HAD PAID SO MUCH POLITICAL AND FINANCIAL ATTENTION LETTING THEM DOWN. NO DOUBT EXPLANATIONS WILL EMERGE: ATLANTIC CANADA'S ADDICTION TO FEDERAL HANDOUTS RATHER THAN FACE US COMPETITION: ONTARIO'S LAST MINUTE CONVERSION TO THE WINNING SIDE SEMI-COLON CONTINUED ILL-FEELING IN WINNIPEG OVER THE AWARD TO CANADAIR IN MONTREAL OF THE CF18 MAINTENANCE CONTRACT SEMI-COLON IN SASKATCHEWAN THE STUDIED COOLNESS OF THE WHEAT BOARD TO THE FTA SEMI-COLON AND THE CHARACTERISTICALLY MAVERICK BEHAVIOUR OF BRITISH COLUMBIA. HENCE MULRONEY'S FIRST WORDS TO THE MEDIA AFTER HIS VICTORY WERE ABOUT THE NEED TO CONTINUE THE SEARCH FOR NATIONAL HARMONY AND TO HEAL THE WOUNDS OF THE CAMPAIGN.

5. THE CONSERVATIVES ARE NATURALLY JUBIALNT. IT IS NOT CLEAR WHETHER THEY HAVE FULLY GRASPED THE DIFFICULT ECONOMIC PROBLEMS THEY NOW FACE AND WHICH THEY HAVE AVOIDED CONFRONTING FOR THE PAST TWO YEARS AS THE GOVERNMENT SOUGHT TO RECOVER POPULAR SUPPORT. THE FIRST AND GREATEST OF THESE IS THE NATIONAL DEBT. WITH THE TOTAL NOW AT DOLLARS 300 MILLION, 30 PER CENT OF FEDERAL REVENUES ARE REQUIRED TO SERVICE IT. A SIMILAR PERCENTAGE IS ABSORBED IN STATUTORY EXPENDITURE, A GOOD DEAL OF IT IN THE FORM OF FEDERAL TRANSFERS TO THE PROVINCES. THE GOVERNMENT WILL HAVE TO DECIDE VERY SOON WHAT COMBINATION OF HIGHER TAXATION, REDUCED EXPENDITURE AND FURTHER BORROWING WILL BE NEEDED. HOW THIS MAJOR TASK IS TACKLED WILL SHOW WHETHER MULRONEY, WITH HIS RENEWED MANDATE, IS NOW READY TO TAKE AND STICK TO UNPOPULAR DECISIONS. HE AND HIS MINISTERS ARE UNDOUBTEDLY AWARE THAT THEY LOST GROUND BY THEIR FAILURE TO DEMONSTRATE POLITICAL WILL AND COHERENCE IN THEIR FIRST YEARS OF GOVERNMENT. THEY MUST ALSO BE AWARE THAT THEY WILL BE LESS EASILY FORGIVEN IF THEY DO THE SAME NOW, SINCE THEY LACK THE EXCUSE OF INEXPEREINCE. BUT THERE MUST BE A RISK THAT MULRONEY WILL FEEL HIS POLITICAL AGILITY HAS SECURED HIS RE-

ELECTION THIS TIME AND THAT HE CAN SIMPLY USE THE SAME TACTICS AGAIN.

6. THE FIRST ITEM ON THE NEW GOVERNMENT'S AGENDA WILL BE THE LEGISLATION TO IMPLEMENT THE FREE TRADE AGREEMENT, WHICH MUST NOW RESTART ITS PASSAGE THROUGH THE TWO HOUSES OF PARLIAMENT. THERE ARE CONSTITUTIONAL OBJECTIONS TO RE-ASSEMBLY BEFORE 12 DECEMBER, BUT MULRONEY IS SAID STILL TO BE KEEN TO HAVE THE NECESSARY LEGISLATION PASSED BY 1 JANUARY 1989. THIS WILL REQUIRE THE COOPERATION OF THE OPPOSITION PARTIES, ESPECIALLY OF THE LIBERALS IN THE SENATE, AND IT REMAINS TO BE SEEN WHETHER THIS WILL BE FORTHCOMING.

7. BUT IF FREE TRADE IS THE FIRST TEST FOR THE GOVERNMENT, IT POSES EVEN GREATER PROBLEMS FOR THE LIBERALS. THE ROW BETWEEN THE PARTY'S LEFT AND RIGHT WINGS CAN BE EXPECTED TO BREAK OUT VERY SOON, AND FREE TRADE IS ONE OF THE BONES OF CONTENTION BETWEEN THEM. TURNER'S HOPES OF A BREATHING SPACE FOR HIMSELF AND HIS PARTY MAY

0
THEREFORE BE SHORTLIVED: HE ACKNOWLEDGED LAST NIGHT THAT THE ELECTORATE'S VIEW WAS CLEAR (AN ECHO OF HIS ELECTION SLOGAN QUOTE LET THE PEOPLE DECIDE UNQUOTE) AND MENTIONED HAVING SPOKEN TO MULRONEY, OFFERING HIM HIS COOPERATION. OTHERS HOWEVER HAVE SUGGESTED THAT THEY WILL FIGHT ON. SENATOR MCEACHEN, THE LIBERAL LEADER IN THE SENATE, WHO WAS RESPONSIBLE FOR BLOCKING THE AGREEMENT IN THE SENATE IN SEPTEMBER, HAS GONE TO GROUND.

8. THE NDP TOO WILL BE LICKING THEIR WOUNDS. BUT THEY ARE LESS LIKELY THAN THE LIBERALS TO OBSTRUCT THE FREE TRADE LEGISLATION. THERE ARE PERSISTENT REPORTS THAT BROADBENT MAY CALL IT A DAY.

9. THE RESULT IS CLEARLY IN OUR BEST INTERESTS. AS THE PRIME MINISTER POINTED OUT IN HER MESSAGE OF CONGRATULATIONS, WE HAVE THE GREAT ADVANTAGES OF CONTINUITY AND OF A GOVERNMENT WITH WHICH WE SEE EYE TO EYE ON MANY MATTERS, AND ESPECIALLY OVER ECONOMIC AND DEFENCE POLICY. WE SHALL ALSO FIND OURSELVES DEALING WITH A GENERALLY EFFECTIVE AND EXPERIENCED TEAM OF MINISTERS, PARTICULARLY IF AS SEEMS LIKELY CLARK AND WILSON KEEP THEIR PRESENT PORTFOLIOS. WE HAVE THEREFORE THE BASIS FOR BUILDING ON THE FOUNDATION OF COMMON INTEREST AND GOOD RELATIONS ESTABLISHED OVER THE PAST 4 YEARS. THE IMMEDIATE ISSUE IS THE OUTSTANDING DECISION ON THE ACQUISITION OF SSNS FOR THE CANADIAN NAVY. AS THE DEPARTMENT KNOWS FROM SEPARATE CORRESPONDENCE, THE DECISION WILL NOT BE AN EASY ONE FOR THE CANADIANS AND IT WOULD NOT SURPRISE ME IT IF IS FURTHER DELAYED. THE NEED TO ESTABLISH THEIR PRIORITIES

IN THEIR DEALINGS WITH THE NEW US ADMINISTRATION MAY ALSO INCLINE
THE CANADIANS TO DELAY.

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CANADIAN FEDERAL ELECTION: RESULTS

SUMMARY

1. THE CONSERVATIVES WIN ANOTHER HANDSOME MAJORITY, BUT SIX MINISTERS LOSE THEIR SEATS. SHARP VARIATIONS WITHIN AND BETWEEN REGIONS.

DETAIL

2. THE PROVISIONAL RESULTS OF THE FEDERAL ELECTION ARE:
CONSERVATIVE: 169 SEATS, LIBERAL: 82, NDP: 44.
THE PROVINCIAL BREAKDOWN WAS AS FOLLOWS:

	PC	LIB	NDP
NEWFOUNDLAND	2	5	-
NOVA SCOTIA	5	6	-
PRINCE EDWARD ISLAND	-	4	-
NEW BRUNSWICK	5	5	-
QUEBEC	63	12	-
ONTARIO	47	42	10
MANITOBA	7	5	2
SASKATCHEWAN	4	-	10
ALBERTA	25	-	1
BRITISH COLUMBIA	11	1	20
NORTH WEST TERRITORIES	-	2	-
YUKON	-	-	1
	--	--	--
TOTAL	169	82	44
	--	--	--

3. THE TURNOUT WAS 75 PER CENT OF REGISTERED VOTERS, UP ONLY 1 PER CENT ON 1984 DESPITE THE EMOTIONAL INTENSITY OF THE CAMPAIGN. THE DISTRIBUTION OF THE VOTE WAS CONSERVATIVE 43 PER CENT, LIBERALS 32 PER CENT, NDP 20 PER CENT AND OTHERS 4 PER CENT. THESE FIGURES WERE EXTREMELY CLOSE TO EVE-OF-ELECTION POLLS PUBLISHED DURING THE WEEKEND AND SHOW THAT THE CONSERVATIVES WERE 7 PER CENT DOWN ON THEIR EXCEPTIONAL PERFORMANCE IN 1984. BUT THE OVERALL FIGURES

DISGUISE THE SHARP VARIATIONS BETWEEN AND WITHIN REGIONS. THE LIBERALS WERE MARKEDLY SUCCESSFUL IN ATLANTIC CANADA (WINNING 20 OUT OF 32 SEATS). IN QUEBEC THE CONSERVATIVES MADE AN EVEN CLEANER SWEEP THAN IN 1984 (WHEN THEY TOOK 58 SEATS) AND THIS TIME BREACHED EVEN THE LIBERALS' MONTREAL REDOUBT. IN ONTARIO TOO THEY DID BETTER THAN THEIR OWN BACK-ROOM STRATEGISTS HAD EXPECTED. BUT THERE WERE CURIOUS EDDIES IN THE GENERAL FLOW: FOR EXAMPLE, IN THE OTTAWA AREA THE LIBERALS WON 5 OF THE 6 SEATS. IN THE PRAIRIES THE LIBERALS DID VERY WELL IN WINNIPEG AND THE NDP IN SASKATCHEWAN, IN BOTH CASES REFLECTING LOCAL REJECTION OF FREE TRADE. IN ALBERTA THE CONSERVATIVES VOTE HELD UP BETTER THAN EXPECTED AND THE REFORM PARTY FAILED TO CAUSE ANY UPSETS, THOUGH THE NDP WON A SEAT (IN EDMONTON) FOR THE FIRST TIME. IN BRITISH COLUMBIA THE STRIKING NDP SUCCESS SEEMS TO HAVE BEEN LARGELY DUE TO THE INTERVENTION OF RIGHT-WING FRINGE PARTIES AT CONSERVATIVE EXPENSE.

4. SIX MINSTERS LOST THEIR SEATS: FLORA MACDONALD (COMMUNICATIONS), TOM MACMILLAN (ENVIRONMENT), RAY HYNATYSHYN (JUSTICE), JAMES KELLEHER (SOLICITOR GENERAL), STEWART MCINNES (PUBLIC WORKS) AND GERRY ST GERMAIN (APPOINTED MINISTER OF FORESTS ONLY TWO MONTHS AGO).

5. AS WE HAVE REPORTED BY TELEPHONE JOE CLARK'S WIFE, MS MCTEER, WAS AMONG THE CONSERVATIVE LOSERS IN OTTAWA.

6. FOR INITIAL ASSESSMENT, SEE MIFT.

URWICK

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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

22 November 1988

CANADIAN ELECTIONS

The Prime Minister spoke to Mr. Mulroney shortly before 5 o'clock GMT this afternoon. The Prime Minister said she was absolutely thrilled by the result and congratulated Mr. Mulroney most warmly on a magnificent effort. Mr. Mulroney said that he was very pleased. The final breakdown of seats was likely to be 170 for the Conservatives, 80 for the Liberals and about 40 for the NDP. He added that the Prime Minister's comments in Washington had been extremely helpful in their effect on opinion in Canada, as had her speech to the Canadian Parliament last June. He hoped very much that he and the Prime Minister could meet soon. The Prime Minister repeated that it was a terrific result and she particularly welcomed the continuity that it would ensure in Western policies.

I am copying this letter to Alex Allan (HM Treasury), Brian Hawtin (Ministry of Defence) and Trevor Woolley (Cabinet Office).

(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 1176/88

166240
MDHOAN 9401

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FM FCO
TO DESKBY 211330Z OTTAWA
TELNO 512
OF 211200Z NOVEMBER 88

*SUBJECT CC MASTER
09*

CANADIAN ELECTION: MESSAGE OF CONGRATULATION FROM THE PM

1. PLEASE PASS THE APPROPRIATE MESSAGE BELOW TO THE WINNER OF THE CANADIAN ELECTION, AS SOON AS THE RESULT IS CLEAR (IE IF EITHER MULRONEY OR TURNER WINS AN UNDISPUTED VICTORY. IF THERE IS DEADLOCK WITH NO PARTY HAVING A CLEAR MAJORITY, WE MAY NEED, IN THE LIGHT OF YOUR ADVICE, TO THINK AGAIN).

IN EVENT OF MULRONEY VICTORY

2. QUOTE MY DEAR BRIAN,

I SEND YOU MY WARMEST CONGRATULATIONS ON YOUR RE-ELECTION AS CANADA'S PRIME MINISTER. IT IS A HARD EARNED AND WELL DESERVED VICTORY AND A TRIBUTE TO ALL YOU HAVE ACHIEVED OVER THE PAST FOUR YEARS. I AM PARTICULARLY PLEASED BECAUSE IT MEANS CONTINUITY WHICH IS SO IMPORTANT IN DEALING WITH THE MAJOR WORLD POLITICAL AND ECONOMIC ISSUES OF OUR TIME. AND IT ALSO MEANS THAT WE SHALL BE ABLE TO GO ON WORKING CLOSELY TOGETHER FOR THE THINGS WE BOTH BELIEVE IN. IT REALLY IS THE BEST POSSIBLE NEWS AND DENIS JOINS ME IN SENDING YOU AND MILA OUR WARM REGARDS AND GOOD WISHES.

YOURS EVER,
MARGARET UNQUOTE

IN EVENT OF TURNER VICTORY

3. QUOTE DEAR MR TURNER,

PLEASE ACCEPT MY WARM CONGRATULATIONS ON YOUR ELECTION VICTORY. I LOOK FORWARD TO RENEWING OUR PERSONAL AND OFFICIAL RELATIONSHIPS AND, TOGETHER WITH YOU, BUILDING ON THE STRONG TIES OF AFFECTION AND INTEREST BETWEEN CANADA AND BRITAIN, AND ON OUR WIDER COMMONWEALTH RELATIONSHIP.

CANADA'S CONTRIBUTIONS TO THE MAINTENANCE OF PEACE, THE SPREAD OF PROSPERITY AND THE ENCOURAGEMENT OF DEMOCRACY ARE GREATLY VALUED: AND YOUR OWN FIRM COMMITMENTS TO WESTERN DEFENCE AND TO THE MAINTENANCE OF AN OPEN WORLD TRADING SYSTEM WILL BE INVALUABLE ASSETS IN THE CHALLENGING YEARS AHEAD.

YOURS SINCERELY,
MARGARET THATCHER UNQUOTE

HOWE

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MR FEARN

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PAGE 2
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10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

20 November, 1988.

See Resident Clerk,

CANADIAN ELECTIONS

Lyn Parker sent me draft messages from the Prime Minister to Mr. Mulroney and Mr. Turner on the outcome of the Canadian Elections, and suggested that we send them to our High Commission in Ottawa to despatch as appropriate, in the light of the Election result.

I enclose the messages in slightly revised form, and they may be despatched to our High Commission in Ottawa. But it must be clear that they can only be released if either Mr. Mulroney or Mr. Turner wins an undisputed victory. If there is a deadlock with no party having a clear majority, we may need to think again.

The Prime Minister will be ready to telephone Mr. Mulroney if he is the victor, and it would be helpful to have a number on which we can get him. She is unlikely to want to telephone Mr. Turner.

Yours sincerely,
Charles Powell

(C.D. Powell)

The Resident Clerk,
Foreign and Commonwealth Office.

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CANADIAN ELECTION: MESSAGE OF CONGRATULATION FROM THE PM

1. Please pass the appropriate message below to the winner of the Canadian election, as soon as the result is clear.

IN EVENT OF MULRONEY VICTORY

2. Quote My Dear Brian,

I send you my warmest congratulations on your re-election as Canada's Prime Minister. It is a hard earned and well deserved victory and a tribute to all you have achieved over the past four years. I am particularly pleased because it means continuity which is so important in dealing with the major world political and economic issues of our time. And it also means that we shall be able to go on working closely together for the things we both believe in. It really is the best possible news and Denis joins me in sending you and Mila our warm regards and good wishes.

Yours ever,

Margaret

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Handwritten signature

CANADIAN ELECTION: MESSAGE OF CONGRATULATION FROM THE PM

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Yours ever,

Margaret

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FM OTTAWA

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TO DESKBY 210830Z FCO

TELNO 813

OF 182225Z NOVEMBER 88

YOUR TELNO 504: CANADIAN FEDERAL ELECTIONS: MESSAGES

1. MR MULRONEY AND MR TURNER PLAN TO BE IN THEIR RESPECTIVE CONSTITUENCIES ON ELECTION NIGHT. ANY TELEPHONE MESSAGES WILL THEREFORE NEED TO BE PASSED TO BAIE COMEAU OR VANCOUVER.
2. IN MR MULRONEY'S CASE THIS WILL BE NO PROBLEM SINCE HE CAN BE REACHED THROUGH THE SWITCHBOARD OF THE PRIME MINISTER'S OFFICE TELEPHONE (613) 992 4211.
3. MR TURNER WILL BE ATTENDING AN ELECTION NIGHT PARTY AT THE HELLENIC COMMUNITY CENTRE, VANCOUVER, TELEPHONE (604) 738 9712, FROM ABOUT 220500Z ONWARDS.
4. IF THERE IS TO BE A SUBSTANTIAL MAJORITY FOR ONE PARTY OR THE OTHER THIS SHOULD EMERGE FROM EASTERN CANADIAN RESULTS PLUS COMPUTER PREDICTIONS BY ABOUT 220100Z. IF THE OUTCOME IS CLOSE AND DEPENDS ON RESULTS IN BRITISH COLUMBIA 220500Z IS ABOUT THE EARLIEST IT COULD BECOME KNOWN.
5. IF NEITHER PARTY SECURES AN OVERALL MAJORITY OF 148 SEATS, IT WOULD BE UNWISE TO OFFER IMMEDIATE CONGRATULATIONS TO EITHER LEADER BUT WE WOULD OF COURSE ADVISE IN ANY CASE.

URWICK

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MR FEARN
PS/MR EGGAR

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PRIME MINISTER

CANADIAN ELECTIONS

The Canadian elections take place on Monday and the Foreign Office are keen for us to have contingency messages of congratulations to both Brian Mulroney and Mr. Turner. [If there is a deadlock we shall presumably just have to sit and think.]

Content for the messages to be despatched and held by the High Commissioner?

Yes

The Foreign Office have also expressed the hope that you might telephone the victor. I think this would be worth doing, at least in Brian Mulroney's case, if you can find a minute. Agree in principle?

if he wins - yes.

no

C D P

(C. D. POWELL)
18 November 1988

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CANADIAN ELECTION: MESSAGE OF CONGRATULATION FROM THE PM

1. Please pass the appropriate message below to the winner of the Canadian election, as soon as the result is clear.

IN EVENT OF MULRONEY VICTORY

2. Quote My Dear Brian,

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Yours ever,

Margaret

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deskby
FLASH

Sincerely,

Margaret unquote

IN EVENT OF TURNER VICTORY

3. Quote Dear Mr Turner,

Please accept my warm congratulations on your election victory. I look forward to renewing our personal and official relationships and, together with you, building on the strong ties of affection and interest between Canada and Britain, and on our wider Commonwealth relationship.

Canada's contributions to the maintenance of peace, the spread of prosperity and the encouragement of democracy are greatly valued: and your own firm commitments to Western defence and to the maintenance of an open world trading system will be invaluable assets in the challenging years ahead.

yours Sincerely,

Margaret Thatcher unquote

HOWE

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MINIMAL

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MR GILLMORE

MR FEARN

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Foreign and Commonwealth Office

London SW1A 2AH

18 November 1988

CH

Dear Charles,

Canadian Election (21 November): Congratulatory Messages

I enclose draft messages of congratulation from the Prime Minister to the winner of Monday's election in Canada. These reflect the views of Sir Alan Urwick. The message which the Prime Minister sent to Prime Minister Mulroney on his election in 1984 is attached for comparison.

The High Commissioner very much hopes that the Prime Minister will wish to telephone whichever party leader forms a government, and considers it to be even more necessary in the case of a Turner victory than one by Mulroney. He will be letting us have suitable telephone numbers in case the Prime Minister would like to do this, and advising on timing.

Yours ever,

(L Parker)
Private Secretary

C D Powell Esq
10 Downing Street

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DESKBY 211330z OTTAWA

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OF

*very well observed
offer to handle
it*

CANADIAN ELECTION: MESSAGE OF CONGRATULATION FROM THE PM

1. Please pass the appropriate message below to the winner of the Canadian election, as soon as the result is clear.

IN EVENT OF MULRONEY VICTORY

2. Quote My Dear Brian,

My warmest congratulations on your re-election as Canada's Prime Minister. Your victory is ~~just reward for the bold efforts you and your colleagues have made in the past four years to master the challenges facing Canada.~~ *Some of the challenges we can only tackle together.*

I look forward ~~enormously~~ *very much* ^{our} to continuing ~~to work with you to ensure the prosperity and security of the Western democracies and to contributing with you to the resolution of the wider tensions between East and West, North and South.~~ In tackling these difficult tasks we are fortunate in being able to rely on the close working relations already established between our two governments, which in turn rest on the firm foundation of deep and abiding friendship between our two peoples.

Denis and I send you and Mila our warm regards and best wishes.

Sincerely,

NAD

DAVID BURNS

2661

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DESKBY 051530Z
FM FCO 051325Z SEP 84
TO IMMEDIATE OTTAWA
TELEGRAM NUMBER 222 OF 5 SEPTEMBER
MESSAGE FROM THE PRIME MINISTER

1. PLEASE PASS THE FOLLOWING MESSAGE FROM MRS THATCHER TO
MR MULRONEY:

BEGINS I SEND YOU MY WARMEST CONGRATULATIONS ON YOUR
MAGNIFICENT VICTORY IN YESTERDAY'S GENERAL ELECTION.

I REMEMBER OUR MEETING IN OTTAWA LAST AUTUMN WITH GREAT
PLEASURE AND LOOK FORWARD TO A NEW CHAPTER OF COOPERATION
BETWEEN THE UNITED KINGDOM AND CANADA. IT IS IMPORTANT FOR
BOTH OUR NATIONS THAT WE SHOULD DO EVERYTHING WE CAN TO STRENGTHEN
AND ENRICH THE LONGSTANDING LINKS BETWEEN US AND WITH OUR MUTUAL
FRIEND THE UNITED STATES. I HOPE THAT WE SHALL HAVE AN
OPPORTUNITY OF MEETING SOON EITHER IN THE UNITED KINGDOM OR
CANADA. ENDS.

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MR DAVID THOMAS
NAD



FILE KK

CC FCO

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

18 November 1988

Thank you for your letter of 7 November about the planned visit of Premier Robert Bourassa of Quebec. The Prime Minister would be able to see Mr. Bourassa at 5.00 pm on 19 January. I hope this is convenient.

(C. D. POWELL)

His Excellency The Rt. Hon. Donald S. Macdonald,
P.C.

kw

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TELNO 806
OF 172030Z NOVEMBER 88
INFO ROUTINE WASHINGTON
INFO SAVING MONTREAL, TORONTO, EDMONTON, VANCOUVER

MY TELNO 794: CANADIAN FEDERAL ELECTION

SUMMARY

1. LAST LAP OF A ROLLER-COASTER CAMPAIGN. THE ONLY CERTAINTY IS THAT THE NDP WILL NOT ACHIEVE THEIR DECLARED AMBITION OF BECOMING THE OFFICIAL OPPOSITION. TOUCH-AND-GO FOR THE CONSERVATIVES. A LIBERAL/NDP COALITION NOT TO BE TOTALLY EXCLUDED.

DETAIL

2. IN THIS ELECTION, FORECASTING IS A MUG'S GAME. ALL CANADIAN COMMENTATORS AGREE THAT THE SWINGS OF OPINION DURING THE CAMPAIGN ITSELF HAVE BEEN UNPRECEDENTED. IT WOULD THEREFORE BE RASH TO EXCLUDE ANOTHER LAST-MINUTE CHANGE. THE EVIDENCE SUGGESTS THAT THE CONSERVATIVES HAVE BEEN ABLE TO ALLAY THE WORST FEARS AROUSED BY THE OPPOSITION PARTIES OVER FREE TRADE, WITHOUT DISPOSING EITHER OF AN UNDERLYING UNEASE OR OF SPECIFIC LOCAL CONCERNS. MULRONEY HAS PROBABLY SUCCEEDED IN HOLDING ONTO THE BULK OF THE QUEBEC VOTE, WHERE HE NEEDS TO TAKE A MINIMUM OF 50 SEATS (OUT OF 75) IF HE IS TO HAVE ANY HOPE OF SECURING A MAJORITY GOVERNMENT. THE CONSERVATIVES HAVE ALMOST CERTAINLY LOST GROUND IN THE ATLANTIC PROVINCES AND ARE UNLIKELY TO TAKE MORE THAN 16 OF THE 32 SEATS THERE. IN THE PRAIRIES, CONSERVATIVE STRENGTH IN ALBERTA SHOULD ENSURE THAT THEY GET AT LEAST 33 OF THE 55 SEATS. IN BRITISH COLUMBIA A LATE LIBERAL SURGE MAY HAVE THE PARADOXICAL EFFECT OF SAVING SOME CONSERVATIVE SEATS FROM THE NDP, RESULTING IN A SCORE OF UP TO 14 OUT OF 32 SEATS. THE THREE SEATS AVAILABLE TO THE YUKON AND NORTH WEST TERRITORIES WILL PROBABLY GO TO OPPOSITION PARTIES. THAT LEAVES THE CONSERVATIVES NEEDING AT LEAST 35 OF ONTARIO'S 99 SEATS TO WIN A MAJORITY. NO ONE IS WAGERING MUCH THAT THEY CAN ACHIEVE THIS. CLOSE COMPETITION BETWEEN THE THREE MAIN PARTIES AND THE UNCERTAIN IMPACT OF FRINGE PARTIES (IN GENERAL, TO THE DISADVANTAGE OF THE CONSERVATIVES) ARE THE MAIN COMPLICATIONS. AS THE HEAD OF ONE POLLING ORGANISATION PUT IT: THE VOTERS ARE IN A USED CAR LOT AND KNOW THEY HAVE TO BUY A CAR. AT PRESENT THEY ARE GOING ROUND KICKING THE WHEELS OF THOSE ON OFFER.

3. SO THE CONSERVATIVES COULD SCRAPE HOME WITH AN OVERALL MAJORITY OR, IF THEIR RECENT REVIVAL CONTINUES (AND THEIR LAST-MINUTE ADVERTISING BLITZ PROVES WELL-DIRECTED) DO EVEN BETTER. I THINK THEY SHOULD JUST MAKE IT. BUT IT IS ALSO VERY POSSIBLE THAT THEY WILL FALL SHORT. WHAT HAPPENS THEN DEPENDS ON HOW THE THREE PARTIES ARE PLACED. SOME OF THE PERMUTATIONS ARE CONSIDERED IN MIFT. MY SECOND IFT LOOKS AT THE MAIN CAUSES OF CONCERN TO US IN THE LIBERAL PLATFORM. SUCH WOULD OF COURSE DEPEND ON THE CHARACTER OF ANY DEAL THEY MIGHT DO WITH THE NDP. MEANWHILE ALL THAT CAN BE SAID WITH ANY CONFIDENCE IS THAT THE NDP WILL NOT FORM THE OFFICIAL OPPOSITION AND THAT, DESPITE CURRENT PROTESTATIONS TO THE CONTRARY, A LIBERAL/NDP COALITION IS NOT TO BE EXCLUDED.

URWICK

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10 DOWNING STREET

Charles

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on deer!

I have put this in at 5pm
on 19th January.

Jessie

16/11

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123174
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TO IMMEDIATE FCO
TELNO 773
OF 082230Z NOVEMBER 88
INFO ROUTINE WASHINGTON
INFO SAVING TORONTO, MONTREAL, VANCOUVER, EDMONTON

MY TELNO 756: CANADIAN FEDERAL ELECTION

SUMMARY

1. A DRAMATIC NEW POLL BY GALLUP HAS THE LIBERALS RIDING HIGH, THE CONSERVATIVES WITH THEIR BACKS TO THE WALL AND THE NDP APPARENTLY FADING. TURNER IS SUCCEEDING IN MAKING FREE TRADE THE DOMINANT ISSUE AND IS PLAYING ON VISCERAL CANADIAN FEARS OF US DOMINANCE AND LOSS OF NATIONAL IDENTITY. BUT THERE ARE STILL 12 DAYS TO GO AND MUCH COULD HAPPEN IN THE INTERIM.

DETAIL

2. THE LIBERAL SURGE REPORTED IN MY TUR HAS BEEN SUSTAINED DURING THE PAST WEEK. A POLL BY GALLUP PUBLISHED ON 7 NOVEMBER PUT THE LIBERALS IN THE LEAD WITH 43 PER CENT, THE CONSERVATIVES AT 31 PER CENT AND THE NDP TRAILING AT 22 PER CENT, WITH 10 PER CENT UNDECIDED. THE TURNAROUND IN QUEBEC PROVINCE IS STILL MORE STRIKING, WITH 46 PER CENT OF THE VOTERS NOW SUPPORTING THE LIBERALS (17 POINTS UP FROM A WEEK AGO). THESE FIGURES, IF REPEATED IN THE ACTUAL VOTE, MIGHT GIVE THE LIBERALS AN OVERALL MAJORITY.

3. THERE IS GENERAL AGREEMENT AMONG POLITICAL OBSERVERS THAT A REVERSAL OF FORTUNES ON THIS SCALE DURING A CANADIAN ELECTION CAMPAIGN IS WITHOUT PRECEDENT. SOME REGARD THE POLL AS HAVING PRODUCED A FREAK RESULT AND POINT TO THE FACT THAT GALLUP STILL HAS MULRONEY AS TOP CHOICE FOR QUOTE BEST PRIME MINISTER UNQUOTE AND TURNER BOTTOM. OTHERS WOULD HAVE IT THAT DORMANT SYMPATHY FOR THE LIBERALS, THE NATURAL PARTY OF GOVERNMENT DURING MOST OF THE CENTURY, HAS HITHERTO BEEN UNDERESTIMATED. THE RESULTS OF TWO MORE POLLS ARE DUE TO BE PUBLISHED AT THE END OF THIS WEEK AND SHOULD HELP TO SHOW WHETHER OR NOT THE GALLUP POLL IS SERIOUSLY OUT OF LINE.

4. MEANWHILE TURNER IS RUNNING AN INCREASINGLY CONFIDENT AND AGGRESSIVE CAMPAIGN AND THE LIBERALS ARE WINNING EASILY IN RADIO AND TELEVISION ADVERTISING. TURNER'S OWN ENTHUSIASM HAS NATURALLY INFECTED LIBERAL PARTY WORKERS, WHILE THE SCENT OF POWER HAS

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BROUGHT BACK INTO THE ELECTION IMPORTANT MEMBERS OF THE LIBERAL OLD GUARD WHO HAD PREVIOUSLY BEEN MAINLY PREOCCUPIED WITH SCHEMING TO SUPPLANT TURNER AFTER THE ELECTIONS OR SOONER.

5. THE TRANSFORMATION OF LIBERAL ELECTORAL PROSPECTS IS DUE ALMOST ENTIRELY TO TURNER'S SUCCESS IN EXPLOITING CANADIAN VISCERAL FEARS OF THE US AND OF THE ALLEGED THREAT TO THEIR NATIONAL IDENTITY POSED BY THE FREE TRADE AGREEMENT. WHILE LIBERAL (AND ALSO NDP) CLAIMS OF THE DAMAGE TO CANADIAN SOCIETY AND ESPECIALLY TO MEDICAL AND OTHER WELFARE PROVISIONS LIKELY TO RESULT FROM THE AGREEMENT HAVE BEEN WILDLY EXAGGERATED, DETAILED REBUTTALS BY REFERENCE TO THE CONVOLUTED PROSE OF THE AGREEMENT ITSELF HAVE CUT LITTLE ICE. NOR HAS MULRONEY'S EARLIER BLAND RESPONSE TO TURNER'S PASSIONATE ONE-ISSUE CAMPAIGN HAD MUCH SUCCESS IN RESTORING CONSERVATIVE FORTUNES. INDEED THE CONSERVATIVES SCORED ONLY ONE BULLSEYE IN THE LAST WEEK, BY WHEELING OUT A RETIRED SUPREME COURT JUDGE KNOWN AS THE FATHER OF THE MEDICARE SCHEME TO PRONOUNCE IT SAFE UNDER THE AGREEMENT.

6. MANY NOW DOUBT WHETHER THE CONSERVATIVES CAN RESTORE THEIR FORTUNES IN THE 12 DAYS OF CAMPAIGNING WHICH REMAIN. BOURASSA, THE LIBERAL PREMIER OF QUEBEC WHOM I SAW PRIVATELY ON 7 NOVEMBER, RECALLED THAT DURING THE LAST FEDERAL ELECTION THE POLLS HAD BEEN ACCURATE WITHIN ONE OR TWO PERCENTAGE POINTS AND EXPRESSED SERIOUS MISGIVINGS ABOUT THE ECONOMIC AND OTHER CONSEQUENCES FOR CANADA OF A TURNER VICTORY IF HE PERSISTED IN HIS EXPRESSED INTENTION TO TEAR UP THE AGREEMENT. BOURASSA TOLD ME THAT HE HAD JUST BEEN DISCUSSING THIS PROSPECT WITH PETERSON (THE LIBERAL PREMIER OF ONTARIO) ON THE TELEPHONE AND THAT PETERSON, ALTHOUGH OPPOSED TO FREE TRADE, SHARED MANY OF HIS FEARS. BOURASSA SEEMED PARTICULARLY WORRIED ABOUT THE LIKELY REACTION IN THE US SENATE AND OF FORMER TREASURY SECRETARY BAKER: HE SAW A VERY REAL DANGER THAT THE AMERICANS WOULD LOSE ALL PATIENCE WITH CANADA AND FEARED IT MIGHT BE TOO LATE TO GO FOR A REFERENDUM ON THE SUBJECT. BOURASSA OUTLINED A GLOOMY SCENARIO OF A FURTHER SHARP DEPRECIATION IN THE CANADIAN DOLLAR, FORCING THE GOVERNMENT TO RAISE INTEREST RATES EVEN HIGHER: GIVEN THE BURDEN OF FINANCING THE HUGE CANADIAN DEBT, THIS COULD ONLY MEAN LESS MONEY TO CARRY OUT THE MANY COMMITMENTS INTO WHICH TURNER HAD ENTERED DURING THE CAMPAIGN.

7. THE CONSERVATIVES NOW HAVE THEIR BACKS TO THE WALL. THEIR FIRST REACTION TO THE SUDDEN LIBERAL SURGE WAS TO TAKE THE GLOVES OFF AND ATTACK THEIR OPPONENTS UNINHIBITEDLY: MULRONEY,

PAGE 2
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MDHIAN 0779

CROSBIE AND WILSON HAVE VARIOUSLY ACCUSED TURNER OFLYING AND DELIBERATE DECEPTION OF THE ELECTORATE. BUT THEY NOW SEEM TO HAVE OPTED FOR A MORE DIGNIFIED APPROACH WHICH MAY SERVE THEM BETTER, ALTHOUGH THE CONFUSION OVER THEIR STRATEGY HAS BEEN HARMFUL. THEY ARE LIKELY TO DO EVERYTHING THEY CAN TO BROADEN THE DEBATE, REMINDING THE VOTERS OF THE GOVERNMENT'S OVERALL COMPETENCE AND ECONOMIC ACHIEVEMENT AND OF THE VERY HIGH COST OF THE TURNER PROGRAMMES (I UNDERSTAND THE INFLUENTIAL C D HOWE INSTITUTE WILL PUT A PRICE TAG OF CDN DOLLARS 25 BILLION ON THEM IN A REPORT DUE TO BE PUBLISHED TOMORROW). ELECTORAL VOLATILITY, STATISTICAL UNCERTAINTIES IN THE POLLING (WITH VERY WIDE MARGINS OF ERROR IN THE PROVINCIAL SAMPLES) AND REGIONAL DIFFERENCES CONTINUE TO MAKE IT VERY DIFFICULT TO FORECAST THE OUTCOME WITH ANY CONFIDENCE AND ALMOST ANY COMBINATION IS STILL POSSIBLE FROM A CONSERVATIVE MAJORITY TO A LIBERAL MAJORITY, WITH THE SIZE OF THE NDP REPRESENTATION DETERMINING THE CHARACTER AND VIABILITY OF A MINORITY GOVERNMENT.

URWICK

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Canadian High Commission



Haut Commissariat du Canada

19th Jan 89

1700

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Macdonald House
1 Grosvenor Square
London, W1X 0AB

November 7, 1988

CONFIDENTIAL

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a time
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Dear Mr. Powell,

During my initial call on Prime Minister Thatcher on November 1, I raised with her the planned visit to London of Premier Robert Bourassa of Quebec in January 1989 and his interest in meeting her.

Premier Bourassa is particularly interested in discussing Quebec-United Kingdom trade, a subject of considerable importance to Quebec, given the fact that the United Kingdom is Quebec's principal export market in Europe. As I mentioned to Mrs. Thatcher, Premier Bourassa has, over the years, followed closely developments relating to the European Economic Community and he would very much like to discuss with her the evolution of the Community to 1992 as well.

Prime Minister Thatcher was kind enough to indicate that she would see whether something could be worked out.

I thought in view of this response, that I might take up Mrs. Thatcher's suggestion to follow up on our conversation at the official level.

I should be grateful to know, in due course, whether it will be possible to arrange an appointment for Premier Bourassa to meet with Mrs. Thatcher. Since speaking with the Prime Minister, I have learned that Premier Bourassa would appreciate meeting Mrs. Thatcher at any time suitable to her on January 19, 1989.

I should be grateful for any assistance you can give in arranging this appointment.

Yours very truly,

Donald S. Macdonald

Donald S. Macdonald
High Commissioner

Mr. C. D. Powell
Private Secretary to the Prime Minister
Prime Minister's Office
No. 10 Downing Street
London SW1

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MDADAN 5244

RESTRICTED
FM OTTAWA
TO DESKBY 010900Z FCO
TELNO 756
OF 312140Z OCTOBER 88
INFO ROUTINE WASHINGTON

1109

MY TELNO 763: CANADIAN FEDERAL ELECTION

SUMMARY

1. POLLS CONDUCTED AFTER THE TV DEBATES BETWEEN THE PARTY LEADERS SHOW MAJOR GAINS FOR THE LIBERALS, WITH THE OUTCOME OF THE ELECTION NO LONGER ASSURED. THE LIBERAL LEADER HAS SUCCEEDED IN FOCUSING PUBLIC OPINION ON THE FREE TRADE AGREEMENT AND, UNLESS MULRONEY CAN ALLAY THE FEARS, ON WHICH TURNER HAS SUCCESSFULLY PLAYED, HE MAY WELL FAIL TO WIN AN OVERALL MAJORITY.

DETAIL

2. YOU MAY LIKE TO HAVE AN UPDATE ON THE CANADIAN ELECTION SCENE PRIOR TO THE CANADIAN HIGH COMMISSIONER'S CALL ON THE PRIME MINISTER ON 1 NOVEMBER.

3. JOHN TURNER, THE LIBERAL LEADER, IS NOW SEEN AS THE CLEAR WINNER OF THE TV DEBATES BETWEEN THE THREE PARTY LEADERS ON 24 AND 25 OCTOBER AND AS HAVING BOTH WON THE ARGUMENT AND FOCUSED NATIONAL ATTENTION ON THE FREE TRADE AGREEMENT WITH THE US TO THE VIRTUAL EXCLUSION OF OTHER ISSUES. IN DOING SO HE HAS SUCCEEDED IN CAPITALISING ON THE HISTORIC AND DEEPLY FELT CANADIAN FEARS OF ABSORPTION BY THE US AND IN DEPICTING MULRONEY AS QUOTE YIELDING THE KEYS OF THE KINGDOM UNQUOTE.

4. IN THE THREE MOST RECENT POLLS SUPPORT FOR THE LIBERALS HAS RISEN SHARPLY. A CANADIAN TELEVISION (CTV) POLL PUBLISHED ON 30 OCTOBER PUT THE LIBERALS IN THE LEAD FOR THE FIRST TIME WITH 39 PER CENT OF THE VOTE, THE CONSERVATIVES AT 35 PER CENT AND THE NDP AT 23 PER CENT. AN ANGUS REID POLL THE PREVIOUS DAY PUT THE LIBERALS AND THE CONSERVATIVES TOGETHER IN FIRST PLACE, EACH WITH 35 PER CENT OF THE VOTE, AND THE NDP AT 28 PER CENT. GALLUP, PUBLISHED TODAY, IS RATHER LESS DRAMATIC AND SHOWS THE CONSERVATIVES STILL IN THE LEAD WITH 38 PER CENT (DOWN 2 POINTS), FOLLOWED BY THE LIBERALS WITH 32 PERCENT (UP 4 POINTS) AND THE NDP AT 27 PER CENT.

5. ALL THE POLLS ARE AGREED ON THE EXTREME VOLATILITY OF VOTING

INTENTIONS, ESPECIALLY AMONG LIBERAL SUPPORTERS OF WHOM ALMOST 30 PER CENT OF THOSE QUESTIONED IN THE CTV POLL SAID THEY MIGHT CHANGE THEIR MINDS BEFORE THE ELECTION. TRANSLATED INTO SEATS IN THE HOUSE OF COMMONS, THE GALLUP POLL WOULD STILL GIVE THE CONSERVATIVES A SMALL OVERALL MAJORITY. BUT THE MARGIN OF ERROR IS SUCH THAT EVEN A SLIGHT SHIFT IN THE POPULAR VOTE COULD CHANGE THIS.

6. THE EFFECT OF THIS SUDDEN CHANGE IN LIBERAL FORTUNES ON THE MORALE OF THE PARTY WORKERS AND ON TURNER HIMSELF HAS BEEN ELECTRIFYING. UNTIL A WEEK AGO, TURNER LOOKED LIKE A CERTAIN LOSER AND THERE WAS WIDESPREAD SPECULATION THAT HE MIGHT EVEN BE DUMPED BY HIS OWN PARTY WHILE THE ELECTION WAS IN PROGRESS. ALL THIS HAS NOW CHANGED AND THE ELECTION RESULT IS SEEN AS WINNABLE, WITH THE LIBERALS CLOSING RANKS BEHIND THEIR LEADER. FOR THE CONSERVATIVES, IT WILL NO LONGER BE ENOUGH TO REST ON THEIR RECORD AND SEEK TO STAY ALOOF: MULRONEY MUST EITHER WIN THE DEBATE ON FREE TRADE OR RISK DEFEAT AT THE POLLS. AT OTTAWA DINNER TABLES TURNER SUPPORTERS, WHO HAVE BEEN LYING VERY LOW IN RECENT WEEKS, ARE NOW REDISCOVERING THEIR OLD LOYALTIES.

7. FOR THE CANADIAN HIGH COMMISSIONER PERSONALLY, WHO IS A FORMER LIBERAL MINISTER BUT ALSO A FIRM SUPPORTER OF THE FREE TRADE AGREEMENT AND A MULRONEY NOMINEE, A TURNER VICTORY WOULD BE HIGHLY EMBARRASSING AND COULD EVEN COST HIM HIS JOB.

8. FCO PLEASE ADVANCE TO PRIVATE SECRETARY/NO 10 DOWNING STREET.

URWICK >

YYYY

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PS/MR EGGAR
MR GILLMORE

MR FEARN
HD/NAD
~~PS/NO. 10 DOWNING ST.~~
RC.

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PAGE 2
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TO PRIORITY FCO
TELNO 753

OF 281610Z OCTOBER 88
INFO ROUTINE WASHINGTON
INFO SAVING EDMONTON, MONTREAL, VANCOUVER, TORONTO

MY TELNO 741: CANADIAN FEDERAL ELECTION

SUMMARY

1. ALL THREE PARTY LEADERS ACQUITTED THEMSELVES CREDITABLY IN THE TV DEBATES, WITH TURNER (LIBERAL) THE CLEAR WINNER, BUT IT REMAINS TO BE SEEN HOW MUCH OF THE LOST GROUND HE CAN RECOVER. THE LATEST POLLS SHOW GAINS FOR THE LIBERALS AT THE EXPENSE OF BOTH THE NDP AND THE CONSERVATIVES.

DETAIL

2. THERE IS GENERAL AGREEMENT THAT, IN THE DEBATE IN FRENCH ON 24 OCTOBER, MULRONEY DEFENDED HIS GOVERNMENT'S RECORD EFFECTIVELY BUT THAT TURNER WON GENERAL RESPECT FOR A VIGOROUS PERFORMANCE, SHOWING NOT ONLY AN IMPROVED COMMAND OF FRENCH BUT ALSO SCORING ON FREE TRADE AGAINST MULRONEY AND ON SOCIAL POLICIES AGAINST BROADBENT. THE LATTER HELD HIS OWN, BUT HIS FRENCH IS WEAK AND AS A CONSEQUENCE HE MISSED DEBATING OPPORTUNITIES. THE RESULT WAS THAT MULRONEY KEPT HIS GROUND WHILE TURNER MANAGED TO RESTORE HIS OWN AND HIS PARTY WORKERS' MORALE: HE PROBABLY REDUCED THE RISK OF LOSING SOME MONTREAL CONSTITUENCIES TO THE NDP, BUT WHETHER HE SUCCEEDED IN LOOSENING THE CONSERVATIVES' COMMANDING GRIP ON QUEBEC PROVINCE IS MORE DOUBTFUL.

3. IN THE ENGLISH LANGUAGE DEBATE ON 25 OCTOBER (OF INTEREST TO THREE TIMES AS MANY VOTERS) MULRONEY WAS AGAIN ON THE DEFENSIVE AND MOST OF THE TIME SOUGHT TO REMAIN ALOOF AND PRIME MINISTERIAL. HE FENDED OFF ATTACKS ON HIS GOVERNMENT'S MISUSE OF PATRONAGE POWERS, ALTHOUGH TURNER SAW TO IT THAT THE AUDIENCE WERE REMINDED OF HIS ADMINISTRATION'S EARLIER DIFFICULTIES IN THIS AREA. TURNER WAS PARTICULARLY EFFECTIVE IN DEBATING THE FREE TRADE ISSUE, ON WHICH BOTH HE AND MULRONEY VIED WITH EACH OTHER IN DECLARATIONS OF PATRIOTISM. IN DISPUTING TURNER'S CLAIM THAT THE CHANGES FREE TRADE WILL BRING WOULD BE IRREVERSIBLE, MULRONEY RETORTED THAT THE AGREEMENT COULD BE CANCELLED AT 6 MONTHS' NOTICE. THE LIBERALS HAVE SEIZED ON THIS AS FURTHER EVIDENCE OF MULRONEY'S INCONSISTENCY.

COMMENT

4. TURNER'S PERFORMANCE ON 25 OCTOBER HAS BEEN HAILED AS A TRIUMPH BY HIS SUPPORTERS AND HAS CERTAINLY PROVIDED A WELCOME FILLIP FOR HIS PARTY'S MORALE. BROADBENT DID LESS WELL THAN MIGHT HAVE BEEN EXPECTED AND PREDICTABLY CAME IN FOR SHARP CRITICISM OF HIS PARTY'S DEFENCE POLICY (WHICH HE HAD TRIED SO HARD TO CHANGE PRIOR TO THE ELECTION). ON SOCIAL ISSUES TOO TURNER'S PERFORMANCE WAS THE MORE CONVINCING. ALTHOUGH MULRONEY WILL NOT HAVE MADE ANY NEW CONVERTS, HE PROBABLY DID WELL ENOUGH TO MAINTAIN HIS PARTY'S LEAD. THE MAIN QUESTION THEREFORE SEEMS TO BE HOW THE ARGUMENTS BETWEEN TURNER AND BROADBENT WILL AFFECT THEIR PARTIES'S CHANCES OF COMING SECOND. TODAY'S POLLS SHOW THAT THE LIBERALS HAVE GONE SOME WAY TO RESTORING THEIR FORTUNES AT BOTH THE CONSERVATIVES' AND THE NDP'S EXPENSE.

5. TODAY'S MEDIA REPORTS OF FINANCIAL IMPROPRIETIES BY THE CONSERVATIVE CAMPAIGN CO-CHAIRMAN SENATOR MICHEL COGGER IS BAD

NEWS FOR MULRONEY, IF ANY OF THE MUD CAN BE MADE TO STICK. THE LIBERALS WILL NOW SEEK TO CAPITALISE TO THE MAXIMUM ON THEIR LEADER'S SUCCESS IN THE TV DEBATES. APART FROM ONE OR TWO FLASHES OF PERSONAL ANIMOSITY BETWEEN MULRONEY AND TURNER, THESE WERE CONDUCTED AT A HIGH LEVEL AND NEUTRAL OBSERVERS HAVE COMPARED THEM FAVOURABLY AS TO BOTH TONE AND CONTENT WITH THOSE IN THE US ELECTION. NONE OF THE THREE POLITICAL LEADERS MADE A SERIOUS MISTAKE SEMI-COLON CONSEQUENTLY NONE OF THEM WAS ABLE TO SCORE A DECISIVE BLOW, ALTHOUGH MULRONEY NOW LOOKS RATHER MORE VULNERABLE ON FREE TRADE THAN HE DID AT THE OUTSET OF THE ELECTION. THE MAIN OUTCOME OF THE DEBATES WOULD SEEM TO BE THAT THE DRIFT TOWARDS A CONSERVATIVE LANDSLIDE, LIKE THAT TOWARDS A LIBERAL DEBACLE, MAY HAVE BEEN CHECKED.

URWICK

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31/10

M. Melbourne

Re answer from
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TELNO 741
OF 212255Z OCTOBER 88
INFO SAVING EDMONTON, MONTREAL, TORONTO, VANCOUVER

MY TELNO 706: CANADIAN FEDERAL ELECTION

SUMMARY

1. THE FIRST PHASE OF THE CAMPAIGN A MAJOR SUCCESS FOR THE PROGRESSIVE CONSERVATIVES, WITH THE LIBERALS IN FREE-FALL IN KEY AREAS AND THE NEW DEMOCRATIC PARTY MAKING A STRONG SHOWING. BUT OPINION REMAINS VOLATILE. NEXT WEEK WILL SEE THE START OF POLITICAL ADVERTISING AND ALSO THE TV DEBATES BETWEEN THE PARTY LEADERS. WHILE THEREFORE THE LIBERALS STILL HAVE THE OPPORTUNITY TO RETRIEVE THEIR BATTERED FORTUNES, THEY LOOK INCREASINGLY DIVIDED AND INCAPABLE OF SEIZING IT.

DETAIL

2. WITH THREE WEEKS OF THE CAMPAIGN NOW OVER, THE PARTIES ARE NEARING THE HALFWAY MARK. THE CONSERVATIVES HAVE EXPOSED AS LITTLE SURFACE AS POSSIBLE AND MULRONEY IN PARTICULAR HAS CONCENTRATED ON THE ACHIEVEMENTS OF HIS GOVERNMENT AND ITS QUALIFICATIONS TO QUOTE MANAGE CHANGE UNQUOTE (AS HE LIKES TO PUT IT) IN THE FUTURE. THE LIBERALS HAVE FOCUSED THEIR ATTACKS ON THE FREE TRADE AGREEMENT, AS SACRIFICING CANADA'S INTERESTS TO THE US AND THREATENING THE LOSS OF HER NATIONAL IDENTITY. THERE HAVE BEEN SIGNS THAT THESE ATTACKS ARE STRIKING A SYMPATHETIC RESPONSE FROM PART OF THE ELECTORATE, WHICH SEEMS FAIRLY EVENLY DIVIDED ON THE ISSUE. BUT THE SECOND PRONG OF THE LIBERAL STRATEGY - TO BRING OUT ATTRACTIVE SOCIAL POLICY PROPOSALS - HAS BENT IN THEIR HANDS: SOME OF THE PROPOSALS HAVE BEEN BADLY PRESENTED, WHILE OTHERS HAVE LITTLE TO DISTINGUISH THEM FROM THE OFFERINGS OF THE OTHER TWO PARTIES. THE NDP, FOR THEIR PART, HAVE MADE THE MOST OF THEIR LEADER'S POPULARITY AND HAVE PRODUCED A SERIES OF STRUCTURED AND NOT IMPLAUSIBLY COSTED PROPOSALS (EG ON TAXATION) DESIGNED TO SECURE GREATER FAIRNESS, RATHER THAN SEPARATE POLICIES AIMED AT SPECIFIC GROUPS.

3. TO JUDGE FROM THE POLLS, THE CONSERVATIVE AND NDP STRATEGIES ARE PAYING OFF HANDSOMELY. OVERALL, THE CONSERVATIVES SEEM TO HAVE ESTABLISHED THE SUPPORT OF OVER 40 PER CENT OF THE DECIDED VOTE, WITH THE NDP AT 29 PER CENT OVERTAKING THE LIBERALS

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(25 PER CENT). THE UNDECIDED VOTE IS DOWN TO 10 PER CENT, A VERY LOW FIGURE BY PAST CANADIAN STANDARDS.

4. THE REGIONAL VARIATIONS REFERRED TO IN TUR HAVE BEEN ACCENTUATED. IN ONTARIO THE THREE PARTIES ARE NECK AND NECK, BUT IN QUEBEC THE LIBERALS ARE IN PRECIPITOUS DECLINE. IN THE PRAIRIES THE CONSERVATIVES REMAIN UNASSAILABLE. IN BRITISH COLUMBIA SUPPORT IS EVENLY DIVIDED BETWEEN THE CONSERVATIVES AND THE NDP, WHO MAY BE EDGING AHEAD. ONLY IN THE ATLANTIC PROVINCES DOES LIBERAL SUPPORT APPEAR TO BE HOLDING REASONABLY FIRM. IF (AND IT IS A LARGE IF) THIS PATTERN WERE TO OBTAIN ON POLLING DAY, THE CONSERVATIVES SHOULD HAVE A COMFORTABLE MAJORITY AND THE NDP A GOOD CHANCE OF BEATING THE LIBERALS INTO THIRD PLACE. BUT THERE WILL BE MANY CLOSE THREE-WAY CONTESTS, IN WHICH THE OUTCOME COULD BE DETERMINED BY QUITE SMALL LOCAL VARIATIONS IN SUPPORT. SO ALL THE PARTIES STILL HAVE MUCH TO PLAY FOR.

5. TWO KEY FEATURES IN THE REMAINDER OF THE CAMPAIGN WILL BE THE IMPACT OF THE TELEVISED DEBATES BETWEEN THE PARTY LEADERS AND OF POLITICAL ADVERTISING IN TV AND THE PRESS (WHICH IS ONLY PERMITTED DURING THE LAST MONTH OF THE CAMPAIGN). AS REGARDS THE DEBATES, THE AGREEMENT REPORTED IN PARA 3 OF MY TUR BROKE DOWN: THE CABLE COMPANIES REFUSED TO ACCEPT THE REVENUE LOSS ENTAILED BY HOLDING MORE THAN ONE DEBATE IN EACH LANGUAGE. ALL PARTIES EVENTUALLY AGREED THAT THERE WOULD BE ONE 3 HOUR DEBATE IN FRENCH ON 24 OCTOBER AND ONE IN ENGLISH ON 25 OCTOBER, WITH ONE HOUR IN EACH DEBATE BEING RESERVED FOR QUOTE WOMEN'S ISSUES UNQUOTE. IN THE LAST ELECTION IT WAS THE TV DEBATE WHICH PRODUCED THE TURNING-POINT IN THE FORTUNES OF THE LIBERAL PARTY WHEN MULRONEY PROVED ABLE TO DELIVER A KNOCK-OUT PUNCH ON THE ISSUE OF POLITICAL PATRONAGE.

6. A FEATURE OF THE CAMPAIGN SO FAR HAS BEEN THE FAILURE OF THE PARTIES TO ENGAGE IN DIRECT DEBATE ABOUT THEIR PROPOSALS. THEY HAVE SOUNDED THEIR SEPARATE TRUMPETS AND WAITED TO SEE WHO WOULD FOLLOW. EVEN THE STYLISED DEBATES BETWEEN LEADING ADVOCATES AND OPPONENTS OF THE FREE TRADE AGREEMENT, ORGANISED BY CBC TELEVISION THIS WEEK, HAVE HAD THE SAME DREAMLIKE CHARACTER. THE START OF THE PARTIES' ADVERTISING CAMPAIGNS AND THE TV DEBATES BETWEEN THE LEADERS NEXT WEEK, TOGETHER WITH THE FEEDBACK FROM DOOR TO DOOR CANVASSING IN THE CONSTITUENCIES, ARE LIKELY TO MOVE THE CAMPAIGN INTO HIGHER GEAR. WHEN THAT HAPPENS, WE MAY HEAR MORE ABOUT DEFENCE AND FOREIGN POLICY ISSUES ON WHICH THE PARTIES (DESPITE DESPAIRING GOADING FROM THE PRESS) HAVE

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REMAINED STEADFASTLY SILENT.

7. IT SHOULD THEN BE POSSIBLE TO SEE HOW SOLID THE PRESENT PATTERN OF OPINION REALLY IS. BUT IT COULD WELL BE THAT, BY SEWING UP THE LIBERALS' TRADITIONAL POWERBASE IN QUEBEC, THE CONSERVATIVES HAVE ALREADY BROKEN THE MOULD OF CANADIAN POLITICS. CERTAINLY MULRONEY'S BILINGUALISM, THE FACT THAT HE IS A CATHOLIC AND HIS POLICY SUCCESSES (NOTABLY THE MEECH LAKE ACCORD) TOGETHER WITH DEEP DIVISIONS AMONG THE QUEBEC LIBERALS HAVE SET THE SCENE FOR SUCH A CHANGE DESPITE THE STRENGTH OF THE (ORGANISATIONALLY DISTINCT) PROVINCIAL LIBERAL PARTY IN THE PROVINCE. MOREOVER THE CONSERVATIVES HAVE, LIKE THE LIBERALS OF OLD, DONE MUCH TO ATTRACT DIFFERENT GROUPS OF PEOPLE ACROSS THE COUNTRY THROUGH SPECIFIC PIECES OF LEGISLATION AND IN DOING SO HAVE STOLEN MANY OF THE LIBERALS' CLOTHES. THE LIBERALS, IN MOVING LEFTWARDS, HAVE FOUND THEMSELVES IN COMPETITION WITH THE NDP WHOSE INEXPERIENCE AND LACK OF NATIONAL COVERAGE ARE COMPENSATED FOR BY THE FRESHNESS AND THE VERY CONSIDERABLE PUBLIC APPEAL OF THEIR LEADER. THE SIGNS ARE THAT IN ONTARIO THE CERTAINTY THAT THE LIBERALS WILL NOT WIN NATIONALLY IS CAUSING TRADITIONAL SUPPORTERS TO DESERT TO ONE OF THE OTHER TWO PARTIES.

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NNNN

FROM: S W F Martin
Protocol Department
DATE: 28 September 1988
cc: Private Secretary
PS/No 10
PS/Mr Eggar
PS/Mr Patten
PS/PUS
PA/Mr Gillmore
PA/Mr Fearn
PA/Mr Hervey
PA/Mr Burns
PA/Mr Stitt
Mrs Link, Protocol

Mr Burns
NAD

1. The new High Commissioner for Canada, the Hon Donald S Macdonald PC, is due to arrive in London on Wednesday 5 October and will assume his functions immediately.
2. An appointment with the Prime Minister to present the Letter of Introduction will be arranged in due course and is likely to take place in late October. An audience of Her Majesty will be arranged and is also likely to take place in late October.
3. In due course you should arrange for the appropriate FCO Minister to give a lunch in honour of the High Commissioner. Protocol Department should be kept informed of this.
4. Appointments for the High Commissioner to pay his initial calls at the FCO have been made as follows:

	<u>Date</u>	<u>Time</u>
Secretary of State	Fri 7 Oct	12 Noon
Assistant Under Secretary (Mr Fearn)	7 Oct	12.30 pm
Head of NAD	Tues 11 Oct	11.00 am
Parliamentary Under Secretary (Mr Eggar)	11 Oct	11.30 am
Vice Marshal of the Diplomatic Corps	11 Oct	12 Noon
Permanent Under Secretary	11 Oct	3.30 pm
Deputy Under Secretary (Mr Gillmore)	11 Oct	4.00 pm
Head of CCD (Mr Stitt)	11 Oct	4.30 pm

5. For these calls would you please prepare a biography of the new High Commissioner and a short brief on our relations with Canada. This brief MUST include:

- i) the name of our High Commissioner, date of his appointment and (if known) anticipated date of departure.
- ii) a mention of when the Secretary of State last met the Foreign Minister of Canada (including name).
- iii) the performance of the High Commission in London on paying parking fines and on any other abuses of its diplomatic immunity (this information will be supplied to you by Immunities Section of Protocol Department).

This biography and brief should be given the following distribution:

Top copy on blue paper to:

Protocol Department - to forward to the Marshal of the Diplomatic Corps for Her Majesty The Queen. This copy should have the date and 'Foreign and Commonwealth Office' typed at the bottom.

Private Secretary (10 Downing Street)

/Other copies..

Other copies on white paper to:

Private Secretary - for the Secretary of State

APS to Secretary of State

Mr Eggar

PUS

DUS (Mr Gillmore)

AUS (Mr Fearn)

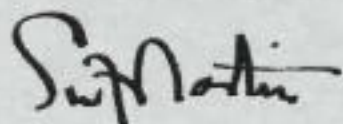
AUS/ODA

Vice Marshal of the Diplomatic Corps

Head of NAD

Head of CCD

3 copies to Protocol Department for Mr Martin (to arrive
before first courtesy call, please).



28 September 1988

S W F Martin
Protocol Department



FILE KIC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

12 September 1988

Thank you for forwarding the signed photograph for the Prime Minister from Prime Minister Mulroney, together with the other two photographs. I know that Mrs. Thatcher will be most grateful.

(C. D. POWELL)

Mrs. Lynne Carter

Canadian High Commission



Le Haut Commissariat du Canada

Macdonald House
1 Grosvenor Square
London, W1X 0AB

September 9, 1988

Dear Mr. Powell,

Please find enclosed a photograph signed by Prime Minister Mulroney for Prime Minister Thatcher. I am also enclosing two copies of the photograph which appeared on the cover of Canada Today. These photos, taken at the Economic Summit in Toronto, have been somewhat delayed because of the postal interruptions.

Yours sincerely,

A handwritten signature in cursive script that reads "Lynne Carter".

(Mrs.) Lynne Carter
Executive Assistant to
the High Commissioner

Mr. Charles D. Powell
Private Secretary (Overseas Affairs)
Office of the Prime Minister
10 Downing Street
London, SW1A 2AA

file from

MR. POWELL

The attached message from Mr. Mulroney
is self-explanatory. I have acknowledged
receipt.

P. A. BEARPARK

5 August 1988

PW



Mr. P...

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

5 August 1988

Thank you for your letter of 5 August to Charles Powell with which you enclosed a message from Mr. Mulroney. I have arranged for this to be transmitted to the party in Australia.

P. A. Bearpark

Mr. Louis A. Delvoie

Message from Prime Minister Mulroney to Prime Minister Thatcher

"Mila and I would like to convey our admiration for the dignity and courage which you displayed in response to the demonstrations you encountered in Australia. We have followed your visit on Canadian television and are appalled at the misbehaviour of the demonstrators. Your dignity in the face of these very difficult circumstances is truly remarkable.
With every best wish of support.

Brian Mulroney"

SUBJECT

CC MASTER
OPS

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 121/88

cc/c

Canadian High Commission



Haut Commissariat du Canada

London
August 5, 1988

Mr. Charles Powell
Private Secretary to the Prime Minister
10 Downing Street
London

Dear Mr. Powell,

I should be most grateful if you would
transmit to Prime Minister Thatcher the attached
personal message from Prime Minister Mulroney.

With best personal regards.

Yours sincerely,

L. A. Delvoie
L. A. Delvoie
Acting High Commissioner



R4/7
BRITISH HIGH COMMISSION
80 ELGIN STREET
OTTAWA K1P 5K7

30 June

CDP
4/7

Dear Charles,

Following your recent
visit here, I thought you
might just possibly be
amused to see the enclosed
(First Impressions" are not an
art form to which I have
ever been much attracted).

The visit here was a
temporary success and the
Kuloney took a look, while
Kinn, Innes & Broadbent
took their words. However
the opinion polls remain
obstinately static i.e. showing
the three parties more or

ten level-teggin

I snowed eyes
the visit and covered
the opportunity to see
that incredibly efficient
hard-working equipo
around the PN at work
and get to know them
a little better. Bernard
held a celebrati definitely
the high point.

I do hope you will
be allowed a little break
during the summer. I
depart for rural hillside
troughs and am great looking
forward to next cultural sessions!
Yours ever, Alan

FIRST IMPRESSIONS OF CANADA

The British High Commissioner in Ottawa to the
Secretary of State for Foreign and Commonwealth Affairs

SUMMARY

1. Canada a loose and quarrelsome Confederation and there is an unending tug of war between Ottawa and the Provinces. But Mulroney, by his conciliatory approach embodied in the Meech Lake agreement, has cut the ground from under the Quebec separatists. (Paras 1 - 4)
2. A fast growing economy no longer dependent on oil and other primary products for growth; nonetheless Canada's huge energy reserves are an asset for the Western world. But Canada is living beyond her means. (Paras 5 - 7)
3. The US is now overwhelmingly Canada's most important trading partner and the Canada/US Free Trade Agreement, negotiated by the Mulroney Government and recently blessed by the G7 Summit, is likely to be the principal issue in the forthcoming elections. Canadian fears of absorption by the US and uncertainty about their place in the world. (Paras 8 - 11)
4. Britain and Canada still have a special relationship and there is a great deal we can do together. British exports are growing fast, but should do even better when the commercial work of our Posts is directed from Toronto by the new Director of Trade Promotion and Investment. With our many shared problems and interests, we must take care not to allow our two countries needlessly to grow apart. (Paras 12 - 15)

BRITISH HIGH COMMISSION

OTTAWA

29 June 1988

The Right Honourable
Sir Geoffrey Howe QC, MP
LONDON

Sir,

FIRST IMPRESSIONS OF CANADA

1. Now that I have visited all ten Provinces of Canada, undergone an FCO inspection, observed a Winter Olympics at Calgary and a G7 Summit in Toronto and participated in the Prime Minister's recent highly successful visit to Ottawa, the time has come to set down some first impressions: avoiding, if I can, too many of the familiar clichés about the vast, underpopulated country with a proprietary claim on the 20th century. I do so with diffidence: 20 years, not 6 months, are needed to understand this often baffling country where nothing is quite what it seems to be.

A Loose and Quarrelsome Confederation

2. That Canada was a Confederation in which very considerable powers rested with the Provincial Governments, I knew before I came; it would be difficult to envisage a democratic system of government operating effectively over such huge distances without a large measure of devolution. Even so, I was unprepared for the often tense and unending tug of war which characterises relations between Ottawa and the Provinces. Holding Canada together, balancing the interests of its different regions (or sometimes deliberately favouring one at the expense of the others for political reasons), is an unremitting and exhausting task which absorbs a large part of the energies of her Federal politicians.

3. Nonetheless Canada has come a long way since the 1960s when Quebec separatism threatened the very existence of the confederation and civil war seemed a possibility. The Quebec nationalist party is struggling to find a cause to rekindle its electoral hopes. Most Quebecers, especially in Montreal, are instead reaping the fruits of the Quiet Revolution: francophone Quebecers now dominate the Quebec industrial and financial scene and are making their mark beyond the Province. The Bourassa government gives the new entrepreneurs every encouragement and is seeking to secure the Province's economic future through the development of its huge hydro-electric resources and high-technology industries. But Quebec never allows the Federal Government to forget that its goodwill and continued cooperation are conditional upon a steady flow of Federal favours: not for nothing is Bourassa nick-named The Fox.

4. Mulroney for his part is by character and conviction very different to Trudeau. The son of an Irish immigrant raised in rural Quebec, he believes that Quebec and Canada can be reconciled and that his own approach, in contrast to the high-handed and disdainful centralism of Trudeau, can achieve this result. By forcing Quebec to state its terms for voluntary adhesion to the 1982 Constitution and then accepting them, Mulroney removed an essential plank in the separatists' platform. But the Meech Lake Accord which incorporates this deal still has hurdles to overcome and poses two questions. Did the Federal Government pay too high a price for Quebec's signature in terms of further dissipation of its powers, and has the agreement really brought permanent peace? Neither question can yet be clearly answered; linguistic tensions remain close to the surface, both in Quebec and in the anglophone provinces reluctant to accept bilingualism.

A Prosperous Economy, but

5. The Canadian economy as a whole has also been growing fast over the last six years, faster than almost any other OECD country, and should maintain this record in 1988; the outlook for 1989 is for continued growth, albeit at a rather slower pace. Canada is one of the world's wealthiest countries: with well under half the population of the UK, her GDP is 70% of ours. But the growth is unevenly spread and has been maintained in spite of the decline in the price of oil, grain and some other commodities on which Canada used to depend for her exports. The motors of Canadian prosperity are now elsewhere: in the burgeoning high-technology factories near most of Canada's principal cities, in the automobile industry nurtured by the Auto-Pact with the US and in the commercial and financial enterprise of a number of very large companies such as Northern Telecom, Bombardier and Lavalin and of the business families like the Bronfmans, Westons, Reichmans, Irvings and a score or so others in whose hands wealth is concentrated to an extent even the US cannot match.

6. Even though the importance of energy products in the Canadian economy has lessened with the drop in oil prices, it is just as well for the Western world that such vast energy resources, in both conventional and non-conventional crude as well as gas and uranium, are located in Canada and require only a rise in price to bring them into production: they should serve as a brake on any unreasonable demands by the OPEC countries if world demand for oil once again outruns supply. The future for Canada's agriculture and especially for the grain farmers of the Prairies, hit by drought and uncertain markets, looks bleak despite heavy subsidies from the Federal Government. With 80% of her wheat being exported, the success of the GATT negotiations in reducing subsidies is crucially important for Canada. Meanwhile farmers are leaving the land in considerable numbers and a further reduction in the acreage under cultivation seems inevitable.

7. An underlying source of concern is the propensity of Canadians to live beyond their means. The accumulated national debt now amounts to about Canadian \$300 billion and one-third of all government tax revenues goes towards paying the annual interest. Although the annual deficit has been reduced from a peak of C\$38 billion to an estimated C\$29 billion in the present financial year, the Mulroney government in spite of its large majority in the Commons and

excellent intentions at the outset, has shied away from taking the measures needed to tackle the problem. It is now too late for the present government and it will require courage for any successor to touch the sacred cows which the generous and universal welfare programmes represent. So an opportunity has been lost, with potentially serious long-term consequences, although it should be borne in mind that the deficit in 1987 represented not more than 4.5% of GDP.

Canada and the Rest of the World

8. For Canada the relationship with her immensely powerful and populous Southern neighbour, with whom she lives in somewhat uncomfortable propinquity, is the dominant theme in her external policy. The negotiation of the Canada/US Free Trade Agreement, recently blessed by the G7 Summit, has been the most important achievement of the Mulroney government and is likely to be the principal issue in the forthcoming Federal elections. More than three-quarters of Canada's external trade is with the US and the Mulroney government sees it as essential for Canada's economic survival, let alone her continued economic growth, that the impact on her of any increase in protectionism in the US should be mitigated. The agreement has however been bitterly opposed by the Federal Liberal Party (traditionally the supporters of free trade with the US) and by the Liberal Premier of Ontario (although his Province stands to gain more from it than any other), but is being strongly backed by the Liberal Premier of Quebec - such anomalies are the stuff of Canadian politics.

9. Those against the agreement often cite specific grounds for their opposition: for example, that it will give the US unrestricted access to Canada's energy resources. But the underlying fear expressed to me by both the Liberal and the NDP leaders and of the many who think like them is that it will lead to the gradual absorption - economic, cultural and eventually political - of Canada by the US. Already, superficially at least, the process has gone quite far. Canadians are subjected to a daily bombardment of US television programmes. Canadian towns, with their motels, shopping malls, ice-cream parlours and ubiquitous advertisements for American consumer goods, look much like their US counterparts. Large sections of Canadian industry and real estate are American owned, although the Reichmans and Campeau have shown that it can be a two-way process. Yet Canada's whole history is based on her separation from the US: it is the colony which successfully defied the Revolution and provided a refuge for the Loyalists. Laura Secord (under whose name chocolates are now sold in every Canadian shopping mall) was the heroine of the war of 1812, when Canada again successfully resisted an attempted American invasion. Canada's continued allegiance to the Crown remains a potent symbol of the different path chosen by Canada.

10. This helps to explain the furore on the Opposition benches when Mrs Thatcher told the Canadian Parliament last week that, just as Britain's personality had survived entry into the European Community, so too would Canada's survive Free Trade with the US. Many Canadians are less sure. They lack 1000 years of history to give them confidence and the US is proportionately so much larger than France, Italy or Germany: Americans also speak the same language.

Canadians value and are loth to lose some of the things which make Canada different from the US: her excellent health and social services and a social ethic which emphasises the public no less than the private good, the cleanliness and relative absence of crime on her streets, her so-called multiculturalism in which all races and cultures are accommodated rather than being forced into a single mould. The proponents of free trade would stand these arguments on their head, saying that Canada's continued prosperity depends on unhindered access to the US market and that if she fails to grasp her economic future, she will gradually sink into genteel poverty and one day be forced to seek union with the US on disadvantageous terms rather as Newfoundland entered the Canadian confederation.

11. While geography and economic factors impel Canada into an ever closer relationship with the US, culturally most Canadians feel in many ways more akin to Europe. As membership of the European Community is clearly excluded and as they are not strong enough to stand on their own like Japan, they seek to balance their relationship with the US through membership of other groupings, playing an active role in the Commonwealth and at the United Nations and thus trying to avoid the feeling that they have been left out or are being marginalised. NATO membership too is helpful in placing their defence in a multilateral context and they see the countries of the Pacific rim as an increasingly important outlet for their trade. Over time, as Canada's population increases through immigration, her economy becomes stronger and her self-confidence grows, she should be able to find the role she is seeking: especially if the removal of trade barriers makes membership of this or that grouping less important in the global economy of the future. Meanwhile her search for a distinct personality finds expression in her large and effective aid programme, her role in UN peacekeeping and her assertion of leadership in the Commonwealth over South Africa. But there is a lingering uncertainty about Canada's place in the world, and traces too of a quite unwarranted inferiority complex. Ottawa, perhaps partly because it is not in the mainstream of Canada's economic activity, seems particularly susceptible to the influence of pressure groups, sometimes leading to the adoption of policies which do not entirely coincide with a broader view of Canada's interests. Discussions in the Department of External Affairs frequently have a slightly academic character; one's interlocutors are interested, but somehow do not seem really involved in the events they are discussing. It must also be said in parenthesis that, in their eager but often short-lived espousal of good causes and moral crusades, the Canadians can irritate with their singular blend of New World innocence and Anglo-Saxon moral superiority.

Canada and the UK

12. It is a common-place that things are not what they used to be between Canada and the UK. Nor can they be: just as Canada has been drawn into the US economic orbit, so Britain's trade is increasingly with the European Community countries. Our shared history carries a special liability, in that our relationship can so easily be soured by the appearance of either indifference or condescension. But without harking back to a past to which there can be no return and which many Canadians are glad to have shaken off, there is still a very great deal which we can do together in an

increasingly interdependent world, building on the many close affinities between us. The underlying relationship has remained a special one in so many different ways: a shared monarchy and political institutions, language and culture and innumerable family and personal links. Our exports to Canada continue to expand rapidly, in spite of an adverse exchange rate, and investment in both directions has been growing even faster. Increasingly, British companies look to Canada as a good base from which to tackle the North American market and Canadian companies feel the same about Britain in relation to the EC. Here too the Mulroney government has been helpful, dismantling most of the regulations and institutions which put difficulties in the way of inward investment into Canada, while Canadian firms have taken advantage of the warm welcome now awaiting overseas investors in the UK. The ambitious programme for re-equipping the Canadian armed forces, launched about a year ago, has created important opportunities for us as potential suppliers of helicopters, tanks, nuclear-powered submarines and communications equipment, all of which feature on Canada's extensive shopping list.

13. For some time there has been a feeling at home, particularly in the Department of Trade and Industry, that well as we are doing in the Canadian market we could do even better if our trade promotion effort were to be more closely coordinated and directed from Toronto, Canada's commercial capital, rather than from Ottawa as at present. To this end a new Toronto-based post of Director of Trade Promotion and Investment is to be created and the Consulate-General in Toronto reinforced to enable it to fulfil a coordinating role for our commercial work in Canada on the model of the British Trade Development Office in New York.

14. I am confident that these new arrangements can be made to work and that our posts will do everything they can to ensure their success. But if we are to seize the increased opportunities which I believe Canada holds out for us, we shall also depend heavily on back-up from home and especially on the ability of the DTI regional offices to play their full part in export promotion. All of us therefore await with interest the emergence of the new approach to export promotion being developed in London. But whatever balance is drawn between responding to enquiries from British business and seeking out new opportunities for our exporters, it will remain important to avoid treading on Canadian sensitivities by treating Canada as a mere offshoot or extension of the US market: there could be no surer way of offending this particular customer. We must also avoid appearing to act directly against Canada's own interests, as in the case of the proposed fur-labelling order. I trust therefore that during my time here we shall be able to respond fully to the ever-growing interest in the Canadian market on the part of British firms and that we shall also have a useful role to play in encouraging further Canadian investment in the UK.

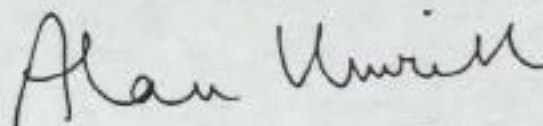
15. Our relationship with Canada is multifaceted and, given her increasing role in the world the fact that we belong to so many of the same international organisations and groupings, the opportunities for consultation with each other are many: she can be a useful ally, but also a troublesome opponent. As I have

travelled around Canada talking to Provincial Ministers and officials, I have been struck by the similarity of so many of our preoccupations: the rising cost of health care, educational reform, minority communities to cite only a few examples of problems we have in common. In these and other areas, there is a lively interchange and also an evident keenness to learn from each other's experience, which gives the lie to those who affirm that our two countries are no longer relevant to each other. But we can never take the relationship for granted: and, as a new generation of Canadians grows up so many of whom will have come from Asian or Middle Eastern countries and thus have no family or other ties with the UK, it will be more than ever important to maintain a steady flow of young people in both directions and thus ensure that we do not needlessly grow apart. The revival of the Athlone scholarship scheme can make a valuable contribution to this aim.

16. I am sending copies of this despatch to HM Ambassador in Washington and to the Ministry of Defence, the Department of Trade and Industry, the Overseas Development Administration and to our Consuls-General in Canada.

I am, Sir,

Yours faithfully,



A B Urwick

Skut



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

1 July 1988

The Prime Minister has asked me to thank you for your very kind letter of 27 June about her speech in Ottawa. She very much appreciated your thought in writing and in sending her the extract from Hansard of that afternoon's Question period.

(C. D. POWELL)

Mr. Thomas Brewster Manton

A handwritten mark, possibly initials or a signature, located in the bottom right corner of the page.



SLW

10 DOWNING STREET

PRIME MINISTER

You may like to see the attached enthusiastic response to your speech in Ottawa. I have written to thank Mr. Manton.

(C. D. POWELL)

1 July 1988

A handwritten signature, possibly 'M', in the bottom right corner of the page.



RIATRADE, INC.

A Resources & Industries Associates Co.

June 27, 1988

The Right Hon. Margaret Thatcher
10 Downing St.
London SW1
United Kingdom

Dear Prime Minister:

Heartiest congratulations on your excellent speech in our House of Commons in Ottawa last Wednesday.

You spoke the truth about Britain's experience with Free Trade with the EEC and Canada's opponents to our free trade agreement with the U.S. couldn't quite stomach your advice to us. Their arguments are devoid of historical precedent and rooted in the myths of a by-gone era. Your advice was welcomed by all of us in Canada who not only respect the economic miracle you have performed in Britain but also by the forthright leadership you have given the western alliance.

The outstanding lesson you offer is "we have learned that it is not Governments which create wealth, but people, provided we have policies which encourage them to do it."

You might be interested in Hansard's report not only on your speech but also Prime Minister Mulroney's introduction and the words of appreciation of the Speakers of the Senate and House.

You are undoubtedly aware of the controversy you caused with the opposition. Enclosed also is a copy of Hansard's report on the House's afternoon Question Period in which our loyal opposition took pot-shots at your excellent advice to us here in Canada.



The Right Hon. Margaret Thatcher

Page 2

My university-aged son, Ted, and I had the opportunity of seeing you very briefly the day after your speech in Ottawa as you were leaving your own Question Period in the House of Commons in London. Most unfortunately we couldn't get in to the House to see you during your Question Period.

Prime Minister, we admire your unwavering pursuit of both free enterprise and personal freedom -- the twin pillars of our democracy.

Warmest personal regards,

A handwritten signature in dark ink, appearing to read 'Tom Manton', written in a cursive style.

Thomas Brewster Manton
Chairman

cc: Hon. Alvin Hamilton, P.C., M.P.

Enc.

Oral Questions

the words "docu-drama" at the beginning and offering to produce another film on Air Vice-Admiral Bishop will erase its guilt.

This film denigrates Billy Bishop, pains his living relatives, and defames every man and woman who wears or ever wore the Canadian uniform.

If the National Film Board still refuses to withdraw this disgraceful film from circulation, I ask the Government to appoint a new Board that will listen to the people.

• • •

• (1430)

BY-ELECTIONS

VACANCY IN ROSedale CONSTITUENCY

Hon. Bob Kaplan (York Centre): Mr. Speaker, the people of the Toronto area have watched with interest while the by-election unfolded in Lac-Saint-Jean. Why has the Government not yet called an election in Rosedale? Why are the people of Rosedale jeopardized by not having a Member of Parliament representing them here? Furthermore, why are they jeopardized by not having the government formula of largesse and generosity which accompanies the Government's style for calling by-elections, with \$164 million of new promises in Lac-Saint-Jean and over \$1 billion indirectly?

Does the Prime Minister (Mr. Mulroney) have a good friend left whom he has not yet taken care of? If so, let that friend run in Rosedale. I urge the Government to direct its promises into the much needed area of housing where, in the past, federal government assistance has been very valuable.

• • •

[Translation]

SAGUENAY—LAC-SAINT-JEAN

150 YEARS OF HISTORY—GREAT RALLY OF THE TREMBLAYS—
TRIBUTE TO FOUNDERS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, the Saguenay-Lac-Saint-Jean region will be holding an important event this summer as we celebrate our first 150 years of history. All sorts of activities and events will be taking place throughout the summer. Among others, this week the Saguenay-Lac-Saint-Jean will be hosting the great rally of the Tremblays which will coincide with our "fête des Québécois" festivities on June 23, 24 and 25. Did you know, Mr. Speaker, that Tremblay is the surname of almost 15 percent of the people, some 45 000 in all, in the Saguenay-Lac-Saint-Jean area?

On the occasion of this 150th anniversary, Tremblays from all over the world will congregate to the Saguenay-Lac-Saint-

Jean to celebrate together our 150 years of history. Alexis Tremblay, familiarly known as "Picoté", was one of the founders of our region. Some 150 years ago, Alexis Tremblay decided that the Saguenay-Lac-Saint-Jean would be where his family would take root, and it did, Mr. Speaker!

In the name of all my colleagues here in the House, I would like to pay tribute to this great family on the occasion of its anniversary celebrations being held this week in Saguenay-Lac-Saint-Jean.

• • •

[English]

ENVIRONMENTAL AFFAIRS

HELSINKI ACID RAIN AGREEMENT—NON-SIGNATORIES BRITAIN
AND UNITED STATES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, how could President Reagan and Prime Minister Thatcher agree to the Toronto Summit communiqué calling on strengthened international co-operation among all countries to protect the environment when the United States and Great Britain have not signed the Helsinki Protocol to cut acid rain-causing sulphur dioxide emissions? How could Reagan and Thatcher keep a straight face while agreeing to the Summit statement at a time when they are stalling negotiations in Geneva on another acid rain-causing pollutant, nitrous oxides?

Our natives speak of people with forked tongues. If Reagan and Thatcher do not speak with forked tongues, then they should practise what they preach by joining Canada, France, West Germany, Italy and 17 other nations in signing the Helsinki Agreement on Acid Rain. Next, they would instruct their negotiators in Geneva to reach an international agreement to control acid rain caused by nitrous oxides.

We heard statements on the environment from summits before. Neither Reagan nor Thatcher has so far showed any willingness to put their theory into practice. Will they this time?

Mr. Speaker: I should advise Hon. Members that Question Period, which will now begin, will end at approximately 3.20 p.m.

ORAL QUESTION PERIOD

[English]

EXTERNAL AFFAIRS

UNITED KINGDOM PRIME MINISTER'S COMMENTS ON CANADA—
UNITED STATES FREE TRADE AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we on this side of the House share the great respect there is in this country for Prime Minister Thatcher and we

value our relationship with Great Britain. We were glad to welcome her to this House of Commons this morning.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): My question is directed to the Deputy Prime Minister. Did the Prime Minister of Canada have prior knowledge of the text of the speech—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra):—delivered by the—

Some Hon. Members: Oh, oh!

An Hon. Member: You have to do better than that.

Mr. Speaker: The Right Hon. Leader of the Opposition has the floor.

Mr. Turner (Vancouver Quadra): Did the Prime Minister of Canada have prior knowledge of the text of the speech delivered by Prime Minister Thatcher to Parliament this morning? If so, did the Prime Minister, despite his own views and despite the views of his Government, advise her that her comments on the trade deal with the United States were inappropriate—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Foster: Right on.

Mr. Turner (Vancouver Quadra):—were inappropriate in that she interfered in our national debate on an issue that is likely to dominate the next general election in Canada?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is the most insulting question I have ever heard in the House of Commons.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

An Hon. Member: Answer it.

Mr. Forrestall: Shame on you.

Mr. Mazankowski: The Right Hon. Leader of the Opposition should be ashamed of himself. The answer is no.

Mr. Turner (Vancouver Quadra): I would hope that the Deputy Prime Minister would have been proud enough to stand up and defend the sovereignty of this nation.

Some Hon. Members: Hear, hear!

REQUEST THAT GENERAL ELECTION BE HELD

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Canadians admire and respect Great Britain and we

Oral Questions

admire and respect the United States. However, I want to tell the Deputy Prime Minister that we are no longer a colony of Great Britain and we do not want to become a colony of the United States.

Some Hon. Members: Hear, hear!

Ms. Copps: Right on!

Mr. Turner (Vancouver Quadra): I want to say to the Deputy Prime Minister and the Prime Minister that Canadians no longer need the advice or approval of any foreign power as to how we will conduct our external and trade relations. We need nobody else to help us make up our minds as to how we will solve Canadian issues.

The Government's trade deal with the United States is an issue to be decided by Canadians in Canada, debated by Canadians in Canada.

Mr. McDermid: It is before the House right now.

Mr. Turner (Vancouver Quadra): My question is for the Deputy Prime Minister. Under the circumstances, does the Prime Minister not think the time has arrived to go to the Canadian people on this issue and have Canadians decide the trade issue with the United States now, before we go any further with this issue in Parliament?

• (1440)

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): What we are seeing is an act of desperation, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Mr. Mazankowski: What is fundamentally different between the Liberal Opposition and members of the Government—

An Hon. Member: We stand for Canada!

Ms. Copps: Right on!

Mr. Mazankowski:—is the Prime Minister, the Cabinet, the members of the Government, all have respect, and show it, for visiting dignitaries. Whether it is the Prime Minister of England, the President of the United States, the President of France, the Chancellor of West Germany, we treat our visiting dignitaries with respect. We give them the honour they deserve, and I am surprised that the Hon. Leader of the Opposition would not do likewise. I find that very, very strange.

He says this issue should be debated in the House of Commons. I agree. The Opposition has used every trick in the book to prevent it from being debated in the House of Commons.

Oral Questions

Some Hon. Members: Hear, hear!

Mr. Mazankowski: If the Leader of the Opposition was so interested in the debate, he could have been here yesterday to debate the issue when it was brought to the floor of the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I don't notice the Prime Minister here to report on the Summit or to defend himself today.

An Hon. Member: He'll be here.

Mr. Turner (Vancouver Quadra): I hope so.

Mr. McDermaid: You got the report and you don't like it.

Mr. Speaker: The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I want to say to the Deputy Prime Minister that if any Prime Minister of Canada, 15 years ago, had showed up at Westminster, the mother of Parliaments, and delivered a speech recommending to Great Britain, or advising Great Britain, whether or not to choose the Common Market, or join the Common Market, he or she would have been thrown out of Westminster and told to go back to where they came from.

Ms. Copps: Right on!

Some Hon. Members: Right on!

Some Hon. Members: Hear, hear!

[Translation]

FREE TRADE AGREEMENT—MANDATE TO NEGOCIATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is not up to Great Britain to tell Canada what to do.

Some Hon. Members: Right on.

Mr. Turner (Vancouver Quadra): The Deputy Prime Minister was wrong to take the applause from his Conservative backbenchers today and this morning as a sign of approval from the Canadian people. The approval of a foreign visitor, however distinguished he or she may be, cannot replace that of the Canadian people.

Some Hon. Members: Right on!

Mr. Turner (Vancouver Quadra): The Prime Minister never received a mandate from Canadians to negotiate this trade agreement with the United States. Everyone knows very well that he never mentioned the agreement, that he did not mention free trade during the last . . .

[English]

Mr. Speaker: I would ask the Right Hon. Leader of the Opposition to put his question.

[Translation]

Mr. Turner (Vancouver Quadra): And he himself, his own behaviour during the race for the leadership of the Conservative Party and at the convention—he was against free trade. So I ask the Deputy Prime Minister: Does the Prime Minister, despite the advice of his Conservative friends, not realize that the Canadian people are entitled to speak out now either for or against this Agreement with the United States?

[English]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find the analogy of the Right Hon. Leader of the Opposition rather perplexing when he talks about how he would deal with visiting Heads of State. If we were to use his analogy, we would have to throw out all the Summit Leaders. We would have to run them out of the country because they all very strongly support the free trade agreement.

Some Hon. Members: Hear, hear!

Mr. McDermaid: You're whipped and you know it.

Mr. Mazankowski: I can only assume either he's going through his second menopause or he's cracking up, one of the two.

Some Hon. Members: Oh, oh!

Ms. Copps: You're sick!

Mr. Turner (Vancouver Quadra): They still think we are a colony of the United Kingdom.

QUERY WHETHER PRIME MINISTER INVITED TO WESTMINSTER TO SPEAK ON NORTHERN IRELAND

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, following the line of questions, we still have not received answers from the Deputy Prime Minister when questions were posed about whether the Canadian Government in fact had foreknowledge of what the Prime Minister of Great Britain was going to say in relation to an issue that is crucial to the domestic position of this country and the rights of Canadians to make the decision. We simply want to ask, was an agreement made before the speech that, if Prime Minister Thatcher was to speak as she did on the trade issue, the Prime Minister of Canada was going to be invited to Westminster to speak on the Northern Ireland issue next week or next month?

Some Hon. Members: Hear, hear!

Ms. Copps: Supporting the IRA.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I answered that

question. If you could tame the jackals behind you, you would get the answer.

Mr. Axworthy: The bad temper of the Deputy Prime Minister and his comment about Members of this House should not be construed as an answer.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): What we are simply asking is this fundamental question. Why is the Government of Canada using the opportunity, a privilege, in fact, for people to appear in this House to talk about issues of mutual interest—

Mr. Hnatyshyn: Order!

Mr. Axworthy: —to propagandize its own initiatives? Why are you abusing the privileges of this House?

Mr. Foster: Right on!

Mr. Jelinek: Have you ever heard of free speech?

Mr. Speaker: The Hon. Minister.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we invite the Speaker invites, we together as Members of Parliament invite, visiting dignitaries to come to this House and to address us. We do not vet their speeches, Mr. Speaker.

POSSIBLE SCENARIO FOR VISIT BY CANADIAN PRIME MINISTER TO GREAT BRITAIN

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. The issue involved, I want to say to the Deputy Prime Minister, is not a matter of vetting speeches, it is whether a guest of the Parliament of Canada, not the Government of Canada, should come to this Chamber and make highly partisan, highly divisive speeches about domestic matters. That is the issue, I say to the Deputy Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Considering that Mrs. Thatcher was a guest of the Parliament of Canada, not the Government of Canada, does the Deputy Prime Minister think it would be appropriate in reciprocating this gesture, that the Canadian Prime Minister go to Great Britain, take three issues that are of great debate—and I won't prejudge who is responsible in Great Britain—the division of Great Britain between a rich south and an increasingly poor north, the destruction of British universities, the destruction of the British health system, and make a speech and talk about those things? If not, what right does she have to come here and meddle in Canadian affairs?

• (1450)

Some Hon. Members: Hear, hear!

Oral Questions

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I can only interpret that question, as I am sure all Canadians would interpret it, as a direct attack upon the Prime Minister of Great Britain.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is, you are absolutely right. That is what it is.

Mr. Mazankowski: And his Members applaud.

Mr. Speaker, if the New Democratic Party—

Mr. Tobin: Don Mazankowski, "the wild colonial boy".

Mr. Mazankowski: If the New Democratic Party and, in particular, the Leader of the socialists, want to take issue with the contents of the speech that was delivered to the House today, they are perfectly entitled to do so. We notice as well that certain members of the New Democratic Party took issue with the contents of a speech that the President of the United States made in this country in this same House of Commons. They were perfectly entitled to do so.

I remind the Hon. Leader of the New Democratic Party that the Prime Minister went down to the United States and spoke to the joint Houses of Congress—

Ms. McDonald: And nobody showed up.

Mr. Mazankowski: —and talked very frankly and very bluntly—

Mr. Fulton: The House was empty.

Mr. Mazankowski: —about the United States position with respect to environmental issues. We did not hear any whining and complaining from the United States. You are nothing more than a whiner and a complainer.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Broadbent: Mr. Speaker, I just say to the Deputy Prime Minister that I would rather be a complainer for the people of Canada than a colonial Conservative for the Prime Minister of Great Britain.

Some Hon. Members: Hear, hear!

[Translation]

CANADIAN AFFAIRS—PRINCIPLE OF NON-INTERVENTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Deputy Prime Minister did not answer the question. The vast majority of Canadians are against the policy of buying nuclear submarines. Both Opposition Parties are against the policy, but Mrs. Thatcher nevertheless decided to meddle in our domestic affairs.

Oral Questions

My question is this: According to the Deputy Prime Minister, does our Prime Minister have the right to go to Great Britain and comment on the situation in South Africa, yes or no?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is a tradition that was established for the first time in England, a tradition of free speech, and that tradition is also very strong here in Canada. It is a Canadian and a British tradition. The Prime Minister of Great Britain exercised that right of free speech here in the House of Commons today, as her predecessors have done in Britain. We on the Government side have a great deal of respect for the principle of free speech, and as the Deputy Prime Minister just said, it is a policy we ourselves followed when the Prime Minister of Canada visited the United States and spoke frankly and directly about acid rain. That was the same kind of approach, and it was in fact recommended by the socialist party here in the House.

[English]

Mr. Broadbent: Mr. Speaker, before my last question to the Deputy Prime Minister I want to say to the Secretary of State for External Affairs that he should remember what his Leader at the time said about Charles de Gaulle meddling in Canadian affairs. Look that up, Mr. Clark.

Some Hon. Members: Hear, hear!

CONTENT OF U.K. PRIME MINISTER'S SPEECH

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to ask the Deputy Prime Minister this, since he did not answer the question. Does he think it is appropriate as a House Leader in Parliament that a Prime Minister of Canada would go to Great Britain and make a speech and devote more than half the time on British domestic issues that are highly divisive?

Some Hon. Members: Oh, oh!

Mr. Broadbent: Will he answer that question? Does he think it is appropriate? If not, would he inform Mrs. Thatcher that her behaviour in the Parliament of Canada was unacceptable to the people of Canada?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker,—

Mr. Broadbent: Have an election on this.

Mr. Riis: Stand up for Canada just once.

Mr. Broadbent: The last colonial Party in Canada.

Mr. Riis: Stand up for Canada just once, Joe.

Mr. Axworthy: How many subs did you buy?

Mr. Speaker: The Hon. Secretary of State for External Affairs.

Mr. Clark (Yellowhead): Mr. Speaker, the basic fallacy here of course is that the question of trade is simply a domestic issue. The question of moving toward more liberal international trade, as the elected Leaders of the Summit just indicated in Toronto, is a matter of fundamental importance to all countries in the world, and an appropriate matter for the Prime Minister of Great Britain or, indeed, any other freely elected Leader to speak of.

I must say that if Hon. Members opposite think that Prime Minister Margaret Thatcher lets other people tell her what to say, then they know a different Margaret Thatcher than I do.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Why didn't you say something back? Why are you caving in?

Mr. Speaker: The Hon. Member for York South—Weston.

* * *

PAROLE

RELEASE OF PENITENTIARY INMATE WITH HISTORY OF PSYCHIATRIC PROBLEMS

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Solicitor General. It involves the case of Joseph Roger Fredericks, who has a history of psychiatric problems dating back nearly 30 years. He also has a dangerous criminal record.

In November of 1984 he was convicted of gross sexual assault on an 11-year old Ottawa boy. He was sentenced to five years in penitentiary. He was released on day parole in November, 1987. In March of this year he was released on mandatory supervision.

• (1500)

In a letter to Mr. Fredericks dated November 16, 1986, the National Parole Board stated: "You have earned the support of the institution and the case management team. We believe the risks of releasing you are assumable".

On Monday Mr. Fredericks was charged with the first degree murder of an eleven-year old Brampton boy.

I would like the Solicitor General to explain to the House what went wrong. How was it possible for this man to be released? How was it possible for a dangerous sexual psychopath to be released prior to his sentence expiry?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I certainly agree that what has happened here is a terrible situation. Yesterday I expressed the sympathy of all concerned to the family.

I certainly do not intend to indulge in a review of this man's record when the case is presently before the courts, and when the man has been charged. I think the Hon. Member should be much more temperate in his remarks in the House in that regard. A man is considered innocent until proven guilty, notwithstanding how abhorrent the crime may be.

The man was released on mandatory supervision, which I may remind the Hon. Member was something I have recommended be abolished in the parole reforms which I brought forward last week. I can also advise the Hon. Member that I have asked the head of Correctional Services Canada to do a complete audit on this file for me. I expect to have that by the first of the week.

QUERY ON REASONS FOR RELEASE

Mr. John Nunziata (York South—Weston): Mr. Speaker, in July, 1986, Parliament was recalled in an emergency. According to the Government that emergency was to deal with dangerous offenders who were being released on mandatory supervision. Parliament passed Bill C-67. The Department of the Solicitor General had the authority to detain this man, yet he was released a year and a half before sentence expiry.

How was it possible for this man to be released? Would the Solicitor General not agree that, in the circumstances, given his record, given the fact that he had psychiatric problems dating back 30 years, his Department ought to have exercised the authority that Parliament gave to him two years ago, and detained this man?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would like to point out to the Hon. Member that the authority was not given to the Solicitor General. The authority was given to the National Parole Board.

I have already advised the Hon. Member that I have asked the head of Correctional Services Canada to get the file, do a complete audit, and report to me. I expect to have that report early next week.

* * *

EXTERNAL AFFAIRS

UNITED KINGDOM PRIME MINISTER'S ADDRESS TO JOINT SESSION OF PARLIAMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Government House Leader, from one House Leader to another House Leader. I wish to ask him a serious question, because I do not think he responded to the questions put by my Leader. My Leader asked whether or not he, as a House Leader of Parliament, felt it was appropriate for the Prime Minister of the U.K. to be a guest of Parliament and raise the type of issues that she did.

Oral Questions

Does he believe that it would be appropriate for our Prime Minister to go to Britain, not address a Conservative gathering, but address the Parliament of Britain and talk about highly divisive domestic issues? Does he really think that that would be an appropriate thing for our Prime Minister to do?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Secretary of State for External Affairs stated in response to an earlier question, the trade deal is an international treaty which has implications world-wide. If that is what the Hon. Member is referring to, surely she is within her right to express a view, as have all seven summit leaders who, incidentally, strongly support and welcome the free trade arrangement.

I also noted that the Prime Minister of Great Britain had some criticisms about Canadian agriculture. Is the Hon. Member taking issue with that? She said what was on her mind. As the Right Hon. Secretary of State for External Affairs has suggested, she speaks with an open mind, and she speaks as she wishes. I am sure that all Hon. Members would wish her to be that way.

GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, may I suggest that Margaret Thatcher did not speak with an open mind, but spoke what was on a Conservative mind. That was the mind that she was talking about.

The trade deal with the United States is not like the drought situation in western Canada. It has not passed Parliament. It was not raised during the last general election a single time. The Prime Minister even stated that he was against it. The people of Canada want an election on this deal.

My supplementary question to the Deputy House Leader is the following. When Charles de Gaulle was in Canada raising domestic issues, not in the Parliament of Canada, the Government of the day spoke out strongly against his intervention. Why is the Government not prepared to stand up for Canada and speak out strongly in favour of Canada on this issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, may I remind the House of Commons that not many nights ago Members of the House from all Parties gathered here to take part in a special debate about a proposed regulation to be implemented by the Parliament of the United Kingdom respecting fur labelling, which affected Canada, in the same way that the movement towards international trade agreements will affect the life of Great Britain.

We had a right to speak about the fur industry in this Parliament. Margaret Thatcher, as the Prime Minister of Great Britain, and indeed all of the summit leaders who gathered at the Economic Summit, have a right to express themselves on important issues that affect international trade.

It may be that the Hon. Member for Kamloops—Shuswap does not agree with the view of the Prime Minister of Great

Oral Questions

Britain. The Prime Minister of Great Britain, in this free country, in this free Parliament, has the right to express her views.

Some Hon. Members: Hear, hear!

* * *

PAROLE**RELEASE OF PENITENTIARY INMATE WITH PSYCHOLOGICAL RECORD**

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question refers to the Fredericks case, and to the Solicitor General's responsibility for the application of Bill C-67, for which he is the responsible Minister.

In this case we have an individual whose criminal and psychological record was such that, if anything, the Minister should have known that this was a case where Bill C-67 was designed to be of use.

Does the Solicitor General take any responsibility at all for ensuring that this legislation, for which the Government recalled Parliament in the middle of a summer break, will in effect be applied, and why it was not in this case? Is he not responsible for his Department?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I certainly do not require the services of that Hon. Member to remind me of my responsibilities as Solicitor General.

As I have already explained in answer to an earlier question, I have gone to the head of Correctional Services Canada and asked that a complete audit be done on that file. As a matter of fact, I spoke to him again at noon today. He tells me that the audit has started, and that he hopes to have it in my hands in a few days. I will then be in a position to give an answer. Certainly I cannot at this point, because the audit has not been completed.

REQUEST THAT REPORT TO MINISTER BE TABLED

Hon. Bob Kaplan (York Centre): Mr. Speaker, may I ask the Minister to give an undertaking that that report, when received, will be tabled in the House unedited?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I would again like to remind the Hon. Member that I am certainly prepared to carry out my duties in a proper way. The audit is being done. I will review the report and make my decision at that time.

* (1510)

ENVIRONMENTAL AFFAIRS**SASKATCHEWAN DAM—QUERY ON NEED FOR TREATY WITH UNITED STATES**

Mr. Simon de Jong (Regina East): My question is addressed to the Minister of the Environment. My understanding is that before the Minister of the Environment could issue a licence to allow the construction of the Rafferty and Alameda Dam he first had to conclude a treaty with the United States concerning the quality and quantity of water for Manitoba and to make sure that waterfowl and water quality requirements are met.

Can the Minister of the Environment tell us whether such a treaty had been concluded with the United States before he signed the licence?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the premise of the question is wrong. It is not necessary to have such an international treaty before the permit is issued. We are negotiating with the relevant jurisdictions and we expect a treaty to be completed very soon.

OBSERVANCE OF LICENCE CONDITIONS

Mr. Simon de Jong (Regina East): My understanding is that it would be a condition of the licence that certain water quality and quantity standards be met.

If Saskatchewan does not live up to those requirements and those conditions of the licence, does the Minister expect Saskatchewan to dismantle the dam?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, very stringent environmental conditions were woven into the fabric of the permit. Those conditions will have to be met. If not, the permit will be revoked.

* * *

FISHERIES**COMMERCIAL HARVESTING OF CLAMS ON WEST COAST BEACHES**

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, in her excellent and inspiring speech to the House of Commons this morning, the Prime Minister of Great Britain failed to mention the problem with clam diggers in British Columbia. I would like to raise that now.

The Minister of Fisheries should be aware that hundreds of pounds of clams are being commercially harvested from recreational beaches on the West Coast. For a \$10 licence fee well organized teams of 30 or 50 pillagers can systematically take as much as they want, go anywhere they want, and haul out the harvest by the truck load.

ADDRESS
of
THE RIGHT HONOURABLE MARGARET THATCHER
*Prime Minister of the United Kingdom, Great Britain
and Northern Ireland*
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Wednesday, June 22, 1988

The Prime Minister was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada and thanked by the Honourable Guy Charbonneau, Speaker of the Senate and the Honourable John A. Fraser, Speaker of the House of Commons.

Hon. John A. Fraser (Speaker of the House of Commons):
The Right Honourable the Prime Minister.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker of the Senate, Mr. Speaker of the House, *chers collègues, chers amis*:

Today we welcome to our midst the Prime Minister of one of our mother countries, the Leader of the Mother of Parliaments and a truly outstanding spokesperson for the western world—the Right Honourable Margaret Thatcher, Prime Minister of Great Britain.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We salute you, Prime Minister, as you can see, as warmly as we welcome you. The mother country has bequeathed to us an enduring tradition of British common law and our valued British cultural heritage. The Mother of Parliaments is the foundation upon which we have built our own parliamentary democracy here in Canada. We have adopted or adapted most of the customs of Westminster in the daily life of our own Parliament, with a few notable exceptions.

At Westminster, the Prime Minister is expected to attend Question Time twice a week, and the questions are submitted in advance, in writing.

Some Hon. Members: Oh, oh!

Mr. Mulroney: As I have always said, Prime Minister, there is much to be admired in British parliamentary democracy—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —and I hope that we can initiate such a reform here in Canada, perhaps as early as this afternoon.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Prime Minister, you are no stranger to this House having addressed a joint session five years ago. Today, you become the first British Prime Minister to address Parliament on two occasions. Historians will note that your first address followed your re-election in 1983 and that your second follows your re-election in 1987. If you, in that memorable turn of phrase, "go on and on", we expect to see you back here about 1992.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As the senior statesperson of the western world, Mrs. Thatcher commands respect everywhere for her strength of character, force of ideas, and of course political durability.

[Translation]

She is the first British Prime Minister to win three consecutive mandates in a century and a half and believe me, Prime Minister, that is something everyone in this Chamber understands, respects and envies.

By the end of her present term, she will have governed Britain in three decades, the 70s, the 80s and the 90s.

• (111)

[English]

Mrs. Thatcher has personally presided over the transformation of Britain from a nation that lagged to a nation that leads.

Britain is back as a world economic power, as a motor of economic growth, as a model of economic development, and every person in this country and in this House knows that the responsibility for that magnificent achievement is here in the person of Margaret Thatcher.

Some Hon. Members: Hear, hear!

Mr. Mulroney: On the world scene, I can testify first hand to her strong and persuasive leadership. She has just come from Toronto and her tenth Economic Summit. At Toronto, we sought to return to some of the informality and spontaneity of earlier summits. To the extent that we were able to do so, and to keep the focus primarily on economic issues, Margaret Thatcher played a genuinely impressive role, and I thank her for that.

The Prime Minister has also struck a balance between a determination to provide for security and a deep yearning for peace.

As you said, Prime Minister, in your previous address to this House, "our desire for disarmament is profound, but it is matched by an unshakable resolve that our way of life shall be secure".

In NATO, she has stood at all times for the solidarity of the alliance and strengthened her nation's contribution to the collective security of the West.

Some Hon. Members: Hear, hear!

Mr. Mulroney: But equally, Mrs. Thatcher was the first western leader to recognize the possibilities of change and reform in the Soviet Union. It was she, even before the change of course in the Soviet Union, who pointed out that Mr. Gorbachev was "a man we can do business with".

Between Canada and the United Kingdom there is, of course, a special relationship. The ties that bind us stretch across an ocean and reach across the generations.

The United Kingdom is now our third largest trading partner, with two-way trade in excess of \$7 billion last year. Canadian exports to the U.K. rose by 5 per cent last year to \$2.8 billion, representing nearly one-third of all of our exports to the European Community. Canada, with less than 1 per cent of the world's population, accounts for nearly 5 per cent of the world's trade.

[Translation]

Not surprisingly then, we are ardent proponents of trade liberalization.

As you know, Prime Minister, we have concluded a free trade agreement between Canada and the United States, the world's two largest trading partners, which we believe will give powerful impetus to the multilateral talks now underway in Geneva.

[English]

We are working very hard, and Mrs. Thatcher is providing great leadership, for reform in the area of agricultural subsidies. I am pleased with the clear signal of will which emerges from our deliberations in Toronto on this vital topic.

Of course, we maintain our familial and our very affectionate ties with Britain through the Commonwealth, and we strengthen them through the other multilateral institutions to which we bring a common heritage and in which we make common cause.

Prime Minister, we admire you as one of the world's most inspiring leaders. Your career has been one of confronting great challenge and difficulty and emerging with skill and resolve on a new plateau of accomplishment. You have stood firmly for freedom. You have fought hard for democracy. You have earned our genuine respect.

Colleagues, *cher amis*, I present to you a true friend of Canada, The Prime Minister of Great Britain, The Right Hon. Margaret Thatcher.

Some Hon. Members: Hear, hear!

Right Hon. Margaret Thatcher (Prime Minister of the United Kingdom, Great Britain and Northern Ireland): Mr. Speaker of the Senate, Mr. Speaker, Prime Minister, Hon. Members of the Senate, Members of the House of Commons:

[Translation]

First of all I would like to thank you for the great privilege and honour of being invited to speak before you a second time. Longevity has its advantages . . .

Some Hon. Members: Hear, hear!

Right Hon. Margaret Thatcher: I also want to take this opportunity to thank you and the Canadian people for the truly exceptional welcome extended to me and to the many foreign visitors who have come to your country in the past twelve months.

[English]

It has indeed been an extraordinary year in which world leaders, sportsmen, businessmen, and many others have flocked to Canada—the Francophone Summit, the Commonwealth Heads of Government Meeting, the Economic Summit, and the Winter Olympics. The British team may not have returned with any gold medals, but I think we can claim to have been represented by the most famous competitor.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: All this is a tribute to Canada's success and to the high regard in which your country is held world-wide and most especially within the Commonwealth.

A Canadian Prime Minister at the turn of the century predicted that "the 20th century would be the century of Canada". The last 12 months have certainly shown his prophecy to be true.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: I should like to pay a particular tribute to the skilful and creative chairmanship of those meetings by your Prime Minister, Brian Mulroney, most recently at the highly successful Economic Summit. Few have the privilege of feeling that they have moved the world's fortunes a step forward. He has done so and deserves our thanks and congratulations.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Mr. Speaker, our two countries are metaphorically, and often literally, members of the same family. Like a family, we have experiences in common that go back to our beginnings. A Canadian rode at Balaclava in the charge of the Light Brigade. Canadian boatmen ferried British soldiers down the Nile in their attempt to rescue General Gordon at Khartoum a century ago. It was an engineer from Québec, Sir Percy Girouard, who built the railway that was so valuable in opening up the Sudan.

Above all, we remember together our war dead by wearing poppies every November because a Canadian soldier, Major John McCrae, wrote the poem *In Flanders Fields* in the early morning of the 3rd of May, 1915, while the first battle of Ypres was raging.

Forty-three years after VE Day, we honour the valour and sacrifice of Canadian fighting men in two World Wars. That is something which we in Britain will never forget, a debt that can never be repaid. So too is the enormously generous help which you gave Britain in the post-war years.

Four Canadian Prime Ministers including Sir John A. Macdonald were born in Britain, and the only British Prime Minister born overseas came from New Brunswick.

We are delighted that today, Canada's involvement in our national life is as strong as ever. There are no less than 160 Canadian firms active in the United Kingdom with nine banks and thirteen security houses. Individual Canadians—Paul Reichmann, Conrad Black, Graham Day—are making a great contribution. Most exciting of all is the major Canadian investment in Canary Wharf, the remarkable architectural and commercial renaissance of London's docklands.

Last month, I opened the construction phase myself by sinking the first concrete pile—

Some Hon. Members: Oh, oh!

Mrs. Thatcher: —with a little help from a pile-driver.

Some Hon. Members: Oh, oh!

Mrs. Thatcher: When it is complete, it will be the largest commercial development in Europe. We welcome the confidence and the commitment on the part of Canadian enterprise which it represents.

• (1129)

Mr. Speaker, one of the advantages of being among family is that we can compare ailments. Some years ago, we in Britain invented a disease. Its symptoms were a combination of stagnation, inflation, financial problems, labour troubles, and loss of confidence. They called it: "the British disease".

A Canadian commentator, Goldwin Smith, provided an excellent clinical definition of the malady nearly a hundred years ago. He spoke of countries that were "rich by nature, poor by policy". Today, many of us in the developed world realize that in varying degrees we have quite needlessly been "poor by policy".

We have come a long way since the days when people thought that you could spend and borrow your way to prosperity, that you needed a budget deficit and a bit of inflation to get economic growth.

Now it is understood that the Government's role is to keep downward pressure on inflation and to create a sound financial and legal framework in which enterprise can flourish.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: We have learned that it is not Governments which create wealth, but people, provided we have policies which encourage them to do it.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: We have also got away from the debilitating concept of the all-powerful state which takes too much from you to do too much for you, constantly substituting the politicians' view of what the people should have for the people's own view of what they want.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: We have had our own *perestroika*. As a result the economy has been growing steadily for seven years, soon to be eight, there are more resources available for the community's needs, and we have a budget surplus with which to repay debt.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Mr. Speaker, you can never do that except by first restoring the spirit of the people. The great economists of the past knew this. Adam Smith was not a professor of economics. He was a professor of moral philosophy. He understood how to work with the grain of human nature. He knew the heights which it could reach, which is why his policies for creating the Wealth of Nations will endure throughout the years.

Today you can feel the pride and confidence both in Britain and in Canada. Both our countries have learned that lesson. As a result we have achieved remarkable economic success, and today we jostle for the top place in the OECD's growth stakes.

Among the Economic Summit seven countries, sound money, lower taxes, and freedom for enterprise are now common form. It was not always so; but every year since the second cycle of summits started in 1982 the Heads of Government have committed themselves to those policies as the best basis for stable and long-term growth.

We have put behind us the financial irresponsibility which made the 1970s a decade of missed opportunity. I do not believe that the world could have withstood the shock of last autumn's fall in stock prices so well if our policies had not been built on sure foundations. We have established a new orthodoxy.

Low inflation and prudent financial policies need to be supported by open markets and flourishing world trade. Here too the Toronto Summit took important steps forward. We committed ourselves to the success of the GATT-round trade negotiations and encouraged measures to free up world trade.

Mr. Speaker, by 1992 every firm in Europe, whether engaged in manufacturing or in services, will have a single market of 320 million people. What a dramatic development that is going to be! To add to it, the Channel Tunnel will give Britain for the first time in our history a land border with Europe.

There will be new opportunities of every kind, not just for member countries of the European Community themselves but for those countries which trade with the Community.

Let me reassure you: it is not Britain's intention when removing barriers within Europe to see them raised against our other trading partners outside Europe.

Canada and the United States are pointing the way with a Canada-United States Free Trade Agreement which the Economic Summit warmly endorsed.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mrs. Thatcher: I understand that it may be a controversial matter in this Chamber. I will only say that I do not underestimate Canada's courage in taking this step in partnership with its giant neighbour. On the basis of Britain's experience of joining the European Community, you need have no fear that Canada's national personality will be in any way diminished. Fifteen years of European Community membership have left our people no less British and no less proud of their history and independence. Moreover, protectionism is not a life-belt which keeps an economy afloat. It is a millstone that drags you down and penalizes consumers and workforce alike. Subsidize the inefficient and soon that is all you have; you lose the competitive edge to export abroad and keep prices down at home.

There is another major world problem which we committed ourselves to deal with at the Summit. Agriculture will have to bring supply and demand more into balance. Until we do that, farmers will not feel secure in their future.

Look at the situation now. Countries compete with each other to give bigger and bigger subsidies. Farmers in Japan are being paid eight times the world price for rice. In the United States, in 1986, one single state received more loans and other aid from Washington than all the nations in Africa got from the World Bank. In Europe, the subsidy per cow is greater than the personal income of half the world's people.

• (11:30)

Even Canada is not a model of absolute virtue, though may I take this opportunity to express my sympathy for the plight of your farmers who are suffering so badly from drought.

Abba Eban once said: "History teaches us that men and nations behave wisely once they have exhausted all other alternatives". Well, with agriculture we have exhausted all other alternatives. In Europe we have made a start in cutting back surpluses and reducing stockpiles, in some cases with dramatic results.

At Toronto we all recognized that setting realistic goals for reducing subsidies on a fair basis in all our countries offered a way forward, a way forward which will offer a surer future for our farmers, a better deal for our consumers, and hope for the

Third World countries whose markets are unfairly saturated by the sale of our subsidized surpluses.

Mr. Speaker, here in this Chamber we are all privileged to be active in government and politics at a time of unprecedented hope and opportunity in relations between East and West. President Reagan's recent Summit meeting in Moscow with Mr. Gorbachev was an historic success. A new chapter in East-West relations has been opened.

We owe that to President Reagan because of his firmness and the way he has stuck resolutely to his convictions and beliefs. We owe it also to Mr. Gorbachev who, with a rare insight, has seen that communism has not been able to deliver the standard of living, of social services, of technological advance which its originators promised.

He has had the vision and resolve to embark on a course which, by mobilizing great personal responsibility and initiative, will bring greater benefits. It is not going to be an easy path for the Soviet Union and its allies in Eastern Europe. Those who engage in great endeavours never find the going easy, but it is in our interests as well as those of the Soviet people that he reach his goal.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Every enlargement of liberty serves the interests of all mankind. The foundations of this new hope in East-West relations were not laid in recent months. They were built up over the last four decades by the resolve of the Governments and peoples at the heart of the western world—the United States, Britain, and Canada pre-eminent among them—to defend liberty, justice, and democracy however heavy the burden and whatever the price.

Now we are beginning to reap the rewards: the Agreement to reduce Intermediate Nuclear Forces and the Soviet withdrawal from Afghanistan. Who would have thought, five years ago when I last spoke in this Chamber, that either of these things would come about?

The more hopeful signs from the Soviet Union are bound to raise questions in people's minds: Can't we take a chance? Do we need to go on with the present level of spending on defence? Hasn't the time come when we can relax our guard? Mr. Speaker, nothing could be more dangerous.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: First, we cannot base our defence on hope, only on reality, and the reality is that Soviet military spending continues to grow and their weapons systems are being constantly modernized and updated in every field. Their forces are far in excess of what they need for defensive purposes alone.

Second, we do not know whether Mr. Gorbachev will succeed in his new policies. Old ways die hard and there is still little evidence that the Soviet Union's long-term foreign policy

objectives have changed. We can hope for the best, but a prudent defence must plan for the worst case.

Third, modern weapons are so sophisticated that they take many years to plan and to produce. A mistake or miscalculation now could leave us vulnerable and unprotected at a time when our potential enemies are continuing to increase their military strength.

Fourth, we are in a position to welcome the changes taking place in the Soviet Union because we know that whatever happens our defence is sure.

For nearly 40 years that remarkable organization, NATO, has kept the peace. It has done so because everyone knew that an attack on one member would be an attack on all and we would respond accordingly and because we have had an effective mix of nuclear and conventional weapons and kept them up to date.

I pay particular tribute to Canada's contribution to NATO's strength and success by the way in which she welcomes our troops to train and exercise; by the resolute manner in which she agreed to test Cruise missiles over her territory, a demonstration of resolve which was crucial at that time; and by her intention to modernize her Navy by acquiring nuclear powered submarines we very much hope from Britain.

Some Hon. Members: Oh, oh!

Mrs. Thatcher: They are quite the best, and Canada must have the best.

Mr. Speaker, wars are not caused by strength or by armaments. They happen when nations are weak in the face of others who are both ambitious and strong.

Our duty is to preserve NATO's strength by constantly updating our weapons, both nuclear and conventional; by maintaining as you do highly professional and trained armed forces; and by demonstrating our united resolve.

Peace with freedom and justice is the most precious thing we have, both for our generation and for our children. That is the trust they place in us and we must not fail them.

Mr. Speaker, we always remember what lies at the very root of the differences between the Soviet system and the free world. It is a fundamentally different view of the role of the individual and his rights in society.

History has not equipped the Russian people with the capacity to escape easily from the incubus of state socialism. They know nothing of personal liberty, have never experienced an independent judiciary, and are strangers to tolerance and the checks and balances which operate in a free society.

People used to believe that dictatorships had the advantage of being more efficient and better able to act decisively than the democracies. They were wrong. Now they understand that you cannot plan and regulate everything, and that if you try,

you lose the driving force of human nature and its inventiveness and creativity.

In modern societies success depends on openness, on free discussion, and on easy access to information. We in the West could never have experienced the great surge of technological advance without them. Once you try to suppress and restrain them, then not only are you unable to change, you are unable to respond to change.

Mr. Speaker, the example of what freedom has achieved in the open societies of the West is a powerful incentive to the closed societies of the Eastern bloc to extend it to their people and to accept restraints on the power of those who rule, but the case for freedom can never be merely a material one. It is a moral crusade.

The communist societies still see human rights as something given by the state, which can be taken away by the state. For us, they are something so fundamental that they cannot be given or taken away by any Government or human agency.

Some Hon. Members: Hear, hear!

Mrs. Thatcher: Those who would have us believe that speaking out about human rights runs counter to the aim of better relations play into the hands of the enemies of freedom.

As President Reagan recently said in an inspired speech in London's Guildhall immediately after the Moscow Summit: "When free peoples cease telling the truth about and to their adversaries, they cease telling the truth to themselves. In matters of state, unless the truth be spoken, it ceases to exist".

Mr. Speaker, freedom is on the offensive as never before, a peaceful offensive pursued by example and by persuasion. Its triumph is our highest ambition.

• (1140)

In taking his leave of you in 1952, Winston Churchill did not say goodbye. Rather, he said:

[*Translation*]

"Goodby, my Canadian friends. Tomorrow a splendid future awaits you."

[*English*]

It is indeed a splendid future that awaits Canada, one filled with opportunity and pride. I know that Britain and Canada will walk that road together, unswerving in our purpose, strong in our joint defence, and firm in our abiding friendship.

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Guy Charbonneau (Speaker of the Senate): Prime Minister, the Parliament of Canada takes pride in having you as one of its illustrious guests. We are delighted with the decision to welcome you every five years, until the end of this century. You will go down in history with Robert Walpole and his twenty-two tenacious years, and especially William Pitt,

who in 1783 decided to hold the reins of power until the beginning of the next century. Typically, contemporary political historians always try to compare you with your illustrious predecessors, two of whom I just mentioned, and I may also include Disraeli. After listening very attentively to your speech, we understand the reason for these flattering comparisons.

[English]

In greeting you today, Prime Minister, we have been mindful not only of the fact that you are Britain's first woman Prime Minister—and we applaud this—but also of the remarkable place you have carved for yourself in the history of British Prime Ministers. The characteristics which have contributed to your success are legendary. Conviction, tenacity, firmness: in the shifting winds of political fortune, these are the ballast that leaders must carry with them, and when they are combined with vision, patience, and an inexhaustible capacity for hard work, one can expect that the ship of state will sail forward.

Your success in putting your country back on the road to prosperity is so evident that your name is always invoked in every discussion of international affairs and economics. Many debaters, not knowing whether they should refer to England or to Great Britain or to the United Kingdom, take a short cut and say quite simply "Thatcherland".

The world knows that you are a leader of determination and that very often you discard consensus politics. In that, you remind us of our Prime Minister, Sir Wilfrid Laurier, counting the votes in his Cabinet and saying: "Thirteen against my proposition, one for; the yeas have it".

A century ago, Oscar Wilde, in his humorous way, dared to write: "The Lords Temporal say nothing; the Lords Spiritual have nothing to say; and the House of Commons has nothing to say and says it". Had he been living today, he might have added: The Prime Minister has something to say and says it.

Some Hon. Members: Hear, hear!

Mr. Charbonneau: Madam Prime Minister, on behalf of my colleagues in the Senate of Canada, I wish to thank you for honouring us with your presence today.

[Translation]

It was indeed an honour and a privilege to hear you, as a distinguished representative of the Mother of Parliaments, address the Parliament of Canada, and we are most grateful.

Some Hon. Members: Hear, hear!

[English]

Mr. Speaker: Madam Prime Minister, let me add my own words of appreciation, on behalf of all Members of the House of Commons, and to thank you for your eloquent words and the message you have left with us.

The rare assemblies of both Houses of our Parliament, such as this, are reserved for very special and honoured guests. You, Madam Prime Minister, are among the foremost of them.

Some Hon. Members: Hear, hear!

Mr. Speaker: Indeed, as has been remarked, this is your second address to us in five years—a mark, surely, of the mutual interests and good will that exists between our two countries.

[Translation]

Thank you, Prime Minister, for having given us this opportunity to further strengthen the ties of friendship that exist between Canada and the United Kingdom.

[English]

It is not every day that we are privileged to listen in this Chamber to one of the longest serving leaders in the democratic world. You have given us much to reflect upon.

I believe I speak on behalf of all Members of the House when I say that one of the continuing benefits of these high level exchanges is to reinforce the positive aspects of international relations between our two countries, and to give a political impetus to resolving those irritants that may arise in any complex relationship.

It would be appropriate to remind ourselves that our Members of Parliament and yours are meeting constantly in the closest and most effective relationship.

[Translation]

Prime Minister, you are among friends.

[English]

In closing, may I say that we look forward to further dialogue and the continuation of vibrant relations between our two nations. The warm association which binds us is a precious asset not only for today but also for the challenging world which our children will inherit. You are among friends. We wish you to come again. God bless you.

Some Hon. Members: Hear, hear!

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THE PRIME MINISTER'S VISIT TO OTTAWA ON 22 JUNE

SUMMARY

1. DURING A ONE DAY VISIT TO OTTAWA, THE PRIME MINISTER WAS ABLE TO PUT OVER FORCEFULLY HER APPROACH TO ECONOMIC AND DEFENCE QUESTIONS. OPPOSITION PROTESTS WERE SHORTLIVED. FRIENDLY DISCUSSIONS WITH MR MULRONEY, WHO WAS LEFT IN NO DOUBT OF MRS THATCHER'S SUPPORT FOR TRAFALGAR. THE VISIT PROVIDED A MAJOR BOOST FOR OUR RELATIONS WITH CANADA AND FOR MR MULRONEY PERSONALLY.

DETAIL

2. THE CENTREPIECE OF THE PRIME MINISTER'S VISIT WAS AN ADDRESS TO BOTH HOUSES OF THE CANADIAN PARLIAMENT IMMEDIATELY AFTER HER MID-MORNING ARRIVAL. HER TWO MAIN THEMES - THE BENEFITS OF A LIBERTARIAN APPROACH TO ECONOMIC POLICY AND THE IMPORTANCE OF CONTINUING TO MAINTAIN SURE DEFENCES - WON HER REPEATED APPLAUSE FROM THE GOVERNMENT BENCHES, AS DID HER ENDORSEMENT OF THE US/CANADA FREE TRADE AGREEMENT. THE LIBERAL AND NDP MEMBERS LOOKED INCREASINGLY MOROSE, AND IN A NOISY QUESTION PERIOD THE SAME AFTERNOON TURNER FOR THE LIBERALS AND BROADBENT FOR THE NDP CRITICISED HER COMMENTS ON FREE TRADE AS INTERFERENCE IN CANADA'S DOMESTIC POLITICS. THE DEPUTY PRIME MINISTER AND JOE CLARK WERE ADMIRABLY ROBUST IN THEIR REBUTTALS SEMI-COLON BUT THE EFFECT WAS TO CONCENTRATE INITIAL MEDIA ATTENTION (ON WHICH SEE MIFT) ON THE ENSUING ROW RATHER THAN ON THE WIDER ISSUES RAISED IN THE SPEECH. NEVERTHELESS, MOST IMPARTIAL OBSERVERS TO WHOM WE HAVE SPOKEN HAVE PRAISED IT AS A POWERFUL STATEMENT OF POLITICAL PHILOSOPHY, GOING FAR BEYOND THE PAROCHIAL MUD-SLINGING WHICH USUALLY CHARACTERISES CANADIAN PARLIAMENTARY DEBATE: THE MINISTER OF DEFENCE IN PARTICULAR WAS OVERJOYED. IT IS PROBABLY SIGNIFICANT THAT THE OPPOSITION DID NOT REPEAT THEIR ATTACKS IN QUESTION PERIOD ON 23 JUNE. WE ARE OF COURSE GIVING THE TEXT OF THE SPEECH A VERY WIDE DISTRIBUTION.

3. IN A LONG TETE-A-TETE DISCUSSION OVER LUNCH, WITH ONLY TWO ADVISERS ON EITHER SIDE, THE TWO PRIME MINISTERS EXCHANGED VIEWS ON CURRENT PROBLEMS (MIDDLE EAST, IRISH TERRORISM, SOUTH

AFRICA). MULRONEY TOOK A RESTRAINED AND CONSTRUCTIVE LINE THROUGHOUT.

4. THE PRIME MINISTER DEPLOYED THE CASE FOR TRAFALGAR VIGOROUSLY. MULRONEY RESPONDED ALONG PREDICTABLE LINES THAT THE TECHNICAL EVALUATION OF THE TWO DESIGNS WAS NOT COMPLETE AND THAT THE ISSUE WAS THEREFORE NOT YET READY FOR MINISTERIAL CONSIDERATION. BURNEY, HIS CHIEF OF STAFF, CHIPPED IN TO SAY THAT THERE WERE STILL DIFFICULTIES OVER THE RENEGOTIATION OF THE BILATERAL US/CANADA AGREEMENT ON NUCLEAR COOPERATION. BEFORE THE END OF THE VISIT BURNEY HAD SOUGHT TO PUT THE RECORD STRAIGHT WITH THOSE CONCERNED (AN UP-TO-DATE BRIEF HAD GONE ASTRAY), BUT THE EFFECT OF HIS EARLIER INTERVENTION HAD BEEN TO MUFFLE MULRONEY'S RESPONSE TO MRS THATCHER ALTHOUGH HE WAS LEFT IN NO DOUBT OF THE FIRMNESS OF HER SUPPORT FOR THE BRITISH BID AND OF HER CONVICTION THAT TRAFALGAR WOULD BE THE RIGHT CHOICE FOR CANADA.

5. THERE WAS ALSO BRIEF REFERENCE TO THE FUR LABELLING ISSUE, WHICH THE PRIME MINISTER EXPLAINED HAD BEEN DROPPED FOR LEGAL REASONS.

6. IN ADDITION TO THE SPEECH AND THE TALKS, THE PRIME MINISTER INCLUDED THREE OTHER ITEMS IN HER PROGRAMME IN OTTAWA. SHE LAID A WREATH AT THE WAR MEMORIAL. SHE SIGNED TWO BILATERAL AGREEMENTS (THE AIR SERVICES AGREEMENT INITIALLED LAST SEPTEMBER AND THE MORE RECENTLY CONCLUDED MUTUAL LEGAL ASSISTANCE TREATY ON DRUG TRAFFICKING PROCEEDS, USING THE OCCASION TO EMPHASISE HER PERSONAL ATTACHMENT TO GREATER FREEDOM IN AIR TRANSPORT AND HER DETERMINATION TO COMBAT DRUG TRAFFICKING. LASTLY AT EARNSCLIFFE SHE FIRST SAW ALL THE HIGH COMMISSION STAFF AND THEN ATTENDED A RECEPTION FOR INDUSTRIAL AND POLITICAL FIGURES, INCLUDING KEY OFFICIALS INVOLVED IN THE SUBMARINE ACQUISITION PROGRAMME.

7. THE PRIME MINISTER'S VISIT TO TORONTO FOR THE ECONOMIC SUMMIT HAD ALSO INCLUDED BILATERAL ITEMS. SHE WAS INDUCTED AS AN HONOURARY BENCHER OF THE LAW SOCIETY OF UPPER CANADA, AN HONOUR SO RARELY ACCORDED THAT THE ONLY OTHER LIVING HONOURARY BENCHERS ARE THE QUEEN MOTHER AND ROLAND MICHENER, A FORMER GOVERNOR-GENERAL OF CANADA WHO WAS PRESENT FOR THE OCCASION. ON 21 JUNE SHE ATTENDED AS GUEST OF HONOUR THE ANNUAL HOLLINGER DINNER GIVEN BY CONRAD BLACK AND ATTENDED BY THE CREAM OF THE CANADIAN FINANCIAL AND POLITICAL ESTABLISHMENTS, INCLUDING THE GOVERNOR-GENERAL, THE PRIME MINISTER, TWO PROVINCIAL PREMIERS AND THE CHIEF JUSTICE OF CANADA. THE PRIME MINISTER'S EXTEMPORARY SPEECH WAS ENTHUSIASTICALLY RECEIVED AND WARMLY PRAISED BY DR KISSINGER

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8. IT WILL BE SOME TIME BEFORE WE CAN ASSESS THE FULL IMPACT OF THE PRIME MINISTER'S VISIT. BUT I HAVE TWO IMMEDIATE IMPRESSIONS. FIRSTLY, BY PACKING SO MUCH INTO SO SHORT A TIME, THE PRIME MINISTER HAS GIVEN A MAJOR IMPETUS TO THE BILATERAL RELATIONSHIP AND LAID TO REST ANY DAMAGE IT MAY HAVE SUFFERED AS A RESULT OF DIFFERENCES OVER SOUTH AFRICA AT CHOGM. NOTWITHSTANDING THE ANNOYANCE OF THE TWO OPPOSITION PARTIES OVER HER SPEECH TO PARLIAMENT, CANADIANS CAN HAVE NO REASON TO COMPLAIN OF BRITISH NEGLECT OR LACK OF COMMITMENT TO OUR RELATIONS WITH CANADA. SECONDLY, BY ITS FORTUNATE TIMING (TWO DAYS AFTER A HEARTENING BY-ELECTION VICTORY FOR THE CONSERVATIVES AND ON THE SAME DAY AS THE FEDERAL PARLIAMENT'S FINAL VOTE ON MEECH LAKE) THE PRIME MINISTER'S VISIT TO OTTAWA MAY HAVE HELPED TO RESTORE MULRONEY'S POLITICAL FORTUNES. FOR ALL THE CYNICISM OF THE CANADIAN MEDIA ABOUT THE TORONTO SUMMIT, NO-ONE HAS BEEN ABLE TO FAULT MULRONEY'S HANDLING OF IT. MRS THATCHER, BY HER RINGING ENDORESEMENT OF HIS POLICIES PARTICULARLY ON FREE TRADE AND DEFENCE, HAS ALSO GIVEN HIM A CONSIDERABLE PERSONAL BOOST. THE POLLS WILL SHOW OVER THE NEXT FEW WEEKS WHETHER THIS IS TRANSLATED INTO REAL REVIVAL IN HIS POLITICAL STANDING.

URWICK

YYYY

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SUBJECT *CC-MASTER*

10 DOWNING STREET
LONDON SW1A 2AA

*CANADA
RELATIONS PT 6*

From the Private Secretary

22 June 1988

Dear Lynn,

PRIME MINISTER'S VISIT TO CANADA:
MEETING WITH THE CANADIAN PRIME MINISTER

The Prime Minister had a talk with the Canadian Prime Minister over lunch at his official residence in Ottawa on 22 June. Those present on the Canadian side were Mr. Derek Burney and the Canadian High Commissioner in London. Our High Commissioner in Ottawa was also present.

Prime Minister's speech to the Canadian Parliament

Mr. Mulroney expressed warm appreciation for the Prime Minister's speech earlier in the day to the Canadian Parliament.

Canadian political situation

Mr. Mulroney explained that the Canadian Parliament would be kept in session until it had completed the main outstanding Bills in the government's legislative programme. He was prepared to go on as long as necessary. But the indications were that the Opposition would crumble and let the main Bills through by the third week in July.

Northern Ireland

Mr. Mulroney sought the Prime Minister's views on the longer term outlook for Northern Ireland. The Prime Minister said that there was little alternative to pressing ahead with current policies. Unfortunately the Irish Republic had neither the will nor the resources to cooperate wholeheartedly in the fight against terrorism, with the result that terrorists enjoyed virtually a safe haven in the Republic. Mr. Mulroney enquired why the Prime Minister did not take measures to close the border between the Republic and Northern Ireland. He had discussed this problem in the past with President Reagan and could say that most Canadian and United States governments would be ready to provide financial backing for any steps which would help deal definitively with the IRA.

Middle East

Mr. Mulroney was pessimistic about the prospects for progress on Arab/Israel during the remaining months of the present United

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States Administration. The outlook was little better in the event of a Democratic victory in the Presidential elections in November. He wondered whether the Prime Minister, as the West's leading statesman, could not take some initiative which might help bring the two sides in the Middle East together. The Prime Minister explained the intricacies of the Middle East situation and the limitations on any intervention by outsiders. No solution would be possible without effective pressure by the United States on Israel.

South Africa

Mr. Mulroney raised this subject, seeking the Prime Minister's assessment of the prospects in South Africa. The Prime Minister said that the situation was frozen: President Botha was psychologically incapable of taking the steps necessary for progress towards a political solution. Mr. Mulroney said that it would be very useful if the Prime Minister were to visit South Africa. She was the only person whose voice carried weight with whites in South Africa. An alternative would be for her to make a speech which would be heard by the whites setting out the steps needed. The Prime Minister said that she would be very resistant to paying a visit without some assurance that it would lead to some positive step such as the release of Nelson Mandela. But she did not believe the South African government would be ready to make concessions in response to external pressure. Mr. Mulroney asked whether partition was a possible solution in South Africa. The Prime Minister thought this highly unlikely, although she recalled that President Reagan had at various times expressed support for a cantonal solution.

SSNs

The Prime Minister set out with considerable vigour the case for Canada choosing the Trafalgar class submarines over the rival French offer. They represented a higher state of technology and were safer and quieter. It would be difficult for us - and no doubt for the United States navy - to conduct joint exercises or training with the Canadian navy if they were to choose the noisier French submarines, since to do so would risk compromising our submarines to the Soviet navy. Mr. Mulroney said that the two options were still being evaluated by the military and no recommendation had yet been received by the Canadian Cabinet. He thought it might still be some three weeks before such a recommendation was submitted. He would ensure the Prime Minister was informed as soon as it was. Mr. Burney said that the Canadians had still not been able to conclude negotiations with the Americans on necessary amendments to the US/Canada Nuclear Cooperation Agreement (not in fact true: they were concluded on 17 June). This was one of the reasons for the delay in the options coming forward to Ministers. Mr. Mulroney said that he was anxious that both options should be examined on an exactly equal footing. The Prime Minister said that she wished to leave Mr. Mulroney in no doubt of the degree of public interest in this issue in the United Kingdom and the way in which a decision to opt for the French proposals would be viewed, in view of the obvious technological superiority and operational advantages of the British submarines.

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- 3 -

I am copying this letter to Brian Hawtin (Ministry of Defence), Stephen Ratcliffe (Department of Trade and Industry), David Watkins (Northern Ireland Office) and Trevor Woolley (Cabinet Office).

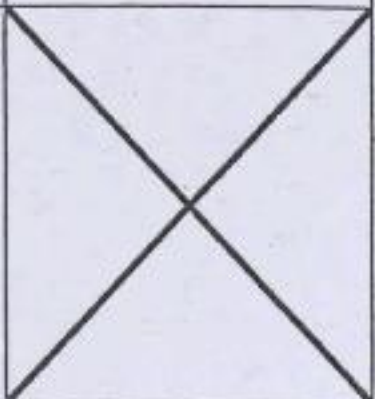
Yours sincerely,
Chris Jones

(C. D. POWELL)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

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DEPARTMENT/SERIES <i>MEM 19</i> PIECE/ITEM <i>2920</i> (one piece/item number)	Date and sign
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Foreign and Commonwealth Office

London SW1A 2AH

18 April 1988

*CDS
10/4**Dear Ian*Canadian European Theatre Base *10 + flap*

The Foreign Secretary has seen a copy of your letter of 31 March to Charles Powell. He is content that the Defence Secretary should proceed as proposed.

I am copying this letter to the recipients of yours.

*Yours ever**PP*(L. Parker)
Private Secretary

I C F Andrews Esq
PS/Secretary of State for Defence

Compassi Relation



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cc PC 3



Treasury Chambers, Parliament Street, SW1P 3AG

Ian Andrews Esq
 Private Secretary to the
 Secretary of State for Defence
 Ministry of Defence
 Main Building
 Whitehall
 London
 SW1

om.

8th April 1988

Dear Ian,

CANADIAN EUROPEAN THEATRE BASE

The Chief Secretary has seen your letter of 31 March to Charles Powell. *at flap*

He agrees that we should not offer agreement in principle. It would certainly be premature to do so before conclusion of the NATO consideration of the Canadians' unilateral withdrawal of their CAST brigade.

It will also be essential, prior to any decision in principle, to identify the costs to the Defence Budget of retaining facilities for the Canadians which would otherwise be sold.

I am copying this letter to Charles Powell (No. 10), to the Private Secretaries of members of OD and to Trevor Woolley in the Cabinet Office.

Yours ever,

ZOE EVEREST-PHILLIPS
 Assistant Private Secretary

8

CANADA: UK Relations
PT 6





Kie

bc PC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

2 April 1988

CANADIAN EUROPEAN THEATRE BASE (CETB)

Thank you for your letter of 31 March about the approach we have received from the Canadians about the possibility of establishing a Canadian European Theatre Base in the United Kingdom.

The Prime Minister has commented that Canada gives us facilities and tested Cruise missiles. The least we can do is to respond positively to her request. I think this is compatible with the line proposed in the penultimate paragraph of your letter, provided it is clear that we are ready in due course to offer an agreement in principle to what the Canadians are seeking.

C D POWELL

Ian Andrews, Esq.
Ministry of Defence



MO 14/6V

Canada allows us facilities
and tested twice minutes. The work
we can do to
respond fully to her request

MINISTRY OF DEFENCE

MAIN BUILDING WHITEHALL LONDON SW1A 2HB

Telephone 01-218 2111/3

Prime Minister

31st March 1988

This is a long-winded
way of saying that we
will think about it

Dear Pauls, Canadian report.
CAP 31/3

CANADIAN EUROPEAN THEATRE BASE (CETB)

The Defence Secretary has received a formal approach from his Canadian counterpart about the possibility of establishing a Canadian European Theatre Base (CETB) in the UK. The purpose of this facility which, with the exception of a small military presence would be largely dormant in peacetime, would be to provide facilities in support of Canadian reinforcement commitments to continental Europe in transition to war or war.

There are important Alliance considerations here. We need to do all we can to anchor the Canadian commitment to European reinforcement. The Canadians have already withdrawn, unilaterally, from their commitment to the reinforcement of Norway in favour of consolidating their forces in Southern Germany where they are not so badly needed and the resulting military gap is the subject of a NATO study. We need to handle their approach in such a way as not to pre-empt the possibility either that the NATO authorities will request the Canadians to reconsider their decision, or that Canadian forces could be redeployed within the Continent in such a way as to permit the rerolling of the United Kingdom Mobile Force (currently dedicated to the reinforcement of Denmark and Schleswig Holstein) which is itself part of a NATO military study. The Canadian proposal would also require HMG to retain airfield, storage and related accommodation which could otherwise be disposed of and may be seen too against the background of the current negotiations over the possible sale of SSNs.

Mr Beatty's approach amounts to a request to consolidate staff level work conducted without commitment in 1986. This reached the point of identifying the broad feasibility of the Canadian ideas but could not be taken further without a much clearer briefing upon their specific requirements. Mr Younger believes that it would be appropriate to respond positively to Mr Beatty, on the basis that his offer to provide the further briefing necessary to complete feasibility studies is welcome, but nonetheless to stand back from

C D Powell Esq
10 Downing Street



offering agreement in principle. This should not pose any problem for the CETB which the Canadian Defence White Paper this year placed in the context of a 15 year programme and which, as Mr Beatty's letter makes clear, would not be established before the middle or latter end of that period. There are, therefore, no difficulties in keeping the Canadians fully in play, and committed, without compromising the work of Alliance military authorities.

The Defence Secretary would be grateful to know whether the Prime Minister is content with his proposed course of action. I am sending copies of this letter to the Private Secretaries to other members of OD and to Trevor Woolley in the Cabinet Office.

[Handwritten signature]
[Handwritten signature]
 (I. C. G. ANDREWS)
 Private Secretary

010



Office of the
Agent General

Government
of Ontario
Canada

21 Knightsbridge
London SW1X 7LY
01-249 1222
Telex: 262517

Mr. Charles Powell,
Private Secretary to the Prime Minister,
10 Downing Street,
LONDON SW1A 2AA

CD
13/2

11th February, 1988

Dear Mr. Powell,

Thank you very much for arranging for our Premier, the Hon. David Peterson, to meet the Prime Minister. The Premier was very pleased with the meeting and we greatly appreciated your co-operation in this matter.

If I can be of any assistance in providing information as you plan for the June Summit in Toronto, please don't hesitate to give me a call.

Kindest regards,

Yours sincerely,

Tom Wells.

Thomas L. Wells
Agent General for Ontario

PRIME MINISTER

ms

MEETING WITH THE PREMIER OF ONTARIO

You are to see the Premier of Ontario briefly on Wednesday. It is only a courtesy call: he will be host to the Economic Summit in Toronto.

Mr. Peterson is young and a millionaire. He has built up a strong position for the Liberals in Ontario and has ambitions to move on to Federal politics.

The purpose of his visit is to open the new Ontario House in Knightsbridge and to drum up more British investment in his province (we are already substantial investors). He will also visit Canary Wharf into which an Ontario Property Company is putting £1 billion.

You will want to ask Mr. Peterson how he sees the economic outlook for Ontario (which provides half of Canada's GNP, although half its manufacturing sector is US-owned). You could mention our dissatisfaction at the discriminatory practices by Canadian provincial liquor boards - including Ontario's - whose high duties hurt our whisky exports. You could say a word about the Economic Summit.

Mr. Peterson has asked you to address a breakfast meeting of businessmen during the Summit. We have said that you cannot do this (you will need the time for bilaterals), but have already accepted an invitation from Mr. Conrad Black to address a dinner.

C.D.P.

C. D. POWELL

1 February 1988

PMMAQP

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*cc up
file*

WPC



Foreign and Commonwealth Office

London SW1A 2AH

29 January 1988

Dear Charles,

Call by Premier of Ontario, 3 February

Thank you for your letter of 11 January ^{*not flow*} about Mr Peterson's call on the Prime Minister. He will be accompanied by Canada's Deputy High Commissioner, Mr Louis Delvoie, and by Ontario's Agent General in London, Mr Tom Wells. I attach Mr Petersen's cv.

The Premier spent some of his early years in London (his father was an Alderman of the City of London). He has led the Ontario Liberal Party since 1982. His resounding victory in the September 1987 provincial elections, on the basis of "middle of the road" politics, should enable him to dominate the province until at least 1992. Thereafter, he has ambitions on the wider federal stage.

Mr Peterson is here for the opening of the new Ontario House in Knightsbridge. He wishes to raise with the Prime Minister the investment opportunities in Ontario for UK companies, cooperation over science parks and the Toronto Economic Summit.

Trade

We are delighted with Ontario's decision to move to more prestigious premises in London. We want to encourage further the sharply rising growth of UK trade with, and investment in, Canada. It is our 10th export market, with Ontario taking the highest share. The UK is the second largest investor in Canada (and an Ontario property company is putting £1 bn into the £3 bn Canary Wharf project in London Docklands, which Mr Peterson will visit). Many major British companies are represented in Ontario, but not in the north where the Premier wants to attract more investment. He will be meeting DTI Ministers (Mr Alan Clark and the Hon Francis Maude) at various promotional functions during his visit.

Ontario is Canada's richest province, accounting for over half of Canada's GDP. Its economy grew by nearly 5% in 1987 but, following the stock market crash which shook the Toronto financial district, slower growth is expected for 1988 and 1989. The province also has its own north/south divide, with high unemployment in the north. Mr Peterson will be interested in various aspects of our current social welfare programmes and in our approach to waterfront development.

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US/Canada Free Trade Agreement

While we and the EC generally welcome the US/Canada Free Trade Agreement, we hope the Prime Minister will sound a note of caution about certain discriminatory practices by Canadian provincial liquor boards, including Ontario's, whose high duties hurt our whisky exports in particular. The EC have protested to the GATT and the latter have found in the EC's favour. Although freer US/Canada trade is a national government priority and generally popular, it is divisive in Ontario and some other provinces. Mr Peterson supports free trade, but is refusing to dismantle certain protectionist tariff barriers which he says could damage weak manufacturers and Ontario's wine and agricultural sectors. He is also concerned about dependence on trade with the US and the high proportion of US ownership in Ontario's manufacturing sector (about 50%).

Toronto Economic Summit

The Toronto Economic Summit will take place in Mr Peterson's province. The Prime Minister recently declined his invitation for a breakfast meeting with businessmen during her visit to Toronto (she had already accepted a speaking invitation from Mr Conrad Black, an associate of Mr Peterson). The Premier may now offer his good offices for Mr Thatcher's programme.

organization of the The Prime Minister has written to Mr Mulroney about the Summit agenda. If Mr Peterson raises this, the Prime Minister might say that it is too early to have a view on the main agenda issues: but macro-economic cooperation, trade, the Uruguay Round, agriculture and debt seem likely to be in the front line.

Sale of SSNs to Canada

If the sale of SSNs to Canada is raised, the Prime Minister could explain that negotiations are proceeding well on the UK/Canada Memorandum of Understanding and with the United States on nuclear safety and security aspects.

Yours ever,

(L. Parker)
Private Secretary

C D Powell Esq
 10 Downing Street

PETERSON, THE HON DAVID

Premier of Ontario.

Born in Toronto, December 1943.

Educated at the University of Western Ontario, the University of Toronto, the University of Caen and Osgood Hall.

He was called to the Ontario Bar in 1969 but never practised as a lawyer. A businessman (electronics millionaire).

First elected to the Provincial Legislature in 1975. Re-elected in 1977 and 1981. Elected Leader of the Ontario Liberal Party in 1982.

He was elected Premier of Ontario in June 1985 when the Ontario Liberals won the Provincial election. He was not highly rated as a political contender. He was viewed as an uninspiring performer in the Legislature. However, Peterson worked hard to improve his political image and he doggedly built up the party's organisation to ensure that the Tories were quick off the mark once the spring election was called. Has made an effective start as Premier. His star is rising.

Interests: squash, jogging, reading, and hunting. A member of Lloyds.

Married to an actress, Shelley, who is daughter of Don Matthews a former National President of the Conservative Party. Three children.

CANADA: UK Relations
P. 6





cc FCO
MB

file
to
83

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

23 January, 1988.

Thank you for your letter of 22 January about the Premier of Ontario's meeting with the Prime Minister.

I am afraid that it will not be possible for the Prime Minister to address a breakfast and luncheon while in Toronto, although I know that she would be grateful to the Premier for the kind thought. She will be very much occupied with the Summit, and with bilateral meetings connected with it. She has already accepted a speaking engagement on the final evening.

There will be a photo-opportunity inside No.10 Downing Street when the Prime Minister greets the Premier. You can obtain information from Mr. Michael Bates in our Press Office.

(C.D. Powell)

Mr. Thomas L. Wells

ca



Office of the
Agent General

Government
of Ontario
Canada

21 Knightsbridge
London SW1X 7LY
01-245 1222
Telex: 210517

Mr. Charles Powell,
Private Secretary to the Prime Minister,
10 Downing Street,
LONDON SW1A 2AA

22nd January, 1988

Dear Mr. Powell,

Re: Premier of Ontario's meeting with Prime Minister Thatcher
Wednesday, February 3rd, at 3.30 p.m.

I have been asked by the Premier of Ontario, the Hon. David Peterson, to explore with you what the reaction would be from Prime Minister Thatcher if he were to invite her to attend a breakfast meeting or a luncheon in her honour, to meet the heads of major British companies doing business in Ontario, and perhaps the presidents of some of the large Canadian banks and investment houses located in Toronto. This breakfast or lunch could be held immediately before or after the G7 meeting. Perhaps you could advise me as to whether it would be appropriate for Premier Peterson to raise this subject.

Could you also give us some information as to whether a photo opportunity might exist, either immediately following the meeting inside, or in front of 10 Downing Street? For your information I am enclosing a biography of the Premier. Should you require any other information please let me know.

Thank you very much for your co-operation in these matters.

Yours sincerely,

Tom Wells

Thomas L. Wells
Agent General for Ontario

Enc.

HONOURABLE DAVID PETERSON
Premier of Ontario

David Peterson became Ontario's twentieth premier on June 26, 1985, and was re-elected at the head of a majority government September 10, 1987.

In the 1985 election, he led the Ontario Liberal Party to the greatest number of popular votes, winning 48 seats and setting the stage for the fall of the Progressive Conservatives after almost 42 years of power at Queen's Park. Two years later, the Liberals won 95 seats in the Ontario Legislature.

First elected as the member for London Centre in 1975, Mr. Peterson won the leadership of the Ontario Liberal Party in February 1982 and initiated several exciting programs of reform. He campaigned on a pledge to form an open government which is truly representative of all people.

Born in Toronto December 28, 1943 and raised in London, he earned his Bachelor of Arts degree in philosophy and political science from the University of Western Ontario in 1964. He went on to the University of Toronto, completing his Bachelor of Laws degree in 1967. After articling in Toronto, he was called to the Bar in 1969. He subsequently assumed the presidency of his family's electronics business.

As a student, one of his jobs was as a member of a rail gang in northern Saskatchewan with Frontier College. He would spend evenings and Sundays counselling his fellow workers and teaching them English. He also served as director of a volunteer legal aid service in the Yorkville area of Toronto.

Mr. Peterson has a lengthy record of community involvement. As the youngest president of the London Canadian Club, he was the first to admit women as members.

The Peterson family has a tradition of political involvement. His father, Clarence, was a signatory to the Regina Manifesto in 1933 and served for many years as an alderman in the City of London. Clarence Peterson also stood as a Liberal candidate in the 1955 provincial and the 1963 federal elections. David Peterson's brother, Jim, was elected to the House of Commons in 1980 as M.P. for Willowdale.

Mr. Peterson is married to the former Shelley Matthews. They have three children, Ben (b. Sept. 8, 1977), Chloe (b. Aug. 2, 1979), and Adam (b. Nov. 11, 1981).

CCP



Foreign and Commonwealth Office

London SW1A 2AH

20 January 1988

Dear Charles,

CDD
20/1Contacts with Canada: Commonwealth Committee on South Africa

Thank you for your letter of 11 January. The Foreign Secretary is of course content that an invitation to Mr Mulrone^{Key}y should wait until President Reagan's intentions are known.

Some confusion seems to have arisen about the Foreign Secretary's plans for contact with Mr Clark. Sir Geoffrey Howe had already instructed that we should not become involved in the work of the Committee or give any impression that we wished to be associated, however indirectly, with its proceedings. We are, of course, taking care to ensure that the Canadians are fully seized of our views; but Sir Geoffrey has no plans to see Mr Clark before the 1/2 February meeting of the Committee in Lusaka.

Nevertheless, the Foreign Secretary considers it both desirable and necessary that we should keep abreast of the activities of the Committee. He sees contacts with the Canadians, in particular Mr Clark, as the best channel for this. He is therefore inviting Mr Clark for talks in London in March when he is en route to the proposed NATO Summit. To prepare the ground, a senior Canadian DFA official has accepted an invitation in principle to official level talks here in February, after the Lusaka meeting.

Yours ever,
L Parker(L Parker)
Private SecretaryC D Powell Esq
10 Downing Street

Canada - UK/Canada Relations
Pr 6



201 105-1188



Handwritten initials/signature

Office of the
Agent General

Government
of Ontario
Canada

21 Knightsbridge
London SW1X 7LY
01-245 1222
Telex: 262517

Mr. Charles Powell,
Private Secretary to the Prime Minister,
10 Downing Street,
LONDON SW1A 2AA

15th January, 1988

Dear Mr. Powell,

We were very pleased to hear that the Prime Minister will be able to meet the Premier of Ontario, the Hon. David Peterson, on Wednesday, February 3rd, at 3.30 p.m. for about one half hour.

As we discussed over the telephone, those who will be attending with the Premier will be the Deputy High Commissioner for Canada, Mr. Louis Delvoie, and myself.

We will forward a biography of the Premier in a week or two. If you require any other information please let me know.

Thank you very much for making these arrangements.

Yours sincerely,

Tom Wells.

Thomas L. Wells
Agent General for Ontario



DA
ccpc

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 January 1988

PREMIER OF ONTARIO

BR/

Thank you for your letter of 30 October 1987. The Prime Minister will see Mr. Peterson at 3.30pm on 3 February for thirty minutes. I should be grateful if his office could be informed.

(Charles Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

h

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File 46
as per PC
Log All

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

11 January 1988

CONTACTS WITH CANADA

Thank you for your letter of 8 January conveying the Foreign Secretary's suggestion that the Prime Minister might invite Mr. Mulroney to visit London at some point this year, notably if there is a NATO Summit in the spring.

If there is to be a NATO Summit, the Prime Minister thinks that our first priority must be to invite President Reagan to stop over in London. Only when we know whether and when the President would wish to take up this invitation should we consider extending an invitation to Mr. Mulroney as well.

The Prime Minister has commented that she doubts the wisdom of talking to Mr. Clark ahead of the meeting of the Commonwealth Committee of Foreign Ministers on South Africa since this might give the impression that we wish to be in some way associated, however indirectly, with its proceedings. In her view, we should have nothing to do with it. She noted that neither President Moi nor President Babangida made any mention of it to her.

CHARLES POWELL

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

JA

CONFIDENTIAL

010

CONFIDENTIAL

cc JK



Foreign and Commonwealth Office

London SW1A 2AH

8 January 1988

Prime Minister
 I don't see the value
 of a general, catch-all
 invitation. Surely better to wait
 until we know
 if there is a NATO summit?
 Agree?
 CD 0/1

Dear Charles,

Contacts with Canada

The Foreign Secretary intends to invite Mr Joe Clark to stop over for talks in London when he is next passing this way. The proposed NATO Summit in the spring may provide an opportunity, if there is none earlier. One of the Foreign Secretary's objectives would be to discuss South Africa, given the Canadian role in the newly formed Commonwealth Committee of Foreign Ministers which is due to meet in Lusaka on 1-3 February.

The Foreign Secretary believes that the Prime Minister might wish to consider whether a parallel invitation should be sent to Mr Mulroney. Such a meeting would be an opportunity to emphasise our wholehearted support for the British bid for the SSNs contract and to discuss the NATO and Toronto Economic Summits. Our advice from the High Commissioner at Ottawa is that Mr Mulroney would be likely to be strongly in favour of such a meeting if it could be arranged.

If there is
 a NATO summit
 our first
 invitation
 should be to
 "stop over".
 to Mulroney if he would
 like to spend a day here
 with before the summit -
 whether the President comes
 or not.

This could
 be
 interpreted as
 the F.L.O. running
 a parallel
 invitation
 from the
 one I have
 carefully
 built up and steered
 through on
 Mulroney's
 not

Yours ever,

L Parker

(L Parker)
Private Secretary

E D Powell Esq
10 Downing Street

CONFIDENTIAL

Canada - Relations



PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. TAI/88

SUBJECT *cc MASTER
OPS*

NABPAN 8206
RESTRICTED
OO FCOLN OTTAWA
FM NAIRO TO FCOLN
060500Z JAN
GRS 90

RESTRICTED
FM NAIROBI
TO IMMEDIATE FCO
TELNO 3
OF 060500Z JANUARY 88
AND TO IMMEDIATE OTTAWA

YOUR TEL3 NOS 12 AND 13: MR MULRONEY'S MESSAGE

PLEASE PASS THE FOLLOWING REPLY FROM THE PRIME MINISTER TO
MR MULRONEY.

"I WAS VERY GRATEFUL FOR YOUR KIND MESSAGE, WHICH REACHED ME
IN NAIROBI, AND FOR YOUR ENCOURAGEMENT AND SUPPORT WHICH MEAN
A GREAT DEAL TO ME. MAY I IN RETURN CONGRATULATE YOU ON THE
SIGNATURE OF THE HISTORIC FREE TRADE AGREEMENT WITH THE UNITED
STATES AND WISH YOU EVERY SUCCESS IN THE BUSY YEAR AHEAD, NOT
LEAST AS HOST OF THE ECONOMIC SUMMIT IN TORONTO."

JOHNSON



10 DOWNING STREET

Tense

I wd. like her
to do anything at
all possible. 20/30
minutes or more
Can we do it?

Col

CA.

3rd Feb at

3.30.p.m.

I already had time in?!

T.C.
11/1

NE/A,

could you ask FCO for advice on the suggested message at X, + the text of a draft for the wanted base.

RESTRICTED

113646
MDLIAN 9587

N.C.U

4.1

~~Not~~ dir.

FCO will be seeking approval of a message & clearing a draft E the party - MEM 571

RESTRICTED
FM OTTAWA
TO PRIORITY FCO
TELNO 003
OF 041610Z JANUARY 88

MESSAGE TO THE PRIME MINISTER FROM MR MULRONEY

1. THE CANADIAN PRIME MINISTER TELEPHONED ME AT HOME ON 3 JANUARY TO ASK ME TO CONVEY TO THE PRIME MINISTER HIS WARMEST CONGRATULATIONS AND HEARTFELT GOOD WISHES ON WHAT HE TERMED HER QUOTE ANNIVERSARY UNQUOTE (THE FACT THAT MRS THATCHER HAD ON THAT DAY BECOME THE LONGEST CONINUOUSLY SERVING PRIME MINISTER OF THE CENTURY HAS RECEIVED WIDE PUBLICITY IN THE CANADIAN MEDIA). MR MULRONEY EXPRESSED HIS DEEP ADMIRATION FOR THE ACHIEVEMENTS OF THE PRIME MINISTER AND ALL THAT SHE HAD DONE FOR BRITAIN DURING HER PERIOD IN OFFICE ... HIS ONLY REASON FOR NOT TELEPHONING HER DIRECTLY WAS HIS WISH TO AVOID DISTURBING HER DURING THE HOLIDAY. HE WENT ON TO TELL ME THAT HE HAD JUST FINISHED READING LORD CALLAGHAN'S AUTOBIOGRAPHY WHO SEEMED TO HAVE SPENT A LARGE PART OF HIS TIME AS PRIME MINISTER NEGOTIATING WITH THE TRADE UNIONS: HOW MUCH TIME, HE WONDERED, HAD MRS THATCHER SPENT IN THIS WAY? HE WOULD ASK HER WHEN THEY NEXT MET EXCLAM.

COMMENT

2. THIS IS THE SECOND OCCASION IN MY BRIEF TIME HERE THAT MR MULRONEY HAS GONE OUT OF HIS WAY TO PRAISE THE PRIME MINISTER TO ME. I THINK THIS REFLECTS BOTH HIS GENUINE ADMIRATION FOR THE ACHIEVEMENTS OF A FELLOW CONSERVATIVE PRIME MINISTER AND HIS DESIRE TO PUT THE DIFFERENCES AT CHOGM BEHIND AND LOOK TO THE FUTURE. IF (AS I WOULD RECOMMEND) THE PRIME MINSTER WISHED TO SEND A BRIEF PRIVATE MESSAGE IN REPLY, IT WOULD BE APPROPRIATE TO CONGRATULATE MR MULRONEY ON THE SIGNATURE ON 2 JANUARY BY HIMSELF AND PRESIDENT REAGAN OF THE HISTORIC US/CANADA FREE TRADE AGREEMENT. THERE IS, HOWEVER, MUCH FURTHER WORK TO BE DONE TO MAKE THE AGREEMENT A REALITY IN BOTH CANADA AND THE UNITED STATES AND IT IS OF COURSE HIGHLY CONTROVERSIAL WITHIN CANADA, WHERE THE AGREEMENT HAS BEEN STRONGLY OPPOSED BY BOTH THE LIBERAL AND THE NEW DEMOCRATIC PARTIES.

X/

URWICK

YYYY

RESTRICTED

113646
MDLIAN 9587

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PS

PS/LORD GLENARTHUR
PS/MR EGGAR
MR GILLMORE
MR FEARN

ADDITIONAL 1

PS/NO 10 DOWNING STREET

NNNN



10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary

24 December, 1987.

As I think your office knows, Mr. David Poole of the office of the Premier of British Columbia wrote to me some time ago about the possibility of Premier Vander Zalm of the Province of British Columbia meeting the Prime Minister when the Premier visits London in February.

I understand from Charles Powell here that the Foreign and Commonwealth Office has already sent a telegram saying that the Prime Minister sadly cannot manage this, but that the Foreign and Commonwealth Secretary is willing to see Premier Vander Zalm. I have accordingly written to Mr. Poole. Copies of correspondence are attached.

N.L. Wicks

A.C. Galsworthy, Esq., CMG,
Foreign and Commonwealth Office.

JDS BFG



10 DOWNING STREET
LONDON SW1A 2AA

From the Principal Private Secretary

24 December, 1987.

I am sorry that I have not been able to reply before now to your letter of 8 December in which you enquired whether it might be possible for the Premier of the Province of British Columbia, Mr. Vander Zalm, to meet the Prime Minister when he is in London in February.

As I believe you may have heard from the Foreign and Commonwealth Office, sadly the Prime Minister is unable to see Premier Vander Zalm on this occasion. But I do know that the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, would be very pleased to have an opportunity for a discussion during Premier Vander Zalm's visit to London. Could I suggest therefore that you should be in touch with the Foreign and Commonwealth Secretary's Office about this.

With best wishes,

N.L. Wicks

Mr. David Poole



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

SIR ROBERT ARMSTRONG

Your minute of 11 December asked whether the Prime Minister would be able to see the Secretary to the Canadian Cabinet, Mr. Paul Tellier, on 17 or 18 December.

The Prime Minister's diary for both days is already very full. I think, therefore, that it would genuinely be difficult for her to see Mr. Tellier. Your minute suggests that this would not be taken amiss.

C. D. POWELL

11 December 1987

Cite *SR*

DS

Ref. A087/3551

MR POWELL

My Canadian counterpart, Mr Paul Tellier, the Secretary to the Cabinet and Clerk to the Privy Council in Ottawa, is visiting London on Thursday 17 and Friday 18 December. This visit is in pursuance of a long series of contacts between the holder of my post and the holder of his post, going back over many years, and the main purpose of his visit is to meet my successor. Mr Nigel Wenban-Smith, who is acting High Commissioner in Ottawa, has suggested that, in view of the way things are moving on the possible Canadian purchase of nuclear powered submarines, it could be useful to arrange for Mr Tellier to see the Prime Minister while he is in London.

2. I should of course be very happy to bring Mr Tellier through to meet the Prime Minister if she would like to receive him. But I cannot say that I think that it is strictly necessary, either in terms of substance or in terms of courtesy. He will be meeting Sir Clive Whitmore and Sir Patrick Wright, who will be able to reinforce what I was myself able to say to Mr Tellier in Ottawa in November on the subject of the Canadian purchase of SSNs; and there was no question of my seeing Mr Mulroney or Mr Clark when I was in Ottawa, so that there are no reciprocal obligations to be discharged.

3. I should be grateful if you could let me know whether the Prime Minister would wish to see Mr Tellier.



ROBERT ARMSTRONG

11 December 1987

M. Wicks

FCO Love that a

Col. saying surely

PM cannot manage

this but Terjyn

dec. will see him.

CPM.



Province of British Columbia
OFFICE OF THE PREMIER

C.P.

Flattery will
get him no
where!

December 8, 1987

My news is
what the PM should
agree.

N C W
17.12

Sir Nigel Wicks
Office of the Prime Minister
10 Downing Street
London, SW1A 2AA
England

Dear Sir Nigel:

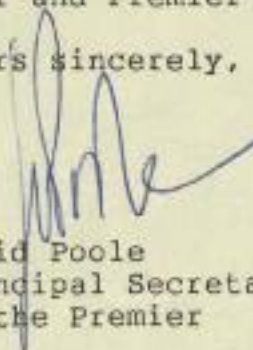
It was indeed a pleasure to meet with you while I was in London recently to discuss matters of mutual interest.

Further to our discussion, I would like to advise you that Premier Vander Zalm will be in London as early as February 18 to 25, 1988, and would be absolutely delighted to arrange his travel plans to accommodate the Prime Minister's extremely busy schedule.

Premier Vander Zalm would be most interested in discussing such issues as policy development and political strategy and organization since clearly, the Prime Minister has consistently proven to be a master tactician in these two areas.

Thank you again, Sir Nigel, for your hospitality and a most enjoyable meeting. I look forward to hearing from you if a convenient date can be established for a meeting between the Prime Minister and Premier Vander Zalm.

Yours sincerely,


David Poole
Principal Secretary
to the Premier



file PCAADA

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

23 November 1987

Dear Bob,

We have heard that the Premier of British Columbia is to visit the UK in February next year and wishes to call on the Prime Minister. As you know, I am very reluctant to get into a position where Canadian provincial Premiers believe that they can automatically come to see the Prime Minister. The only exception which we have contemplated has been the Premier of Ontario in whose province the Economic Summit will be held next year. Equally, it is a little difficult to deny the Premier of British Columbia given that the Prime Minister was in the province for CHOGM. I would prefer to avoid the Prime Minister seeing him if at all possible; is there any chance that the Foreign Secretary or a FCO Minister could do so on her behalf?

BF

Yours sincerely,

(C.D. POWELL)

R.N. Culshaw, Esq., M.V.O.,
Foreign and Commonwealth Office.



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

9 November 1987

Thank you for your letter of 6 November about the visit next year of the Premier of Ontario. It is useful to have a note of the dates. I cannot at this stage commit the Prime Minister in February next year: but I hope to be in touch with you again early in the new year about the possibility of a meeting.

(Charles Powell)

Thomas L. Wells, Esq.

File Note - FCO rang 19/11. They hadn't had a reply to their letter of 30 Oct to CSP but were content with my reading the above to them.

JK

↓



Office of the
Agent General

Government
of Ontario
Canada

21 Knightsbridge
London SW1X 7LY
01-245 1222
Telex: 262517

Tom
Oh, we do this
OK
Yes - 3rd would be better - 3.30?
1/11

Mr. Charles Powell,
Private Secretary to the Prime Minister,
10 Downing Street,
LONDON SW1

6th November, 1987

Dear Mr. Powell,

I am taking the liberty of writing to you because I believe Conrad Black sent you a letter in early September indicating that I would let you know the dates when the Premier of Ontario, the Hon. David Peterson, will be visiting London next year.

Premier Peterson will be in London on Tuesday, February 3rd, and the morning of February 4th. The only engagement so far confirmed is an address to the Canada-United Kingdom Chamber of Commerce between 12 noon and 3 p.m. on February 3rd.

The Premier would be very grateful if the Prime Minister could spend a few minutes with him. He would particularly like to discuss her visit to Toronto for the Economic Summit next June, and the possibility of any special arrangements the Province of Ontario might make for her during her stay.

I look forward to hearing from you, and thank you for your co-operation.

Yours sincerely,

Tom Wells

Thomas L. Wells
Agent General for Ontario

re part of conversation at flap



CANADA: UK/Canada Relations pt 6

CONTROL





(A BF)

cc PC

Foreign and Commonwealth Office

London SW1A 2AH

30 October 1987

Dear Charles,

at last
Premier of Ontario

No action for now.
Re-examine in January
CDP
30%.

Your letter of 31 July (attached) reported Mr Conrad Black's suggestion to the Prime Minister that Mr David Peterson, the Premier of Ontario, should call on her when he visited London. The Prime Minister gave him a half promise. The Canadian High Commission have also approached us. The visit is now planned for 1-5 February. The Canadians have suggested a call at No 10 on 3 February but we assume that this is not the only possible day during the visit.

We delayed a reply until after the Ontario Provincial elections in September. These proved a sweeping victory for the Liberals and Mr Peterson was duly returned as Premier for a second term.

As you are aware, there are ten Provincial Premiers and inter-provincial rivalries need to be kept in mind. Our general principle has been to examine each request on its merits. In recent years, the Prime Minister has agreed to see Premiers whom she had already met in Canada. Earlier this year the Prime Minister turned down a call by M. Jean Bourasse, the Premier of Quebec. We subsequently recommended against a call by the new Premier of British Columbia, Mr Vander Zalm.

On the merits of the case, the Secretary of State sees no particular reason to recommend a call by Mr Peterson. Agreeing to see Mr Peterson could, moreover, set an uncomfortable precedent and encourage similar requests from other Premiers whom the Prime Minister has not yet met. A renewed request from the Premier of Quebec could be particularly difficult to turn down. The Secretary of State recognises, however, that the Prime Minister has half committed herself.

Mr Peterson has indicated that he would like more than just a courtesy call: he would like to discuss substantive issues including future opportunities for UK investment in the Province and the Economic Summit due to be held in Toronto in 1988.



Politically, Mr Peterson is an increasingly popular and important figure in Canada. He has been leader of the Ontario Liberal Party since 1982 and Premier in Ontario since 1985. His victory on 10 September should enable him to dominate the Province until at least 1992, unless he chooses to make a bid for the Liberal leadership at Federal level.

Ontario itself remains the hub of Canada in population and in wealth. Mr Peterson has provided dynamic and reforming leadership and UK trade and investment with Ontario has been expanding rapidly. Toronto has one of the world's leading stock markets and its "little bang" owed much to the example of the "big bang" in the City.

Lowes

L. Parker

(L Parker)
Private Secretary

CD Powell Esq
PS/No 10 Downing Street



Mr Fowler, NAD

see PS

PS / Mr Egger

PS / Mrs W

Mr team.

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

31 July 1987

*Advice please
Lyn Parker
s/e.*

Dear Mr.

PRIME MINISTER OF ONTARIO

Mr. Conrad Black told the Prime Minister this morning that the Prime Minister of Ontario hoped to visit London later this year or early next and would very much appreciate ten minutes with her. The Prime Minister gave a half promise on this. I should be grateful if you would let me know when arrangements are being discussed for such a visit.

*Yours sincerely
Charles Powell*

(Charles Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

*John Turner
pl. rpl*

*CP
3/8*

CANADA relations pt 6



Amc 232/1
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RR OTTAW
FM PCOLN TO EDMON
051300Z AUG
GRS 117

UNCLASSIFIED
FM PCO
TO IMMEDIATE EDMONTON
TELNO 18
OF 051300Z AUG
AND TO PRIORITY OTTAWA

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER
TO THE PREMIER OF ALBERTA, THE HON HELEN HUNLEY.

BEGINS

I WAS VERY SORRY TO HEAR OF THE TRAGIC LOSS OF LIFE AND
THE EXTENSIVE DAMAGE CAUSED BY THE TORNADO IN EDMONTON
WHICH WAS BROUGHT HOME TO US BY SOME CHILLING TELEVISION
COVERAGE. I SEND YOU MY DEEPEST SYMPATHY, AND WOULD ASK YOU
TO CONVEY MY CONDOLENCES TO THE INJURED AND TO THE FAMILIES
OF THOSE WHO LOST THEIR LIVES.

ENDS

GLENARTHUR

OCMIAN 0674
LIMITED

PS
PS/LORD GLENARTHUR
PS/MR. EGGAR

1
UNCLASSIFIED

Aug 23 21
 - 7 AUG 1987
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PRIME MINISTER'S
 PERSONAL MESSAGE
 SERIAL No. T153/B/87
 SUBJECT CC MASTER
 OPS

UNCLASSIFIED
 FM FCO
 TO IMMEDIATE OTTAWA
 TELNO 224
 AND TO INFO PRIORITY EDMONTON

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER
 TO MR. MULRONEY.
 BEGINS
 WE WERE ALL HORRIFIED TO SEE PICTURES OF THE DESTRUCTION
 CAUSED BY THE TORNADO WHICH STRUCK EDMONTON AND TO LEARN
 OF THE TRAGIC LOSS OF LIFE AND INJURY. I SEND YOU MY
 DEEPEST SYMPATHY.
 ENDS

GLENARTHUR

OCMIAN 0683

NNNN

YYYY
 LIMITED.
 PS
 PS/LORD GLENARTHUR
 PS/MR EGGAR



File JH(42)
CEPC

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

5 August 1987

TORNADO AT EDMONTON

Thank you for your letter of 5 August enclosing draft messages from the Prime Minister to Mr. Mulroney and to the Premier of Alberta about the recent Tornado.

I enclose revised texts which should be despatched as soon as possible. I am bound to say that the machine seems to have moved exceedingly slowly on this one. The messages were hardly masterpieces of originality, so it seems hard to explain the lapse of time.

(Charles Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

dg

OUT TELEGRAM

	Classification UNCLASSIFIED	Caveat	Priority IMMEDIATE
--	---------------------------------------	--------	------------------------------

ZCZC
TC
CAVEAT
FM
TO
TELENO
OF
AND TO

1	
2	UNCLASSIFIED
3	
4	FM FCO
5	TO IMMEDIATE EDMONTON
6	TEL NO
7	
8	AND TO PRIORITY OTTAWA
9	
10	1. Please pass the following message from the Prime Minister
11	to the Premier of Alberta, the Hon Helen Hunley.
12	BEGINS
13	I was very sorry to hear of the tragic loss of life and
14	the extensive damage caused by Friday's ^{the} tornado in Edmonton
15	which was brought home to us by some chilling television
16	coverage. I send you my deepest sympathy, and would ask you
17	to convey my condolences to the injured and to the families
18	of those who lost their lives.
19	ENDS
20	
21	NNNN
22	
23	
24	
25	
26	
27	
28	
29	



COPY	Catchword		
MVA	File number	Dept	Drafted by (Block capitals)
ADDITIONAL	Telephone no		
NNNN	Authorised for	Initials	Date/time
	despatch by:		
	For EOD use only	Common reference	Telegram number
			Processed by



Foreign and Commonwealth Office

London SW1A 2AH

5 August 1987

Dear Charles,

Tornado at Edmonton

You will be aware of the tornado which struck Edmonton on 31 July. Our Consul-General has recommended that the Prime Minister consider sending messages of sympathy to Mr Mulroney and to the Premier of Alberta, the Hon Helen Hunley. We support this recommendation. I enclose draft telegrams.

The tornado was Canada's worst natural disaster for 34 years, leaving some 30 dead and 270 injured, and causing extensive damage. The Queen normally sends messages of sympathy to Commonwealth countries on such occasions, and did so on 1 August. The Canadians would certainly appreciate a message from the Prime Minister and, given the seriousness of the casualties, might take it amiss if one were not sent.

We have considered whether a single message to Mulroney would suffice. As there are great sensitivities in the relations between the Canadian Federation and the Provinces we think it preferable to send separate messages.

Yours ever,
L Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/No 10 Downing Street

OUTWARD TELEGRAM

	Classification	Caveat	Precedence
	UNCLASSIFIED		PRIORITY
TC	SECURITY CLASSIFICATION UNCLASSIFIED		
CAVEAT	PRIVACY MARKING/RESTRICTIVE PREFIX		
FM	FM (post) FCO		
TO	TO (precedence/post) <i>IMMEDIATE</i> PRIORITY EDMONTON		
TELNO	TELNO/TELELETTER TELNO		
OF	OF (Time of origin) 041200	Z (Month) AUGUST	(Year) 87
AND TO	AND TO (precedence/post)		
	AND TO SAVING		
INFO	INFO (precedence/post) PRIORITY OTTAWA		
	INFO SAVING		

Distribution:-

MAIN
 NAD
 CCD
 NEWS DEPT
 PROTOCOL DEPT
 PS/LORD GLENARTHUR
 PS/MR EGGAR
 MR FEARN

TORNADO AT EDMONTON: MESSAGES OF SYMPATHY

1. Please pass the following message from the Prime Minister to the Premier of Alberta, the Hon Helen Hunley

BEGINS *I had my son to hear the tragic great sorrow*

I heard with deep regret of the loss of life and the extensive damage caused by Friday's tornado in Edmonton. *I send you for this appalling disaster*

Please accept my deepest sympathy, and convey my condolences *to the families of those who have lost their lives.*

to the bereaved and injured. *for their*

ENDS *Would ask you to*

When was brought home to us by some chilling storm

Catchword:			
File number	Department	Drafted by: (block capitals)	Telephone no

OUTWARD TELEGRAM

	Classification	Caveat	Precedence
	UNCLASSIFIED		PRIORITY
TC	SECURITY CLASSIFICATION UNCLASSIFIED		
CAVEAT	PRIVACY MARKING/RESTRICTIVE PREFIX		
FM	FM (post)..... FCO		
TO	TO (precedence/post) IMMEDIATE PRIORITY OTTAWA		
TELNO	TELNO/TELELETTER TELNO		
OF	OF (Time of origin) 041200	Z (Month)..... AUGUST	(Year)..... 87
AND TO	AND TO (precedence/post)		
	AND TO SAVING		
INFO	INFO (precedence/post) PRIORITY EDMONTON		
	INFO SAVING		

Distribution:-

MAIN
 NAD
 CCD
 NEWS DEPT
 PROTOCOL DEPT
 PS/LORD GLENARTHUR
 PS/MR EGGAR
 MR FEARN

TORNADO AT EDMONTON: MESSAGES OF SYMPATHY

1. Please pass the following message from the Prime Minister to Mr Mulroney.

BEGINS

I heard with deep regret of the serious loss of life and the extensive damage caused by Friday's ^{the} tornado in Edmonton. Please accept my deepest sympathy.

ENDS

We were all horrified to see pictures of the ~~tornado~~ destruction caused by the tornado which struck Edmonton and to learn of the tragic loss of life & injuries. I send you my deepest sympathy.

Catchword:			
File number	Department	Drafted by: (block capitals)	Telephone no



ECU

bcpc

10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

31 July 1987

PRIME MINISTER OF ONTARIO

Mr. Conrad Black told the Prime Minister this morning that the Prime Minister of Ontario hoped to visit London later this year or early next and would very much appreciate ten minutes with her. The Prime Minister gave a half promise on this. I should be grateful if you would let me know when arrangements are being discussed for such a visit.

(Charles Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

055

Confidential

CONFIDENTIAL
 FM OTTAWA
 TO DESKBY 150930Z FCOLN
 TELNO 214
 OF 142215Z APRIL 87
 INFO SAVING WASHINGTON

MY TELNO 210 AND TELECON WENBAN-SMITH/PRENDERGAST *mb*

SUMMARY

1. DEA CLAIM THAT MEDIA REPORTS OF A CANADIAN PROPOSAL TO ESTABLISH A SUMMIT GROUP ON SOUTH AFRICA ANALOGOUS TO THE EPG IS MUCH TOO SPECIFIC. THEY PLAN TO COMMUNICATE THEIR IDEAS TO SUMMIT PARTNERS IN NEXT FEW DAYS.

DETAIL

2. CBC CHIEF POLITICAL CORRESPONDENT REPORTED ON MAIN EVENING NEWS ON 13 APRIL THAT MR MULRONEY INTENDED TO PROPOSE AT VENICE THAT THE SUMMIT COUNTRIES ESTABLISH A GROUP ON THE LINES OF THE COMMONWEALTH EPG TO SEEK A WAY FORWARD IN SOUTH AFRICA. WE ARE NOT AWARE OF ANY OFFICIAL DENIAL.

3. DEA, CLEARLY EMBARRASSED, INVITED DHC, IN MY ABSENCE IN MONTREAL, TO CALL THIS AFTERNOON. MIDDLETON (DG, AFRICA) AND SCHIOLER (CHAIRMAN, SOUTH AFRICAN TASK FORCE) MAINTAINED THAT CANADIAN IDEAS WERE STILL AT A FORMATIVE STAGE. THEY WERE LOOKING AT WAYS OF BUILDING ON THREE POINTS OF WHICH WE WOULD ALREADY BE AWARE:

(I) THE PRIME MINISTER'S CONCERN WITH THE SOUTH AFRICAN ISSUE AND WISH TO SEE IT DISCUSSED WHEREVER POSSIBLE, INCLUDING VENICE SEMI-COLON

(II) THEIR FEELING THAT THE SOUTH AFRICANS NEEDED OUTSIDE INTERLOCUTOR(S) SEMI-COLON AND

(III) THEIR BELIEF THAT THE EPG WAS A GOOD MODEL TO FOLLOW.

AS RESULT OF THE LEAK (ASCRIBED TO THE PRIME MINISTER'S OFFICE) WORK OF PUTTING TOGETHER THE CANADIAN IDEAS WAS BEING GREATLY ACCELERATED SEMI-COLON AND THEY HOPED TO BE READY TO COMMUNICATE THEIR THOUGHTS, PERHAPS IN THE FORM OF ELEMENTS TO BE CONSIDERED AT VENICE, TO THE SUMMIT PARTNERS IN THE NEXT FEW DAYS. THIS WOULD BE FOLLOWED BY A MORE FORMAL PRESENTATION BY SYLVIA OSTRY AT SHERPAS' MEETING ON 30 APRIL. MEANWHILE SI TAYLOR WOULD, THEY HOPED, BE ABLE TO GIVE ME AN ACCOUNT OF WHAT THE CANADIANS WOULD BE PROPOSING WHEN HE SEES ME ON 16 APRIL. CHARLES FREEMAN (DEP ASSISTANT SEC, US STATE DEPARTMENT) IS DUE IN OTTAWA TONIGHT FOR TALKS WITH THE CANADIANS TOMORROW.

Confidential

4. ASKED WHAT THE BRITISH REACTION WAS TO THE MEDIA REPORTS, DHC SAID THAT WE WOULD WANT TO CONSIDER WHAT THE CANADIAN GOVERNMENT ACTUALLY PROPOSED. AT THE SAME TIME (DRAWING ON WASHINGTON TELNO 811) HE ADDED THAT WE WERE DUBIOUS ABOUT THE IMPACT THAT WOULD BE MADE BY A VENICE STATEMENT AND ABOUT THE UTILITY OF ANY NEW GROUP. IT WOULD PROBABLY BE EXTREMELY DIFFICULT TO AGREE A STATEMENT AND IT WAS HARD TO SEE HOW A STATEMENT COULD BE DRAFTED NOW WHICH WOULD MEET THE REQUIREMENTS OF WHATEVER THE SITUATION MIGHT BE A MONTH AFTER THE SOUTH AFRICAN ELECTIONS.

5. OUR INTERLOCUTORS WERE CLEARLY EMBARRASSED, BUT EQUALLY CLEARLY UNWILLING TO GIVE A FULLER ACCOUNT OF CANADIAN INTENTIONS. THE MOST LIKELY EXPLANATION OF THIS IS LACK OF COORDINATION BETWEEN THE DEA AND PMO RATHER THAN DELIBERATE STALLING ON THE PART OF MIDDLETON AND SCHIOLER.

DAY

YYYY

ODWBAN 8709

SOUTHERN AFRICA
STANDARD (PALACE)
SAFD
OADs
UND
NAD
ECDs
SOVIET D
WCAU
MR ACE
CABINET OFFICE

[COPIES SENT TO NO 10 DOWNING STREET]

ADDITIONAL DISTRIBUTION
SOUTHERN AFRICA

- 2 Confidential 2 -

010

ccpc

Canadian High Commission



Haut Commissariat du Canada

London,
20 March 1987

Mr. Charles Powell,
Private Secretary to the Prime Minister
10 Downing Street,
London

CDP
25/3

Dear Mr. Powell,

Relations

Prime Minister Brian Mulroney has asked that the attached personal message be transmitted to Prime Minister Thatcher as soon as possible. I should be grateful for your assistance in this matter.

Yours sincerely,

L.A. Delvoie
L.A. Delvoie,
Acting High Commissioner



10 DOWNING STREET
LONDON SW1A 2AA

From the Private Secretary

bc PC
12 January 1987

PREMIER OF BRITISH COLUMBIA

Thank you for your letter of 12 January telling me about the request from the Premier of British Columbia to call on the Prime Minister when he is in London. I am afraid that the Prime Minister's diary is such that we cannot contemplate her seeing Mr. Vander Zalm.

(Charles Powell)

Lyn Parker, Esq.,
Foreign and Commonwealth Office.

JPA



Foreign and Commonwealth Office

London SW1A 2AH

12 January 1987

Dear Charles,

Premier of British Columbia

The Canadian High Commission have asked on behalf of the Premier of British Columbia whether he could pay a courtesy call on the Prime Minister when he is in London during the week of 5 February.

Your letter of 2 January makes clear that the Prime Minister wishes to cut down on courtesy calls of this type, and we have no specific reason for recommending this call; however, you may wish to be aware that the request was made. Given that we have so recently turned down a request from the Premier of Quebec, the Foreign Secretary hopes the Prime Minister will not see Mr Vander Zalm even if she is unexpectedly free; if she did so, so soon after turning down M. Bourassa, the latter might see it as a snub.

Premier Vander Zalm became leader of the Social Credit Party and Premier of British Columbia in July 1986 shortly after the Prime Minister's visit to Vancouver for Expo '86. She did not meet him during that visit.

✓
however,
L Parker

(L Parker)
Private Secretary

C D Powell Esq
PS/10 Downing Street



shw
c/c

10 DOWNING STREET

LONDON SW1A 2AA

From the Private Secretary

2 January 1987

PREMIER OF QUEBEC

Thank you for your letter of 29 December asking whether the Prime Minister would receive the Premier of Quebec when he visits London later this month. As I have commented in another context, we are trying to reduce the number of foreign visitors whom the Prime Minister receives, and the grounds for her to receive Monsieur Bourassa do not seem very strong. I should be grateful if you could convey the Prime Minister's regrets.

(C. D. POWELL)

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.

RC



10 DOWNING STREET

CSP. or,

I'm deliberately not putting a lie
in - since if I do the PM will
almost certainly say yes & I'm
not sure that you would approve!

The dates are not impossible -
we could find half-a-dozen.

Andy

010

cc RY



Foreign and Commonwealth Office

London SW1A 2AH

29 December 1986

Dear Charles,

Premier of Quebec

Premier Bourassa of Quebec will visit London from the afternoon of 26 to 28 January and has asked through the Canadian High Commission if he might call on the Prime Minister.

The Prime Minister has kindly agreed in the past to a call by Canadian Provincial Premiers, eg Mr Lougheed of Alberta and Mr Davis of Ontario in 1984. There are good grounds for considering one by M. Bourassa and the Foreign Secretary endorses this request. M. Bourassa became leader of the Quebec Liberal Party in June 1985 and Premier of Quebec in the election in December the same year. He is an able and serious-minded economic pragmatist with a practical interest in current British policy. Before his election he brought his economic team to London to study various aspects of UK economic policy, including privatisation.

Quebec is the second most import Canadian Province for UK trade and investment. Our trade with Quebec exceeds its trade with France and we are currently running a special campaign in Quebec to promote investment to the UK. Quebec's economy is in rapid expansion and has seen the emergence in recent years of a new class of young francophone entrepreneurs.

/Quebec



Quebec separatism is in eclipse. Mr Mulroney and M. Bourassa are trying to find a formula acceptable to the other provinces which would allow Quebec to sign the federal constitution. Britain's relations with Quebec suffered from the growth of separatism in the Seventies and the row over patriation of the Canadian Constitution in the early Eighties. All that is now over, and our efforts to get things back on a normal, friendly footing have met with a generous response.

James

(R N Culshaw)

(R N Culshaw)
Private Secretary

C D Powell Esq
No 10 Downing St

SUBJECT
CC Master

CONFIDENTIAL



file LB
or
SEW AAO
ch / Cadork

10 DOWNING STREET

From the Private Secretary

17 March 1986

PRIME MINISTER'S TELEPHONE CALL WITH THE CANADIAN
PRIME MINISTER

Mr. Mulroney telephoned the Prime Minister from Ottawa this evening shortly before leaving for a visit to Washington.

Nicaragua

Mr. Mulroney said that he expected to come under heavy pressure from the United States Administration to support their line on Nicaragua. He wondered whether President Reagan had invited the Prime Minister to make any public comment. The Prime Minister said that we had received no such request. Her impression was that the regime in Nicaragua was becoming steadily more repressive. In practice she would not want to hinder the United States from defending its own backyard against Communist subversion. Her own public line would be that the United Kingdom supported the Contadora process; that anything beyond that was a matter for the United States Administration's judgement; but that we noted with regret the steadily more repressive nature of the Nicaraguan regime. Mr. Mulroney thought this a sensible line.

Group of Five

Mr. Mulroney said that he hoped to have the Prime Minister's personal support for Canadian membership of the G5. The request was not a capricious one. It was vital politically for Canada to be seen to be treated on an equal footing with other members of the Economic Summit Seven. He had been assured of support by President Reagan, Chancellor Kohl and President Mitterrand.

The Prime Minister said that she had discussed the matter recently with Signor Craxi. Obviously Italy and Canada should take part in discussions of matters affecting exchange rates, when important decisions affecting them were to be taken. But it was essential not to go beyond that. In particular, neither the EC Presidency nor the Commission should be included. Equally she did not want to see the existing Economic Summit Seven extended to take in, for
/instance

ECU

instance, Australia.

Mr. Mulroney said that he was grateful for the Prime Minister's support. He agreed entirely that there was no need for EC representation. Nor did he want to extend the Economic Summit Seven. He had been much impressed by the quality of private discussion between Heads of Government at the Bonn Economic Summit.

Prime Minister's Visit to Canada

The Prime Minister said that she was much looking forward to her visit to Vancouver in July. Mr. Mulroney said that he would be meeting the Prime Minister in Canada then, and of course before that at the Economic Summit. The conversation ended on this note.

I should add, however, that - according to his staff who spoke to me beforehand - Mr. Mulroney was intending to go on to suggest that Commonwealth Heads of Government might meet in Canada in mid-July to consider the report of the Eminent Persons Group on South Africa. The Prime Minister is not at all keen on being tied to a deadline for this and, forewarned, brought the conversation to a rapid conclusion before the matter could be raised.

I am copying this letter to Rachel Lomax (H.M. Treasury).

CHARLES POWELL

Colin Budd, Esq.,
Foreign and Commonwealth Office.

PRIME MINISTER

TELEPHONE CALL WITH MR. MULRONEY

Mr. Mulroney wants to telephone you at 8.30 p.m. on Monday before he sets off on a visit to Washington.

His office are not certain what he wants to discuss. But the obvious subjects are:

- (a) Canadian membership of the Group of Five. He has recently sent you a message on this (in the folder).
- (b) South Africa and the outcome of the Eminent Persons' Group's visit. He may in particular ask how you see the way ahead; and whether you have given thought to the timing of a further meeting of the Commonwealth Heads of Government concerned.

I enclose briefing on both points.

[Briefing on South Africa
in Lord Barber
meeting folder]

C.D.D

Charles Powell

14 March 1986

RAMAPE

OUT TELEGRAM

Final
copy.

	Classification	Caveat	Precedence IMMEDIATE
ZCZC TC CAVEAT FM TO TELNO OF AND TO	1 ZCZC 2 3 4 FM FCO 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	<p style="text-align: right; color: red; font-size: 1.2em;">SUBJECT</p> <p style="text-align: right; color: red; font-size: 1.2em;">PRIME MINISTER'S PERSONAL MESSAGE SERIAL No. <u>T27B/86</u></p> <p style="text-align: right; color: red; font-size: 1.2em;">ce Monitor ops</p> <p>Following is message from the Prime Minister to the Rt. Hon. Brian Mulroney.</p> <p style="text-align: center; color: red;">Sorrow</p> <p>It was with great sorry that I heard of the train crash at Hinton with the tragic loss of so many lives. May I ask you to pass on my deepest sympathy to the families of the victims.</p> <p style="text-align: right; color: red; font-size: 1.2em;">9-2-86</p> <p style="text-align: right; color: red; font-size: 1.2em;">Telephoned by FCO to Ottawa for onward transmission</p> <p style="text-align: center;">NNNN</p>	
YYY MAIN ADDITIONAL NNNN	[Hatched area]		
	Catchword:		
	File number	Dept	Drafted by (Block capitals) Telephone no
	Authorised for despatch by: Initials Date/time		
	For COD use only	Comcen reference	Telegram number Processed by

CPD

CPD



Foreign and Commonwealth Office

London SW1A 2AH

30 December 1985

*CPD
31/12*

Dear Anthony,

kept by PM

I enclose a personal letter from the Governor-General of Canada to the Prime Minister which we have been asked to deliver.

Yours ever

Robert Culshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
PS/10 Downing Street

CCPC
BU



Foreign and Commonwealth Office

London SW1A 2AH

21 November 1985

mw

Dear Charles,

Prime Minister
CDP
21/11

Governor-General of Canada

Thank you for your letter of 19 November. The Canadian High Commission have confirmed that 1800 hours on 22 November would be convenient for the Governor-General to call on the Prime Minister. Madame Sauvé is expected to be accompanied only by her ADC, Captain Pierre Richard.

The High Commission have also confirmed that this call is only to renew Madame Sauvé's personal acquaintance with the Prime Minister. They last met during Mrs Thatcher's visit to Ottawa in 1983, when Madame Sauvé was Speaker in the Canadian House of Commons. They had earlier met when Mrs Thatcher was Minister for Education and Madame Sauvé was Minister of State for Science and Technology.

I enclose as background a copy of the visit programme for Madame and M. Sauvé. The visit will include luncheons with HM The Queen and with the Canada/United Kingdom Chamber of Commerce. Madame and M. Sauvé will also be guests of honour at a reception to inaugurate the official Residence of the Canadian High Commissioner, Mr Roy McMurtry.

No formal briefing seems required but I enclose also a short background note on the current political and economic scene in Canada.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

PROGRAM FOR A VISIT BY THEIR EXCELLENCIES THE GOVERNOR
GENERAL AND M. SAUVE TO LONDON, FRIDAY NOVEMBER 22 - THURSDAY
NOVEMBER 28, 1985.

TRAVELLING PARTY:

THEIR EXCELLENCIES the Governor General and M. Sauve
Captain Pierre Richard
Inspector Yves Beaulieu
M. Chevrier

M. Leopold and Mme. Amyot
Mr. and Mrs. Anthony Smyth, Deputy Secretary, Government House
M. Jean Noel Tremblay, Cultural Attache, Government House
Maj. Colin Sangster, Director of Visits and Security, Government
House
Mlle. Marie Bender, Government House Press Secretary
Mr. Vaughan Martin, Assistant Chief of Protocol, Department of
External Affairs

PROGRAMME:

Friday, November 22nd

ARRIVAL - LONDON

09:30 hours Arrive London (Gatwick) Airport. Greeted by
The Hon. Roland Roy McMurtry QC., Canadian
High Commissioner, and Mrs. McMurtry,
Mr. Louis Delvoie, Deputy High Commissioner;
Brigadier General Chris Snider, Commander,
Canadian Defence Liaison Staff, and
Mr. John Schram, Head, Political Section,
Canadian High Commission (Phone 629-9492,
Ext.370; Home - 652-2055).

Clear Customs and Immigration

10:00 hours Leave by car for Claridge's Hotel (Motorcade
No.2: Daimler - Her Excellency, High Commissioner,
Scotland Yard. High Commissioner's car -
Mrs. McMurtry, His Excellency. Deputy High
Commissioner's car - Mr. and Mrs. Amyot,
Mr. Louis Delvoie. Minibus - Balance of party
including Mr. Schram).

11.15 hours Arrive Claridge's Hotel.

11.45 hours Their Excellencies depart Claridge's for the
High Commissioner's residence, 3 Grosvenor Square.

12:00 hours Call by Baroness-in-Waiting to the Queen,
the Baroness Hooper.

12:30 hours Baroness Hooper departs.

12:35 hours Private lunch with the High Commissioner and
Mrs. McMurtry.

14:00 hours Their Excellencies return to Claridge's.

Remainder of day - Free. (Daimler at the disposal of Their Excellencies).

Saturday, November 23rd

Saturday morning: Their Excellencies may wish to visit Portobello Market.

Saturday is early closing day, but features antiques. (A car will be at Their Excellencies' disposal).

Afternoon - Their Excellencies may wish to visit the Silver Vaults in Holborn.

(A car will be at Their Excellencies' disposal).

Sunday, November 24th

Sunday morning: Their Excellencies may wish to attend Mass at Farm Street Church. (The Daimler will be at their disposal, but if weather permits, Their Excellencies may wish to walk via Grosvenor Street, Carlos Place and the small park, entering the church through the rear door opening into the park. Mass begins at 0830 or 10:00 hours. Sung Mass at 11:00 hours.

Sunday afternoon: Their Excellencies will lunch privately. (A car will be at Their Excellencies' disposal).

Monday, November 25th

Daytime: No commitments.

INAUGURATION OF OFFICIAL RESIDENCE

Dress: Lounge Suit

17.45 hours Their Excellencies will leave Claridge's Hotel for the High Commissioner's residence, 3, Grosvenor Square. (The Daimler and two High Commission cars will be available for the party's use, if they should not wish to walk).

18:00 hours Their Excellencies attend, as Guests of Honour, a reception to inaugurate the Official Residence of Canada's High Commissioner. (Their Excellencies' full party will attend).

20:00 hours Their Excellencies will leave the High Commissioner's residence for Claridge's Hotel. (The Daimler will be at their disposal).

Tuesday, November 26th

LUNCHEON AT BUCKINGHAM PALACE

Dress: Afternoon Dress,
Lounge Suit

12.40 hours Their Excellencies will depart Claridge's Hotel for Buckingham Palace.
M. and Mme. Amyot will depart Claridge's Hotel for Buckingham Palace.

(The Daimler will be available for Their Excellencies; a High Commission car will be available for M. and Mme. Amyot).

13:00 hours Their Excellencies will attend a luncheon with Her Majesty the Queen at Buckingham Palace.

M. and Mme. Amyot to be presented to Her Majesty and attend a luncheon with the Royal Household.

60th ANNIVERSARY CONCERT AND RECEPTION

Dress: Cocktail Dress
Lounge Suit

18.10 hours (Approx) Their Excellencies, Capt. Richard, Inspector Beaulieu, M. and Mme. Amyot, M. Tremblay, Mme. Bender will depart Claridge's Hotel for Canada House, Trafalgar Square. (Daimler and two High Commission cars will be available).

18:30 hours Their Excellencies will attend the 60th Anniversary Concert at Canada House. A reception will follow the concert; Her Excellency will receive, on behalf of the Canadian people, a gift of a lithograph by Canadian artist David Blackwood, to mark the 60th Anniversary of Canada House.

20:30 hours Farewells. Leave for Claridge's Hotel.

Wednesday, November 27th

CANADA/UNITED KINGDOM CHAMBER OF COMMERCE LUNCHEON

Dress: Afternoon Dress
Lounge Suit

12:00 hours Their Excellencies depart Claridge's for The Inn on The Park, Park Lane. (Daimler, High Commission Car). Their Excellencies will be accompanied by Captain Richard, Inspector Beaulieu, M. and Mme. Amyot, M. Tremblay, Major Sangster, and Mme. Bender.

- 12:15 hours Their Excellencies arrive at The Inn on the Park to be met by Mr. and Mrs. Wain, President, Canada/United Kingdom Chamber of Commerce, and High Commissioner and Mrs. McMurtry.
- 12:30 hours Reception Line.
- 13:00 hours Luncheon begins.
- 14:00 hours Her Excellency will address the membership and guests.
- 14:30 hours Farewells. Leave for Claridge's Hotel.

DINNER AT THE RESIDENCE OF THE HIGH COMMISSIONER

Dress: Cocktail Dress,
Black Tie.

Evening - The High Commissioner will hold a dinner in Their Excellencies' honour. Their Excellencies will be accompanied by M. and Mme. Amyot.

Thursday, November 28th

DEPARTURE LONDON

- 10:00 hours Baggage vehicle leaves for the airport.
- 11:00 hours Their Excellencies and party leave Claridge's Hotel for Heathrow Airport, South side Lounge. Their Excellencies are accompanied by Captain Richard, Inspector Beaulieu, Mr. and Mrs. Smyth, M. Tremblay, Mme. Bender, Major Sangster, Deputy High Commissioner Mr. Delvoie, and Head Political Section, John Schram.
- 12:15 hours Arrive South side Lounge. Farewell by Lady-in-Waiting to the Queen. Board the aircraft.
- 12:30 hours Depart London by CF Dash-7 for Paris.

RESTRICTED

CANADA: POLITICAL AND ECONOMIC

1. Mr Mulroney's Progressive Conservative government has recently completed its first year in office. Despite its huge (140) majority and some sensible policies the government has recently been on the defensive. On the credit side it has reversed Mr Trudeau's nationalistic barriers to foreign investment; improved Federal/Provincial relations; largely freed oil and gas prices and is trying to stem the threat of US protectionism by moves to improve relations (Shamrock Summit) and for freer US/Canada trade. Mr Mulroney's own poll ratings remain good. Against this there have been patronage and other scandals and ministerial reshuffles and Mr Mulroney's failure to take strong action to curb the high federal deficit (7.5% of GNP) has been criticised.
2. The Canadians remain solid on the main Atlantic issues and have taken several steps to improve their contribution to NATO, including strengthening their Brigade in the FRG, despite pressures arising from the budget deficit. On SDI Mr Mulroney announced on 7 September that companies and universities would be free to bid for contracts although the government would not itself participate.
3. The Prince and Princess of Wales will open Expo '86 at Vancouver on 2 May. No decision has yet been reached on the British 'eminent personality' to attend as guest of honour at the 'British Day' on 8 July. The theme of this major exposition is Transport and Communications. £1.5 million of FCO funds have gone into the British pavilion.
4. Federal/Provincial relations remain good. In the last few months, there have been major changes in provincial politics. In Quebec Mr Pierre-Marc Johnson has succeeded Mr Lévesque as leader of the Parti Québécois. Elections are to be held on 2 December. Although the PQ currently trail the Quebec Liberal Party in the polls, it is possible that Mr Johnson's personal appeal may be greater than that of the Liberal leader, Mr Bourassa. In the provincial elections in Ontario in May, the Progressive Conservatives were returned with a reduced majority, and after losing a vote of confidence were replaced (after 40 years in power)

RESTRICTED

by a Liberal Government with New Democratic Party support. Premier Lougheed of Alberta has also resigned: his successor, Don Getty, a businessman and former provincial Minister, was chosen on 13 October. The Progressive Conservatives hold 75 of the 79 seats in the Provincial Legislature.

5. The economy continues to grow between 3% and 4%. Inflation is 3.8%. Unemployment has decreased to 10.4% nationally (provincial figures vary). Exports are 75% to the US with which Canada has a massive trade surplus. Imports from the UK for the first six months of 1985 are 3.5% up on the corresponding period in 1984. The restrictive Foreign Investment Review Agency was finally interred on 2 July. A campaign is being launched to attract overseas investment, focussing particularly on the United States, the European Community countries, Japan and Hong Kong. By a 31 October Agreement between the Federal Government and the gas producing provinces Canada will move to a fully market oriented pricing regime for both domestic and exported natural gas.

North America Department
Foreign and Commonwealth Office
21 November 1985



FILE

JA

cc: FCO

10 DOWNING STREET

THE PRIME MINISTER

20 November, 1985

Dear Mr. Lougheed,

Thank you so much for your letter which you sent on the eve of your retirement from the office of Premier. I was very pleased to be able to send a message to the commemorative dinner in your honour in Edmonton on 11 October congratulating you on so many successful and productive years in office. I wish you a very happy return to private life and thank you once again for receiving me so hospitably in Alberta during my visit to Canada.

Warm regards,

Yours sincerely
Margaret Thatcher

Mr. P. Lougheed.

RM



file

27

cc: P.C.

10 DOWNING STREET

From the Private Secretary

19 November, 1985

Thank you for your letter of 18 November about the visit of Madame Sauve.

With difficulty, the Prime Minister could see Madame Sauve at 1800 hrs on Friday, 22 November. I should be grateful if you would inform her. I regret that we have no other time free.

(C.D. Powell)

C.R. Budd, Esq.,
Foreign and Commonwealth Office.

Sm.

18000 - Fri 22 Nov. CCP

(1)



Foreign and Commonwealth Office

London SW1A 2AH

18 November 1985

I shall have
to

Prime Minister
You really can't fit this
in. Contact for me
to explain that you simply
can't do it?

Dear Charles,

The Governor-General of Canada, Madame Sauvé, has requested a brief personal call on the Prime Minister when she is in London later this month. Madame Sauvé has met the Prime Minister on several occasions, notably during Mrs Thatcher's visit to Ottawa in 1983, when Madame Sauvé was Speaker in the Canadian House of Commons. Their acquaintance dates from the early 1970s, when the Prime Minister and Madame Sauvé were respectively Minister of Education and Minister of State for Science and Technology.

CCP

You will recall that the Prime Minister was unable to see Madame Sauvé when she came to London in June 1984 to see The Queen (your letter of 31 May 1984 to Peter Ricketts refers). I hope that the Prime Minister will be able to see her on this occasion.

PrS or MAP

Madame Sauvé will be in London from 22-28 November, primarily to call on The Queen on 26 November and to address the UK-Canada Chamber of Commerce on 27 November. Her programme is fairly open at the moment, and a call could therefore be scheduled to suit the Prime Minister's convenience.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

Canada Pt 6 Relations

Peter Longfield
c/o Premier's Office
Alberta

[NB. He's no
longer Premier]

W
M

JANADIT

What you sent me of your retirement
letter from the office of Premier. I was very
pleased to be able to read a
message to the commemorative dinner in
your honor in Edmonton on 11 October
congratulating you on so many successful &
productive years in office. I wish you
a very happy return to private life & that
you are enjoying the receiving &
so hospitably in Alberta in the days of
visit to Canada.

CONFIDENTIAL

cc PC



Foreign and Commonwealth Office

London SW1A 2AH

18 November 1985

Dear Charles,

Letter to the Prime Minister from the Former Premier
of Alberta

Your letter of 11 November asked if there were any particular points to be taken into account in replying to Mr Lougheed's letter.

One slightly awkward point is that Lougheed makes no mention of the fact that the Prime Minister sent him a message on his retirement as Premier (copy attached). We have checked with the High Commission that the message was indeed delivered to Lougheed's office. Lougheed's letter is all too clearly part of a round robin operation. A similar letter was received by Sir D Day.

Your reply might include a passing reference to the Prime Minister's message.

Yours ever,

Colin Budd

(C R Budd)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

CANADA
RELATIONS
PT 6





10 DOWNING STREET

From the Private Secretary

11 November 1985

I enclose a copy of a letter to the Prime Minister from the former Premier of Alberta. I should be grateful to know if there are any particular points which need to be taken into account when preparing a draft reply from the Prime Minister.

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.



Alberta



THE PREMIER OF ALBERTA
Room 307 Legislature Building, Edmonton, Alberta, Canada T5K 2B7 / Phone 403/427-2251

October 30, 1985

The Rt. Hon. Margaret Thatcher
Prime Minister of the United Kingdom of
Great Britain and Northern Ireland
10, Downing Street
London SW1
England

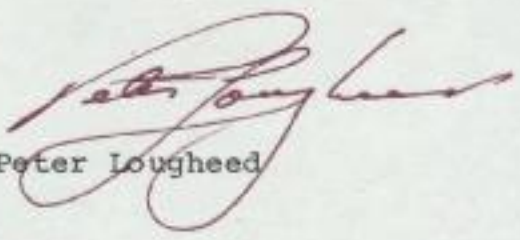
Dear Prime Minister:

As you may know, I have decided to return to private life after twenty years of public service to the people of Alberta. On November 1, 1985, Mr. Don Getty will be sworn in as the next Premier of the Province of Alberta. He was selected to succeed me as leader of the party at a leadership convention on October 13, 1985. Mr. Getty served in previous Alberta cabinets between 1971 and 1979 as Minister of Federal and Intergovernmental Affairs and as Minister of Energy and Natural Resources.

Canada and the United Kingdom have an important, historic relationship and I hope that, in my fourteen years as Premier of Alberta, this Province may have helped assure the strength of the traditional ties between our two countries. It was a great pleasure to be able to receive you in the Province of Alberta in September of 1983, and I have very much appreciated the various opportunities I have had to meet with you.

I know my successor will be equally committed to furthering Alberta's close ties with the United Kingdom, and I hope he will also enjoy the privilege of meeting you.

Yours truly,



Peter Lougheed

PL/tmt



Je v2
cle

10 DOWNING STREET

From the Private Secretary

4 October 1985

MESSAGE TO THE PREMIER OF ALBERTA

Thank you for your letter of 4 October proposing that the Prime Minister send a message to be read out at a dinner in Mr. Lougheed's honour on 11 October.

I am sure that the Prime Minister would endorse the message, though I think that it might refer to "... so many successful and productive years" in the first sentence.

BF | I should be grateful if the message could be sent to Sir Derek Day for delivery.

(CHARLES POWELL)

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

SKW

010

WPE



Foreign and Commonwealth Office

London SW1A 2AH

4 October 1985

Dear Charles,

Message to the Premier of Alberta

The Progressive Conservative Party of Alberta will elect a new leader at a leadership convention on 13-14 October. At that point the resignation of the present leader and Premier, Mr Peter Lougheed, will come into effect.

The Prime Minister met Mr Lougheed when she visited Edmonton in September 1983 and also when he visited London in February of last year. Mr Lougheed, who has announced his intentions of returning to the private sector, has had twenty years as party leader and fourteen as Premier. He built the Progressive Conservative Party of Alberta from nothing into its present position where it holds 75 of the 79 seats in the Legislation Assembly. Alberta has a very strong financial position and is in a phase of strongly resumed growth. Mr Lougheed is therefore leaving entirely of his own volition and at a time when his reputation is high.

His long period of office, his high reputation and his personal contact with the Prime Minister make it appropriate that she should send a short message which could be read out, with other tributes, at a commemorative dinner being held at Edmonton in Mr Lougheed's honour on 11 October. The message might be on the following lines:

"I send you my warm good wishes as you step down after so many years as Premier of Alberta and leader of the Alberta Progressive Conservative Party. I recall with great pleasure my visit to Alberta on September 1983 and our meeting in London in 1984. I wish you every success for the future."

Yours,
Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

Canadian High Commission



Bureau Commissariat du Canada

CDP
2/4

1 Grosvenor Square,
London W1X 0AB.

October 2, 1985.

S E C R E T

Dear Prime Minister,

in box
Prime Minister Mulroney has asked me to forward to you the attached text of a letter. The original of the letter has been dispatched from Ottawa by diplomatic bag and will be forwarded to you upon receipt here in London.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Roy McMurtry'.

R. Roy McMurtry,
High Commissioner

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10 Downing Street,
London S.W.1



Foreign and Commonwealth Office

London SW1A 2AH

13 September 1985

Dear John,

Calls by Canadian Ministers

Canadian Ministers, Federal and provincial, frequently visit London and call on UK Ministers. Our High Commission in Ottawa often find themselves unbriefed when Canadians who have accompanied Ministers attempt to review the visits with them. In a recent case when some follow-up was necessary, the High Commission had to telephone the department in London to find out what had been agreed.

Against that background I write to ask if you could please ensure that copies of records of any such meetings with your Ministers are always sent to our North America Department (Room WH 318, telno 233 7858), in addition to any copy you may send to the relevant subject Department in the FCO. A note or telephone call is useful even if little of substance was discussed.

I am copying this letter to all Private Secretaries to Ministers.

Yours Sincerely,
Colin Budd

(C R Budd)
Private Secretary

John Mogg Esq
PS/Secretary of State
Department of Trade and Industry
Victoria Street
LONDON SW1

TOP COPY

UNCLASSIFIED

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OCMIAN 4494
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RR OTTAW
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071230Z OCT
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UNCLASSIFIED
FM FCO
TO ROUTINE OTTAWA
TELNO 322
OF 071230Z SEPTEMBER 85

MESSAGE TO THE PREMIER OF ALBERTA
1. THE PRIME MINISTER HAS APPROVED THE FOLLOWING MESSAGE TO
MR LOUGHEED, DESIGNED TO BE INCLUDED IN THOSE TO BE READ OUT
AT THE COMMEMORATIVE DINNER IN EDMONTON ON 11 OCTOBER.
BEGINS: I SEND YOU MY WARM GOOD WISHES AS YOU STEP DOWN
AFTER SO MANY SUCCESSFUL AND PRODUCTIVE YEARS
AS PREMIER OF ALBERTA AND LEADER OF THE ALBERTA
PROGRESSIVE CONSERVATIVE PARTY. I RECALL WITH
GREAT PLEASURE MY VISIT TO ALBERTA IN SEPTEMBER
1983 AND OUR MEETING IN LONDON IN 1984. I WISH
YOU EVERY SUCCESS FOR THE FUTURE. ENDS.
2. GRATEFUL IF YOU WOULD ARRANGE DELIVERY.

HOWE

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PROTOCOL DEPT
NEWS DEPT

RESTRICTED

6759 - 1

OCMIAN 6759
RESTRICTED
DD DESKBY 051830Z OTTAW
FM FCOLN TO OTTAW
051630Z SEP
GRS 61

RESTRICTED
PM FCO
TO IMMEDIATE DESKBY 051830Z OTTAWA
TELNO 273

YOUR TELNO 500: MRS MULRONEY'S BABY.
THE PRIME MINISTER WOULD BE GRATEFUL IF YOU WOULD PASS THE
FOLLOWING MESSAGE TO MRS MULRONEY:
BEGINS
MANY CONGRATULATIONS ON THE BIRTH OF YOUR SON AND BEST WISHES.
MARGARET AND DENIS THATCHER.
ENDS
HOWE

NNNN
YYYY
MAIN
LIMITED
NAD
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PS
PS/LADY YOUNG
PS/EGGAR
PS/PUS
MR DAVID THOMAS

COPIES TO
PS/NO 10 DOWNING ST

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FILE

89

10 DOWNING STREET

From the Private Secretary

5 September, 1985

BF for telegram

I should be grateful if you could arrange for the following message to be passed to Mrs. Mulroney, wife of the Canadian Prime Minister, from the Prime Minister:

"Many congratulations on the birth of your son and best wishes.

Margaret and Denis Thatcher".

(C.D. Powell)

P. Ricketts, Esq.,
Foreign and Commonwealth Office.

CRH

042025Z SEP

GRS 70

UNCLASSIFIED

FM OTTAWA

TO IMMEDIATE FCO

TELNO 500

OF 042025Z SEPTEMBER 85

AND TO NO. 10 DOWNING ST

FOR RESIDENT CLERK

MRS MILA MULRONEY

1. THE WIFE OF THE CANADIAN PRIME MINISTER, MRS. MILA MULRONEY, WAS SAFELY DELIVERED OF A BABY BOY TODAY (4 SEPTEMBER), WHICH IS THE ANNIVERSARY OF MR MULRONEY'S ELECTION VICTORY.

2. FCO PLEASE PASS TO NO 10 DOWNING ST.

DAY

YYYY

ODWRAN 0344

NNNN

IMMEDIATE

(3)

ADVANCE COPY

RC

10/Proton

140/210

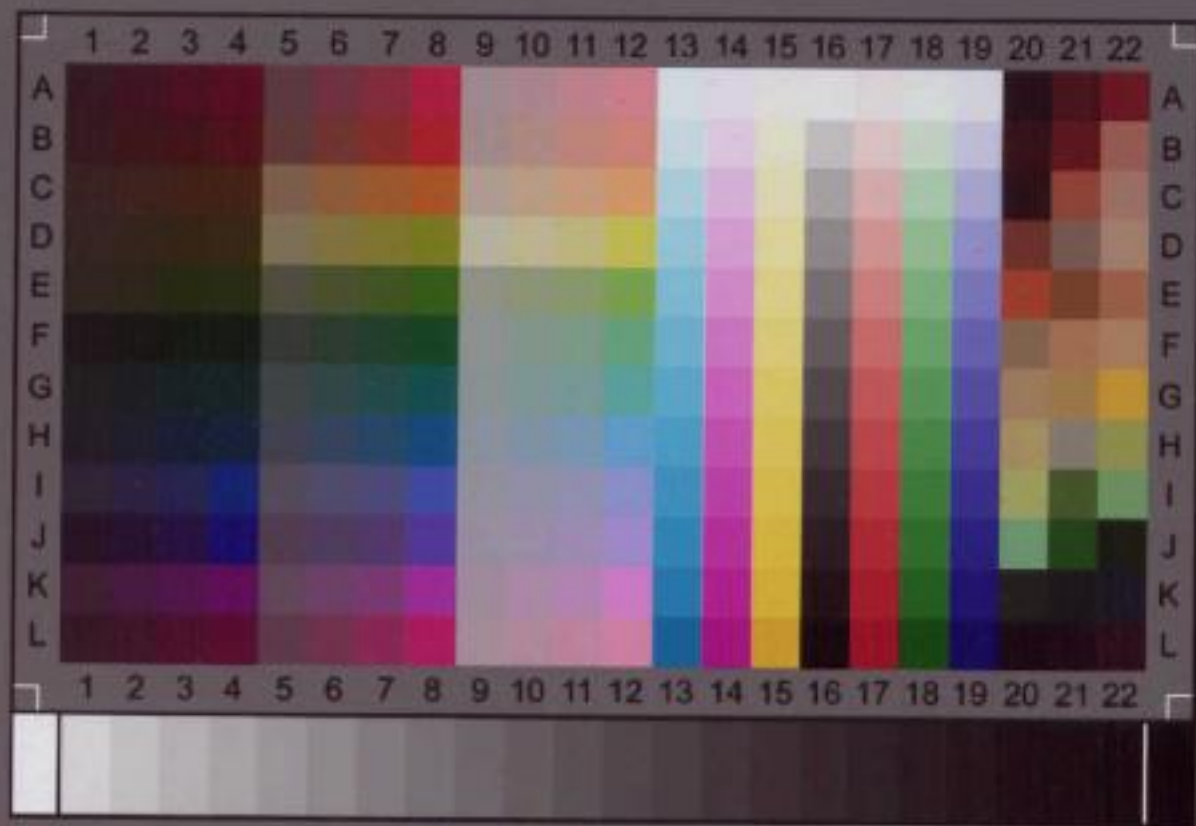
15/210 D. ST.

PART 5 ends:-

Canadian High Commission to PM 14/6/85

PART 6 begins:-

CAF to P3/FCO 5/9/85



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