

FROM: The High Commissioner

DATE: 21 June 1988

Private Secretary/No. 10

**PRIME MINISTER'S VISIT TO OTTAWA: 22 JUNE 1988:
SIGNATURE OF BILATERAL AGREEMENTS**

- / 1. I attach the text of Mr Mulroney's proposed talking points after signature of the agreements.
- / 2. I also attach some suggested points on which the Prime Minister might wish to draw in replying.
3. The airline representatives who will be present at the signature of the Canada/UK Air Services Agreement will be:
 - Air Canada : Claude Taylor (Chairman)
Pierre Jenniot (President and
Chief Executive Officer)
 - Nationair : Claude Levesque (Vice-President,
Marketing)
 - British Airways: Ian Reid (Vice-President, Sales
for Canada)
John Moreau (Customer Services
Director, BA(Canada))
 - Wardair : We understand that as Mr Max Ward
is not available they will not
be represented.

Charles Herzfeld

W.H. A B Urwick

MR MULRONEY'S TALKING POINTS

Prime Minister Thatcher and I have just signed two important treaties.

The Mutual Assistance Treaty in Criminal Matters on Drug Trafficking provides a framework for cooperation between Canada and Britain that will lead to improved assistance in the investigation and prosecution of international narcotics trafficking and related criminal activities.

The Treaty is a concrete response to serious concerns expressed by the Toronto Summit participants with regard to the increasing problems of international drug trafficking and money laundering which is generally associated with it.

I am also delighted that we have signed the historic Canada-UK Air Agreement today.

It attests to our traditional and close relationship.

This agreement is consistent with the economic objectives that we share.

We have agreed to remove the heavy hand of government regulation from air services between our two countries.

This agreement has been called an OPEN SKIES AGREEMENT.

Politically speaking, Prime Minister, perhaps we should call it a BLUE SKIES AGREEMENT.

SUGGESTED POINTS FOR PRIME MINISTER'S REPLY

I can wholly endorse Prime Minister Mulroney's statements on both the agreements.

Appropriate, given emphasis at the Toronto Summit on the battle against drug trafficking world-wide, that our two countries should be signing today an agreement which will give practical implementation to this cooperation.

We hope to have a bilateral network of agreements. This one with Canada is only the second we have signed so far.

Our Air Services Agreement has many liberal and pro-competitive ^{OLA} features which make it a pathfinder for both our countries.

It is symbolic of our common approach to sweeping away out-dated regulatory controls and opening up wide-ranging opportunities for the airlines of our countries.

On behalf of the consumer I am particularly pleased that the traveller should also benefit from tariff competition.