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PRIME MINISTER

SPEECH TO THE CANADIAN PARLIAMENT

You are to address the Canadian Parliament in Ottawa on 22 June. You are also to speak at Conrad Black's dinner for leading Canadian businessmen in Toronto the previous evening. You should be aware that Chancellor Kohl will also be addressing the Canadian Parliament just before the Summit, ie only a few days before you.

Mr. Mulroney's purpose in inviting you to speak is unabashedly electoral. He may chose to go to the polls this summer or autumn, hoping for a boost from the Economic Summit and with the Free Trade Agreement with the United States the main positive issue. He has asked that you be forthright and concentrate on fundamentals in your speech, in particular:

- an account of the changes brought about in the British economy over the last nine years and the policies which led to them (with a puff for the Canadian economy);
- the need to get away from nanny-state;
- the importance of free trade in making an economy more efficient and more successful;
- the need for strong defence;
- the basics of your approach to East/West relations.

I attach a copy of your 1983 speech. You will recall that your main themese then were the common ideals of Britain and Canada, the need for strong defence in the face of the Soviet threat, the need to resume progress on arms control and the opportunities for Britain and Canada to work together.

You will of course want to avoid traversing the same ground. In the light of Mr. Mulroney's specifications it points to a practical and down-to-earth speech, rather than one dealing with general concepts such as the nature of democracy which you covered last time. You might focus on how things have changed in the intervening five years - in the UK, in the

world economy and in East/West relations - in order to draw lessons for the main tasks ahead, which are:

- continuing the non-inflationary growth. You will be able to draw on the conclusions of the Economic Summit which will be fresh;
- working for freer trade covering the GATT round and agriculture, the Single Market in the EC and the US/Canada Free Trade Agreement;
- maintaining strong defences and deterrence at a time when public opinion will view the Soviet Union with increasing benevolence;

The general message from this visit might be the success of the West's economic and defence policies so far and the need not to relax or to waver but constantly to push forward to further achievements. I attach a possible outline.

I have asked Hugh Thomas for some historical material for the introduction but have not yet received it.

CHARLES POWELL

28 May 1988

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