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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 PARILIAMTLEY 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.

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